



2014-2015

# ANNUAL REPORT

**E**XPLORE  
**E**XPAND  
**E**NRICH

THE LEVEL-NEXT THINKING

GRAVITA INDIA LIMITED

#### Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## Corporate Overview

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Becoming the leading player is one part of the equation.

The other, crucial part is maintaining that position.

This requires a concrete foundation, sharp insights and a willingness to go beyond the norm.

The economy is bound to change strides and give birth to newer, tougher challenges.

The one who can think ahead and find opportunity within these challenges is the one who will stand out.

The one who can venture into newer grounds, adapt to newer technologies and set-up newer capabilities is the one who stands firm in volatile times.

Because at the end of the day, long-term sustainability depends on pushing the unfamiliar boundaries and getting the three fundamentals right-



# GRAVITA AT A GLANCE

## OUR VISION

- ◆ At Gravita, all our operations are eco-friendly and cost-competitive. We are dedicated in preserving and protecting our natural resources and are aware that we can do so only in a pollution-free environment.
- ◆ Our greatest and most precious asset has been our people and we are not averse to invest in their training and improvement. As we believe that it will enable them to combat new challenges in dynamic scenario.
- ◆ Customer satisfaction is of paramount importance to us and we go all out to satisfy them with excellent service and value for money.

## OUR MISSION

Our mission is to be a leading brand in the field of Lead, both nationally and internationally through constant endeavour and innovation.

## OUR VALUES

- ◆ Uncompromising commitment to quality and performance-related excellence
- ◆ Constant innovation
- ◆ Committed delivery schedule
- ◆ Enhancing customer delight

WE ARE AMONG THE LARGEST SECONDARY LEAD MANUFACTURERS WITH STRONG MARKET PRESENCE IN INDIA AND THE WORLD.

{ **55%** | Share of revenue we derive from countries outside India }

{ **45%** | Share of revenue we derive from our domestic sales }

{ **45+** | Number of products we have in our product portfolio }

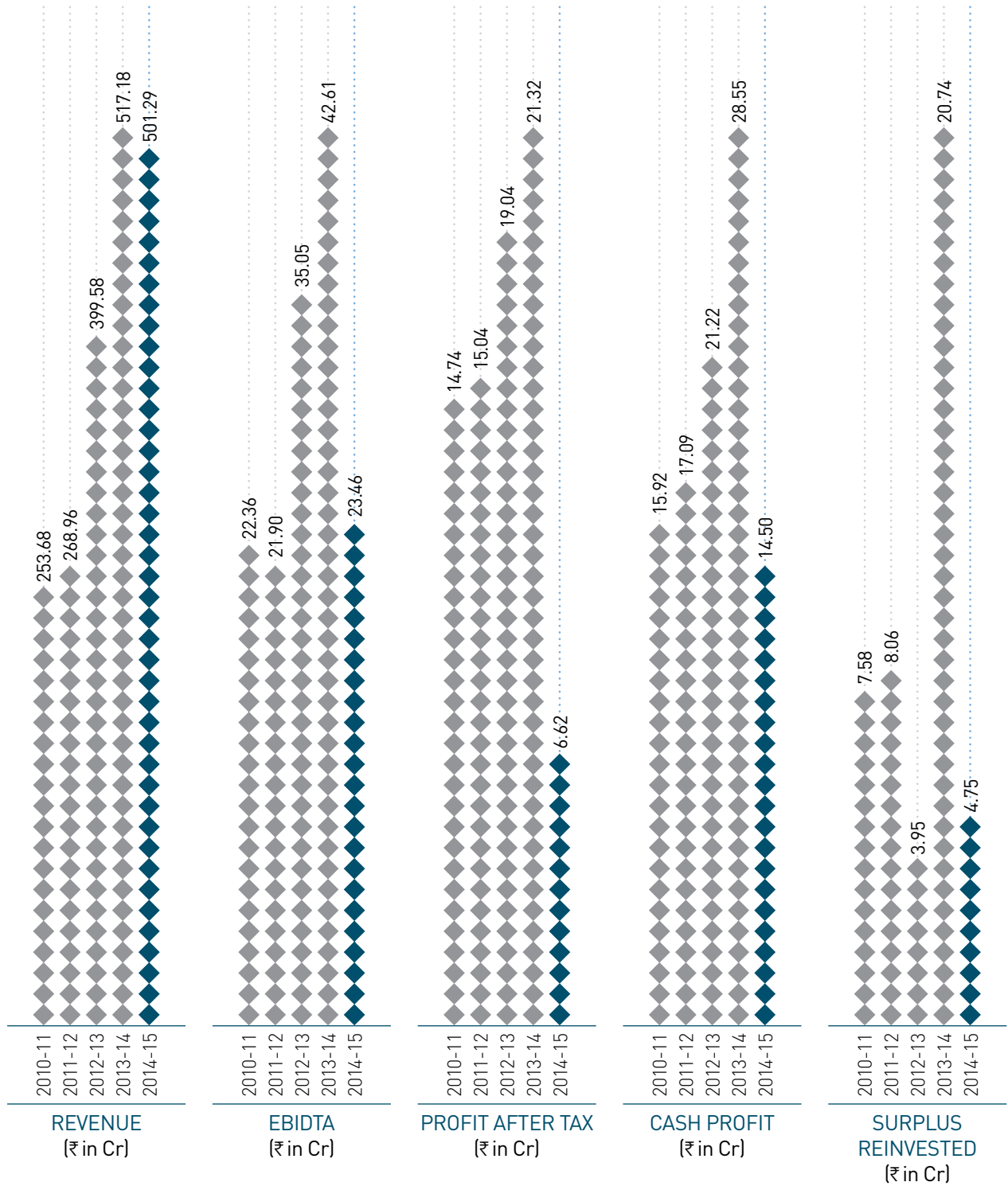
**WE DRIVE THE ORGANISATIONAL GROWTH THROUGH:**

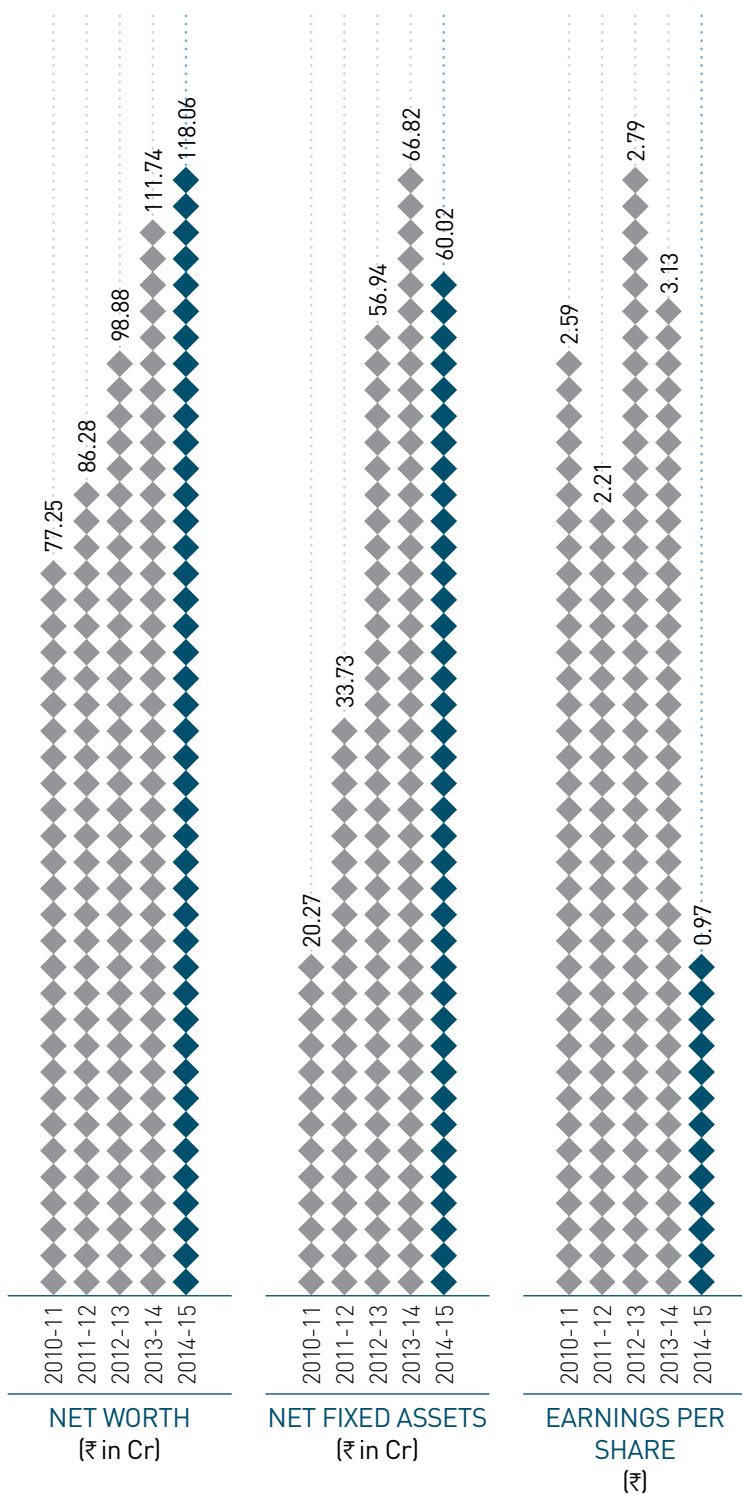
- ◆ Our nine integrated global manufacturing plants in Asia and Africa.
- ◆ An enriched product portfolio that helps us serve our discerning customers.
- ◆ Covering an entire value-chain of downstream sector for Lead – like Lead Acid Battery, EHV, Power Cables, PVC Stabilisers, Pigments, Radiation Protection Applications, Solar Power and Constructions.

**WE ACHIEVE SUSTAINABLE PROFITABILITY AND VALUE-CREATION FOR STAKEHOLDERS THROUGH:**

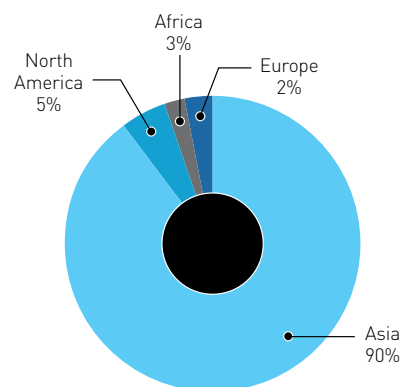
Operational and financial efficiency, disciplined working capital management and maximised asset utilisation.

# FINANCIAL HIGHLIGHTS

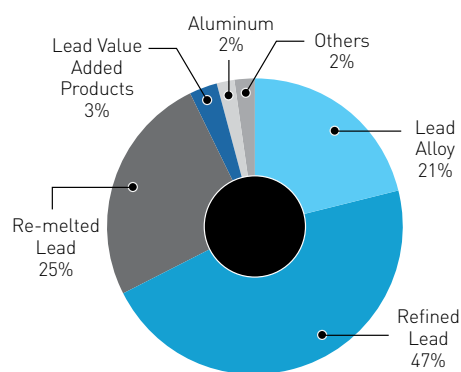




### REVENUE BY GEOGRAPHY



### REVENUE BY PRODUCTS



**2.28%**  
Return on Assets in 2014-15

**5.76%**  
Return on Equity in 2014-15

## MESSAGE FROM CHAIRMAN



*Dear Shareholders,*

**A**t the backdrop of differentiated economic scenario across the globe, the Indian economy continued its surge towards positive growth. This was on the wave of the decisive mandate in general elections held last year, resulting in improved growth-inflation matrices for the country. While the commodity prices witnessed significant correction, the positive sentiments and key domestic reforms helped the rupee to remain largely stable. However, the depreciation in Euro currency and fall in crude oil prices further led to plummeting of commodity prices. Amongst such volatile global macro-economic factors, Gravita India showcased its resilience in remaining sustainable and creating stakeholder value.

### INDUSTRY OVERVIEW

Over the years, we transformed ourselves into an integrated Lead manufacturer, and are now moving steadily towards leveraging those strengths to achieve the level-next growth. The lead industry itself has evolved significantly over recent times, with several new downstream sectors. This has led to increasing demand of metal. Earlier, the sector was dependent only on automotive sector. Today, the demand for uninterrupted power in telecom, banking, solar and hospitality sectors has led to a surge in demand for Lead based batteries. The urbanisation trend and Smart City move initiated by the new government is driving demand into power cable industry. Both Lead based batteries and EHV power cables are facilitating positive sentiments for the Lead industry.

### OPPORTUNITY AREAS

The UPS Lead based battery market has of late seen difficult times due to a slowdown in the capital expansion and investment, especially in the technology space. However, the expanding e-commerce, IT & ITES industries will require elaborate infrastructure like servers, network equipment, storage devices which in turn will need constant power back-up, due to persistent power shortages and rising power requirement.



{ **4.68%** }

EBIDTA margin in  
2014-15

The government's decision to increase the depth and coverage of banking services in under banked areas, especially by increasing the presence of 'White-labeled ATMs', is expected to strengthen demand for UPS batteries. Moreover, sun rise areas like Solar Power are also expected to propel the growth in the industrial battery business. Telecom infrastructure, like towers and exchanges, directly create demand for lead batteries. Major growth drivers of the Telecom Sector are the roll out of 3G, 4G & Wi-Max services, expansion of network coverage, strengthening of signal strength and network density and increase in penetration of broadband internet. These domestic opportunities not only provide us with the optimism of higher revenues in the coming period, but also provide us an abundance of raw material domestically. With the rise in general awareness among the small scale scrap battery suppliers, scrap is being increasingly sold as per norms. This indeed is a great opportunity for both the organised sector and the nation at large.

#### PERFORMANCE IN 2014-15

Gravita India weathered the volatile global macro-economic factors and stood firm to report sustained revenues and profitability levels. The revenues stood at ₹501.29 Crores (compared to ₹517.18 Crores in 2013-14). The net profit for the year recorded at ₹6.62 Crores as compared to ₹21.32 Crores in 2013-14). The current pricing of sold material and parking raw material at net realisable value were the primary factors behind such significant fall in profitability.

The price fluctuation hit the industry unexpectedly and on a worldwide scale, as seen in the previous years. The prices are market driven and depend on multiple factors existing in local as well as international market. As a result, the profitability went down and the profit on inventory was deferred for next period.

#### EXPLORE. EXPAND. ENRICH.

Even today, a large unorganised market exists for secondary Lead production. The high efficiency with which Lead acid batteries can be recycled is a natural entry barrier for small unorganised players. Since recycling, if not done with proper care, can result in heavy pollution, the Government of India has laid down several guidelines. The Batteries (Management and Handling) Rules, 2001 is the law governing battery regulation in India.

In this landscape, Gravita India enjoys a clear edge in leveraging its strengths to achieve higher growth. As a holistic Lead conglomerate, our businesses covers a wide berth - from manufacturing and turnkey projects to technology solutions and trading. Being an integrated player, we are now exploring the opportunity to diversify our product offerings by adding Lead chemical in the form of 'Lead Oxide' to our product basket. From Lead, we can extract Red Oxide and Litharge, and strengthen our integration capabilities. We look forward to adding Aluminum Alloy into our product basket as well, which would help us emerge as a key metal player in the country. On the market side, while we are predominantly present in one pocket of India, we are also looking

to expand our domestic presence in South and West India. We intend to set-up integrated manufacturing facilities at strategic locations that would give us the flexibility to not only expand our domestic presence, but also leverage locational advantage to expand globally. These proactive, futuristic and strategic initiatives will strengthen our position in the industry as a leader, and will enrich our core capabilities coupled with enhanced return on equity for our stakeholders.

#### THE WAY FORWARD

Our country stands on the threshold of exciting growth with several reforms and industrial growth expected to take place in the coming months. At Gravita India, we shall continue to focus on leveraging our integration and technology, exploring and capitalising growth opportunities, expanding our presence and enriching our capabilities to create a robust organisation.

I sincerely thank the entire team, management and Board for their continued support, and look forward to an exciting 2015-16.

Warm Regards

**Dr. Mahavir Prasad Agarwal**  
Chairman

# EXPLORE

## NEW OPPORTUNITIES

THE GAP BETWEEN PRIMARY AND SECONDARY PRODUCTION OF LEAD IS STEADILY INCREASING, WITH THE FORMER BEING MORE CAPITAL INTENSIVE. IN ADDITION, THE DEPLETING MINERAL SOURCES HAVE STRENGTHENED OUR POSITION TO EMERGE AS A LEADING SECONDARY LEAD MANUFACTURER – BOTH NATIONALLY AND GLOBALLY.

Having established ourselves as one of the leading secondary Lead manufacturers, we are now exploring new opportunities to take our business to new scales of success. Understanding the macro economic factors and its cascading effect on the industries, we are gearing up to prepare a more sustainable organisation.

Despite the Lead acid battery in automotive sector and Invertor sector comprising a major chunk of our revenue, it has been a volatile sector due to several macro socio-economic factors. Today, our customer partners are exploring telecom and solar power sectors as opportunities to propel us to new growth levels. With the recent conclusion of the spectrum auctions and

increasing internet penetration, the telecom sector is expected to unleash the next level of growth. Solar power generation is already a 'sunrise' sector, gaining prominence not only India, but across the globe. Both these sectors will require Lead acid batteries as an integral source of power support and back up, which translates into revenue and profitability for the industry.

Besides Lead acid battery sector, EHV power cable is a fast paced emerging segment. The demand for this segment will be further fuelled by the "Smart City" concept and faster rate of urbanisation. Customised Lead Alloy is used here, for specific areas, due to its distinctive advantages. This is creating a new avenue for the Lead industry.



# EXPAND

## NEW GEOGRAPHIES

WE OPERATE WITH THE MANUFACTURING FACILITIES ACROSS 5 COUNTRIES (INDIA, GHANA, SENEGAL, SRI LANKA, MOZAMBIQUE), BACKED BY A MARKET PRESENCE ACROSS 5 CONTINENTS AND 59 COUNTRIES. THIS KIND OF WIDESPREAD PRESENCE ALLOWS US TO LEVERAGE OUR EXPERTISE ACROSS NEWER GEOGRAPHIES.

Over the years we have established ourselves as a preferred secondary lead supplier, both in India and the world. We captured significant market share in several countries through our manufacturing facilities and marketing offices.

With a large global market presence in place, we feel the next-level of opportunity is yet to be unveiled in India. As a strategic measure in market dynamics, we sourced scrap batteries internationally. However, with evolving industry sentiments, we are looking to strengthen our foothold in India

– both for raw material and end-products. We intend to set up a new manufacturing plant in South and Central India - native to automobile industry. In addition, we are looking at setting up plants which will not only help us serve the domestic demand of our diverse product basket, but also allow us to venture into new international countries. These strategic manufacturing bases will further enable us to increase our raw material procurement from domestic regions at cost-effective prices.

### 90

Number of global clients

### 108

Number of domestic clients

### 95149

Total capacity (MTPA) as on 31st March, 2015

# ENRICH

## NEW CAPABILITIES

WE ARE PERHAPS THE ONLY PLAYER IN THE GLOBAL SECONDARY LEAD INDUSTRY TO OFFER A COMPLETE SOLUTION: FROM SETTING UP TURNKEY PROJECTS TO MANUFACTURING AND TRADING COMPLETE RANGE OF LEAD PRODUCTS.

Since its inception, Gravita has believed in the power of integration and its subsequent benefits. We not only expanded the capacities for our manufacturing sites, but also expanded the order book for our turnkey division and in the process enriched our product base for the trading vertical as well.

Over the years, we have believed in emerging as a holistic player to serve discerning client needs through our multiple offerings.

We consciously invested in state-of-the-art technologies to maximise productivity and enhance efficiency and quality levels. We are among the very few players who are certified as an environment-friendly company and consistently comply with stringent regulatory requirements. All of this has helped us create long-standing customer relationships and translate it into growing revenues over the years.

**99.97**

Level of purity (%) of the products manufactured

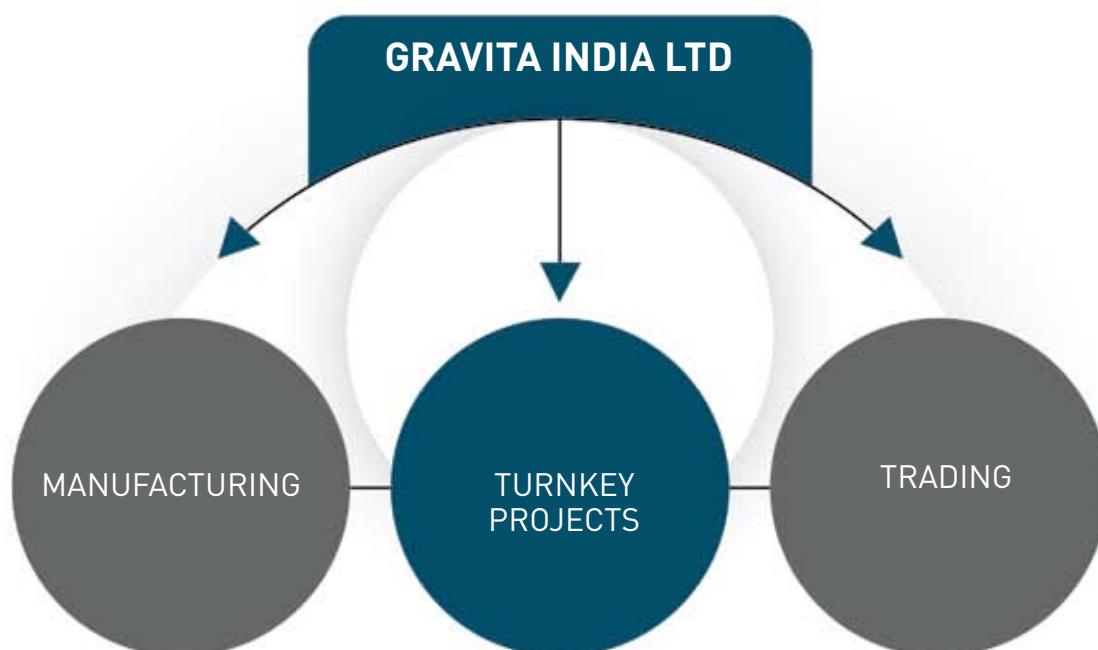
**5+**

Average years of relationship with our customers

**3**

Integrated business verticals driving the Company ahead

## BUSINESS SEGMENTS AT A GLANCE



Vertical	Particulars	Highlights
Manufacturing	<ul style="list-style-type: none"> <li>◆ Major revenue generating and primary business of the Company.</li> <li>◆ Multiple manufacturing plants (in India and world).</li> <li>◆ Manufactures Lead (through Lead Smelting), Lead Refining and several other products.</li> <li>◆ Plans in place to set up international manufacturing units and enter into strategic joint venture partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Expanded capacities from 55600 MT in 2011-12 to 95149 MT till 2014-15.</li> <li>◆ More than 45 different types of products manufactured.</li> <li>◆ Tax benefits at 6 locations.</li> </ul>
Turnkey Projects	<ul style="list-style-type: none"> <li>◆ Ability to facilitate and fabricate lead Recycling, Smelting and Refining Plants.</li> <li>◆ Establishes processes and plants adhering to environment-friendly mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Executed more than 58 turnkey projects till 2014-15.</li> <li>◆ Worked for niche global clients in more than 40 countries.</li> <li>◆ Ability to offer customised solutions for each client.</li> <li>◆ Processes and plants delivered as per international standards.</li> </ul>
Trading	<ul style="list-style-type: none"> <li>◆ In-house expertise and excellence of more than 2 decades leveraged to trade in Lead Alloys, Lead Value Added products and more.</li> <li>◆ New trading opportunities grabbed in 2014-15 in the field of aluminum scrap and alloys, PET scrap, recycled plastics and lubricants.</li> <li>◆ Dedicated team in place with business-to-business (B2B) platform</li> </ul>	<ul style="list-style-type: none"> <li>◆ More than 8 products traded.</li> <li>◆ Approximately 8% of total revenue generated in 2014-15.</li> <li>◆ Commodities traded for clients in more than 9 countries in 2014-15.</li> </ul>

# Management Discussion & Analysis

## Economy overview

As per IMF estimates (World Economic Outlook, January 2015), world GDP growth remained unchanged and global economic growth continued to remain volatile. Meanwhile, advanced economies like the US, Eurozone and UK are expected to have gained traction. Emerging economies like China, Russia, Brazil etc. are expected to see a slowdown in their respective economies. Overall, it appears that the pace of economic recovery is steadily getting back on track.

The Indian economy started FY 2014-15 on a positive note, with significant improvement in market and business sentiments, following the General Elections in May 2014. Thereafter, a supportive global commodity price environment, along with gradual improvement in governance, resulted in moderate increase in economic output. As per the new revamped series (with FY 2011-12 as the base year), GDP growth for FY 2014-15 stood at 7.3% from 6.9% in FY 2013-14.

India's external sector, which witnessed vulnerability in the FY 2013-14, saw a significant improvement in the current year. After correcting to 1.7% of GDP in FY 2013-14, the current account deficit (CAD) is expected to improve to 1.3% of GDP. This is largely backed by the plummeting crude oil prices since June 2014.

## Industry overview

Global demand for lead is expected to rise by around 2% CAGR during the next couple of years. However, lead demand in China has shown a negative trend. The main cause of lower lead demand in China is the decline in production of e-bikes that account for a significant portion of Chinese automotive lead-acid battery sales.

The global growth in lead is largely driven by positive sentiments from the US and European markets, followed by the BRIC nations (except China). World lead mine production is expected to increase by 2.2 percent to 5.87 million tonne in 2015.

World refined lead production is forecasted to rise by 2.2 percent to 11.54 million tonne in 2015. According to International Lead and Zinc Study Group, the global demand for refined lead metal will continue to exceed supply by a modest margin during the

next couple of years. Lead market is supposed to remain in deficit by 23 thousand tonne in 2015. (Source: International Lead and Zinc Study Group)

## Lead prices – An insight

Lead prices have remained depressed in H2 2014 due to ongoing slowdown in China and Europe. Demand from China reduced owing to production slowdown of e-bikes and the lead market moving into a surplus. The factor which would keep the lead prices supportive in near term is large mine closures in major producing areas. These would end up creating a deficit of the metal by the end of 2015. Lead prices had fallen by almost 23 percent in the last six months, but have regained their stability in the recent past.

## India snapshot

International lead prices have been cooling off for almost a year now. From about \$2,200-2300 a tonne in July 2014, prices on the London Metal Exchange have dropped by over 25%, to around \$1,800 a tonne now. One of the major reasons for this was slow demand in China. With China accounting for 55% of global lead usage, slower consumption in China curtailed demand. The Chinese economy grew at its slowest pace in 24 years in 2014. Hence, while refined lead usage in China was expected to go up by 7.4% in 2014, it actually moved up by only 2%.

## Demand drivers

### *Battery market*

Lead as a metal is widely used in batteries across several industry verticals in India. The lower per capita use of battery in India is a huge opportunity for battery manufacturers to witness unprecedented growth in the long run. Currently, it is estimated that the battery use per capita in India is around USD 1.6/ per annum, as against a world average of USD 10.1 per annum and US consumption of USD 48.7 per annum. In raw materials, lead accounts for about 60% of total manufacturing costs.

### *Solar power*

The Indian power sector is undergoing a significant change that is redefining the industry outlook. Sustained economic growth continues to drive power demand in India. The Government of

India's focus on attaining 'Power For All' has accelerated the capacity addition in the country. Indian solar installations are forecasted to be approximately 1,000 megawatt (MW) in 2014, according to Mercom Capital Group, a global clean energy communications and consulting firm. The government has announced a revision of the target of renewable energy capacity by the Ministry of New and Renewable Energy to 1,75,000 MW by 2022.

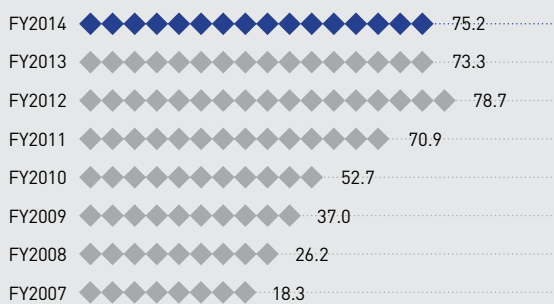
#### Telecommunications

After the value destructing phase, Indian telecom sector witnessed a growth oriented 2014. Sector revenue grew, driven

mainly by nearly 100% growth in data revenues. Share of data revenues increased from 5 - 6% in 2013 to almost 12 - 13% in 2014 for all leading players. Driven by strong data consumption on handheld devices, the total mobile services market revenue in India will reach US\$ 29.8 billion in 2014 and is expected to touch US\$ 37 billion in 2017, registering a compound annual growth rate (CAGR) of 5.2 per cent, according to the research firm IDC. With increasing demand for higher bandwidth, the need for telecom towers is on the rise, which will subsequently lead to increasing demand for lead based industrial acid batteries.

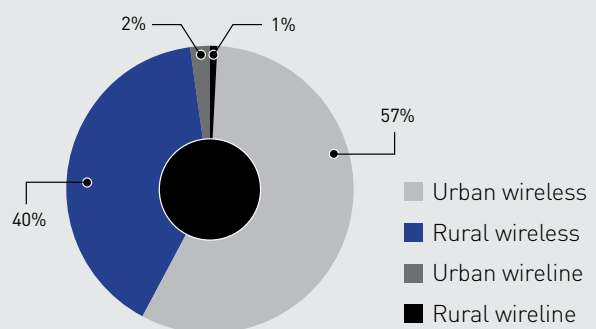
#### Teledensity in India

In March 2014, total telephone subscription stood at 933 million, while teledensity was at 75.2



#### Composition of telephone subscribers in India

The wireless segment (96.9 per cent of total telephone subscription) dominates the market, while the wireline segment accounts for the rest.



#### Power Sector

Economic growth and electrification are closely associated parameters. Power sector has seen the worst in the last three years and is now regaining momentum. It is expected to grow by more than 15% during the next five years. At present, India's power consumption is well below the world average. The demand shortage is by more than 12%. The Smart City initiative is expected to further boost this sector. Urbanisation and Smart City will usher growth into the power cable industry. The demand for specialised cables will also increase due to

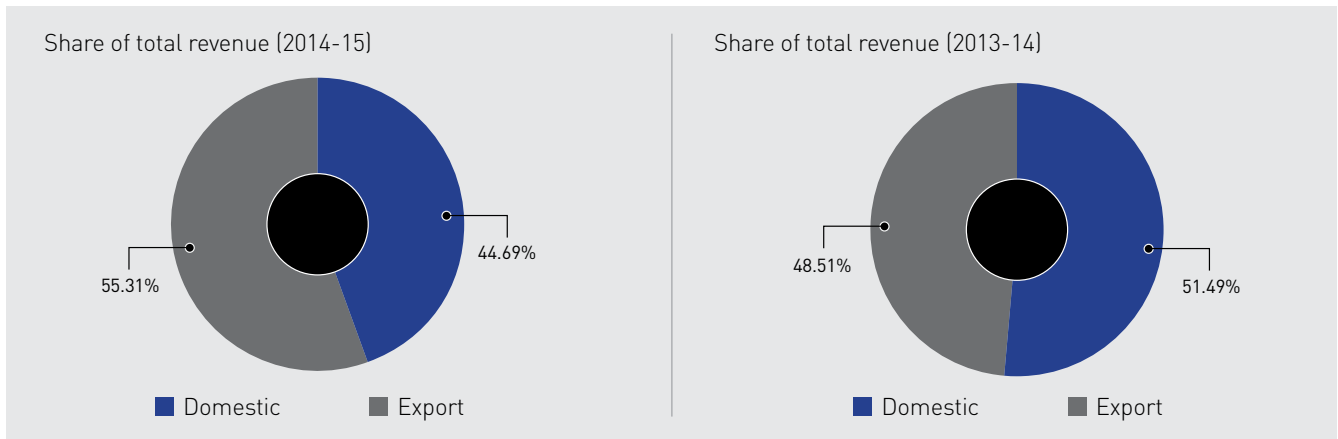
the development of industrial zones and metro rails in various cities.

#### Company overview

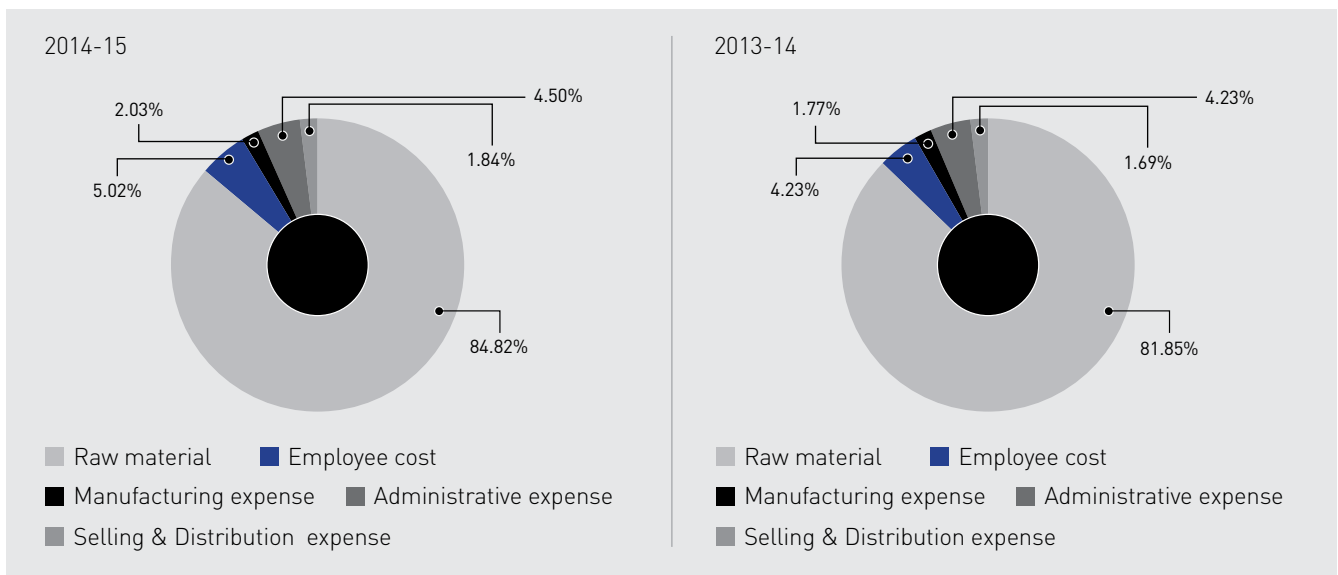
Brief analysis of financial statements in 2014-15

- ◆ Gross revenue stood at ₹501.29 Crores against ₹517.18 Crores in F.Y 2013-14
- ◆ EBITDA plunged by 45% from ₹42.61 Crores to ₹23.46 Crores
- ◆ Net profit fell by 69% from ₹21.32 Crores to ₹6.62 Crores

**Revenue by geography**



**Key components as a percentage of gross revenue**



**Human resource**

We recognise that our human capital drives the Company's customer-driven business model. Therefore, we continuously strive to attract and retain the best talent from the local markets. Apart from having a robust performance management system, we strive to create an inspiring and rewarding work environment. Our employees' skills are constantly upgraded through a variety of training programmes and internal opportunities which increase work based knowledge and efficiencies.

**Internal control systems**

We have established a proper system of internal controls and procedures that are compatible with the size of our operations

and business. A firm of chartered accountants regularly conducts internal audits of our operations, establishments, and stockyards on a quarterly basis, with a view to ensure that these systems are properly adhered to. The Audit Committee reviews the reports of the Internal Auditors and monitors the effectiveness and operational efficiency of these internal control systems. The Audit Committee gives valuable suggestions from time to time for improvement of the Company's business processes, systems and internal controls. The annual internal audit plans are prepared by Internal Auditors in consultation with the Audit Committee and the audit is conducted in accordance with this plan.



# Directors' Report

To  
The Members of  
**Gravita India Limited**

It gives us immense pleasure in presenting you on behalf of the Board of Directors of the Company, the 23rd Annual Report of Gravita India Limited along with Audited Financial Statements for the year ended 31st March, 2015.

## Consolidated Financial Performance

Particulars	Amount (₹ in Lacs)	
	2014-15	2013-14
Total Revenue	50591.81	51,840.27
Total Expenditure	48245.43	47578.78
<b>Profit Before Interest, Depreciation And Tax (PBIDT)</b>	<b>2346.38</b>	<b>4261.49</b>
Less: Interest	987.69	917.74
Less: Depreciation	636.25	603.48
Profit Before Tax	722.44	2,740.27
Exceptional Items	-	22.42
Profit from ordinary Activities before Tax	722.44	2,762.69
Prior Period Items	-	312.29
Less: Provisions for Taxation Including Deferred Tax	(236.03)	287.33
<b>Profit After Tax (PAT)</b>	<b>958.47</b>	<b>2,163.07</b>
Share in Profit of Associates	2.26	1.77
Less: Minority Share in Profit & Loss	298.87	32.67
<b>Profit Available for Appropriation</b>	<b>661.86</b>	<b>2,132.17</b>
<b>APPROPRIATION:</b>		
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets	22.93	-
Interim Dividend	-	204.53
Corporate Tax on Interim Dividend	-	33.18
<b>Transfer from Capital Reserve on Consolidation</b>	<b>-</b>	<b>(724.35)</b>
Transfer to General Reserve	-	148.86
Proposed for Dividend	136.51	340.88
Corporate Tax on Dividend	27.42	55.30
<b>Balance Carried to Balance Sheet</b>	<b>475.00</b>	<b>2,073.77</b>

## 1. Performance at a Glance

During FY 2014-15, International Lead prices have seen a downward trend in average LME from \$ 2093 in FY 2013-14 to \$ 2021 in FY 2014-15. A major reason for the fall in prices was the lower than expected demand for Lead in China and US markets. The industry was affected by currency fluctuations, sluggish demand and consumer down trend and continued to be fraught with challenges. Major economies witnessed slower growth. As the year progressed, business environment remained difficult and operating in such a testing environment proved challenging. FY 2014-15 proved to be full of global economic uncertainties and disturbances in many parts of the world. Despite these constraints and challenging environment, the Company performed rationally well and the highlights of the performance are as under:

### Consolidated Results:

- Consolidated total Revenue stood at ₹ 505.92 Crores
- Operating Profit before Interest, Depreciation and Tax stood at ₹ 23.46 Crores in financial year 2014-2015 as compared to ₹ 42.61 Crores in previous year.
- Net Profit after Tax and minority interest during the year stood at ₹ 6.62 Crores.
- Earnings per Share of the Company stood at ₹ 0.97 per share having face value of ₹ 2 each.
- Cash Profit during the year stood at ₹ 14.50 Crores.

### Standalone Results:

- Total Revenue stood at ₹ 341.07 Crores as compared to ₹ 341.05 Crores in the previous year.
- Operating Profit before Interest, Depreciation and Tax stood at ₹ 12.95 Crores in financial year 2014-2015 as compared to ₹ 25.49 Crores in previous year.
- Net Profit after Tax during the year is reported at ₹ 5.11 Crores as compared to last year's PAT of ₹ 14.89 Crores.
- Earnings per Share of the Company stood at ₹ 0.75 per share having face value of ₹ 2 each.
- Cash Profit during the year stood at ₹ 8.50 Crores.

## 2. Dividend

The Board of Directors of your Company has recommended payment of final dividend @ 10 % (₹ 0.20 per equity share) amounting to ₹ 1.37 Crores. The dividend will be paid to members whose names appear in the Register of

Members as at the close of business hours of 2<sup>nd</sup> August, 2015 and in respect of shares held in dematerialised form it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

## 3. Performance of Subsidiaries/ Associate Companies and Firms

- Gravita Infotech Limited (formerly known as Gravita Exim Limited), India:** Gravita Infotech Limited is a wholly-owned subsidiary of the Company. During the year the name of this company changed from Gravita Exim Limited to Gravita Infotech Limited so as to reflect the main business activity of the company. Since inception this subsidiary was engaged in the business of providing comprehensive turnkey solutions for Cost effective Battery Recycling Process & plant with Environment friendly Technology but from F.Y. 2013-14 the company has ventured in the business of Information Technology (IT) Segment for providing facilities related to IT Software and IT Solutions, Web Designing etc. Total revenue of the Company for current financial year stood at ₹ 1.01 Crores resulting in Net Loss of ₹ 1.03 Crores.
- Gravita Ghana Limited, Ghana:** Gravita Ghana Limited is a Wholly-owned Subsidiary of the Company. The subsidiary is engaged in recycling of Lead Acid Battery Scrap for producing Re-melted Lead Ingots, PP Chips etc. It has been awarded with National Award for Export Achievement for its remarkable performance in export of Re-melted Lead Ingots from Ghana. During the year under review this plant produced 2817 MT of Re-melted Lead Ingots and delivered revenue of ₹ 39.16 Crores resulting in Net loss of ₹ 1.75 Crores.
- Gravita Senegal SAU, Senegal:** Gravita Senegal SAU is a step down subsidiary of Gravita India Limited. The subsidiary is engaged in recycling of Lead Acid battery Scrap for producing Re-melted Lead Ingots, PP Chips etc. During the year under review this plant produced 2187 MT of Re-melted Lead Ingots and achieved a turnover of ₹ 30.14 Crores resulting in Net profit of ₹ 0.71 Crores.
- Gravita Mozambique LDA, Mozambique:** Gravita India Limited collectively with its wholly owned subsidiary Gravita Infotech Limited (formerly known

as Gravita Exim Limited) holds the entire stake of Gravita Mozambique LDA. This Subsidiary is engaged in the business of Manufacture of Re-melted Lead, Pure Lead, Lead Concentrate & Polypropylene Chips. During the year under review this subsidiary has produced 2310 MT of Re-melted Lead Ingots and achieved a turnover of ₹ 29.68 Crores against ₹ 25.68 Crores in last year and reported a Net profit of ₹ 1.41 Crores during the year.

- e. **Gravita Global Pte. Ltd, Singapore:** Gravita Global Pte. Ltd is a wholly owned subsidiary of the Company and is based at Singapore which is engaged in the trading business of Lead & Lead Products. During the year under review the Company has been able to achieve a turnover of ₹ 50.93 Crores resulting in a Net profit of ₹ 1.72 Crores.
- f. **Gravita Netherlands B.V., Netherlands:** Gravita Netherlands B.V. is a step down subsidiary of Gravita India Limited. It is investment subsidiary of the Company and during the year under review this subsidiary achieved a Total Turnover of ₹ 5.19 Crores out of which 5.02 Crores is derived from Dividend income from other business entities/subsidiaries of Gravita Netherlands B.V. During the year under review this company acquired 40% stake of Navam Lanka Limited, Sri Lanka from Gravita Infotech Limited.
- g. **Navam Lanka Ltd, Sri Lanka:** Navam Lanka Limited is a step down subsidiary of Gravita India Limited operating in Sri Lanka for more than a decade. It is the largest producer of Lead Ingots and Polypropylene Chips in Sri Lanka. This subsidiary is engaged in Recycling of Lead Acid Battery Scrap, Polypropylene Chips/Granules & Refining & Alloying of Lead Ingots to produce 99.97% pure Lead and Specific Alloys. During the year under review this subsidiary produced 4528 MT of Re-melted Lead Ingots and Refined Lead Ingots and achieved a Total Turnover of ₹ 58.54 Crores and reported Net Profit after Tax of ₹ 6.23 Crores.
- h. **M/s Gravita Metals, India:** Gravita India Limited along with its wholly owned subsidiary Gravita Infotech Limited (formerly known as Gravita Exim Limited) holds 100% share in this partnership firm. This firm is engaged in Manufacturing of Pure Lead and all kind of Lead Alloys like Antimonial Lead Alloy, Calcium, Selenium, Copper, Tin, Arsenic Lead Alloy etc. The firm is a Gem in the Crown of Gravita India

Limited. The performance of firm was spectacular during the year among all business units as topline of the firm stood at ₹ 120.47 Crores and bottom line stood at ₹ 9.52 Crores with production of 7237 MT of Refined Lead and Lead Alloys.

- i. **M/s Gravita Metal Inc, India:** Gravita India Limited along with its wholly owned subsidiary Gravita Infotech Limited (formerly known as Gravita Exim Limited) holds 100% share in this partnership firm. This firm is engaged in Manufacturing of Pure Lead and all kind of Specific Lead Alloys. During the year under review the unit produced 907 MT of Re-melted Lead Ingots and achieved a turnover of ₹ 11.55 Crores resulting in Net Profit of ₹ 1.49 Crores.
- j. **Gravita Nicaragua S.A., Nicaragua:** Gravita Nicaragua S.A. is a step down subsidiary of the Company. This subsidiary procures the available used Lead Acid Batteries in the areas of its operation and caters to the raw material requirement of our Indian plants. During the year under review this subsidiary achieved a turnover of ₹ 7.65 Crores resulting in net loss of ₹ 0.55 Crores.
- k. **Gravita Trinidad & Tobago Ltd, T&T:** Gravita Trinidad & Tobago Ltd is a step down subsidiary of the Company. This subsidiary is engaged in trading activities. During the year under review this subsidiary achieved a turnover of ₹ 1.87 Crores resulting in net loss of ₹ 0.90 Crores.
- l. **Other Subsidiaries**
- The Company has some other Subsidiaries/Step Subsidiaries which are under process of implementation of projects/commercial production. The details of the same are given below:
- Noble Build Estate Private Limited
  - Gravita Jamaica Limited

#### 4. Sale/Disinvestment/Winding up/Striking off

During the year under review the Company has received approval of Registrar of Companies for Striking off Name of Gravita Energy Limited and Gravita Infra Private Limited, wholly owned subsidiaries of the Company, being non-operational since incorporation.

Further, the company has also made an application for de-registration of its subsidiary Gravita Trinidad & Tobago Ltd, T&T due to lack of operational ease in T&T.

## 5. Disclosures under the Companies Act 2013

- a) **Extract of Annual Return:** The detail forming part of extract of annual return is enclosed as Annexure-1.
- b) **Number of Board Meetings:** During the year under review the Board of Directors of the company met 13 (Thirteen) times (including a separate meeting of independent directors on the Board). The details of the board meetings and the attendance of the directors are provided in Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.
- c) **Committees of the Board:** Details of all the Committees along with their terms of reference, composition and meetings held during the year is provided in the Corporate Governance Report and forms integral part of this report.
- d) **Directors' Responsibility Statement**

Pursuant to Section 134 of the Companies Act, 2013, the Directors hereby confirm that:

- (i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- (ii) They have selected such Accounting Policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2015 and of the profit and loss of the company for that period;
- (iii) To the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the Annual Accounts on a Going Concern basis;
- (v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

- e) **Appointment of Independent Directors:** With coming into the force of Companies Act, 2013, the Board appointed all the existing Independent Directors viz. Mr. Dinesh Kumar Govil, Mr. Arun Kumar Gupta and Mr. Yogesh Mohan Kharbanda as Independent Directors under Section 149 of the Companies Act, 2013 for a period of 5 Years which was subsequently approved by shareholders of the Company at Annual General Meeting held on 02nd August, 2014. Further, during the year under review as required under Companies Act and Listing Agreement, Mrs. Chanchal Chadha Phadnis has been appointed as Woman Director on the Board of the Company.

The Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149 (7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

- f) **Remuneration Policy:** The Company follows a policy on remuneration of Directors and Senior Management Employees. The policy are approved by the Nomination & Remuneration Committee and the Board. More details on the same are given in the Corporate Governance Report which forms part of Annual Report 2014-15.
- g) **Board Evaluation:** Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration, Compensation Committee and Stakeholders Grievance Committee. The Performance of the Board is evaluated by each individual Director as well as collectively by the Board on the Annual Basis towards the end of the Financial Year. The Board performance is evaluated on the basis of number of Board and Committee meetings attended by individual director, participation of director in the affairs of the company, duties performed by each director and targets

achieved by company during the year. The Board further discusses the areas where the performance is not up to the desired level.

- h) Internal Financial Controls:** The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.
- i) Related Party Transactions:** All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is available on the Company's website Form No. AOC-2 carrying relevant details about related party transactions of the Company is attached as Annexure-2.

- j) Corporate Social Responsibility (CSR):** The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The details about committee composition and terms of reference of committee are given in Corporate Governance Report and forms integral part of this report. A 'CSR Report' on activities undertaken by the Company and amount spent on them is attached as Annexure-3.

- k) Risk Management:** The Company has developed a very comprehensive risk management policy under which all key risks and mitigation plans are compiled into a Risk Matrix. The same is reviewed quarterly by senior management and periodically also by the Board of Directors. The Risk Matrix contains the Company's assessment of impact and probability of each significant risk and mitigation steps taken or planned. For a detailed risk management policy please refer the website link <http://www.gravitaIndia.com/wp-content/uploads/pdf/risk-management-policy.pdf>.

- l) Material Changes and Commitments Affecting Financial Position of the Company:** No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

## 6. Corporate Governance

Corporate governance is a continuous process at Gravita India Limited. It is about commitment to values and ethical business conduct. Systems, policies and frameworks are regularly upgraded to effectively meet the challenges of rapid growth in a dynamic external business environment.

Being a Listed Corporate entity, our Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability paving the way in building confidence among all its stakeholders for achieving sustainable long term growth and profitability.

A detailed Corporate Governance Report and a certificate from M/s P. Pincha & Associates, Practising Company Secretaries, Jaipur regarding compliance with conditions of Corporate Governance as required under Clause 49 of the Listing Agreement are attached and forms an integral part of this report. Certificate of the CEO/CFO, inter alia, confirming the correctness of the Financial Statements, compliance with Company's Code of Conduct, adequacy of the Internal Control measures and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is attached and forms an integral part of this report.

## 7. Statutory Auditor

At the Annual General Meeting of the Company held on 02nd August, 2014, M/s Deloitte Haskins & Sells, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 27th Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, based on recommendation of Audit Committee and Board of Directors, the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Further, there are no qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

## 8. Cost Auditor

The Audit Committee and Board of Directors of the Company have appointed M/s K.G. Goyal & Associates, Cost Accountants having firm registration no. 000024 as Cost Auditors for conducting the audit of Cost Records maintained by the company for the Financial Year 2015-16. The Cost Audit report for the F.Y. 2013-14 was filed with Registrar of Companies (Central Government) on 05th September, 2014 while the due date for filing of Cost Audit Report for F.Y. 2013-14 was 27th September, 2014. There are no qualifications or adverse remarks in the Cost Audit Report which require any clarification/explanation.

## 9. Particulars of Loans given, Investments made, Guarantees given and Securities provided (Reference Section 134 and 186(4))

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided herein below:

S. No.	Name of Person / Body Corporate	Nature (Loan / Guarantee/ Security / Acquisition)	Particulars of Loan given / Investment made or Guarantee made	Purpose for which the loan or guarantee or security is proposed to be utilised by the recipient
1	M/s Gravita Infotech	Investment in Subsidiary Firm (Purchase of Shareholding)	₹ 98,000/- towards purchase of 49% of stake	Acquiring Stake in Partnership firm
2	M/s Gravita Metals	Corporate Guarantee	For securing Credit Limits amounting to ₹ 24.75 Crores Granted to M/s Gravita Metals	For Business Purposes of the firm
3	M/s Gravita Metal Inc	Corporate Guarantee	For securing Credit Limits amounting to ₹ 5.72 Crores granted to M/s Gravita Metals	For Business Purposes of the firm

## 10. Secretarial Auditor And Secretarial Audit Report

The Board has appointed M/s P. Pincha & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit of the Company under the provisions of Section 204 of the Companies Act 2013. The Report of Secretarial Auditor is annexed with this report as Annexure-4. The Report does not contain any qualification.

## 11. Insider Trading Prevention Code

Pursuant to the SEBI Insider Trading Code, the company has formulated a comprehensive policy for prohibition of

Insider Trading in Equity Shares of Gravita India Limited to preserve the confidentiality and to prevent misuse of unpublished price sensitive information. The Company Secretary has been designated as the Compliance Officer. It has also been posted on the website of the Company [www.gravitaindia.com](http://www.gravitaindia.com).

## 12. Energy Conservation

A detailed statement on Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules 2014, forms part of this Report.

### 13. Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided hereunder. Further, the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as Annexure-5.

Name	Mr. Rajat Agrawal
Age	48 Years
Designation	Managing Director
Remuneration	₹ 6,50,000/- Per Month
Nature of Employment	Regular Employment
Qualification	B.E. (Mechanical)
Experience (in Years)	23 Years
Date of Commencement of Employment	04.08.1992
Particulars of Previous Employment	Started career with Gravita only
% of Equity Shares Held	47.88%
Relation with Director	Dr. Mahavir Prasad Agarwal (WTD) is Father of Mr. Rajat Agrawal

### 14. Appointment of Directors & KMP's

- Mrs. Chanchal Chadha Phadnis: During the year under review Mrs. Chanchal Chadha Phadnis has been appointed as an Additional Director (Independent) under Section 161 of the Companies Act, 2013 w.e.f. 24th March, 2015.

Mrs. Phadnis is a retired officer from State Bank of India and holds a Master's Degree in Zoology and MBA Finance. She is having experience of 36 years in various managerial activities.

As an Additional Director, Mrs. Phadnis shall hold office up to the date of the ensuing Annual General Meeting. The company has received a notice as per the provisions of Section 160(1) the Companies Act, 2013, from a member proposing her appointment as Director. The Board of Directors therefore recommends her appointment subject to the approval of shareholders at ensuing Annual General Meeting.

- Mr. Sunil Kansal: During the year under review Mr. Sunil Kansal has been appointed as Chief Financial Officer (CFO) of the company w.e.f. 31st March, 2015 pursuant to Section 203 of Companies Act, 2013 read with Listing Agreement.

Mr. Kansal is associated with the Company since 2008 with present designation of Sr. General Manager (Finance & Accounts). Considering the qualification and nature of duties being carried out by Mr. Kansal, the Nomination & Remuneration Committee of the Board proposed the appointment of Mr. Kansal as CFO of the Company which was subsequently ratified by Board of Directors in their meeting held on 24th March, 2015.

Further, Mr. Rajeev Surana, Whole time director shall be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

### 15. Consolidated Financial Statements and Cash Flow Statement

As required under Clause 32 of the Listing Agreement and Companies Act, 2013, the Consolidated Financial Statements of the Company have been prepared in accordance with the requirements of Accounting Standards issued by 'The Institute of Chartered Accountants of India'. The Audited Consolidated Financial Statements together with Auditors' Report thereon forms part of the Annual Report.

### 16. Disclosures Regarding ESOPs

The Compensation Committee of the Board of Directors of the Company administers and monitors the Employees' Stock Option Scheme of the Company in accordance with the prescribed SEBI Guidelines'. The applicable disclosures as stipulated under the SEBI Guidelines as on 31 March, 2015 with regard to the Employees' Stock Option Scheme are provided hereunder. The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with SEBI Guidelines and the resolution passed by the shareholders. The certificate would be placed at the Annual General Meeting for inspection by members.

The applicable disclosures as stipulated under the SEBI Guidelines as on 31st March, 2015 with regard to the Employees' Stock Option Scheme (ESOS) are provided hereunder:

Sr. No.	Particulars	1st Grant (Effective date being 1st October, 2011)	2nd Grant (Effective date being 5th July, 2012)	3rd Grant (Effective date being 1st July 2013)
a)	Options granted	400380	31000	368500
b)	The pricing formula	₹ 2/- per share	₹ 2/- per share	₹ 2/- per share
c)	Options vested	133080	8250	17675
d)	Options exercised	129153	8250	17175
e)	The total number of shares arising as a result of exercise of option	129153	8250	17175
f)	Options lapsed	214255	3500	53000
g)	Variation of terms of options	Nil	Nil	Nil
h)	Money realised by exercise of options	₹ 2,58,306	₹ 16,500	₹ 34,350
i)	Total number of options in force	186125*	27500**	315500
j)	Employee wise details of options granted to- Senior Managerial Personnel:			
	Naveen Prakash Sharma	22500	----	35000
	Sandeep Chaudhary	15000	----	20000
	Krishan Gopal Gupta	17500	----	17500
	Sunil Kansal	17500	----	17500
	Kamal Singh	17500	----	17500
	V S Tanwar	25000	----	20000
	Yogesh Malhotra	----	22500	26000
	Sanjay Singh Baid	----	----	20000
	Vijay Pareek	----	----	20000
	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	Nil	Nil	Nil
	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	Nil	Nil
k)	Diluted Earnings Per Share(EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard 20 'Earnings Per Share']	₹ 0.75		
l)	Method of Calculation of Employee Compensation Cost	The employee compensation cost has been calculated using the intrinsic value method of accounting for Options issued under the Company's Employee Stock Option Scheme. The employee compensation cost as per the intrinsic value method for the financial year 2014-15 is ₹ 25.51 Lacs		
m)	Difference between the employee compensation cost so computed by intrinsic value method and the employee compensation cost that shall have been recognised if it had used the fair value of the options (in Lacs)	₹ 8.40 Lacs		



n)	The impact of this difference on profits and on Earnings Per Share of the Company.	The effect on the profits and earnings per share, had the fair value method been adopted, is presented below:		
		(₹ In Lacs)		
		Profit after Tax as reported		511.22
		Add: Intrinsic Value Compensation Cost		25.51
		Less: Fair Value Compensation Cost		33.91
		(Binomial Pricing Model)		
		Adjusted Profit		502.82
		<b>Earnings Per Share</b>	<b>Basic (₹)</b>	<b>Diluted (₹)</b>
As reported	0.75	0.75		
As adjusted	0.74	0.73		
o)	Weighted-average Exercise price granted during April 2013 to March 2014	₹ 2/-		
	Weighted-average Exercise price granted during April 2014 to March, 2015	₹ 2/-		
	Weighted-average fair value of options outstanding as on 31st March 2014	₹ 47.40		
	Weighted-average fair value of options outstanding as on 31st March, 2015	₹ 47.38		
	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Binomial Pricing Model		
	Risk-free interest rate	7.85%		
	Expected life (in years)	2.58		
	Expected volatility	70.63%		
	Expected dividends	N.A.		
p)	The price of the underlying share in market at the time of option grant	₹ 76.95	₹ 176.20	₹ 21.45

\* This is total number of live options of First Grant. Of it 129153 options have been exercised till the end of F.Y. 2014-15.

\*\* This is total number of live options of Second Grant. Of it 8250 options have been exercised during the year.

## 17. Listing of Equity Shares

The equity shares of the Company are listed on the Bombay Stock Exchange Ltd (BSE Ltd) and National Stock Exchange (NSE) and the Listing fees for the Financial Year 2015-16 has been duly paid.

## 18. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is presented in a separate section forming part of this Annual Report.

## 19. Fixed Deposit

The Company has not accepted any Fixed Deposits from

public, shareholders or employees during the year under report.

## 20. Share Capital

The Company has made allotment of 79412 Equity Shares of ₹ 2/- each to the Employees of the Company and its subsidiaries upon exercise of an equal number of stock options granted to them pursuant to the Stock Option Scheme of the Company. In view of the above allotment, the outstanding shares of the Company during the year has increased from 6,81,75,166 equity shares of ₹ 2/- each to 6,82,54,578 equity shares of ₹ 2/- each.

## 21. Miscellaneous

Your Directors state that no disclosure or reporting is

required in respect of the following items as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP's referred to in this Report.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Date: 23rd May, 2015  
Place: Jaipur

Sd/-  
**(Rajat Agrawal)**  
Managing Director  
DIN: 00855284

For and on behalf of the Board

Sd/-  
**(Rajeev Surana)**  
Whole-time Director  
DIN: 1374077

## 22. Acknowledgement

The results of an organisation are great reflective of the efforts put in by the people who work for/with the company. The Directors fully recognise the contribution made by the employees of the company and all stakeholders for successful operations of the company. The Directors also place on record their appreciation for the sincere cooperation and assistance of Government Authorities, Customers, Suppliers, BSE, NSE, CDSL, NSDL, Bankers, Business Associates, Shareholders, Auditors, Financial Institutions and other individuals / bodies.

# Annexure to the Director's Report

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES 2014

## I. Conservation of Energy:

### a) Energy Consumption Measures taken:

Gravita is committed to energy conservation and is continuously looking for energy efficient & cleaner fuels. This year the Company used heat exchanges in the smelting unit to pre heat the fuel. This change brought reduction in the fuel consumption.

### b) Steps taken by the company for utilising alternate sources of energy:

The Company is making efforts to utilise alternate sources and is looking at alternative of gasifier for its refining processes.

### c) Capital Investment on Energy conservation equipments:

These energy conservation measures have not only proved to be environment friendly but have also resulted in significant savings in fuel costs.

## II. Technology Absorption

### 1. The efforts made towards Technology Absorption, Adaption and Innovation

(i) Efforts made & benefits derived towards improvement in technology of machines and equipment: NIL

(ii) Technology Imported: NIL

## III. Foreign Exchanges Earnings & outgo

Particulars	(₹ in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A) Expenditure in Foreign Currency</b>		
Import value on CIF Basis		
Raw material and consumables	14584.98	13264.48
Capital Goods	-	25.96
Finance Costs	80.37	145.34
Others	101.26	23.35
<b>Total</b>	<b>14766.61</b>	<b>13459.13</b>
<b>B) Earnings in Foreign Currency</b>		
Export of Goods calculated on FOB basis	17985.01	18112.14
Interest Income	45.58	87.83
Other Income	-	9.74
<b>Total</b>	<b>18030.59</b>	<b>18209.71</b>

For and on behalf of the Board

Sd/-

**(Rajat Agrawal)**

Managing Director

DIN: 00855284

Sd/-

**(Rajeev Surana)**

Whole-time Director

DIN: 1374077

Date: 23rd May, 2015

Place: Jaipur

## ANNEXURE-1

### Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

#### I. Registration and Other Details:

1.	CIN	L29308RJ1992PLC006870
2.	Registration Date	04th August 1992
3.	Name of the Company	Gravita India Limited
4.	Category/Sub-Category	Public Company Limited by Shares
5.	Address of the Registered office and contact details	'Saurabh', Chittora Road, Harsulia Mod, Diggi - Malpura, Tehsil - Phagi, Jaipur - 303 904, Rajasthan, India Tel. 09928070682
6.	Whether Listed Company	Listed
7.	Name Address and Contact Details of Registrar and Transfer Agent, if any	Karvy Computershare Pvt Ltd Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Phone No. 040-67162222

#### II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Lead	24203	95.40%

#### III. Particulars of Holding, Subsidiary and Associate Company

Sl.No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	%of shares held	Applicable Section
1	Gravita Infotech Limited (Formerly Known as Gravita Exim Limited) 501, Rajputana Tower, A-27 B, Shanti Path, Tilak Nagar, Jaipur	U51109RJ2001PLC016924	Subsidiary	100%	2(87)(ii)
2	Noble Buildestate Private Limited 402, Gravita Tower, A-27 B, Shanti Path, Tilak Nagar, Jaipur	U45201RJ2007PTC025501	Subsidiary	100%	2(87)(ii)
3	Gravita Energy Limited* 402, Gravita Tower, A-27 B, Shanti Path, Tilak Nagar, Jaipur	U40106RJ2010PLC032251	Subsidiary	99.20%	2(87)(ii)
4	Gravita Infra Private Limited* 203, Gravita Tower, A-27 B, Shanti Path, Tilak Nagar, Jaipur	U45201RJ2010PTC031885	Subsidiary	99%	2(87)(ii)
5	Gravita Ghana Limited IN/A/43/IB Heavy Industrial Area (Opposite Licensing Office), Tema Ghana	CA-30,197	Subsidiary	100%	2(87)(ii)

Sl.No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	%of shares held	Applicable Section
6	Gravita Senegal SAU La Usine, Zone Industrielle de Sebikotane, Sebikotane, Dakar. Senegal (West Africa)	SN-DKR-2007-B-6703	Subsidiary	100%	2(87)(ii)
7	Gravita Mozambique LDA Av. Samora Machel, No 672- EN4,Bairro Matola-Gare, Tchumene-2,Município da Matola, Provincia de Maputo, Mozambique	000318728	Subsidiary	100%	2(87)(ii)
8	Gravita Global Pte. Ltd 7500A Beach Road, # 08-313 The Plaza, Singapore- 199591	201204623C	Subsidiary	100%	2(87)(ii)
9	Gravita Netherlands B.V. Oranje Nassaulaan 55-1 1e etage, 1075 AK, Amsterdam Netherlands	55270271	Subsidiary	100%	2(87)(ii)
10	Navam Lanka Limited Plot No.27"A",MEPZ Mirigama Export Processing Zone, Mirigama(Dist.- Gampha) Srilanka	N(PBS)871	Subsidiary	52%	2(87)(ii)
11	Gravita Trinidad and Tobago Ltd. 18 Scott Bushe Street, Port of Spain, Trinidad, W.I, P.O. Box 1543	C2013011001227	Subsidiary	100%	2(87)(ii)
12	Gravita Nicaragua S.A Barrio San Sebastian Ministerio Del Trabajo 4C Al lago IC Arriba Instalaciones de donge Fue el Cine Blanco, Managua, Nicaragua.	44043-B5	Subsidiary	100%	2(87)(ii)

\* Strike off w.e.f 11.05.2015

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

##### i. Category-wise ShareHolding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares
<b>(A) PROMOTERS</b>								
<b>(1) INDIAN</b>								
(a) Individual /HUF	50056000	0	50056000	73.42%	50055750	0	50055750	73.34%
(b) Central Government	0	0	0	0.00%	0	0	0	0.00%
(c) State Government	0	0	0	0.00%	0	0	0	0.00%
(d) Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%
(e) Financial Institutions / Banks	0	0	0	0.00%	0	0	0	0.00%
(f) Others	0	0	0	0.00%	0	0	0	0.00%
<b>Sub-Total A(1) :</b>	<b>50056000</b>	<b>0</b>	<b>50056000</b>	<b>73.42%</b>	<b>50055750</b>	<b>0</b>	<b>50055750</b>	<b>73.34%</b>

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares
<b>(2) FOREIGN</b>								
(a) Individuals (NRIs/Foreign Individuals)	0	0	0	0.00%	0	0	0	0.00%
(b) Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%
(c) Institutions	0	0	0	0.00%	0	0	0	0.00%
(d) Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%
(e) Others	0	0	0	0.00%	0	0	0	0.00%
<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>Total A=A(1)+A(2)</b>	<b>50056000</b>	<b>0</b>	<b>50056000</b>	<b>73.42 %</b>	<b>50055750</b>	<b>0</b>	<b>50055750</b>	<b>73.34%</b>
<b>(B) PUBLIC SHAREHOLDING</b>								
<b>(1) INSTITUTIONS</b>								
(a) Mutual Funds /UTI	0	0	0	0.00%	0	0	0	0.00%
(b) Financial Institutions /Banks	0	0	0	0.00%	23092	0	23092	0.03%
(c) Central Government	0	0	0	0.00%	0	0	0	0.00%
(d) State Government	0	0	0	0.00%	0	0	0	0.00%
(e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%
(f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%
(g) Foreign Institutional Investors	5227398	0	5227398	7.67%	5058398	0	5058398	7.41%
(h) Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%
(i) Others	0	0	0	0.00%	0	0	0	0.00%
<b>Sub-Total B(1) :</b>	<b>5227398</b>	<b>0</b>	<b>5227398</b>	<b>7.67%</b>	<b>5081490</b>	<b>0</b>	<b>5081490</b>	<b>7.44%</b>
<b>(2) NON-INSTITUTIONS</b>								
(a) Bodies Corporate	5696797	0	5696797	8.36%	4904720	0	4904720	7.19%
(b) Individuals								
(i) Individuals holding nominal share capital upto ₹1 Lac	1705321	4287	1709608	2.51%	2219319	4838	2224157	3.26%
(ii) Individuals holding nominal share capital in excess of ₹1 Lac	5002058	0	5002058	7.34%	5617150	0	5617150	8.23%
(c) Others								
Clearing Members	215923	0	215923	0.32%	225262	0	225262	0.33%
Non Resident Indians	267382	0	267382	0.39%	146049	0	146049	0.21%
(d) Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%
<b>Sub-Total B(2) :</b>	<b>12887481</b>	<b>4287</b>	<b>12891768</b>	<b>18.91%</b>	<b>13112500</b>	<b>4838</b>	<b>13117338</b>	<b>19.22%</b>
<b>Total Public Shareholding Total B=B(1)+B(2)</b>	<b>18114879</b>	<b>4287</b>	<b>18119166</b>	<b>26.58%</b>	<b>18193990</b>	<b>4838</b>	<b>18198828</b>	<b>26.66%</b>
<b>Total (A+B) :</b>	<b>68170879</b>	<b>4287</b>	<b>68175166</b>	<b>100.00%</b>	<b>68249740</b>	<b>4838</b>	<b>68254578</b>	<b>100.00%</b>
<b>(C) Shares held by custodians, against GDRs ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>GRAND TOTAL (A+B+C) :</b>	<b>68170879</b>	<b>4287</b>	<b>68175166</b>	<b>100.00%</b>	<b>68249740</b>	<b>4838</b>	<b>68254578</b>	<b>100.00%</b>

## ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	Rajat Agrawal	25177725	36.93	0.00	25177725	36.89	0.00	0.00
2	Mahavir Prasad Agarwal	13673325	20.06	0.00	13673325	20.03	0.00	0.00
3	Rajat Agrawal	7500000	11.00	0.00	7500000	10.99	0.00	0.00
4	Shashi Agarwal	3674700	5.39	0.00	3674700	5.38	0.00	0.00
5	Rajeev Surana	30000	0.04	0.00	30000	0.04	0.00	0.00
6	Kavita Surana	250	0.00	0.00	0	0	0.00	0.00
	<b>Total</b>	<b>50056000</b>	<b>73.42</b>	<b>0.00</b>	<b>50055750</b>	<b>73.34</b>	<b>0.00</b>	<b>0.00</b>

## iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Kavita Surana	250	0.00	0	0.00

Note: Except above, there is no change in the number of shares held by the promoters of the Company. However, the percentage of the shareholding has changed during the year due to allotments against exercise of Employee Stock Options.

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year-1st April 2014		Shareholding at the end of the year-31st March, 2015	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Cresta Fund Ltd	1819215	2.67%	1794215	2.63%
2	New Leaina Investments Limited	1720388	2.52%	1682388	2.46%
3	Giraben Atulbhai Shah	1401200	2.06%	1623299	2.38%
4	Shriram Credit Company Limited	1843023	2.70%	1197505	1.75%
5	Albula Investment Fund Ltd	915795	1.34%	783795	1.15%
6	Shailesh Balvantrai Desai	0	0.00%	701313	1.03%
7	Avatar India Opportunities Fund	672000	0.99%	672000	0.98%
8	Anand Rathi Share & Stock Brokers Limited	0	0.00%	662849	0.97%
9	Neelima Shailesh Desai / Shaileshbhai Balwantrai Desai	659000	0.97%	659000	0.97%
10	Anand Rathi Share And Stock Brokers Limited	0	0.00%	635711	0.93%
11	Ram Sharan Modi	685781	1.01%	0	0.00%
12	Karvy Financial Services Limited	507445	0.74%	0	0.00%
13	Jignesh Hiralal Shah	448825	0.66%	0	0.00%

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year-1st April 2014		Shareholding at the end of the year-31st March, 2015	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Rajat Agrawal	32677725	47.93%	32677725	47.88%
2	Dr. Mahavir Prasad Agarwal	13673325	20.06%	13673325	20.03%
3	Mr. Rajeev Surana	30000	0.04%	30000	0.04%
4	Mr. Arun Kumar Gupta	Nil	Nil	Nil	Nil
5	Mr. Yogesh Mohan Kharbanda	Nil	Nil	Nil	Nil
6	Mr. Dinesh Kumar Govil	Nil	Nil	Nil	Nil
7	Mrs. Chanchal Chadha Phadnis	Nil	Nil	Nil	Nil
8	Mrs. Leena Jain	833	0.0012%	1115	0.0016%
9	Mr. Sunil Kansal	3600	0.0052%	9725	0.0142%

The percentage of the shareholding in shareholding of Directors and KMP has changed during the year due to allotments against exercise of Employee Stock Options.

**V. Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ in Lacs)

Indebtedness at the beginning of the year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i. Principal Amount	6741.49	8.49	0.00	6749.98
ii. Interest due but not paid	26.75	0.00	0.00	26.75
iii. Interest accrued but not paid	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>6768.24</b>	<b>8.49</b>	<b>0.00</b>	<b>6776.73</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	2779.00	0.00	0.00	2779.00
• Reduction	581.93	8.49	0.00	590.42
<b>Net Change</b>	<b>2197.07</b>	<b>[8.49]</b>	<b>0.00</b>	<b>2188.58</b>
<b>Indebtedness at the end of the year</b>			<b>0.00</b>	
i. Principal Amount	8956.79	0.00	0.00	8956.79
ii. Interest due but not paid	8.52	0.00	0.00	8.52
iii. Interest accrued but not paid	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>8965.28</b>	<b>0.00</b>	<b>0.00</b>	<b>8965.28</b>



## VI. Remuneration of Directors and Key Managerial Personnel

### (A) Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD			Total Amount
		Mr. Rajat Agrawal	Mr. Rajeev Surana	Dr. Mahavir Prasad Agarwal	
1.	Gross Salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	60.00	30.00	42.00	132.00
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	Nil	Nil	Nil	Nil
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission -As % of profit -Others, specify	Nil	Nil	Nil	Nil
5.	Others, please specify Provident Fund & other Funds	Nil	Nil	Nil	Nil
	Performance Bonus	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>60.00</b>	<b>30.00</b>	<b>42.00</b>	<b>132.00</b>
	Ceiling as per the Act	Remuneration is paid as per Schedule V of Companies Act, 2013 and ceiling is based on effective capital of the company i.e ₹ 84 Lacs Per Managerial Person			

### (B) Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD:

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of KMP		Total Amount
		Mrs. Leena Jain [Company Secretary]	Mr. Sunil Kansal [Chief Financial Officer]	
1.	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6.20	15.57	21.77
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	1.10	3.07	4.17
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option*	0.87	5.04	5.91
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission -As % of profit -Others, Variable Pay	0.33 0.66	Nil 2.15	0.33 2.81
5.	Others, please specify Provident Fund & other Funds	0.44	1.21	1.65
	Performance Bonus	Nil	Nil	Nil
	<b>Total (A)</b>	<b>9.60</b>	<b>27.04</b>	<b>36.64</b>
	Ceiling as per the Act	N.A.	N.A.	N.A.

\* Represent the value of options exercised and regarded as perquisite. However, it does not include the value of unvested options or options vested but not exercised.

## VII. Penalties/Punishment/compounding of Offences (under the Companies Act): None

## ANNEXURE-2

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

a.	Name(s) of the related party and nature of relationship	<b>Not Applicable</b>
b.	Nature of contracts/arrangements/transactions	
c.	Duration of the contracts / arrangements/transactions	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	
e.	Justification for entering into such contracts or arrangements or transactions	
f.	Date(s) of approval by the Board	
g.	Amount paid as advances, if any	
h.	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

Form shall be signed by the persons who have signed the Board's report.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Board	Amount paid as advances, if any:
Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	Wholly Owned Subsidiary	Purchase of Goods and Material Leasing of Property	N.A.	Value of purchase of goods: ₹ 20.38 Lacs	29th May, 2014	N.A.
Gravita Ghana Limited	Wholly Owned Subsidiary	Sale and Purchase of Goods and Material	7 Months	Supply of 2000 MT of Re-melted Lead Value of purchase of goods: ₹ 1853.78 Lacs Value of sales of goods: ₹ 49.13 Lacs	29th May, 2014	N.A.
Gravita Mozambique LDA	Wholly Owned Subsidiary	Sale and Purchase of Goods and Material	7 months	Supply of 2000 MT of Re-melted Lead Value of purchase of goods: ₹ 2111.87 Lacs Value of sales of goods: ₹ 30.45 Lacs	29th May, 2014	N.A.
Gravita Global Pte Limited	Wholly Owned Subsidiary	Sale of Goods and Material	7 months	Value of sales of goods: ₹ 842.90 Lacs	29th May, 2014	N.A.

Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Board	Amount paid as advances, if any:
Navam Lanka Limited	Step Down Subsidiary	Sale and Purchase of Goods and Material	N.A.	Value of purchase of goods: ₹ 239.23 Lacs Value of sales of goods: ₹ 50.23 Lacs	29th May, 2014	N.A.
Gravita Senegal S.A.U	Wholly Owned Step down Subsidiary	Sale and Purchase of Goods and Material	N.A.	Value of purchase of goods: ₹ 2287.81 Lacs Value of sales of goods: ₹ 42.13 Lacs	29th May, 2014	N.A.
Gravita Nicaragua S.A.	Wholly Owned Step down Subsidiary	Purchase of Goods and Material	N.A.	Value of purchase of goods: ₹ 766.54 Lacs	29th May, 2014	N.A.
Gravita Trinidad & Tobago Limited	Wholly Owned Step down Subsidiary	Purchase of Goods and Material	N.A.	Value of purchase of goods: ₹ 189.57 Lacs	29th May, 2014	N.A.
M/s Gravita Metals	Wholly Owned Subsidiary Firm	Sale of Goods and Material	N.A.	Value of sales of goods: ₹ 4865.11 Lacs	29th May, 2014	N.A.
M/s Gravita Metal Inc	Wholly Owned Subsidiary Firm	Purchase of Goods and Material	N.A.	Value of purchase of goods: ₹ 7.05 Lacs	29th May, 2014	N.A.
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)	Wholly Owned Subsidiary Firm	Purchase of Goods, Material and services	N.A.	Value of purchase of goods: ₹ 22.70 Lacs	29th May, 2014	N.A.
Saurabh Farms Limited	Enterprise having common KMP	Leasing of Property	11 months	Value of Transaction: ₹ 6.54 Lacs	29th May, 2014	N.A.
Shah Buildcon Private Limited	Enterprise having common KMP	Leasing of Property	11 months	Value of Transaction: ₹ 2.06 Lacs	29th May, 2014	N.A.
Jalousies India Private Limited	Enterprise having common KMP	Leasing of Property	11 months	Value of Transaction: ₹ 6.30 Lacs	29th May, 2014	N.A.
Mr. Rajat Agrawal	Managing Director	Leasing of Property	11 months	Value of Transaction: ₹ 29.70 Lacs	29th May, 2014	N.A.
Mrs. Anchal Agrawal	Relative of Managing Director	Leasing of Property	11 months	Value of Transaction: ₹ 2.78 Lacs	29th May, 2014	N.A.

## ANNEXURE-3

### CSR REPORT

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the weblink for the same is <a href="http://www.gravitaindia.com/wp-content/uploads/pdf/csr-policy.pdf">http://www.gravitaindia.com/wp-content/uploads/pdf/csr-policy.pdf</a></p> <p>As per CSR Policy of the Company, the Company may engage in any of the activities related to Health, Education, Environment, Sports and Others.</p>
2	The Composition of the CSR Committee.	<p>CSR Committee of the Company comprises of following Directors:</p> <ol style="list-style-type: none"> <li>1. Mr. Yogesh Mohan Kharbanda (Chairman)</li> <li>2. Mr. Rajat Agrawal (Member)</li> <li>3. Dr. Mahavir Prasad Agarwal (Member)</li> </ol>
3	Average net profit of the company for last three financial years	₹ 1358.19 Lacs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 27.16 Lacs
5	<p>Details of CSR spent during the financial year.</p> <p>(1) Total amount to be spent for the F.Y.</p> <p>(2) Amount unspent, if any;</p> <p>(3) Manner in which the amount spent during the financial year.</p>	<p>₹ 27.16 Lacs</p> <p>₹ 22.37 Lacs</p> <p>The manner in which the amount is spent is detailed here under in Table A</p>
6	Reason for not spending 2% of average net profits	<p>The Company is very much keen to spend amount towards Corporate Social Responsibility but due to falling commodity price, unfavorable Government policies, sluggish market conditions for business and depleting profit margins, the company was unable to spend the required amount towards CSR.</p>

Table A: Details of amount spent in CSR activities

S.No	CSR project or activity identified	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Sector in which the project is covered	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Environment and Health	Locally at Jaipur, Rajasthan	Promoting Health Care under Schedule VII (i)	₹ 3.00 Lacs	₹ 2.79 Lacs	Expenditure upto 31st March, 2015 ₹ 4.79 Lacs	Spent Directly
			Ensuring Environmental Sustainability, ecological balance, protection of flora and fauna, animal welfare under Schedule VII (iv)	₹ 2.00 Lacs	₹ 1.79 Lacs		
			Promoting education under Schedule VII (ii)	₹ 0.50 Lacs	₹ 0.21 Lacs		

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Sd/- <b>Rajat Agrawal</b> (Managing Director)	Sd/- <b>Yogesh Mohan Kharbada</b> Chairman-CSR Committee
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## Annexure-4

### Form MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year Ended on 31st March, 2015

{Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To  
The Members,  
Gravita India Limited  
'Saurabh', Chittora Road, Harsulia Mod, P.O. Harsulia  
Diggi-Malpura Road,  
Tehsil Phagi, Jaipur, Rajasthan-303904

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gravita India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Gravita India Limited`s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during Audit Period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during Audit Period) and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during Audit Period)

I have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India. (Not Notified hence not applicable to the Company during Audit Period);
- b. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except to the extent as mentioned below:

- As per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company was required to spend during the financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility (CSR) Policy. However the Company has not spent the prescribed amount towards its CSR activities during the Financial Year.

I further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

1. The Manufacture, Storage & Import of Hazardous Chemical Rules, 1989.
2. Batteries (Management and Handling) Rules, 2001.
3. Hazardous Waste Management and Handling Rules, 2008

I further report that, during the year under review:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the year under review:

- (a) During the audit period the Company has obtained approval of members under Section 180(1)(a) creation of mortgages/charges/hypothecation and/or other encumbrances on its immovable and movable properties up to ₹ 200.00 Crores and under Section 180(1)(c) for borrowing in excess of its paid up capital and free reserves up to ₹ 200.00 Crores.
- (b) During the audit period, the Company has issued equity shares to employees under the ESOP.
- (c) During the audit period, the company has altered its main object clause by way of addition of new object clause related to Information Technology.
- (d) During the audit period the company has obtained approval of members under Section 186 for giving loan, guarantee and making investment up to ₹ 200.00 Crores.

**For P. Pincha & Associates  
Company Secretaries**

Sd/-

**Pradeep Pincha  
Proprietor**

Dated: 15th May, 2015

Place: Jaipur

M. No. FCS 5369

C. P. No.:4426

**(This report is to be read with our letter of even date which is annexed as Annexure-A which forms an integral part of this report.)**

To  
The Members,  
Gravita India Limited  
'Saurabh', Chittora Road, Harsulia Mod, P.O. Harsulia  
Diggi-Malpura Road,  
Tehsil Phagi, Jaipur, Rajasthan-303904

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For P. Pincha & Associates  
Company Secretaries**

Sd/-

**Pradeep Pincha  
Proprietor**

M. No. FCS 5369

C. P. No.:4426

Dated: 15th May, 2015

Place: Jaipur



## ANNEXURE-5

### DISCLOSURES OF REMUNERATION TO DIRECTORS & KMP [pursuant to Section 197(12)]

- i. The Ratio of the remuneration of each Director to the median remuneration of employees of the Company for the year ended 31st March, 2015 are:-

Sr. No.	Name of Director/CF0/CEO/ Company Secretary	Designation	Ratio of remuneration to median remuneration of the Employee of the Company	Percentage increase in the remuneration for the Financial Year 2014-15
1	Dr. Mahavir Prasad Agarwal	Chairman & Whole time Director	12.12:1	Nil.
2	Mr. Rajat Agrawal	Managing Director	17.32:1	Nil
3	Mr. Rajeev Surana	Whole-time Director	8.66:1	Nil
4	Mrs. Leena Jain	Company Secretary	N.A.	28.39%
5	Mr. Sunil Kansal	Chief Financial Officer	N.A.	Nil

\* Median remuneration of the Employees of the Company being ₹ 3.46 lacs.

- ii. Percentage increase in the median remuneration of employees in the financial year 2014-15 is 8.29 %.
- iii. Number of Permanent Employees on the payroll as on 31st March, 2015 of the Company are 522 (five hundred twenty two only)
- iv. **Explanation w.r.t average increase in remuneration and Company's performance**

The average increase in remuneration is mainly due to hiring more employees in different business segments of the Company. During the FY 2014-15, the Company has ventured into many new lines of business, results of which shall reflect in the years to come.

- v. **Comparison of the remuneration of the Key managerial Personnel against the performance of the Company**

Sr. No.	Name of the KMP	% increase in the Remuneration as Compared to previous year remuneration	Performance of company
1.	Dr. Mahavir Prasad Agarwal	Nil	During the year there was no change in the remuneration of KMP's except that the salary of Mrs. Leena Jain was increased on the basis of her outstanding performance and valuable contribution to the organisation. Further this increase during the year was in line with Company's performance and as per Company's market competitiveness.
2.	Mr. Rajat Agrawal	Nil	
3.	Mr. Rajeev Surana	Nil	
4.	Mrs. Leena Jain	28.39%	
5.	Mr. Sunil Kansal	Nil	

**vi. Variations in the Market Capitalisation of the Company and PE Ratio**

The performance of Company's stock in comparison to broad-based indices is as under:-

	BSE		NSE		PE ratio	
	Market Price of Share (In ₹)	Market Capitalisation (₹ in Crores)	Market Price of Share (In ₹)	Market Capitalisation (₹ in Crores)	BSE	NSE
31st March, 2015	36.70	250.49	36.30	241.76	48.93	48.40
31st March, 2014	33.95	231.45	34.70	236.56	15.57	15.91
Price of IPO	In 2010, the company came up with IPO at market price of ₹ 125/- per share having Face Value of ₹ 10/- each. Subsequently in March 2012 1 (one) Equity share of Face Value of ₹ 10/- each has been divided into 5 (five) equity shares of ₹ 2/- each. Therefore for better comparison the price of IPO has been considered as ₹ 25/- i.e. if 1 Equity Share of face value of ₹ 10/- is having market price of ₹ 125/- at time of IPO then 1 Equity Share of face value of ₹ 2/- will have market price of ₹ 25/- (125/5)					
Variation as on 31st March, 2015			+46.80%			+45.20%
Variation as on 31st March, 2014			+35.80%			+38.80%

vii. Average Percentile increase in the Salaries of the Employees other than Managerial Personnel is 15% and there is no increase in salary of Managerial Personnel during last financial year.

viii. Key Parameters for any variable component of remuneration (i.e. Commission) availed by the Directors are based on their contribution at the Board, time spent on operational matters and other responsibilities assigned. **N.A.**

ix. None of the Employee other than director(s) received remuneration in excess of the highest paid Director during the Financial Year 2014-15.

x. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

# Corporate Governance Report

## Company's Philosophy on Corporate Governance

Gravita India Limited (hereinafter referred to as 'Gravita'), looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long-term stakeholder value creation. Good Corporate Governance Practices enable a Company to attract financial and human capital. In turn, these resources are leveraged to maximise long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large. Gravita and its employees are guided by the values of collaborative spirit, unrelenting dedication and expert thinking. These values are core to our operations. All are expected to adhere to the highest standards of integrity. In the conduct of Company's business and its dealings, it abides by the principles of honesty, openness and doing what is right and fair. Gravita is committed in doing things the right way, which means, taking business decisions and acting in a way that is ethical and is in compliance with the applicable legislation. These principles guide our behavior at all times. Our Company practices the highest standards of corporate behavior towards everyone it works with, be it the communities or the environment. This is the road to responsible, sustainable and profitable growth and creates long term value for Our Company's stakeholders, people and our business partners. The Company's policies on Corporate Governance and compliance specifically till the last date of this financial year i.e. 31st March, 2015 as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges are stated below for the enlightenment of our shareholders and investors.

## Board of Directors

The Company has a very balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The Non-Executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons from the fields of Marketing Finance & Taxation, Economics, Law, Governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance to the management on various aspects of Business, Policy Direction, Governance, Compliance, etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors. The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Agreement.

As on 31st March, 2015, the total Board strength comprises of 7(seven) Directors out of which 3(three) Directors are Executive Directors and 4 (Four) are Non - Executive and Independent Directors which is in consonance with the composition defined under Clause 49 of the Listing Agreement and in the Companies Act 2013.

The details of composition of the Board as on 31st March, 2015, the attendance record of the Directors at the Board Meetings held during the financial year 2014-15 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given herein below:

Name	Category	Whether attended AGM held on 02nd August, 2014	Number of Directorships in other companies as on 31.03.2015#	No. of committee positions held in other public companies as on 31st March, 2015	
				Chairman	Member
Dr. Mahavir Prasad Agarwal	Executive & Promoter	No	5	Nil	Nil
Mr. Rajat Agrawal	Executive and Promoter	Yes	6	Nil	Nil
Mr. Rajeev Surana	Executive and Promoter	Yes	4	Nil	1
Mr. Dinesh Kumar Govil	Non-Executive Lead Independent	Yes	4	2	Nil
Mr. Yogesh Mohan Kharbanda	Non-Executive Independent	No	3	Nil	1
Mr. Arun Kumar Gupta	Non-Executive Independent	Yes	Nil	Nil	Nil
Mrs. Chanchal Chadha Phadnis	Non-Executive Independent	N.A.####	Nil	Nil	Nil

#Directorship does not include directorships held in Foreign Companies.

1. Dr. Mahavir Prasad Agarwal, Executive Director of the Company is the father of Mr. Rajat Agrawal, Managing Director of the Company. Other than the aforesaid there are no inter-se relationships among the Directors.
2. None of the Director is member in more than 10 committees or Chairman of more than five committees across all companies in which he is a director.

#### Joined the Board in March, 2015

## Board Meetings

Dates for the Board Meetings are decided well in advance and communicated to the Directors. Board Meetings are held at the Corporate Office of the Company. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board to address specific needs of Company are held as and when deemed necessary by the Board. In case of any exigency/ emergency, resolutions are

passed by circulation. The intervening period between two Board meetings is well within the maximum gap of four months as prescribed under Clause 49 of the Listing Agreement with Stock Exchanges. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any. The following Meetings of the Board were held during the Financial Year 2014-15:

S.No	Date of Meeting	Board Strength	No. of Directors Present
1	29th May, 2014	6	5
2	10th June, 2014	6	5
3	20th June, 2014	6	4
4	22nd July, 2014	6	4
5	06th August, 2014	6	5
6	19th September, 2014	6	5
7	28th October, 2014	6	4
8	11th November, 2014	6	4
9	19th January, 2015	6	4
10	03rd February, 2015	6	5
11	10th March, 2015	6	3
12	24th March, 2015	7	6

**Attendance of each Director at the Board Meetings and Last Annual General Meeting (AGM):**

Name of Director	Board Meetings held during the year	Meetings Attended	Whether present at Last AGM (held on 2nd August, 2014)
Dr. Mahavir Prasad Agarwal	12	12	No
Mr. Rajat Agrawal	12	12	Yes
Mr. Rajeev Surana	12	11	Yes
Mr. Dinesh Kumar Govil	12	10	Yes
Mr. Yogesh Mohan Kharbanda	12	5	No
Mr. Arun Kumar Gupta	12	3	Yes
Mrs. Chanchal Chadha Phadnis####	12	1	N.A.

#### joined the Board in March, 2015

**Meeting of Independent Directors**

In compliance of Section 149 of Companies Act, 2013 and clause 49 of Listing Agreement a separate meeting of Independent Directors was held on 24th March, 2015. Attendance of Independent Directors at the meeting is given hereunder:

Name of Director	Whether present or not
Mr. Dinesh Kumar Govil	Yes
Mr. Yogesh Mohan Kharbanda	No
Mr. Arun Kumar Gupta	Yes

**Audit Committee**

The Audit Committee of the Company comprises of three Non-Executive and Independent Directors and is constituted in accordance with the requirements of the Listing Agreement read with Companies Act 2013. Mr. Dinesh Kumar Govil is the Chairman of the Audit Committee. All the members of the committee are financially literate and possess thorough knowledge of accounting principles. During the year the Board of Directors of the company have broadened the terms of reference of Audit Committee so as to make the same in

consensus with terms of reference defined under Companies Act 2013 vis-à-vis the listing agreement.

The Statutory Auditors, Cost Auditors and Internal Auditors are invited to the Audit Committee Meetings to discuss with Directors the scope of audit, their comments, and to discuss the Internal Audit Reports. Minutes of the Audit Committee Meetings are circulated to all Directors and discussed at the Board Meetings.

The Company Secretary of the Company acts as Secretary of the Audit Committee.

The Audit Committee met 6 (six) times during the financial year 2014-15 on:

29th May, 2014  
10th June, 2014  
6th August, 2014  
19th September, 2014  
11th November, 2014  
03rd February, 2015

**Composition of Audit Committee and Attendance**

Name of the Members	Designation	Number of Meetings held during the year	No. of Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	6	5
Mr. Yogesh Mohan Kharbanda	Member	6	5
Mr. Arun Kumar Gupta	Member	6	2

The Terms of Reference of the Audit Committee are broadly as follows:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a) Matters required to be stated in the Director's Responsibility Statement to be stated in the Board's Report in terms of provisions of Companies Act;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications in the draft audit report;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
  - Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue among others), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - Discussion with internal auditors any significant findings and follow up there on.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - To review the functioning of the Whistle Blower mechanism, in case the same is existing;
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
  - Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - Scrutiny of inter corporate loans and investment;
  - Valuation of undertakings or assets of the company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;

### **Nomination & Remuneration Committee**

During the year the name of existing Remuneration Committee has been changed to 'Nomination and Remuneration Committee' and terms of reference of said committee were also altered so as to comply with the provisions of Section 178 of Companies Act, 2013 and Clause 49(IV) of the revised Listing Agreement with Stock Exchanges. The Committee reviews and recommends the payment of salaries, commission and finalises appointment and other employment conditions of Directors, Key Managerial Personnel and other Senior Employees.

#### **Terms of Reference:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the Remuneration of the Directors, Key Managerial Personnel and other Employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

#### **Composition and Meeting**

The Company's Nomination & Remuneration Committee comprises of three Non-Executive and Independent Directors. During the financial year 2014 – 2015 the Committee met 2 (two) times i.e. on 20th June, 2014 and 24th March, 2015.

**Composition of Nomination & Remuneration Committee and Attendance:**

Name of the Members	Designation	Number of Meetings held during the year	No. of Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	2	2
Mr. Yogesh Mohan Kharbanda	Member	2	0
Mr. Arun Kumar Gupta	Member	2	2

**Details of Remuneration paid to Directors during 2014-15:**

Name of the Director	Designation	Salary and other allowances	Stock options	Total
Dr. Mahavir Prasad Agarwal	Whole-time Director	42,00,000	Nil	42,00,000
Mr. Rajat Agrawal	Managing Director	60,00,000	Nil	60,00,000
Mr. Rajeev Surana	Whole-time Director	30,00,000	Nil	30,00,000

**Notes:**

- The Company does not have any pecuniary relationship with any Non-Executive Independent Director except for reimbursement of traveling expenses to the Directors for attending Board Meeting. No sitting fee is paid for attending the meetings of Board / Committees of Directors.
- None of the Independent Directors have more than 2% shareholding in the Company.

**Remuneration Policy**

The remuneration paid to Executive Directors is recommended by Nomination & Remuneration Committee and approved by Board in Board Meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company. The Remuneration Policy of the Company is also available on the website of the company [www.gravitaindia.com](http://www.gravitaindia.com).

- Remuneration to the Whole-time Director/Managing Director:**

The Whole-time Director/Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus, and quantum of perquisites including Employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc shall be decided and approved by the Board on the recommendation of the Committee and may be within the overall remuneration approved by the shareholders.

- Remuneration to Non- Executive/ Independent Director:**

**Sitting Fees:**

The Non-executive/ Independent Directors of the

Company may be paid sitting fees, if any, as per the applicable Regulations and no sitting fee shall be paid to Executive Directors. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

**Profit Linked Commission:**

The profit -linked commission shall be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per applicable provisions of the Regulations.

**Stock Options:**

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

- Remuneration to Senior Management Personnel, Key Managerial Personnel and Other Employees:**

The Senior Management Personnel, Key Managerial Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and/ or as may be approved by the Committee. The break-up of the pay scale and quantum of perquisites including Employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

- **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Act, and if it is not able to comply with such provisions, with the prior approval of the Central Government.

- **Provisions for excess remuneration:**

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## Stakeholders Grievance Committee

The Stakeholders Grievance Committee (formerly known as Stakeholders' / Investors' Grievance Committee) has been reconstituted on 29th May, 2014 in terms of Clause 49 of Listing Agreement read with Companies Act, 2013 and is entrusted with the responsibility of addressing the shareholders' / investors' complaints with respect to transfer of shares, non-receipt of Annual Report, non-receipt of dividend etc. The Committee comprises of three Directors viz. Mr. Dinesh Kumar Govil, Dr. Mahavir Prasad Agarwal and Mr. Rajeev Surana.

### No. of Meetings

During the year under review 2 (Two) Meetings of Stakeholders' Grievance Committee were held on 29th May, 2014 and 03rd February, 2015.

## Composition of Stakeholder Grievance Committee and Attendance:

Name of the Members	Designation	Number of Meetings held during the year	No. of Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	2	1
Mr. Rajeev Surana	Member	2	2
Dr. Mahavir Prasad Agarwal	Member	2	2

## Terms of Reference

The role of Stakeholders' Grievance Committee involves:

- To consider and review shareholders' / investors' grievances and complaints and ensure that all shareholders' / investors' grievances and correspondence are attended to expeditiously and satisfactorily unless constrained by incomplete documentation and/ or legal impediments;
- To approve and register transfers and transmission of Equity Shares;
- To Sub Divide, Consolidate and/or replace any Share Certificate of the Company;
- To authorise affixation of Common Seal of the Company to share certificates;
- To do all other acts and deeds as may be necessary or incidental to the above.

## Compliance Officer

As per Clause 47 (a) of Listing Agreement, Mrs. Leena Jain Company Secretary is the Compliance Officer for complying with the requirements of Security Laws and the Listing

Agreement with the Stock Exchanges in India.

## Status of Investor Complaints

The Company received 9 (nine) complaints from investors which were resolved well in stipulated time by the Company and there were no complaints pending with the company or its Share Transfer Agents as on 31st March, 2015.

## Compensation Committee

In terms of the requirement of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended, the Company has constituted the Compensation Committee comprising of three Directors, two of whom are Non-Executive Independent Directors and one is Executive Director. The Chairman of Compensation Committee is Mr. Dinesh Kumar Govil. The Compensation Committee administers the Employee Stock Option Plan of the Company and determines eligibility of employees for Stock Options.

### No. of Meetings

The Committee met 4 (four) times during the financial year 2014 - 2015 namely 09th June 2014, 22nd July, 2014, 28th October, 2014 and 09th December, 2014.



**Composition of Compensation Committee and Attendance:**

Name of the Members	Designation	Number of Meetings held during the year	No. of Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	4	4
Mr. Yogesh Mohan Kharbanda	Member	4	0
Mr. Rajat Agrawal	Member	4	4

**Investment Committee**

The Company has an Investment Committee comprising all the Executive Directors of the Company viz., Mr Rajat Agrawal, Dr Mahavir Prasad Agarwal and Mr Rajeev Surana. The designated terms of reference of the Committee are as under:

- To make decisions about investments to be made by the Company in various overseas ventures whether by way of Equity or Capitalisation of Exports or by way of loan;
- To make decisions about investments to be made by the Company in shares, stocks, units of mutual funds, subscription to public issues of other companies etc; and
- To make decisions about disinvestments/ alienation/ sale/ transfer/ gift or pledge of any of the investments made

in clause mentioned above which the Committee may consider most beneficial in the interest of the Company.

**Corporate Social Responsibility Committee**

In terms of the requirement of Section 135 of Companies Act 2013 and Rules made thereunder, the Company has constituted the Corporate Social Responsibility Committee ("CSR Committee") comprising of Three Directors; two of whom are Executive Directors viz., Dr. Mahavir Prasad Agarwal and Mr. Rajat Agrawal and third member is Non-executive Independent Director i.e. Mr. Yogesh Mohan Kharbanda acting as Chairman of the Committee.

**No. of Meetings**

The Committee met 1 (one) time during the financial year 2014 – 2015 on 10th March, 2015.

**Composition of Corporate Social Responsibility Committee and Attendance:**

Name of the Members	Designation	Number of Meetings held during the year	No. of Meetings Attended
Mr. Yogesh Mohan Kharbanda	Chairman	1	1
Mr. Rajat Agrawal	Member	1	1
Dr. Mahavir Prasad Agarwal	Member	1	1

**Terms of Reference**

- To formulate the Corporate Social Responsibility policy of the company which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Act;
- To recommend the expenditure that can be incurred for this purpose;
- To monitor CSR policy of the company from time to time;
- To prepare a transparent monitoring mechanism for ensuring implementation of the projects / programs / activities proposed to be undertaken by the company;
- To ensure that all kind of income accrued to the company by way of CSR activities should be credited back to the community or CSR corpus.

## General Body Meetings

The details of General Meetings held in the last three years are given below:

S.No.	AGM	Date	Time	Venue	No. of Special Resolution passed
1.	20th AGM	06.08.2012	11.30 A.M.	"Saurabh Farms", Chittora Road, Harsulia Mod, Diggi-Malpura, Tehsil-Phagi, Jaipur	Nil
2.	21st AGM	29.07.2013	11.30 A.M.	"Saurabh Farms", Chittora Road, Harsulia Mod, Diggi-Malpura, Tehsil-Phagi, Jaipur	2
3.	22nd AGM	02.08.2014	11.00 A.M.	"Saurabh", Chittora Road, Harsulia Mod, Diggi-Malpura, Tehsil-Phagi, Jaipur	5

- No Extra-Ordinary General Meeting of the Shareholders was held during the year.
- None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

### Resolutions passed by way of conducting the Postal Ballot:

During the year under consideration, pursuant to the provisions of Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, resolutions through Postal Ballot in respect of the following Special Resolutions were passed on 11th July, 2014 by way of Postal Ballot:

- Special Resolution u/s 13 of the Companies Act, 2013 towards Alteration in Object Clause;
- Special Resolution u/s 180(1) (a) of the Companies Act, 2013 towards authority for creation of Charge on Movable and Immovable properties of the Company;
- Special Resolution u/s 186 of the Companies Act, 2013 towards consent for making of any investment/ giving any

loan or guarantee/ providing security;

- Special Resolution towards purchase of share in Business Undertaking from Mr. Rajat Agrawal, Managing Director of the Company u/s 188 of the Companies Act, 2013.

The Company had appointed Mr. Pradeep Pincha, Practicing Company Secretary, as Scrutiniser for conducting the Postal Ballot process, who submitted his report to the Whole-time Director after completing the scrutiny and the results of the voting by Postal Ballot were declared on Friday, 11th July, 2014 at 5.30 p.m. at the Corporate Office of the Company. The date of declaration of results was deemed to be date of passing of the said resolutions. The results of the Postal Ballot are also available at website of the Company ([www.gravitaindia.com](http://www.gravitaindia.com)). A synopsis of the results submitted by the scrutiniser are as follows:

Particulars	Resolution No. 1			Resolution No.2		
	No. of Postal Ballot Forms	No. of Shares	% to Total Paid up Equity Capital	No. of Postal Ballot Forms	No. of Shares	% to Total Paid up Equity Capital
Total Postal Ballot Forms received	97	50899637	74.64%	97	50899637	74.64%
Less: Invalid Postal Ballot Forms (as per register)	4	1455	0.002%	4	1455	0.002%
Net valid Postal ballot Forms (as per register)	93	50898182	74.63%	93	50898182	74.63%
Postal Ballot Forms- in favour of the resolution	92	50897932	74.63%	90	50897721	74.63%
Postal ballot Forms -against the resolution	1	250	Negligible	3	461	Negligible

Particulars	Resolution No.3			Resolution No.4		
	No. of Postal Ballot Forms	No. of Shares	% to Total Paid up Equity Capital	No. of Postal Ballot Forms	No. of Shares	% to Total Paid up Equity Capital
Total Postal Ballot Forms received	97	50899637	74.64%	97	50899637	74.64%
Less: Invalid Postal Ballot Forms (as per register)	4	1455	0.002%	4	1455	0.002%
Net valid Postal ballot Forms (as per register)	93	50898182	74.63%	93	50898182	74.63%
Postal Ballot Forms- in favour of the resolution	90	50896872	74.63%	85	870851	1.27%
Postal ballot Forms -against the resolution	3	1310	0.001%	4	1581	0.002%

### Procedure Followed

- I. The Company issued the Postal Ballot Notice dated 29th May, 2014 containing draft resolutions together with the explanatory statements and the Postal Ballot Forms and self-addressed envelopes to the members whose names appeared in the register of members as on Friday, 30th May, 2014 and other concerned.
- II. Members were advised to read carefully the instructions printed on the Postal Ballot Form and return the duly completed form in the attached self-addressed envelope so as to reach the Scrutiniser on or before the close of business hours on Thursday, 10th July, 2014. The members who opted for the e-voting could vote on or before the business hours, i.e. 5.00 P.M. on Sunday, 6th July, 2014.
- III. After due scrutiny of all the Postal Ballot Forms / E-voting received up to the close of the working hours on Thursday, 10th July, 2014. The Scrutiniser submitted his final report on Friday, 11th July, 2014.
- IV. The results of the Postal Ballot / E-voting were declared on Friday, 11th July, 2014. The date of declaration of the results of the Postal Ballot was taken as the date of passing of the resolution.
- V. The results of the Postal Ballot were also placed on the website of the Company at [www.gravitaindia.com](http://www.gravitaindia.com).

### Pledge of Shares

No Pledge has been created over the Equity Shares held by the Promoters and/or Promoter Group Shareholders during the Financial Year ended 31st March, 2015.

### Review of Legal Compliance Reports

As has been done earlier also, during the year, the Board

periodically reviewed reports placed by the management with respect to compliance of various laws applicable to the Company. The Internal Auditors also reviewed the compliance status of the Company within their terms of reference and reported to the Audit Committee.

### Disclosures

**Financial Statements/Accounting Treatments:** In the preparation of Financial Statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**Materially Significant Related Party Transactions:** There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors that may have potential conflict with the interests of the Company.

**Disclosure on Risk Management:** The Board is periodically informed about the key risks and their minimisation procedures. Business risk evaluation and management is an ongoing process within the Company.

**Details of non-compliance with regard to the capital market:** There have been no instances of non-compliance by the Company and no penalties and/or strictures have been imposed on it by Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital markets during the last three years.

**CEO and CFO Certification:** The certificate required under clause 49(IX) of the listing agreement duly signed by the Managing Director and CFO was placed before the Board and the same is also provided with this report.

**Compliance with the mandatory requirements of Clause 49 of the Listing Agreement:** The Company has complied with

all the mandatory requirements of the Code of Corporate Governance as stipulated under the Listing Agreement. The Company has also obtained a certificate affirming the compliances from M/s P. Pincha & Associates, Practicing Company Secretaries, Jaipur and the same is attached to this Report.

**Whistle Blower Policy:** The Audit Committee of the Board is committed to ensure fraud-free work environment and to this end the Committee has laid down a Whistle Blower Policy providing a platform to all its stakeholders including employees, auditors, regulatory agencies and customers of the Company to report any suspected or confirmed incident of fraud/misconduct through any of the following reporting protocols:

- Name of Vigilance Officer: Mr. Deepak Mittal
- E-mail: [whistleblower@gravitaindia.com](mailto:whistleblower@gravitaindia.com)
- Written Communication to: Vigilance officer- Gravita India Whistle Blower Policy, A-27 B, Gravita Tower, Shanti Path, Tilak Nagar, Jaipur- 302004

During the year, no personnel has been denied access to the audit committee. The Policy is also available at website of the Company ([www.gravitaindia.com](http://www.gravitaindia.com))

## Means of Communication

### Financial Results

- Pursuant to Clause 41(l)(f) of the Listing Agreement, the Company has regularly furnished, by way of online electronic upload on NEAPS and BSE Listing Centre as well as by fax (within 15 (fifteen) minutes of closure of the Board Meeting) the quarterly un-audited as well as annual audited results to both the Stock exchanges i.e. BSE & NSE.
- The quarterly, half-yearly and annual results are published in 'Mint' in English (Delhi Edition), and in 'Nafa Nuksan' (Vernacular) in Hindi.
- These Results are not sent individually to the Shareholders.

### Website & Newsletter

- Pursuant to Clause 54 of the Listing Agreement the Company's website [www.gravitaindia.com](http://www.gravitaindia.com) contains

a dedicated functional segment called 'Investors Information' (<http://www.gravitaindia.com/investors>) where all the information needed by the shareholders is available, including the Corporate Governance Report, Shareholding Patterns and Annual Reports.

- The in-house quarterly newsletter of the Company named 'Gravita Focus' is sent to the shareholders to keep them updated with the ongoing events of the company.

### News Releases, Presentations, etc.

- All price sensitive information is immediately informed to Stock Exchanges before the same is communicated to general public through press releases, if any.
- Official news releases and Official Media Releases are sent to the Stock Exchanges regularly.
- NSE Electronic Application Processing System (NEAPS): The NEAPS is a web based application designed by NSE for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media Releases, etc. are filed electronically on NEAPS.
- BSE Corporate Compliance & Listing Centre (the "Listing Centre"): The Listing Centre of BSE is a web based application designed by BSE for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media Releases, etc. are filed electronically on the Listing Centre.
- SEBI Online Complaints Redress System (SCORES): The investor complaints are processed in a centralised web based complaints redressal system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report of Financial Year 2014-15. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

## General Shareholder Information

### a) Annual General Meeting 2015

Day and Date	Saturday, 08 <sup>th</sup> August, 2015
Venue	Saurabh, Chittora Road, Harsulia Mod, Diggi-Malpura, Tehsil Phagi, Jaipur- 303904 (Raj)
Time	11.00 a.m.
Financial Year	2014-15
Book Closure Dates	Monday, 03 <sup>rd</sup> August, 2015 to Saturday, 08 <sup>th</sup> August, 2015 (both days inclusive)
Rate of Dividend	10%
Date of Payment	Between 13 <sup>th</sup> August, 2015 to 06 <sup>th</sup> September, 2015

### b) Tentative Financial Calendar (For FY 2015-16)

The tentative schedule of Financial Results of the Company is as follows:

June Quarter Ending Results (Limited Reviewed)	Within 45 days from end of quarter
September Quarter Ending Results (Limited Reviewed)	Within 45 days from end of quarter
December Quarter Ending Results (Limited Reviewed)	Within 45 days from end of quarter
March Quarter/ Year Ending Results (Audited)	Within 60 days from end of financial year

### c) Listing at Stock Exchanges

The Company's shares are presently listed on BSE Ltd and National Stock Exchange of India Ltd (NSE). The Company has paid Listing fees to BSE & NSE for the financial year 2015-16.

### d) Stock Code

Stock Code for the Equity Shares of the Company at the respective Stock Exchanges are:

BSE Ltd : 533282

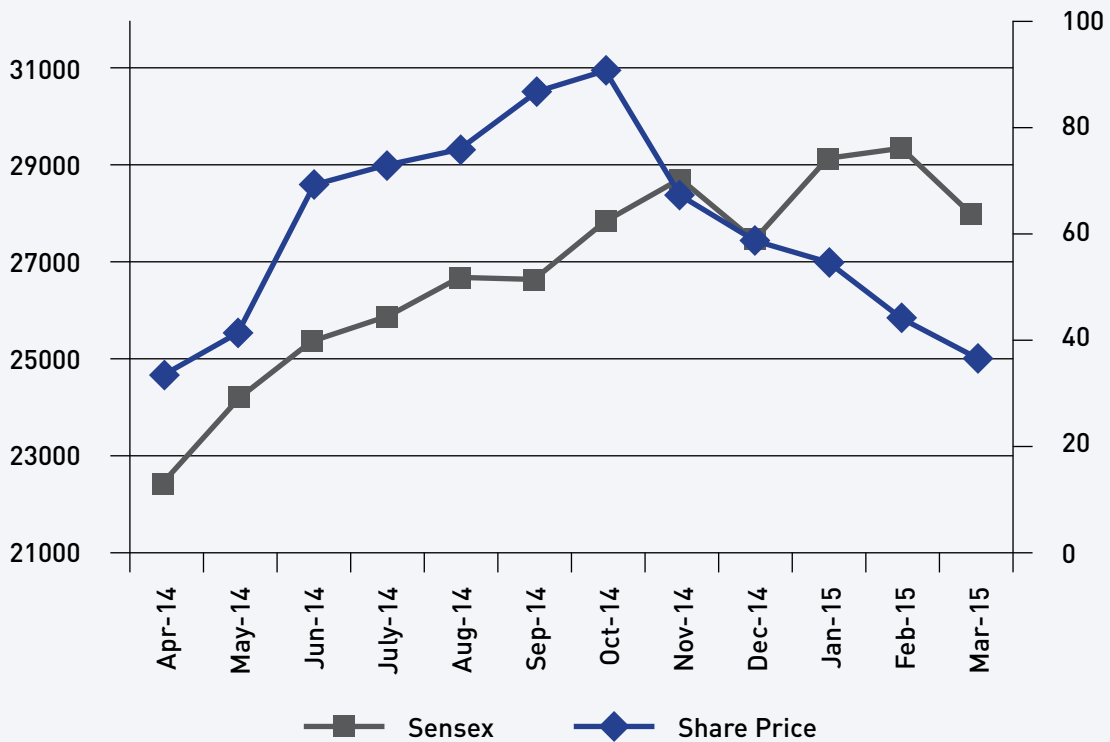
National Stock Exchange : GRAVITA

### e) Stock Market Data

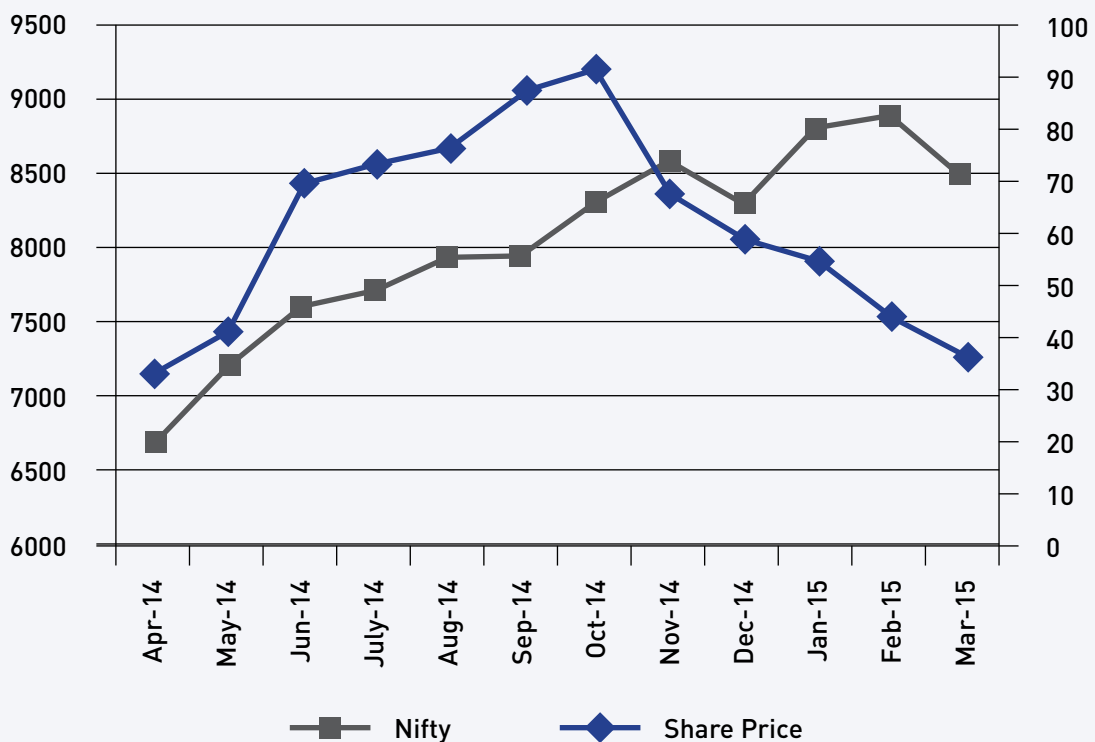
#### i. Market price data for the Financial Year 2014-15:

Year and Month	BSE			NSE		
	High (₹)	Low (₹)	Volume in '000 (In No.)	High (₹)	Low (₹)	Volume in '000 (In No.)
April 2014	39.95	33.00	2796.907	40.25	32.85	1662.643
May 2014	47.95	33.20	1016.972	48.00	33.00	1224.645
June 2014	72.00	43.00	1356.961	72.30	42.50	4984.983
July 2014	81.00	65.50	1881.281	80.90	65.00	4821.404
Aug 2014	85.65	62.00	553.489	85.50	63.15	2476.968
Sept 2014	<b>97.05</b>	75.10	991.444	<b>97.05</b>	75.00	6183.342
Oct 2014	96.30	78.40	507.598	96.20	78.00	2048.458
Nov 2014	91.55	66.55	1178.233	91.60	66.25	1688.983
Dec 2014	81.50	57.55	1723.493	81.40	58.00	2267.024
Jan 2015	68.10	53.50	3107.423	68.20	53.15	3173.409
Feb 2015	57.45	43.00	811.681	57.50	42.40	1129.278
March 2015	47.50	<b>31.00</b>	950.183	47.50	<b>31.50</b>	1423.372

ii. Performance of the Company's Share Price vis-à-vis BSE Sensex during the year 2014-15

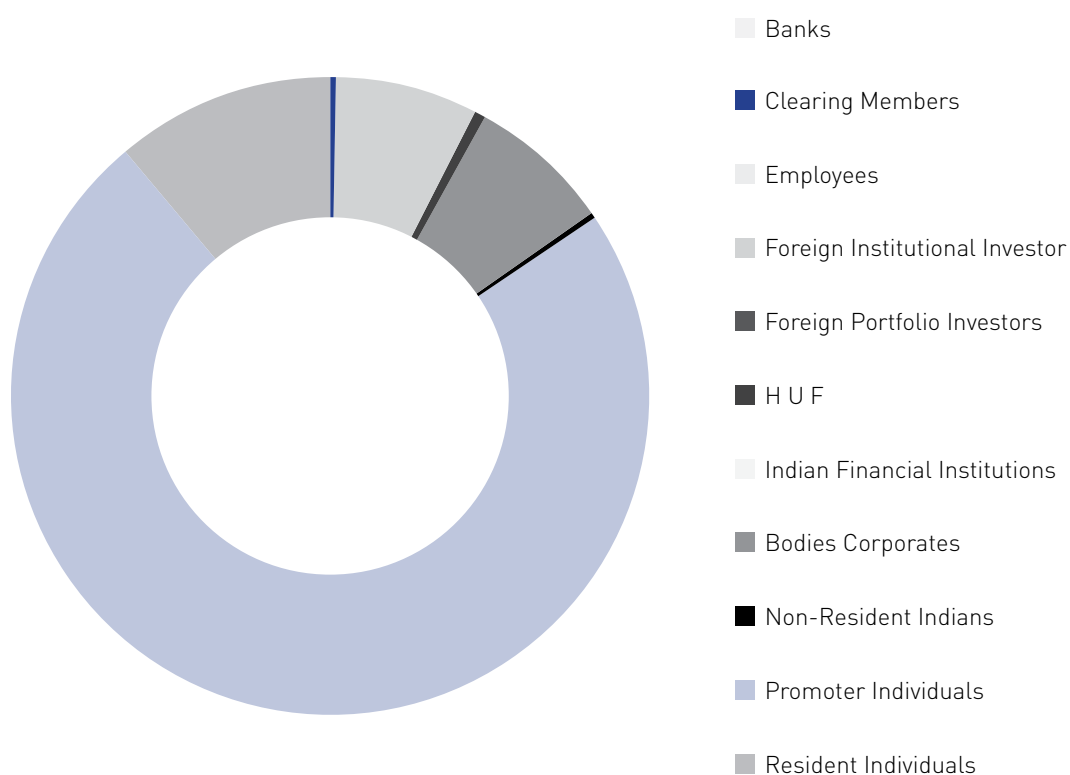


iii. Performance of the Company's Share Price vis-à-vis NSE Nifty during the year 2014-15



## f) Shareholding Pattern as on 31st March, 2015

Category	No. of Shares	%age
Banks	22441	0.03
Clearing Members	225262	0.33
Employees	1177	0.00
Foreign Institutional Investors	5032398	7.37
Foreign Portfolio Investors	26000	0.04
H U F	356185	0.52
Indian Financial Institutions	651	0.00
Bodies Corporates	4904720	7.19
Non-Resident Indians	146049	0.21
Promoter Individuals	50055750	73.34
Resident Individuals	7483945	10.96
<b>Grand Total:</b>	<b>68254578</b>	<b>100.00</b>



**g) Distribution Schedule as on 31st March, 2015**

Nominal Value of Each Equity Share is ₹ 2/-

No. of Equity Shares Held	No. of Share Holders	% of Share holders	No. of Shares	Amount (in ₹)	% of Total Shares
0001 - 5000	4603	94.69	1234702	2469404.00	1.81
5001 - 10000	103	2.12	366134	732268.00	0.54
10001 - 20000	58	1.19	429089	858178.00	0.63
20001 - 30000	15	0.31	190909	381818.00	0.28
30001 - 40000	10	0.21	181026	362052.00	0.27
40001 - 50000	7	0.14	157652	315304.00	0.23
50001 - 100000	26	0.53	869362	1738724.00	1.27
100001 & ABOVE	39	0.80	64825704	129651408.00	94.98
<b>TOTAL</b>	<b>4861</b>	<b>100.00</b>	<b>68254578</b>	<b>136509156.00</b>	<b>100.00</b>

**h) Corporate Identification Number (CIN)**

The Company is registered with the Registrar of Companies, Jaipur, Rajasthan. The CIN allotted to the Company by the Ministry of Corporate Affairs is L29308RJ1992PLC006870.

**i) Subsidiary Companies**

The Company does not have any material non listed Indian Subsidiary Company, whose Turnover or Net worth exceeds 20% of the Consolidated Turnover or Net Worth respectively of the Company and its subsidiaries in the immediately preceding accounting year, in terms of Clause 49(V) of the Listing Agreement.

**j) Reconciliation of Share Capital Audit**

A Qualified Practicing Company Secretary carried out the Quarterly Reconciliation of Share Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) of the total issued and listed Equity Share Capital. The Report on Reconciliation of Share Capital confirms that the total issued/paid up capital of the Company admitted with depositories is in agreement with the capital of the Company listed with the Stock Exchanges.

**k) Share Transfer System**

The Share transfer documents complete in all respects are registered and/or share transfers under objections are returned within stipulated time period.

**l) Dematerialisation of Shares and Liquidity.**

The Shares of Company are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities

Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 99.99% of the Company's Equity Share Capital are dematerialised as on 31 March, 2015 and the promoters holding of 73.34% is completely held in the dematerialised form as on 31 March, 2015. The Company's Equity Shares are regularly traded on the Bombay Stock Exchange and National Stock Exchange in dematerialised form. Under the Depository system, the International Security Identification Number (ISIN) allotted to the Company's shares is INE024L01027.

**m) Green Initiative In Corporate Governance**

As per the MCA Circular Nos. 17/2011 dated April 21, 2011 & 18/2011 dated April 29, 2011, Ministry of Corporate Affairs has undertaken a Green Initiative in Corporate Governance whereby the shareholders desirous of receiving notices, documents and other communication from the Company through electronic mode, can register their e-mail addresses with the Company. **As a responsible citizen, your Company strongly urge our shareholders to support the Green Initiative by giving positive consent by registering/updating your email addresses with your respective Depository Participants or the Registrar and Transfer Agents of the Company, KARVY COMPUTERSHARE PRIVATE LIMITED for the purpose of receiving soft copies of various communications including the Annual Report.**

**n) Outstanding GDRs/ADRs/Warrants or Any Convertible Instruments**

The Company has not issued GDRs / ADRs/ Warrants or any other instruments which is convertible into Equity Shares of the Company during 2014-15.



**o) Address for Correspondence**

Shareholder's correspondence should be addressed to the Company's RTA at the address mentioned below:

**Registrar and Share Transfer Agents**

Mrs. Shobha Anand  
Karvy Computershare Pvt Ltd  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500 032  
Phone No. 040-67162222

Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Web site: [www.karvy.com](http://www.karvy.com)

For any further assistance, the Shareholders may Contact:

**Company's Corporate Office**

Company Secretary  
Gravita India Limited  
402, Gravita Tower, A-27B, Shanti Path, Tilak Nagar,  
Jaipur – 302 004, Rajasthan, India  
Tel. 0141-2623266

Email: [companysecretary@gravitaindia.com](mailto:companysecretary@gravitaindia.com)

Web Site: [www.gravitaindia.com](http://www.gravitaindia.com)

**Registered Office**

Gravita India Limited  
'Saurabh', Chittora Road, Harsulia Mod, Diggi – Malpura,  
Tehsil – Phagi, Jaipur – 303 904, Rajasthan, India  
Tel. 09928070682

In Compliance of Clause 47(f) of the Listing Agreement, the Company has designated exclusive Email ID for redressal of Investor Grievances i.e. [companysecretary@gravitaindia.com](mailto:companysecretary@gravitaindia.com)

**p) Plant Locations:**

- i. 'Saurabh', Chittora Road, Harsulia Mod, Diggi – Malpura, Tehsil – Phagi, Jaipur –303 904, Rajasthan, India.
- ii. Plot No. 322, Mithirohar Industrial Estate, Mithirohar, Taluka Gandhidham, Gujarat.
- iii. Plot No. PA-011-006, Mahindra SEZ, Village Kalwara, Tehsil Sanganer, Distt. Jaipur.

## DECLARATION regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

I, Rajat Agrawal, Managing Director of Gravita India Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company, applicable to them as laid down by the Board of Directors in terms of Clause 49(III)(E) of the Listing Agreement entered into with the Stock Exchanges, for the year ended 31st March, 2015.

For **Gravita India Limited**

Place: Jaipur  
Date: 23<sup>rd</sup> May, 2015

Sd/-  
**(Rajat Agrawal)**  
Managing Director

# CEO/CFO Certification

**Date:** 23<sup>rd</sup> May, 2015

To  
The Board of Directors  
Gravita India Limited  
Jaipur

We, Rajat Agrawal, CEO & Managing Director and Sunil Kansal, CFO of the Company, hereby certify to the Board that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2015 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting.

For **Gravita India Limited**

Sd/-  
**Rajat Agrawal**  
(Managing Director)

For **Gravita India Limited**

Sd/-  
**Sunil Kansal**  
(Chief Financial Officer)

# Corporate Governance Compliance Certificate

To  
The Members,  
**Gravita India Limited**

We have examined the compliance of conditions of Corporate Governance by Gravita India Limited, for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **P. Pincha & Associates**  
Company Secretaries

Sd/-  
**Pradeep Pincha**  
Proprietor  
M. No. FCS 5369  
C. P. No.:4426

Dated: 23<sup>rd</sup> May, 2015  
Place: Jaipur

## Independent Auditor's Report

To  
The Members of  
**Gravita India Limited**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GRAVITA INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit

evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

### Other Matters

The standalone financial statements include the Company's share of net profit of ₹ 1,160.34 lacs for the year ended March 31, 2015 in respect of 3 partnership firms, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these partnership firms, is based solely on the reports of the other auditors. Refer Note 41 to the financial statements.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 45 to the financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 46 to the financial statements.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

Firm's Registration No. 015125N

Sd/-

**Vijay Agarwal**

Partner

Membership No. 094468

Jaipur

May 23, 2015

## Annexure to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) There are no dues in respect of Custom Duty, Wealth Tax, Sales Tax, Excise Duty and Cess which have not been deposited on account of any dispute. Details of dues of Income-tax, Service Tax, Value Added Tax which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved* (₹ in lacs)
Income tax Act, 1961	Income Tax	Appellate Authority upto Commissioner level	2010-11	10.21
Finance Act, 1994	Service Tax	Appellate Authority upto Commissioner level	2010-11 and 2011-12	14.61
Finance Act, 1994	Service Tax	Appellate Authority upto Commissioner level	2014-15	0.79
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	Appellate Authority upto Commissioner level	2011-12	4.54

\* includes interest and penalty, wherever applicable.

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm's Registration No. 015125N

Sd/-  
**Vijay Agarwal**

Partner  
Membership No. 094468

Jaipur  
May 23, 2015

## Balance Sheet

as at March 31, 2015

(₹ in Lacs)

	Notes	As at March 31, 2015	As at March 31, 2014
<b>Equity and Liabilities</b>			
<b>Shareholder's funds</b>			
Share capital	2	1,365.09	1,363.50
Reserves and surplus	3	7,627.36	7,277.13
		<b>8,992.45</b>	<b>8,640.63</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	146.77	709.30
Deferred tax liabilities (net)	5	-	124.91
Long-term provisions	6	25.60	19.30
		<b>172.37</b>	<b>853.51</b>
<b>Current liabilities</b>			
Short-term borrowings	7	8,067.83	5,279.09
Trade payables	8	920.43	1,200.53
Other current liabilities	9	1,240.16	1,287.11
Short-term provisions	10	163.34	397.32
		<b>10,391.76</b>	<b>8,164.05</b>
<b>TOTAL</b>		<b>19,556.58</b>	<b>17,658.19</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	11		
Tangible assets		3,573.71	4,127.40
Intangible assets		85.78	29.81
Capital work-in-progress		299.60	233.41
		<b>3,959.09</b>	<b>4,390.62</b>
Non-current investments	12	1,553.38	1,557.95
Deferred tax assets (net)	5	197.21	-
Long-term loans and advances	13	429.09	677.05
Other non-current assets	14	680.83	710.63
		<b>6,819.60</b>	<b>7,336.25</b>
<b>Current assets</b>			
Current investments	15	1,186.71	614.68
Inventories	16	6,259.15	3,599.58
Trade receivables	17	2,128.39	3,436.58
Cash and cash equivalents	18	131.04	106.39
Short-term loans and advances	19	2,176.61	1,912.91
Other current assets	20	855.08	651.80
		<b>12,736.98</b>	<b>10,321.94</b>
<b>TOTAL</b>		<b>19,556.58</b>	<b>17,658.19</b>
See accompanying notes forming part of the financial statements	1 - 47		

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

**Vijay Agarwal**

Partner

For and on behalf of the Board of Directors

**Rajat Agrawal**

(Managing Director)

**Rajeev Surana**

(Whole Time Director)

**Sunil Kansal**

(Chief Financial Officer)

**Leena Jain**

(Company Secretary)

Place: Jaipur

Date: May 23, 2015



## Statement of Profit and Loss

for the year ended March 31, 2015

(₹ in Lacs)

	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Income</b>			
Revenue from operations (gross)	21	34,636.70	35,316.64
Less : Excise duty		1,238.80	1,489.29
Revenue from operations (net)		33,397.90	33,827.35
Other income	22	709.48	277.59
<b>Total revenue (I)</b>		<b>34,107.38</b>	<b>34,104.94</b>
<b>Expenses</b>			
Cost of materials consumed	23	18,484.76	18,033.84
Purchase of stock-in-trade (traded goods)	24	12,327.56	10,734.00
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(906.88)	(164.64)
Employee benefit expenses	26	1,549.23	1,302.74
Finance costs	27	841.23	775.59
Depreciation and amortisation expenses	11	285.54	173.11
Other expenses	28	1,358.05	1,649.81
<b>Total expenses (II)</b>		<b>33,939.49</b>	<b>32,504.45</b>
<b>Profit Before Tax (I - II)</b>		<b>167.89</b>	<b>1,600.49</b>
<b>Less: Tax expense</b>			
Current tax		-	139.46
Excess provision for tax relating to prior years written back		(30.99)	(44.16)
Net current tax expense		(30.99)	95.30
Deferred tax		(312.34)	16.60
Net tax expense		(343.33)	111.90
<b>Profit After Tax</b>		<b>511.22</b>	<b>1,488.59</b>
<b>Earnings per share of face value of ₹2 each</b>			
Basic (in ₹)	40	0.75	2.18
Diluted (in ₹)		0.75	2.17
See accompanying notes forming part of the financial statements	1 - 47		

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Vijay Agarwal**  
Partner

Place: Jaipur  
Date: May 23, 2015

For and on behalf of the Board of Directors

**Rajat Agrawal**  
(Managing Director)

**Sunil Kansal**  
(Chief Financial Officer)

**Rajeev Surana**  
(Whole Time Director)

**Leena Jain**  
(Company Secretary)

## Cash Flow Statement

for the year ended March 31, 2015

(₹ in Lacs)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
<b>A. Cash Flow from Operating Activities</b>				
Profit before tax		167.89		1,600.49
<b>Adjustments for:</b>				
Depreciation and amortisation expense	285.54		173.11	
Non-current investments in subsidiaries written off	5.55		-	
Provision/ written off for doubtful trade receivables, loans and advances	4.91		119.07	
Provision for loss on sale of fixed asset	43.04		-	
Liabilities no longer required written back (advance from customers forfeited)	(148.16)		-	
Profit on sale of assets	-		(2.22)	
Loss on fixed assets discarded/ scrapped / written off	2.76		26.48	
Expense on employee stock option (ESOP) scheme	25.51		64.86	
Finance costs	841.23		775.59	
Interest income	(58.67)		(65.91)	
Dividend income from quoted and unquoted other investments in mutual funds	-		(16.17)	
		1,001.71		1,074.81
<b>Operating profit before working capital changes</b>				
<u>Changes in working capital</u>				
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Inventories	(2,659.57)		224.51	
Trade receivables	1,308.19		(1,285.23)	
Short-term loans and advances	(268.61)		(510.23)	
Long-term loans and advances	233.38		508.08	
Other current assets	312.39		(58.13)	
Other non-current assets	29.80		(65.96)	
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
Long-term provisions	6.30		10.33	
Trade payables	(280.10)		(1,011.97)	
Other current liabilities	157.03		54.43	
Short-term provisions	(40.55)		1.14	
		(1,201.74)		(2,133.03)
<b>Cash generated from operations</b>		<b>(32.14)</b>		<b>542.27</b>
Net income tax paid/ (refunds)		(25.49)		95.70
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(6.65)</b>		<b>446.57</b>

## Cash Flow Statement (contd.)

for the year ended March 31, 2015

(₹ in Lacs)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
<b>B. Cash Flow from Investing Activities</b>				
Capital expenditure on fixed assets, including capital advances	(403.59)		(2,477.44)	
Proceeds from sale of fixed assets	8.50		18.19	
Purchase of long term investments	(0.98)		(27.37)	
Proceeds from sale of long-term investments	-		76.50	
Bank balances not considered as Cash and cash equivalents (matured/ (placed))	0.03		(0.13)	
Proceeds/ (purchase) of current investments	(572.03)		1,854.24	
Dividend income	-		16.17	
Interest income	50.89		57.96	
<b>Net cash used in investing activities (B)</b>		<b>(917.18)</b>		<b>(481.88)</b>
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from issue of equity shares	1.59		0.95	
Proceeds from long-term borrowings	45.47		724.47	
Repayment of long-term borrowings	(627.40)		(871.29)	
Proceeds from short-term borrowings (net)	2,788.74		1,234.83	
Finance costs	(859.46)		(607.99)	
Dividend Paid (including tax on dividend)	(400.43)		(476.69)	
<b>Net cash flow from financing activities (C)</b>		<b>948.51</b>		<b>4.28</b>
<b>Net increase /(decrease) in cash and cash equivalents (A+B+C)</b>		<b>24.68</b>		<b>(31.03)</b>
Cash and cash equivalents at the beginning of the year		103.58		134.61
<b>Cash and cash equivalents at the end of the year (refer note 18)</b>		<b>128.26</b>		<b>103.58</b>

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Vijay Agarwal**  
Partner

Place: Jaipur  
Date: May 23, 2015

For and on behalf of the Board of Directors

**Rajat Agrawal**  
(Managing Director)

**Sunil Kansal**  
(Chief Financial Officer)

**Rajeev Surana**  
(Whole Time Director)

**Leena Jain**  
(Company Secretary)

## Notes forming part of the Financial Statements

for the year ended March 31, 2015

### Corporate Information

Gravita India Limited ('the Company') is a public company incorporated under the provisions of the Companies Act, 1956. Its business operations currently encompass three business areas – Lead processing, trade (lead products and aluminium scrap) and dealings in Lead and Turn-key Lead Recycling projects. The Company carry out smelting of Lead battery scrap / Lead concentrate to produce Secondary Lead metal, which is further transformed into Pure Lead, Specific Lead Alloy, Lead Oxides (Lead Sub-Oxide, Red Lead, and Litharge) and Lead products like Lead Sheets, Lead Powder, Lead Shot, etc. The Company has Lead processing unit at Jaipur (Rajasthan) and Bhuj (Gujarat), trading unit at Vishwa Karma Industrial Area, Jaipur and Turn-Key Lead Recycling unit at SEZ, Jaipur (Rajasthan).

### Note 1 : Significant Accounting Policies

#### a) Basis of accounting and preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### c) Inventories

Inventories are valued at the lower of cost (moving weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable, excise duty.

#### d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### e) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### f) Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately under other current assets.

#### Capital work-in-progress:

Assets which are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### g) Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except on the following categories of assets:

- (i) Assets costing up to ₹5,000/- are fully depreciated in the year of acquisition.
- (ii) Leasehold land and leasehold improvements are amortised over the primary period of lease.

Intangible assets are amortised over their useful life of 5 years.

### h) Revenue Recognition

#### Revenue from Operations:

- Sale and operating income includes sale of products, services, profit from partnership firms, income from job work services, export incentives, etc.
- Sale of goods are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Sales include excise duty but exclude sales tax and value added tax.
- Sale of services are recognised when services are rendered and related costs are incurred.
- Profit from partnership firms which are in the same line of operation is considered as operating Income.
- Revenue from job work services is recognised based on the services rendered in accordance with the terms of contracts.
- Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

#### Other Income:

- Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend income is recognised when right to receive is established.
- Rent income is booked as per terms of contracts.

### i) Foreign Currency Transactions and Translations

#### Initial Recognition:

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions.

#### Translations:

Monetary Items denominated in foreign currencies at the year end are restated at year end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transactions; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### Treatment of Exchange Differences:

Exchange differences arising on the settlement of monetary items or on re-statement of the company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expense in the Statement of Profit and Loss.

### j) Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### k) Employee Benefits

Employee benefits include Provident Fund, Employee State Insurance Scheme, Gratuity Fund and compensated absences.

#### Defined Contribution Plans

The Company's contribution to provident Fund and Employee State Insurance Scheme are considered as defined contribution

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### Defined Benefit Plans

For defined benefit plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### Long-Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

### l) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

### m) Earnings Per Share

Basic earnings per share is computed by dividing the Profit After Tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### n) Employee Share Based Payments

Equity settled stock options granted under "Gravita Employee Stock Option Scheme" are accounted for under the intrinsic value method as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Employee Share based Payments issued by the Institute of Chartered Accountants of India.

### o) Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### p) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### q) Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

### r) Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### s) Derivatives and Commodity Hedging Transactions

In order to hedge its exposure to foreign exchange and commodity price risks, the Company enters into forward, option, and other derivative financial instruments. The Company neither holds nor issues any derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

### t) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 2 : Share Capital

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
<b>Authorised share capital</b>		
75,000,000 (Previous year 75,000,000) equity shares of ₹2 each	1,500.00	1,500.00
<b>Issued, subscribed and paid up capital</b>		
68,254,578 (Previous year 68,175,166) equity shares of ₹2 each fully paid up	1,365.09	1,363.50
	<b>1,365.09</b>	<b>1,363.50</b>

#### Notes:

#### (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	Number of shares	(₹ in Lacs)	Number of shares	(₹ in Lacs)
<b>At the beginning of the year</b>	68,175,166	1,363.50	68,127,552	1,362.55
Add: Issued during the year - ESOP	79,412	1.59	47,614	0.95
<b>Outstanding at the end of the year</b>	<b>68,254,578</b>	<b>1,365.09</b>	<b>68,175,166</b>	<b>1,363.50</b>

#### (b) Terms /rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a face value of ₹2 per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.

#### (c) Aggregate number of Bonus Shares issued during the period of five years immediately preceding the reporting date

	As at March 31, 2015	As at March 31, 2014
<b>Equity shares with voting rights</b>		
Fully paid up by way of bonus shares (one fully paid bonus share of ₹2 per share against two fully paid of ₹2 per share)	16,700,000	16,700,000

#### (d) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of shares held	% holding	No. of shares held	% holding
Mr. Rajat Agrawal	32,677,725	47.88	32,677,725	47.93
Dr. M. P. Agarwal	13,673,325	20.03	13,673,325	20.06
Smt. Shashi Agarwal	3,674,700	5.38	3,674,700	5.39

#### (e) Shares reserved for issuance under options

The members of the Company at its Annual General Meeting held on July 27, 2011 had approved the issue of Stock Options to eligible employees/directors of the Company and its subsidiaries. Accordingly, the Board at their meeting held on August 10, 2011 approved the "Gravita ESOP 2011" Scheme. A Compensation Committee was formed to govern the Gravita ESOP 2011 Scheme which has approved first, second and third grant of options on September 23, 2011, July 5, 2012 and July 1, 2013 respectively. Details are as follows:



## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

	First grant	Second grant	Third grant
Grant Date	September 23, 2011	July 5, 2012	July 1, 2013
Grant effective from	October 1, 2011	July 5, 2012	July 1, 2013
Exercisable period	5 years	5 years	5 years
Option Granted	400,380	31,000	368,500
Exercise price	₹2 per share	₹2 per share	₹2 per share

### Movement in stock options:

	First grant	Second grant	Third grant
Options outstanding at the beginning of the year	137,229	24,750	353,500
	(209,918)	(27,500)	(-)
New options issued during the year	-	-	-
	(-)	(-)	(368,500)
Options exercised during the year	56,737	5,500	17,175
	(44,864)	(2,750)	(-)
Lapsed/ forfeited during the year	23,520	-	38,000
	(27,825)	(-)	(15,000)
Options outstanding at the end of the year	56,972	19,250	298,325
	(137,229)	(24,750)	(353,500)

### Note 3 : Reserves and Surplus

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>Securities premium account</b>		
Opening balance	3,937.53	3,899.11
Add: Premium on shares issued during the year	55.45	38.42
<b>Closing balance</b>	<b>3,992.98</b>	<b>3,937.53</b>
<b>Share options outstanding account</b>		
Opening balance	121.27	94.83
Add: Amounts recorded on grants /cancellations during the year	25.51	64.86
Less: Transferred to securities premium account on exercise	55.45	38.42
<b>Closing balance</b>	<b>91.33</b>	<b>121.27</b>
<b>General reserve</b>		
Opening balance	517.90	369.04
Add: Transferred from surplus in Statement of Profit and Loss	-	148.86
<b>Closing balance</b>	<b>517.90</b>	<b>517.90</b>
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	2,700.43	1,994.59
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (refer note 44)	22.57	-
Add: Profit for the year	511.22	1,488.59
Less: Appropriations:		
Interim dividend (Amount per share ₹ Nil (Previous year ₹0.30))	-	204.53
Income tax on interim dividend	-	33.18
Proposed final dividend (Amount per share ₹0.20 (Previous year ₹0.50))	136.51	340.88
Income tax on proposed final dividend	27.42	55.30
Transfer to general reserve	-	148.86
<b>Closing balance</b>	<b>3,025.15</b>	<b>2,700.43</b>
	<b>7,627.36</b>	<b>7,277.13</b>

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 4 : Long-Term Borrowings

(₹ in Lacs)

	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>				
Term loans				
Banks #	24.56	14.66	28.60	72.46
Foreign currency loans ##	122.21	694.64	713.59	689.13
	<b>146.77</b>	<b>709.30</b>	<b>742.19</b>	<b>761.59</b>
Less: Amount transferred to other current liabilities (refer note 9)	-	-	742.19	761.59
	<b>146.77</b>	<b>709.30</b>	<b>-</b>	<b>-</b>

#### Notes:

# Term loans from banks carry interest ranging from 9.57% p.a. to 10.82% p.a. The loans are secured by way of hypothecation of vehicles and repayable in equal monthly installments over a period of 3 to 5 years.

## Foreign currency loans represent two loans from Export Import Bank of India which carries interest ranging from 6 months USD LIBOR+5% p.a. to LIBOR+6% p.a. The loans are repayable in 18/20 equal quarterly installments as per the due dates specified in the respective loan agreements. Loans are secured by way of the following:

#### First loan:

- Pledge of liquid investments in fixed deposits.
- Second charge on entire current assets and fixed assets including immovable property of the Company except immovable property situated at Plot No. P.A. 011-066, Light Engineering Zone, Mahindra World City - SEZ, Jaipur.
- Mortgage of Flat no. 402 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur of Managing Director Mr. Rajat Agrawal.
- Extension of charge on the fixed assets including immovable property situated at Plot No. P.A. 011-066, Light Engineering Zone, Mahindra World City - SEZ, Jaipur.
- Corporate guarantee of M/s Gravita Infotech (formerly known as M/s Gravita Technomech).
- Personal guarantee of Managing Director Mr. Rajat Agrawal.

#### Second Loan:

- Mortgage of immovable property Plot No. P.A. 011-066, Light Engineering Zone, Mahindra World City - SEZ, Jaipur.

### Note 5 : Deferred Tax Liabilities/ (Assets)

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>Tax effect of items constituting deferred tax liabilities</b>		
Difference between book balance and tax balance of fixed assets	210.35	188.77
<b>Less: Tax effect of items constituting deferred tax assets</b>		
Accrued expenses deductible on payments	32.34	25.23
Provision for doubtful receivables, loans and advances	35.94	38.63
Unabsorbed depreciation/ Business losses carried forward #	339.28	-
	<b>(197.21)</b>	<b>124.91</b>

# The Company has recognised deferred tax asset on unabsorbed depreciation and carried forward business losses based on the management's estimates and future projections.

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 6 : Long-Term Provisions

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits		
Provision for compensated absences	25.60	19.30
	<b>25.60</b>	<b>19.30</b>

### Note 7 : Short-Term Borrowings

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>		
Loans repayable on demand from banks #		
Cash credit / overdraft	2,007.49	2,009.54
Packing credit	4,663.68	1,897.36
Foreign currency loans - buyers credit	1,396.66	1,363.70
<b>Unsecured</b>		
Term loan from banks		
Kotak Mahindra Bank Limited	-	8.49
	<b>8,067.83</b>	<b>5,279.09</b>

#### Notes:

- # Loans repayable on demand are secured by way of:
- First pari-passu charge over the entire current assets of the Company including raw material, stock in process, finished goods including stocks in transit and those lying in godowns, ports, etc and book debts (both present and future).
  - First pari-passu charge on the entire fixed assets of the Company including the following:
    - Flat no. 302, 401, 403 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur.
    - Land and building at Jai Chand ka Bas, Diggji Malpura Road, Phagi, Jaipur.
  - First pari-passu charge on the following other assets:
    - Land and house at 3/90, HIG, Mansarovar, Jaipur of Gravita Impex Private Limited (related party).
    - Flat no. 203 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur of Managing Director Mr. Rajat Agrawal.
  - Cash collateral (Fixed Deposits) of ₹275.00 lacs.
  - Personal guarantee of Managing Director Mr. Rajat Agrawal
  - Corporate guarantee of M/s Gravita Impex Private Limited (related party).

### Note 8 : Trade Payables

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Trade payables other than micro and small enterprises (other than acceptances)#	920.43	1,200.53
	<b>920.43</b>	<b>1,200.53</b>

- # Based on the information available with the Company, no suppliers have been identified, who are registered under the Micro, Small and Medium Enterprise Development Act, 2006. Further, the Company has not received any claim of interest from any supplier under the said Act.

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 9 : Other Current Liabilities

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term debt (refer note 4)	742.19	761.59
Interest accrued but not due on borrowings	8.52	26.75
Unclaimed equity share application money	2.19	2.19
Unclaimed dividends	0.59	0.62
Other payables:		
Statutory remittances #	8.56	32.64
Payables on purchase of fixed assets	52.90	71.06
Advance from customers	385.31	340.13
Gratuity payable to fund	39.90	27.13
Others	-	25.00
	<b>1,240.16</b>	<b>1,287.11</b>

# Include contribution to Provident Fund and ESI, Withholding Taxes, Sales Tax (including Work Contract Tax), Service Tax and Professional Tax.

### Note 10 : Short-Term Provisions

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
<b>Provision for employee benefits</b>		
Provision for compensated absences	3.63	1.14
<b>Other provisions</b>		
Provision for proposed equity dividend	136.51	340.88
Provision for tax on proposed dividend	23.20	55.30
	<b>163.34</b>	<b>397.32</b>

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 11 : Fixed Assets

Assets description	Gross block				Accumulated depreciation / amortisation			Net block	
	As at	Additions #	Sold /	As at	As at	Sold /	As at	As at	As at
	March 31, 2014	March 31, 2014	Adjustment	March 31, 2015	March 31, 2015	Adjustment	March 31, 2015	March 31, 2015	March 31, 2014
<b>Tangible fixed assets</b>									
Freehold land	225.63 (236.19)	- (-)	- (10.56)	225.63 (225.63)	- (-)	- (-)	- (-)	225.63 (225.63)	225.63 (236.19)
Leasehold land	1,041.83 (-)	- (1,041.83)	561.26 (-)	480.57 (1,041.83)	10.47 (-)	10.92 (-)	9.54 (10.47)	471.03 (1,031.36)	1,031.36 (-)
Buildings	1,370.66 (198.64)	37.45 (1,172.02)	- (-)	1,408.11 (1,370.66)	46.59 (27.46)	43.12 (19.13)	89.71 (46.59)	1,318.40 (1,324.07)	1,324.07 (171.18)
Plant and equipments	1,329.74 (499.99)	120.86 (882.51)	8.46 (52.76)	1,442.14 (1,329.74)	217.93 (153.90)	143.00 (73.98)	358.79 (217.93)	1,083.35 (1,111.81)	1,111.81 (346.09)
Office equipments	57.18 (51.50)	57.44 (21.20)	6.15 (15.52)	108.47 (57.18)	9.71 (11.50)	14.83 (6.07)	22.00 (9.71)	86.47 (47.47)	47.47 (40.00)
Computer and accessories	134.16 (108.58)	20.70 (37.67)	1.61 (12.09)	153.25 (134.16)	51.98 (43.11)	35.74 (17.08)	86.68 (51.98)	66.57 (82.18)	82.18 (65.47)
Furniture and fixtures	26.45 (23.44)	20.48 (8.55)	0.94 (5.54)	45.99 (26.45)	8.47 (6.19)	3.13 (5.22)	9.78 (8.47)	36.21 (17.98)	17.98 (17.25)
Vehicles	371.89 (333.32)	53.68 (38.79)	8.02 (0.22)	417.55 (371.89)	84.99 (49.90)	52.84 (35.40)	131.50 (84.99)	286.05 (286.90)	286.90 (283.42)
<b>Sub total (A)</b>	<b>4,557.54</b> (1,451.66)	<b>310.61</b> (3,202.57)	<b>586.44</b> (96.69)	<b>4,281.71</b> (4,557.54)	<b>430.14</b> (292.06)	<b>302.65</b> (167.35)	<b>708.00</b> (430.14)	<b>3,573.71</b> (4,127.40)	<b>4,127.40</b>
<b>Intangible fixed assets</b>									
Computer software	46.22 (29.84)	71.41 (16.58)	- (0.20)	117.63 (46.22)	16.41 (14.44)	15.49 (5.76)	31.85 (16.41)	85.78 (29.81)	29.81 (15.40)
<b>Sub total (B)</b>	<b>46.22</b> (29.84)	<b>71.41</b> (16.58)	<b>-</b> (0.20)	<b>117.63</b> (46.22)	<b>16.41</b> (14.44)	<b>15.49</b> (5.76)	<b>31.85</b> (16.41)	<b>85.78</b> (29.81)	<b>29.81</b>
<b>Capital work-in-progress (C) #</b>									
<b>Grand total (A+B+C)</b>	<b>4,603.76</b> (1,481.50)	<b>382.02</b> (3,219.15)	<b>586.44</b> (96.89)	<b>4,399.34</b> (4,603.76)	<b>446.55</b> (306.50)	<b>318.14</b> (173.11)	<b>739.85</b> (446.55)	<b>3,959.09</b> (4,390.62)	<b>4,390.62</b>

# Include ₹ Nil (previous year ₹1,062.59 lacs) consequent to acquisition of SEZ undertaking of M/s Gravita Infotech on April 1, 2013.

## Includes ₹32.60 lacs (previous year ₹ Nil) adjusted from opening balance of retained earnings (refer note 44).

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 12 : Non-Current Investments (At cost as reduced by permanent diminution in value)

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
<b>Trade Investment</b>		
<b>Investment in equity instruments (unquoted) of subsidiary companies</b>		
Gravita Infotech Limited (Formerly known as Gravita Exim Limited) (200,000 (Previous year 200,000) equity shares of ₹10 each fully paid up)	26.09	26.09
Gravita Ghana Limited (314,363 (Previous year 314,363) equity shares of GHC 1 each fully paid up)	123.66	123.66
Gravita Mozambique LDA (7,618,800 (Previous year 7,618,800) equity shares of MZN 1 each fully paid up)	124.06	124.06
Gravita Global Pte Limited (1,345,000 (Previous year 1,345,000) equity shares of USD 1 each fully paid up)	728.60	728.60
<b>Investment in partnership firms (refer note below)</b>		
M/s Gravita Metals #	380.00	380.00
M/s Gravita Metal Inc ##	95.00	95.00
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech) ### (Purchased during the year)	0.98	-
<b>Other investments (unquoted)</b>		
National saving certificates pledged with Government Authorities	0.03	0.03
	<b>1,478.42</b>	<b>1,477.44</b>
<b>Other investments</b>		
<b>Investment in equity instruments (unquoted) of subsidiary companies</b>		
Gravita Infra Private Limited * (6,000 (Previous year 6,000) equity shares of ₹10 each fully paid up)	-	0.60
Gravita Energy Limited * (49,500 (Previous year 49,500) equity shares of ₹10 each fully paid up)	-	4.95
Noble Build Estate Private Limited (19,990 (Previous year 19,990) equity Shares of ₹10 each fully paid up)	74.96	74.96
	<b>74.96</b>	<b>80.51</b>
<b>Aggregate amount of unquoted investments</b>	<b>1,553.38</b>	<b>1,557.95</b>
<b>*Dissolved subsequent to year end on May 11, 2015. Amount written off during the year.</b>		
<b>Note: Other details relating to investment in partnership firms</b>		
<b># Investment in M/s Gravita Metals</b>		
Name of the partner and share in profits (in %)		
Gravita India Limited	95.00%	95.00%
Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	5.00%	5.00%
Total capital of the firm (₹ in Lacs)	400.00	400.00
<b>## Investment in M/s Gravita Metal Inc</b>		
Name of the partner and share in profits (in %)		
Gravita India Limited	95.00%	95.00%
Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	5.00%	5.00%
Total capital of the firm (₹ in Lacs)	100.00	100.00
<b>### Investment in M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)</b>		
Name of the partner and share in profits (in %)		
Gravita India Limited	49.00%	0.00%
Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	51.00%	51.00%
Mr. Rajat Agrawal	-	49.00%
Total capital of the firm (₹ in Lacs)	2.00	2.00

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 13 : Long-Term Loans and Advances (Unsecured, considered good unless otherwise stated)

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Loans and advances to related parties (refer note 38(h))	464.44	982.80
Less: Current maturities transferred to other current assets (refer note 20)	264.44	536.89
	200.00	445.91
Security deposits	30.68	22.47
Capital advances	-	20.33
Minimum alternate tax credit entitlement	94.04	94.04
Advance income tax (net of provision for taxation ₹ Nil (Previous year ₹139.46 lacs)	99.79	94.04
Prepaid expenses	4.58	0.26
	<b>429.09</b>	<b>677.05</b>

### Note 14 : Other Non-Current Assets

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Fixed deposits #	635.84	683.68
Interest accrued but not due on loans and advances to related parties (refer note 38(h))	44.99	26.95
	<b>680.83</b>	<b>710.63</b>

# Represent lien with banks and financial institution and are restricted from being exchanged or used to settle a liability.

### Note 15 : Current Investments

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>Investment in partnership firms (trade)#</b>		
M/s Gravita Metals	146.08	505.41
M/s Gravita Metal Inc	1,027.90	109.27
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)	12.73	-
	<b>1,186.71</b>	<b>614.68</b>
Aggregate amount of quoted Investments	-	-
Aggregate market value of quoted Investments	-	-
Aggregate amount of unquoted Investments	1,186.71	614.68

# As current capital account is covered by partnership deed, the closing balance in current capital account has been disclosed as current investment.

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 16 : Inventories (At lower of cost and net realisable value)

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Raw material	1,494.52	1,048.04
Goods in transit	1,698.70	441.23
Work-in-progress	3,193.22	1,489.27
Finished goods (other than those acquired for trading)	1,013.06	274.91
Goods in transit	957.20	704.44
Stock-in-trade (acquired for trading)	251.29	250.01
Goods in transit	1,208.49	954.45
Stores and spares	351.12	739.61
Consumables	303.18	-
	654.30	739.61
	109.65	67.28
	80.43	74.06
	<b>6,259.15</b>	<b>3,599.58</b>

### Note 17 : Trade Receivables

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	21.91	-
Doubtful	103.27	113.63
	125.18	113.63
Less: Provision for doubtful trade receivables	103.27	113.63
	<b>21.91</b>	<b>-</b>
<b>Other trade receivables</b>		
Unsecured, considered good	2,106.48	3,436.58
	<b>2,128.39</b>	<b>3,436.58</b>

### Note 18 : Cash and Cash Equivalents ##

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Cash in hand	11.81	13.89
Remittance in transit /cheques in hand	-	74.70
Balances with banks:		
in current accounts	116.45	14.99
in earmarked accounts #		
Unclaimed equity share application money	2.19	2.19
Unclaimed dividend account	0.59	0.62
	<b>131.04</b>	<b>106.39</b>

#### Notes:

# Balances with banks in earmarked accounts include balances that can be utilised only towards settlement of unclaimed dividend/ share application money.

## Of the above, the balances that meet the definition of cash and cash equivalents as per Accounting Standard 3 "Cash Flow Statements" is

128.26

103.58



## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 19 : Short-Term Loans and Advances (Unsecured, considered good unless otherwise stated)

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Security deposits	8.00	9.08
Loans and advances to related parties (refer note 38(h))	349.49	494.31
Advance to vendors		
Unsecured, considered good	721.65	571.84
Doubtful	5.44	5.44
	727.09	577.28
Less: Provision for doubtful advances	5.44	5.44
	721.65	571.84
Prepaid expenses	48.16	16.64
Advance to employees including imprest #	17.98	4.99
Balances with government authorities		
CENVAT credit receivable	403.42	364.19
VAT credit receivable	435.62	163.98
Service Tax credit receivable	80.79	14.34
Export incentives receivable	111.50	273.14
	1,031.33	815.65
Others	-	0.40
	<b>2,176.61</b>	<b>1,912.91</b>
<b>Note:</b>		
# Details of loans and advances due to directors	-	0.30

### Note 20 : Other Current Assets

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Current maturities of long terms loans and advances to related parties (refer note 13)	264.44	536.89
Interest accrued but not due on		
Deposits	35.28	27.50
Loans and advance to related parties (refer note 38(h))	29.88	37.17
Fixed assets held for sale	524.27	16.38
Others	1.21	33.86
	<b>855.08</b>	<b>651.80</b>

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 21 : Revenue from Operations

	(₹ in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Sale of products (inclusive of excise duty) (refer note (i))	33,426.11	33,928.79
Sale of services (Technical consultancy)	1.29	23.03
Other operating revenue (refer note (iii))	1,209.30	1,364.82
<b>Revenue from operations (Gross)</b>	<b>34,636.70</b>	<b>35,316.64</b>
Less: Excise duty	1,238.80	1,489.29
<b>Revenue from operations (Net)</b>	<b>33,397.90</b>	<b>33,827.35</b>
<b>Notes:</b>		
<b>(i) Sale of products comprises</b>		
Manufactured goods (refer note (a))	20,402.72	23,114.11
Traded goods (refer note (b))	13,023.39	10,814.68
	<b>33,426.11</b>	<b>33,928.79</b>
<b>(ii) Other operating revenue comprises</b>		
Export incentives	32.88	335.84
Share of profit from partnership firms	1,160.34	1,027.94
Job work income	16.08	1.04
	<b>1,209.30</b>	<b>1,364.82</b>
<b>(a) Details of manufactured goods sold</b>		
Refined Lead ingots	12,369.23	13,998.68
Lead alloys	6,051.43	5,292.03
Lead value added products	1,458.02	860.78
Remelted Lead Ingots	173.07	1,684.70
Others	350.97	1,277.92
	<b>20,402.72</b>	<b>23,114.11</b>
<b>(b) Details of traded goods sold</b>		
Aluminium Scrap	741.91	-
Remelted Lead ingots	11,794.92	8,929.75
Lead concentrate	-	1,212.25
Lead value added products	335.74	246.95
Others	150.82	425.73
	<b>13,023.39</b>	<b>10,814.68</b>

### Note 22 : Other Income

	(₹ in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest income on:		
Bank deposits	58.67	65.50
Loans and advances (refer note 38(h))	84.95	179.63
Income tax refunds	18.79	0.41
Others	1.02	-
Dividend income from quoted and unquoted other investments in mutual funds	-	16.17
Provision for doubtful trade receivables written back	10.35	-
Rent income	-	9.74
Profit on sale of fixed assets	-	2.22
Recovery from subsidiaries on non-fulfillment of contractual obligations	384.44	-
Liabilities no longer required written back (advance from customers forfeited)	148.16	-
Others	3.10	3.92
	<b>709.48</b>	<b>277.59</b>

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 23 : Cost of Materials Consumed ##

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Raw materials #</b>		
Opening stock	1,489.27	1,904.21
Add: Purchases*	19,341.37	16,564.98
Less: Closing stock	1,494.52	1,048.04
Less: Stock-in-transit	1,698.70	441.23
	<b>17,637.42</b>	<b>16,979.92</b>
<b>Consumables (including stores and spares) #</b>		
Opening stock	141.34	115.55
Add: Purchases	896.08	1,079.71
Less: Closing stock	190.08	141.34
	<b>847.34</b>	<b>1,053.92</b>
* Include ₹ Nil (previous year ₹ 374.02 Lacs) consequent to acquisition of SEZ undertaking of M/s Gravita Infotech on April 1, 2013.		
	<b>18,484.76</b>	<b>18,033.84</b>
<b>Notes:</b>		
# Details of raw materials and consumables consumed		
Remelted Lead	7,951.31	7,456.33
Lead scrap	1,703.04	1,914.17
Battery scrap, Battery plate & Powder	5,718.74	7,165.98
Others	3,111.67	1,497.36
	<b>18,484.76</b>	<b>18,033.84</b>
## Details of raw materials and consumables consumed as		
Indigenous	5,157.25	3,735.51
Imported	13,327.51	14,298.33
	<b>18,484.76</b>	<b>18,033.84</b>

### Note 24 : Purchase of Stock-In-Trade (Traded Goods)

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Details of purchase of stock-in-trade (traded goods) (product-wise)		
Remelted Lead ingots	10,477.60	8,922.20
Lead concentrate	-	1,022.59
Refined Lead ingots	293.76	-
Aluminium Scrap	1,070.68	-
Others	485.52	789.21
	<b>12,327.56</b>	<b>10,734.00</b>

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 25 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	(₹ in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Inventories at the end of the year (I)</b>		
Finished goods	1,208.49	954.45
Work-in-progress #	1,013.06	274.91
Stock-in-trade (traded goods)	654.30	739.61
<b>Inventories at the beginning of the year (II)</b>	<b>2,875.85</b>	<b>1,968.97</b>
Finished Goods	954.45	1,350.81
Work-in-progress	274.91	177.05
Stock-in-trade (traded goods)	739.61	276.47
	<b>1,968.97</b>	<b>1,804.33</b>
<b>(Increase) / decrease [(II) - (I)]</b>	<b>(906.88)</b>	<b>(164.64)</b>
<b>Note:</b>		
# Details of inventory of work-in-progress		
Refined Lead Ingots	874.50	240.60
PP chips	9.18	34.31
Lead value added products	7.22	-
Project inventory	122.16	-
	<b>1,013.06</b>	<b>274.91</b>

### Note 26 : Employee Benefit Expenses

	(₹ in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries and wages	1,350.29	1,133.25
Contributions to provident and other funds (refer Note 35)	58.76	36.01
Expense on employee stock option (ESOP) scheme (refer Note 2(e))	25.51	64.86
Staff welfare expenses	114.67	68.62
	<b>1,549.23</b>	<b>1,302.74</b>

### Note 27 : Finance Costs

	(₹ in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest expense on:		
Borrowings	741.13	432.44
Others #	1.32	14.92
Other borrowing costs	77.78	49.07
Net loss on foreign currency transactions and translation (considered as finance costs)	21.00	279.16
	<b>841.23</b>	<b>775.59</b>

# include interest on delayed payment of income tax ₹0.67 lacs (Previous year ₹7.95 lacs).

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 28 : Others Expenses

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Power and fuel	138.56	112.46
Rent	77.64	58.52
Increase /(decrease) of excise duty on inventory	48.15	46.18
Rates and taxes	5.49	-
Repairs and maintenance		
-Plant and machinery	150.00	73.89
-Buildings	31.39	23.58
-Others	34.91	17.30
Insurance	9.15	8.53
Freight and forwarding	272.33	284.80
Travelling and conveyance	167.86	80.93
Subcontracting	18.07	83.59
Legal and professional	102.87	91.87
Rebate and discount	45.32	39.14
Sales commission	20.79	17.37
Advertising and sales promotion	24.65	44.25
Communication	28.71	27.46
Training and recruitment	9.59	35.11
Printing and stationery	7.08	9.23
Donation	5.26	9.19
Payment to auditors:		
To statutory auditors		
For audit	12.25	9.75
For limited reviews	9.75	8.73
For other services	0.45	0.15
Reimbursement of expenses	0.30	0.09
To cost auditors		
For audit	0.50	0.15
Written off/ Provision for doubtful trade receivables, loans and advances	4.91	119.07
Net loss on foreign currency transactions and translation (other than considered as finance costs)	-	307.28
Loss on fixed assets discarded/ scrapped / written off	2.76	26.48
Non-current investments in subsidiaries written off	5.55	-
Provision for loss on sale of fixed asset	43.04	-
Expenditure on Corporate Social Responsibility	4.79	2.97
Bank Charges	62.69	78.67
Miscellaneous	13.24	33.07
	<b>1,358.05</b>	<b>1,649.81</b>

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 29 : Contingent Liabilities And Commitments

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Contingent liabilities</b>		
Corporate guarantee given to banks for loans availed by the following partnership firms		
- M/s Gravita Metals	2,275.00	2,275.00
Dues outstanding	990.02	741.62
- M/s Gravita Metal Inc	500.00	500.00
Dues outstanding	342.06	346.38
Corporate guarantee given to banks for loans availed by the following subsidiary		
- Gravita Global Pte Limited	312.95	300.50
Dues outstanding	-	-
Guarantee given to government authorities on behalf of partnership firms	500.00	500.00
Claims against the Company not acknowledged as debt #		
Income Tax	20.52	9.96
Excise Duty/Customs Duty/Service Tax	20.70	72.59
Value Added Tax/Central Sales Tax	4.54	132.81

# All the matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded, in the opinion of the management, will not have a material effect on the results of the operations or financial position of the Company.

Details of dues of Income Tax, Service tax, Excise Duty and Value Added Taxes as on March 31, 2015 not deposited/deposited under protest on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved* (₹ in lacs)	Amount deposited/held (₹ in lacs)
Income tax Act, 1961	Income Tax	Appellate Authority upto Commissioner level	2008-09, 2009-10 and 2010-11	20.52	10.31
Finance Act, 1994	Service Tax	Appellate Authority upto Commissioner level	2010-11, 2011-12, 2013-14 and 2014-15	19.02	3.62
Central Excise Act, 1944	Excise Duty	Appellate Authority upto Commissioner level	2009-10	1.68	1.68
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	Appellate Authority upto Commissioner level	2011-12	4.54	-

\* includes interest and penalty, wherever applicable.

#### Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (₹ in Lacs)

- Tangible assets	8.54	5,430.00
- Intangible assets	-	22.82

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 30 : Derivative Instruments And Unhedged Foreign Currency Exposure

The Company uses forward contracts to hedge its foreign currency exposure. The Company does not enter into any derivative instruments for trading or speculative purpose. The net value of forward contracts as at March 31, 2015 is ₹ Nil (Previous year ₹484.97 lacs).

The year-end foreign currency exposures that have been naturally hedged by a derivative instrument or otherwise are given below:

	As at March 31, 2015		As at March 31, 2014	
	Foreign currency (in lacs)	(₹ in Lacs)	Foreign currency (in lacs)	(₹ in Lacs)
Payables (including borrowings)	\$46.86	2,932.88	\$50.19	3,016.62
Receivables (including loans and advances)	\$16.18	1,012.80	\$20.14	1,210.31
<b>Unhedged Foreign Currency Exposure</b>	<b>\$30.68</b>	<b>1,920.08</b>	<b>\$30.05</b>	<b>1,806.31</b>

### Note 31 : Value of Imports calculated on CIF Basis

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Raw material and consumables (including stock-in-transit)	14,584.98	13,264.48
Capital goods	-	25.96
	<b>14,584.98</b>	<b>13,290.44</b>

### Note 32 : Expenditure in Foreign Currency

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Finance costs	80.37	145.34
Travelling and conveyance	68.63	5.93
Others	32.63	17.42
	<b>181.63</b>	<b>168.69</b>

### Note 33 : Earnings in Foreign Currency

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Export of goods calculated on FOB basis	17,985.01	18,112.14
Interest Income	45.58	87.83
Other Income	-	9.74
	<b>18,030.59</b>	<b>18,209.71</b>

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 34 : Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates, firms / companies in which directors are interested:

(₹ in Lacs)			
Name of the party	Relationship	Amount outstanding as at March 31, 2015 #	Maximum balance outstanding during the year #
Gravita Ghana Limited	Subsidiary	264.45 (488.31)	488.31 (724.74)
Gravita Senegal SAU	Subsidiary	- (294.49)	294.49 (520.32)
Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	Subsidiary	- (371.63)	371.63 (823.87)
Noble Build Estate Private Limited	Subsidiary	200.00 (200.00)	200.00 (200.00)

# Excluding interest.

### Note 35 : Employee Benefits

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

#### Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

(₹ in Lacs)		
	For the year ended March 31, 2015	For the year ended March 31, 2014
Employer's Contribution to Provident Fund	58.76	36.01

#### Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust namely Gravita India Limited Employees Gratuity Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

#### (a) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Lacs)				
	Gratuity (Funded)		Compensated absences (Unfunded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Defined Benefit obligation at beginning of year	57.33	17.87	20.44	8.97
Current service cost	12.02	10.99	8.69	6.14
Interest cost	4.44	1.42	1.58	0.63
Actuarial (gain) / loss	(1.50)	27.29	1.72	6.90
Benefits paid	(3.73)	(0.24)	(4.89)	(2.20)
Defined Benefit obligation at year end	<b>68.56</b>	<b>57.33</b>	<b>27.54</b>	<b>20.44</b>



## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### (b) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in Lacs)

	Gratuity (Funded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Fair value of Plan assets at beginning of year	30.20	31.52
Expected return on Plan Assets	2.19	2.51
Actuarial gain / (loss)	-	(3.59)
Employer's contribution	-	-
Benefits paid	(3.73)	(0.24)
Fair value of Plan Assets at year end	28.66	30.20
Actual return on Plan Assets	<b>2.19</b>	<b>2.51</b>

### (c) Reconciliation of fair value of assets and obligations

(₹ in Lacs)

	Gratuity (Funded)		Compensated absences (Unfunded)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Fair value of Plan Assets	28.66	30.20	-	-
Present value of obligation	68.56	57.33	27.54	20.44
Liability/(Asset) recognised in Balance Sheet	<b>39.90</b>	<b>27.13</b>	<b>27.54</b>	<b>20.44</b>

### (d) Expenses recognised during the year

(₹ in Lacs)

	Gratuity (Funded)		Compensated absences (Unfunded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Current service cost	12.02	10.99	8.69	6.14
Interest cost	4.44	1.42	1.58	0.63
Expected return on Plan Assets	(2.19)	(2.51)	-	-
Actuarial (gain) / loss	(1.50)	30.88	1.72	6.90
<b>Net cost in Statement of Profit and Loss</b>	<b>12.77</b>	<b>40.78</b>	<b>11.99</b>	<b>13.67</b>

### (e) Investment details

(₹ in Lacs)

	% invested	
	As at March 31, 2015	As at March 31, 2014
Insurer-managed funds	100.00	100.00
	<b>100.00</b>	<b>100.00</b>

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### (f) Experience adjustments (Gratuity (Funded)) #

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Present value of obligation	68.56	57.33	17.87	29.21
Fair value of plan assets	(28.66)	(30.20)	(31.52)	(28.81)
Funded status [Deficit /(Surplus)]	39.90	27.13	(13.65)	0.40
Experience gain /(loss) adjustments on plan liabilities	(1.50)	(33.49)	17.65	-#
Experience gain /(loss) adjustments on plan assets (* represents ₹267)	*	(3.59)	0.17	-#

# Figures for the financial years 2010-11 and 2011-12 are not readily available.

### (g) Actuarial assumptions

	Gratuity (Funded)		Compensated absences (Unfunded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Mortality table	100% of IALM- 2006-08	100% of IAL-2	100% of IALM- 2006-08	100% of IAL-2
Discount rate (per annum) #	7.75%	9.00%	7.75%	9.00%
Rate of escalation in salary (per annum) ##	5.00%	6.00%	5.00%	6.00%
Expected rate of return on plan assets (per annum) ###	7.25%	8.00%	N/A	N/A

# The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

## The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

### The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

### Note 36 : Details of Borrowing Costs Capitalised

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Borrowing costs capitalised during the year		
as fixed assets	-	39.18
as capital work-in-progress	-	12.37
	-	<b>51.55</b>

### Note 37 : Segment Reporting

As per Accounting Standard (AS) 17 "Segment Reporting", Segment information has been provided under the Notes forming part of the Consolidated Financial Statements.

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 38 : Related Party Transactions

#### (a) Subsidiaries

Name of the Company	Country of incorporation	% of holding as at March 31, 2015	% of holding as at March 31, 2014
Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	India	100.00	100.00
Gravita Ghana Limited	Ghana	100.00	100.00
Gravita Mozambique LDA	Mozambique	100.00	100.00
Gravita Energy Limited #	India	99.20	99.20
Gravita Infra Private Limited #	India	99.00	99.00
Noble Build Estate Private Limited	India	100.00	100.00
Gravita Global Pte Limited	Singapore	100.00	100.00
Navam Lanka Limited	Srilanka	52.00	52.00
Gravita Netherlands BV	Netherlands	100.00	100.00
Gravita Senegal S.A.U	Senegal	100.00	100.00
Gravita Nicaragua S.A.	Nicaragua	100.00	100.00
Gravita Trinidad & Tobago Limited	Trinidad & Tobago	100.00	100.00

# Dissolved subsequent to year end on May 11, 2015.

#### (b) Associate

Name of the associate	Country of incorporation	% of holding as at March 31, 2015	% of holding as at March 31, 2014
Pearl Landcon Private Limited	India	25.00	25.00

#### (c) Partnership firms

Name of the firm	Country of incorporation	% of holding as at March 31, 2015	% of holding as at March 31, 2014
M/s Gravita Metals	India	100.00	100.00
M/s Gravita Metal Inc	India	100.00	100.00
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)	India	51.00	51.00

#### (d) Limited liability Partnership firm

Name of the firm	Country of incorporation	% of holding as at March 31, 2015	% of holding as at March 31, 2014
M/s Gravita Technomech LLP (dissolved w.e.f. August 8, 2013)	India	-	-

#### (e) Key management personnel

Name of the director	Designation
Dr. Mahavir Prasad Agarwal	Chairman and Whole-Time Director
Mr. Rajat Agrawal	Managing Director
Mr. Rajeev Surana	Whole-Time Director

#### (f) Relatives of key management personnel

Name of the relative	Relationship
Mrs. Anchal Agrawal	Wife of Mr. Rajat Agrawal

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### (g) Enterprises having common key management personnel and/or their relatives

Saurabh Farms Limited  
 Shah Buildcon Private Limited  
 Jalousies India Private Limited  
 Rajeev Surana HUF

### (h) Details of related party transactions during the year ended March 31, 2015

(₹ in Lacs)

(i) Sale /purchase of goods and services	Sale of goods	Purchase of goods	Amount receivable as at March 31, 2015	Amount payable/ (advance) as at March 31, 2015
<b>Subsidiaries</b>				
Gravita Senegal S.A.U	42.13 (36.79)	2,287.81 (2,032.60)	0.27 (0.01)	82.14 (282.88)
Gravita Ghana Limited	49.13 (71.59)	1,853.78 (2,920.55)	9.93 (66.62)	(208.21) (70.85)
Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	- (4.65)	20.38 (8.10)	- (-)	- (-)
Navam Lanka Limited	50.23 (44.23)	239.23 (88.82)	1.32 (0.12)	- (-)
Gravita Mozambique LDA	30.45 (36.60)	2,111.87 (1,570.43)	- (33.94)	19.98 (326.86)
Gravita Global Pte Limited	842.90 (-)	- (27.49)	- (-)	- (-)
Gravita Nicaragua S.A.	- (-)	766.54 (-)	- (-)	(90.21) (-)
Gravita Trinidad & Tobago Limited	- (-)	189.57 (-)	- (-)	(7.82) (-)
<b>Partnership firms</b>				
M/s Gravita Metal Inc	- (-)	7.05 (74.07)	32.21 (-)	- (43.55)
M/s Gravita Metals	4,865.11 (4,127.22)	- (9.95)	- (249.64)	- (-)
M/s Gravita Infotech (formerly known as M/s GravitaTechnomech)	- (-)	22.70 (-)	- (-)	- (-)
	<b>5,879.95</b>	<b>7,498.93</b>	<b>43.73</b>	<b>(204.12)</b>
	<b>(4,321.08)</b>	<b>(6,732.01)</b>	<b>(350.33)</b>	<b>(724.14)</b>

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

(₹ in Lacs)				
(ii) Loans given and repayment thereof (including interest)	Loan given	Repayment (including interest)	Interest income during the year	Amount receivable as at March 31, 2015 (including interest)
<b>Subsidiaries</b>				
Gravita Ghana Limited	-	223.46	32.03	294.32
	(-)	(292.92)	(56.50)	(488.32)
Gravita Senegal S.A.U	-	310.62	13.65	-
	(-)	(266.41)	(43.06)	(296.97)
Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	-	425.54	19.23	-
	(597.24)	(1,017.91)	(57.75)	(406.31)
Noble Build Estate Private Limited	-	-	20.04	244.99
	(-)	(-)	(22.32)	(226.95)
	-	<b>959.62</b>	<b>84.95</b>	<b>539.31</b>
	<b>(597.24)</b>	<b>(1,577.24)</b>	<b>(179.63)</b>	<b>(1,418.55)</b>

(₹ in Lacs)				
(iii) Loans taken and repayment thereof	Loan taken	Repayment (including interest)	Interest expense during the year	Amount payable as at March 31, 2015
<b>Key management personnel</b>				
Mr. Rajat Agrawal	-	-	-	-
	(157.00)	(162.56)	(5.56)	(-)
Dr. Mahavir Prasad Agarwal	-	-	-	-
	(77.00)	(80.68)	(3.68)	(-)
	-	-	-	-
	<b>(234.00)</b>	<b>(243.24)</b>	<b>(9.24)</b>	<b>(-)</b>

(₹ in Lacs)		
(iv) Investment and disinvestment	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Investment made</b>		
<b>in Subsidiaries</b>		
Gravita Global Pte Limited (further investment)	-	27.37
<b>in partnership firms</b>		
M/s Gravita Infotech (formerly known as M/s Gravita Technomech) (purchase from Rajat Agrawal)	0.98	-
<b>Disinvestment made</b>		
<b>in partnership firms</b>		
M/s Gravita Infotech (formerly known as M/s Gravita Technomech) (sold to Gravita Infotech Limited)	-	76.50
<b>Limited liability partnership firms #</b>		
M/s Gravita Technomech LLP (dissolved w.e.f. August 8, 2013) # Investment in M/s Gravita Technomech LLP written off during the year 2013-14.	-	0.84
<b>Amount written off</b>		
<b>in Subsidiaries</b>		
Gravita Energy Limited	4.95	-
Gravita Infra Private Limited	0.60	-
	<b>6.53</b>	<b>104.71</b>

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

(₹ in Lacs)

(v) Remuneration	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Key management personnel</b>		
Mr. Rajat Agrawal	60.00	54.00
Dr. Mahavir Prasad Agarwal	42.00	40.50
Mr. Rajeev Surana	30.00	28.50
	<b>132.00</b>	<b>123.00</b>

(₹ in Lacs)

(vi) Other transactions (nature of each transaction is mentioned in brackets)	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Subsidiaries</b>		
Gravita Infotech Limited (Formerly known as Gravita Exim Limited) (Rent paid)	8.40	7.98
Gravita Global Pte Limited (Guarantee given)	-	300.50
Gravita Ghana Limited (Recovery from subsidiaries on non-fulfillment of contractual obligations)	88.05	-
Gravita Mozambique LDA (Recovery from subsidiaries on non-fulfillment of contractual obligations)	89.56	-
Gravita Senegal SAU (Recovery from subsidiaries on non-fulfillment of contractual obligations)	206.83	-
Gravita Energy Limited (Loans and advances written off)	2.39	-
Gravita Infra Private Limited (Loans and advances written off)	2.52	-
<b>Partnership firms</b>		
M/s Gravita Metals (Rebate paid)	-	0.45
M/s Gravita Metal Inc (Guarantee given)	-	500.00
<b>Key management personnel</b>		
Mr. Rajat Agrawal (Rent Paid)	29.70	28.66
<b>Relatives of key management personnel</b>		
Mrs. Anchal Agrawal (Rent paid)	2.78	3.31
<b>Enterprises having common key management personnel and/or their relatives</b>		
Saurabh Farms Limited (Rent paid)	6.54	4.27
Shah Buildcon Private Limited (Rent paid)	2.06	1.98
Jalousies India Private Limited (Rent paid)	6.30	-
Rajeev Surana HUF (Rent paid)	-	5.85
	<b>445.13</b>	<b>853.00</b>

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

	(₹ in Lacs)	
(vii) Amount recoverable at year end (others)	As at March 31, 2015	As at March 31, 2014
<b>Subsidiaries</b>		
Navam Lanka Limited	5.79	0.52
Gravita Ghana Limited	21.89	2.41
Gravita Mozambique LDA	-	1.00
Gravita Senegal S.A.U.	5.60	5.01
Gravita Energy Limited	-	2.61
Gravita Infra Private Limited	-	2.84
Noble Build Estate Private Limited	3.47	0.73
Gravita Global Pte Limited	0.51	0.57
Gravita Netherlands BV	0.19	0.07
Gravita Nicaragua S.A.	1.09	24.20
Gravita Trinidad & Tobago Limited	-	7.17
<b>Partnership firms</b>		
M/s Gravita Metals	-	44.11
M/s Gravita Metal Inc	-	31.44
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)	4.71	-
	<b>43.25</b>	<b>122.68</b>

	(₹ in Lacs)	
(viii) Amount payable at year end (others)	As at March 31, 2015	As at March 31, 2014
<b>Subsidiaries</b>		
Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	0.71	7.82
<b>Partnership firms</b>		
M/s Gravita Infotech (formerly known as M/s Gravita Technomech)	-	0.74
<b>Key management personnel</b>		
Mr. Rajat Agrawal	-	0.01
	<b>0.71</b>	<b>8.57</b>

	(₹ in Lacs)	
(ix) Guarantees and collateral outstanding at year end	As at March 31, 2015	As at March 31, 2014
<b>Subsidiaries</b>		
Gravita Global Pte Limited	312.95	300.50
<b>Partnership firms</b>		
M/s Gravita Metals	2,675.00	2,675.00
M/s Gravita Metal Inc	600.00	600.00
	<b>3,587.95</b>	<b>3,575.50</b>

## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

(x) Investment balances at year end	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	26.09	26.09
Gravita Ghana Limited	123.66	123.66
Gravita Mozambique LDA	124.06	124.06
Gravita Global Pte Limited	728.60	728.60
M/s Gravita Metals (fixed and current investments)	526.08	885.41
M/s Gravita Metal Inc (fixed and current investments)	1,122.90	204.27
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech) (fixed and current investments)	13.71	-
Gravita Infra Private Limited	-	0.60
Gravita Energy Limited	-	4.95
Noble Build Estate Private Limited	74.96	74.96
	<b>2,740.06</b>	<b>2,172.60</b>

# figures in brackets are related to financial year 2013-14

## Year end balances include foreign currency reinstatement, wherever applicable.

### Note 39 : Leases

The Company has entered into operating lease arrangements for certain facilities and office premises for a period upto 11 months with the renewal/ termination clauses. Lease payments recognised in the Statement of Profit and Loss for the year are ₹77.64 lacs (Previous year ₹58.52 lacs). Details of future minimum lease payments are provided below:

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Not later than one year	62.87	30.54
	<b>62.87</b>	<b>30.54</b>

### Note 40 : Earnings Per Share (EPS)

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Net profit after tax as per Statement of Profit and Loss attributable to equity shareholders (₹ in Lacs) (a)	511.22	1,488.59
Weighted average number of equity shares outstanding during the year (in numbers) (b)	68,214,245	68,147,541
Basic earnings per share of face value ₹2 each (in ₹) (a)/ (b)	0.75	2.18
Effect of potential dilutive equity shares on employee stock options outstanding (in numbers) (c)	354,024	492,895
Weighted average number of equity shares in computing diluted earnings per share (in numbers) [(d) = (b)+(c)]	68,568,269	68,640,436
Diluted earnings per share of face value ₹2 each (in ₹) (a) / (d)	0.75	2.17



## Notes forming part of the Financial Statements (contd.)

for the year ended March 31, 2015

### Note 41 : Disclosure related to partnership firms:

The Company's share in assets, liabilities and other items of partnership firms viz., M/s Gravita Metals, M/s Gravita Metal Inc and M/s Gravita Infotech is given below:

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Assets	3,292.08	3,294.27
Liabilities (excluding capital and reserves and surplus)	1,501.55	2,101.28
Claims not acknowledged as debt		
Income Tax	60.59	-
Excise Duty	874.52	887.58

Note: The Company's share in the profit/loss of the partnership firms is considered in other operating revenue in note 21 above.

### Note 42 :

During the previous year, the Excise Department, under the provisions of Section 12F of Central Excise Act, 1944, had seized past books and records of the Company upto February 10, 2014. In this regard, no show cause notice has been received by the Company till date. The management is confident that the matter will get resolved in due course and no material liability would arise on resolution of this matter. The Company is in process to release the books of accounts.

### Note 43 :

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of domestic and international transactions with the associated enterprises during the financial year and expects such records to be in existence latest by November 30, 2015. The Management is of the opinion that its international and domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

### Note 44 :

Pursuant to the enactment of the Companies Act, 2013 w.e.f. April 1, 2014, the Company has reviewed the estimated economic useful lives of its fixed assets generally in accordance with that provided in the Schedule II to the Companies Act, 2013. As a result (after considering the transitional provision specified in the schedule II), the depreciation charge for the current year is higher by ₹31.14 lacs and depreciation amounting to ₹22.57 lacs (net of deferred tax liabilities of ₹10.03 lacs) has been adjusted from the opening balance of retained earnings.

### Note 45 :

The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

### Note 46 :

There are no amounts which are required to be transferred to the Investor Education and Protection Fund.

### Note 47 :

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

**Rajat Agrawal**  
(Managing Director)

**Rajeev Surana**  
(Whole Time Director)

**Sunil Kansal**  
(Chief Financial Officer)

**Leena Jain**  
(Company Secretary)

Place: Jaipur  
Date: May 23, 2015

## Independent Auditor's Report

To  
The Members of  
**Gravita India Limited**

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GRAVITA INDIA LIMITED (hereinafter referred to as "the Holding Company"), its subsidiaries and partnership firms (the Holding Company, its subsidiaries and partnership firms together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit

report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

(a) We did not audit the financial statements of 10 subsidiaries and 3 partnership firms, whose financial statements reflect total assets of ₹ 9,130.79 lacs as at 31st March, 2015, total revenues of ₹ 23,803.15 lacs and net cash inflows amounting to ₹ 289.98 lacs for the year

ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and partnership firms, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and partnership firms, is based solely on the reports of the other auditors.

- (b) The consolidated financial statements also include the Group's share of net profit of ₹ 2.26 lacs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate- Refer Note 28 to the consolidated financial statements.
  - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer Note 38 to the consolidated financial statements.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its associate company incorporated in India. Refer Note 39 to the consolidated financial statements.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm's Registration No. 015125N

Sd/-  
**Vijay Agarwal**

Partner

Jaipur  
May 23, 2015

Membership No. 094468

## Annexure to the Independent Auditor's Report on the Consolidated Financial Statements

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

"Our reporting on the Order includes 1 subsidiary company incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of this entity is based solely on the report of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements".

(i) In respect of the fixed assets of the Holding Company and subsidiary company incorporated in India:

(a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.

(ii) In respect of the inventories of the Holding Company and subsidiary company incorporated in India:

(a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.

(b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.

(c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.

(iii) The Holding Company and subsidiary company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.

(iv) In our opinion and the opinion of the other auditors and

according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company and subsidiary company incorporated in India, commensurate with the size of the respective entities and the nature of their business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit and the other auditors' audit, no major weakness in such internal control system has been observed.

(v) According to the information and explanations given to us and the other auditors, the Holding Company and subsidiary company incorporated in India have not accepted any deposit during the year.

(vi) We have broadly reviewed the cost records maintained by the Holding Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. In the opinion of the other auditors and according to the information and explanations given to the other auditors, the maintenance of cost records has not been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 for subsidiary company incorporated in India.

(vii) According to the information and explanations given to us and the other auditors, in respect of statutory dues of the Holding Company and subsidiary company incorporated in India:

(a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- (c) There are no dues in respect of Customs Duty, Wealth Tax, Sales Tax, Excise Duty and Cess which have not been deposited on account of any dispute. Details of dues of Income-tax, Service Tax and Value Added Tax which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved* (₹ in lacs)
Income tax Act, 1961	Income Tax	Appellate Authority upto Commissioner level	2010-11	10.21
Finance Act, 1994	Service Tax	Appellate Authority upto Commissioner level	2010-11 and 2011-12	14.61
Finance Act, 1994	Service Tax	Appellate Authority upto Commissioner level	2014-15	0.79
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	Appellate Authority upto Commissioner level	2011-12	4.54

\* includes interest and penalty, wherever, applicable.

- (d) There are no amounts that are due to be transferred by the aforesaid entities to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Group and its associate do not have consolidated accumulated losses at the end of the financial year and the Group and its associate have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company and subsidiary company incorporated in India have not defaulted in the repayment of dues to financial institutions and banks. The Holding Company and subsidiary company incorporated in India have not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Holding Company. In the opinion of the other auditors and according to the information and explanations given to the other auditors, the subsidiary company incorporated in India has not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company during the year for the purposes for which they were obtained. In the opinion of the other auditors and according to the information and explanations given to the other auditors, there are no term loans in the subsidiary company incorporated in India.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and subsidiary company incorporated in India and no material fraud on the Holding Company and subsidiary company incorporated in India have been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm's Registration No. 015125N

Sd/-  
**Vijay Agarwal**

Partner

Membership No. 094468

Jaipur  
May 23, 2015

## Consolidated Balance Sheet

as at March 31, 2015

(₹ in Lacs)

	Notes	As at March 31, 2015	As at March 31, 2014
<b>Equity and Liabilities</b>			
<b>Shareholder's funds</b>			
Share capital	2	1,365.09	1,363.50
Reserves and surplus	3	10,440.99	9,810.91
		<b>11,806.08</b>	<b>11,174.41</b>
<b>Minority interest</b>		743.76	582.20
<b>Non-current liabilities</b>			
Long-term borrowings	4	146.77	709.30
Deferred tax liabilities (net)	5	10.56	135.62
Long-term provisions	6	58.46	44.43
		<b>215.79</b>	<b>889.35</b>
<b>Current liabilities</b>			
Short-term borrowings	7	9,399.91	6,686.90
Trade payables	8	1,304.04	797.74
Other current liabilities	9	1,293.81	1,327.65
Short-term provisions	10	251.44	513.31
		<b>12,249.20</b>	<b>9,325.60</b>
<b>TOTAL</b>		<b>25,014.83</b>	<b>21,971.56</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	11		
Tangible assets		5,241.53	5,956.84
Intangible assets		146.94	102.09
Capital work-in-progress		613.84	622.93
		6,002.31	6,681.86
Non-current investments	12	4.17	1.91
Deferred tax assets (net)	5	197.21	-
Long-term loans and advances	13	392.16	326.80
Other non-current assets	14	652.56	690.91
		<b>7,248.41</b>	<b>7,701.48</b>
<b>Current assets</b>			
Inventories	15	8,945.75	6,228.75
Trade receivables	16	2,654.58	4,288.99
Cash and cash equivalents	17	668.01	353.38
Short-term loans and advances	18	4,916.06	3,304.44
Other current assets	19	582.02	94.52
		<b>17,766.42</b>	<b>14,270.08</b>
<b>TOTAL</b>		<b>25,014.83</b>	<b>21,971.56</b>
See accompanying notes forming part of the consolidated financial statements	1 - 41		

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

**Vijay Agarwal**

Partner

For and on behalf of the Board of Directors

**Rajat Agrawal**

(Managing Director)

**Rajeev Surana**

(Whole Time Director)

**Sunil Kansal**

(Chief Financial Officer)

**Leena Jain**

(Company Secretary)

Place: Jaipur

Date: May 23, 2015

## Consolidated Statement of Profit and Loss

for the year ended March 31, 2015

(₹ in Lacs)

	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Income</b>			
Revenue from operations (gross)	20	52,825.47	54,810.88
Less : Excise duty		2,696.93	3,092.92
Revenue from operations (net)		50,128.54	51,717.96
Other income	21	463.27	122.31
<b>Total revenue (I)</b>		<b>50,591.81</b>	<b>51,840.27</b>
<b>Expenses</b>			
Cost of materials consumed	22	40,068.46	40,188.89
Purchase of stock-in-trade (traded goods)		3,394.84	2,576.37
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(944.05)	(436.23)
Employee benefit expenses	24	2,515.10	2,189.21
Finance costs	25	987.69	917.74
Depreciation and amortisation expenses	11	636.25	603.48
Other expenses	26	3,211.08	3,060.54
<b>Total expenses (II)</b>		<b>49,869.37</b>	<b>49,100.00</b>
<b>Profit before Exceptional Items and Tax (I - II)</b>		<b>722.44</b>	<b>2,740.27</b>
Add: Exceptional Items	27	-	22.42
<b>Profit Before Tax</b>		<b>722.44</b>	<b>2,762.69</b>
Prior period items (refer note 37)		-	312.29
<b>Profit Before Tax</b>		<b>722.44</b>	<b>2,450.40</b>
<b>Less: Tax expense</b>			
Current tax		113.24	318.22
Less: Minimum alternate tax (MAT) credit		-	3.19
Excess provision for tax relating to prior years written back		(36.93)	(44.46)
Net current tax expense		76.31	270.57
Deferred tax		(312.34)	16.76
Net tax expense		(236.03)	287.33
<b>Profit After Tax before Share of Profit/ (Loss) of Associate and Minority Interest</b>		<b>958.47</b>	<b>2,163.07</b>
Add: Share in profit of associate		2.26	1.77
Less: Minority interest		298.87	32.67
<b>Profit After Tax</b>		<b>661.86</b>	<b>2,132.17</b>
<b>Earnings per share of face value of ₹2 each</b>	<b>34</b>		
Basic (in ₹)		0.97	3.13
Diluted (in ₹)		0.96	3.11
See accompanying notes forming part of the consolidated financial statements	1-41		

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Vijay Agarwal**  
Partner

Place: Jaipur  
Date: May 23, 2015

For and on behalf of the Board of Directors

**Rajat Agrawal**  
(Managing Director)

**Sunil Kansal**  
(Chief Financial Officer)

**Rajeev Surana**  
(Whole Time Director)

**Leena Jain**  
(Company Secretary)

## Consolidated Cash Flow Statement

for the year ended March 31, 2015

(₹ in Lacs)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
<b>A. Cash Flow from Operating Activities</b>				
Profit before tax, share of profit of associate and minority interest		722.44		2,450.40
<b>Adjustments for:</b>				
Depreciation and amortisation expense	636.25		603.48	
Written off/ provision for doubtful trade receivables, loans and advances	102.70		119.07	
Liabilities no longer required written back (advance from customers forfeited)	(148.16)		-	
Provision for loss on sale of fixed asset	43.04		-	
Provision for doubtful trade receivables written back	(10.35)		-	
Profit on sale of assets	(5.45)		-	
Loss on fixed assets discarded/ sold	43.00		179.46	
Exceptional Items	-		(22.42)	
Expense on employee stock option (ESOP) scheme	25.51		64.86	
Finance costs	987.69		917.74	
Interest income	(60.09)		(74.80)	
Dividend income from quoted and unquoted other investments in mutual funds	-		(16.17)	
		1,614.14		1,771.22
<b>Operating profit before working capital changes</b>				
Changes in working capital				
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Inventories	(2,717.00)		606.37	
Trade receivables	1,644.76		(80.34)	
Short-term loans and advances	(1,714.32)		(837.31)	
Long-term loans and advances	(72.77)		0.26	
Other current assets	28.91		(45.34)	
Other non-current assets	38.35		(42.23)	
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
Long-term provisions	14.03		35.46	
Trade payables	506.30		(1,376.25)	
Other current liabilities	180.16		(338.93)	
Short-term provisions	9.13		5.80	
		(2,082.45)		(2,072.51)
<b>Cash generated from operations</b>		<b>254.13</b>		<b>2,149.11</b>
Net income tax paid		133.69		352.13
<b>Net cash flow from operating activities (A)</b>		<b>120.44</b>		<b>1,796.98</b>



## Consolidated Cash Flow Statement (contd.)

for the year ended March 31, 2015

(₹ in Lacs)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
<b>B. Cash Flow from Investing Activities</b>				
Capital expenditure on fixed assets, including capital advances	(527.50)		(1,924.21)	
Proceeds from sale of fixed assets	91.08		100.84	
Proceeds from sale of long-term investments	-		36.89	
Bank balances not considered as cash and cash equivalents (matured/(placed))	0.03		(0.13)	
Proceed from sale of current investments	-		858.14	
Dividend income	-		16.17	
Interest income	51.62		78.66	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(384.77)</b>		<b>(833.64)</b>
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from issue of equity shares	1.59		0.95	
Proceeds from long-term borrowings	45.47		12.59	
Repayment of long-term borrowings	(637.42)		(691.56)	
Proceeds from short-term borrowings (net)	2,713.01		1,334.65	
Finance costs	(1,005.92)		(906.35)	
Dividend paid to minority shareholders	(137.31)		(254.32)	
Dividend paid (including tax on dividend)	(400.43)		(476.69)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>578.99</b>		<b>(980.73)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>		<b>314.66</b>		<b>(17.39)</b>
Cash and cash equivalents at the beginning of the year		350.57		367.96
<b>Cash and cash equivalents at the end of the year (refer note 17)</b>		<b>665.23</b>		<b>350.57</b>

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Vijay Agarwal**  
Partner

Place: Jaipur  
Date: May 23, 2015

For and on behalf of the Board of Directors

**Rajat Agrawal**  
(Managing Director)

**Sunil Kansal**  
(Chief Financial Officer)

**Rajeev Surana**  
(Whole Time Director)

**Leena Jain**  
(Company Secretary)

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2015

### Corporate Information

Gravita India Limited ('the Company') is a public company incorporated under the provisions of the Companies Act, 1956. The Consolidated Financial Statements relate to the Company, its subsidiary companies, subsidiary partnership firms and Group's share of profit / loss in its associate (together 'the Group'). Its business operations currently encompass three business areas – Lead processing, trade (Lead products and aluminium scrap) and dealings in Lead and turn-key Lead recycling projects. The Group carry out smelting of Lead battery scrap / Lead concentrate to produce secondary Lead metal, which is further transformed into pure Lead, Specific Lead Alloy, Lead Oxides (Lead Sub-Oxide, Red Lead and Litharge) and Lead products like Lead Sheets, Lead Powder, Lead Shot, etc. The Group has Lead processing units in India and abroad.

### Note 1 : Significant Accounting Policies

#### a) Basis of accounting and preparation of Consolidated Financial Statements

The Consolidated Financial Statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The Consolidated Financial Statements have been prepared on accrual basis under the historical cost. The accounting policies adopted in the preparation of the Consolidated Financial Statements are consistent with those followed in the previous year.

#### b) Principles of consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary companies and associates used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2015. These have been consolidated based on latest available financial statements.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) The Consolidated Financial Statements include the share of profit / loss of the associate company which have been accounted for using equity method as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- (iv) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.
- (v) Goodwill arising on the acquisition of a foreign entity is translated at the closing rate in case of non-integral operations and by using the exchange rate at the date of the investment in case of integral operations. Capital reserve is translated at the exchange rate on the date of investment and should not be restated as at the year end, even if the operations are non-integral.
- (vi) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- (vii) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the Consolidated Financial Statements as Goodwill or Capital reserve as the case may be.
- (viii) Goodwill arising on consolidation is not amortised but tested for impairment.
- (ix) Following subsidiary companies and associate have been considered in the preparation of the Consolidated Financial Statements:

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

S. No.	Name of the subsidiary	% of holding as at March 31, 2015	% of holding as at March 31, 2014
1	Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	100.00	100.00
2	Gravita Ghana Limited	100.00	100.00
3	Gravita Mozambique LDA	100.00	100.00
4	Noble Build Estate Private Limited	100.00	100.00
5	Gravita Global Pte Limited	100.00	100.00
6	Navam Lanka Limited	52.00	52.00
7	Gravita Netherlands BV	100.00	100.00
8	Gravita Senegal S.A.U.	100.00	100.00
9	Gravita Nicaragua S.A.	100.00	100.00
10	Gravita Trinidad & Tobago Limited	100.00	100.00
11	M/s Gravita Metals	100.00	100.00
12	M/s Gravita Metal Inc	100.00	100.00
13	M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)	51.00	51.00

S. No.	Name of the associate	% of holding as at March 31, 2015	% of holding as at March 31, 2014
1	Pearl Landcon Private Limited	25.00	25.00

- (x) Following subsidiary companies have not been consolidated / accounted under the equity method but have been accounted for as investments under AS 13 Accounting for Investments in the Consolidated Financial Statements:

S. No.	Name of the associate	% of holding as at March 31, 2015	% of holding as at March 31, 2014
1	Gravita Energy Limited	99.20	99.20
2	Gravita Infra Private Limited	99.00	99.00

The investments in above subsidiaries are considered to be of temporary nature due to their dissolution subsequent to year-end i.e., May 11, 2015.

- (xi) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

### c) Use of Estimates

The preparation of the Consolidated Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Consolidated Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### d) Inventories

Inventories are valued at the lower of cost (moving weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable, excise duty.

### e) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### f) Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### g) Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Gains or losses arising from de-recognition of fixed assets are measured as the difference between net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately under other current assets.

#### Capital work-in-progress:

Assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

### h) Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company, its Indian subsidiaries and associate has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets:

- (i) Assets costing up to ₹5,000/- are fully depreciated in the year of acquisition.
- (ii) Leasehold land and leasehold improvements are amortised over the primary period of lease.

Depreciation on the tangible fixed assets of the Company's foreign subsidiaries has been provided on straight-line method as per the useful life permissible under applicable local laws.

Intangible assets are amortised over their useful life of 5 years.

### i) Revenue Recognition

#### **Revenue from Operations:**

- Sale and operating income includes sale of products, services, profit from partnership firms, income from job work services, export incentives, etc.
- Sale of goods are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Sales include excise duty but exclude sales tax and value added tax.
- Sale of services are recognised when services are rendered and related costs are incurred.
- Profit from partnership firms which are in the same line of operation is considered as Operating Income.
- Revenue from job work services is recognised based on the services rendered in accordance with the terms of contracts.
- Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

#### **Other Income:**

- Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend income is recognised when right to receive is established.
- Rent income is booked as per terms of contracts.

### j) Foreign Currency Transactions and Translations

#### **Initial Recognition:**

Company: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at an average exchange rate prevailing during the year.

Non-integral foreign operations: Transactions of non-integral foreign operations are translated at an average exchange rate prevailing during the year.

### Translations:

Company: Foreign currency monetary items of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Integral foreign operations: Foreign currency monetary items of the Company's integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

Non-integral foreign operations: All assets and liabilities of non-integral foreign operations are translated at the year-end rates.

### Treatment of Exchange Differences:

Company: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Consolidated Statement of Profit and Loss.

Integral foreign operations: Exchange differences arising on settlement / re-statement of short-term foreign currency monetary assets and liabilities of the Company's integral foreign operations are recognised as income or expense in the Consolidated Statement of Profit and Loss.

Non-integral foreign operations: The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

### k) Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

### l) Employee Benefits

Employee benefits include Provident Fund, Employee State Insurance Scheme, Gratuity Fund and compensated absences.

#### Defined Contribution Plans

The group's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined Benefit Plans

For defined benefit plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

#### Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### Long-Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

### m) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

### n) Earnings Per Share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the Profit After Tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### o) Employee Share Based Payments

Equity settled stock options granted under "Gravita Employee Stock Option Scheme" are accounted for under the intrinsic value method as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Employee Share based Payments issued by the Institute of Chartered Accountants of India.

### p) Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### q) Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### r) Taxes on Income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

### s) Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

### t) Provisions and Contingencies

A provision is recognised when group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the Consolidated Financial Statements.

### u) Derivatives and Commodity Hedging Transactions

In order to hedge its exposure to foreign exchange and commodity price risks, the group enters into forward, option, and other derivative financial instruments. The group neither holds nor issues any derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent Balance Sheet dates.

### v) Operating Cycle

Based on the nature of products / activities of the group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 2 : Share Capital

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>Authorised share capital</b>		
75,000,000 (Previous year 75,000,000) equity shares of ₹2 each	1,500.00	1,500.00
<b>Issued, subscribed and paid up capital</b>		
68,254,578 (Previous year 68,175,166) equity shares of ₹2 each fully paid up	1,365.09	1,363.50
	<b>1,365.09</b>	<b>1,363.50</b>

#### Notes:

#### (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Equity Shares	As at March 31, 2015		As at March 31, 2014	
	Number of shares	(₹ in Lacs)	Number of shares	(₹ in Lacs)
<b>At the beginning of the year</b>	68,175,166	1,363.50	68,127,552	1,362.55
Add: Issued during the year - ESOP	79,412	1.59	47,614	0.95
<b>Outstanding at the end of the year</b>	<b>68,254,578</b>	<b>1,365.09</b>	<b>68,175,166</b>	<b>1,363.50</b>

#### (b) Terms /rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a face value of ₹2 per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.

#### (c) Aggregate number of Bonus Shares issued during the period of five years immediately preceding the reporting date

	As at March 31, 2015	As at March 31, 2014
<b>Equity shares with voting rights</b>		
Fully paid up by way of bonus shares (one fully paid bonus share of ₹2 per share against two fully paid of ₹2 per share)	16,700,000	16,700,000

#### (d) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of shares held	% holding	No. of shares held	% holding
Mr. Rajat Agrawal	32,677,725	47.88	32,677,725	47.93
Dr. M. P. Agarwal	13,673,325	20.03	13,673,325	20.06
Smt. Shashi Agarwal	3,674,700	5.38	3,674,700	5.39



## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### (e) Shares reserved for issuance under options

The members of the Company at its Annual General Meeting held on July 27, 2011 had approved the issue of Stock Options to eligible employees/directors of the Group. Accordingly, the Board at their meeting held on August 10, 2011 approved the "Gravita ESOP 2011" Scheme. A Compensation Committee was formed to govern the Gravita ESOP 2011 Scheme which has approved first, second and third grant of options on September 23, 2011, July 5, 2012 and July 1, 2013 respectively. Details are as follows:

	First grant	Second grant	Third grant
Grant Date	September 23, 2011	July 5, 2012	July 1, 2013
Grant effective from	October 1, 2011	July 5, 2012	July 1, 2013
Exercisable period	5 years	5 years	5 years
Option Granted	400,380	31,000	368,500
Exercise price	₹2 per share	₹2 per share	₹2 per share

### Movement in stock options:

	First grant	Second grant	Third grant
<b>Options outstanding at the beginning of the year</b>	<b>137,229</b>	<b>24,750</b>	<b>353,500</b>
	(209,918)	(27,500)	(-)
New options issued during the year	-	-	-
	(-)	(-)	(368,500)
Options exercised during the year	56,737	5,500	17,175
	(44,864)	(2,750)	(-)
Lapsed/ forfeited during the year	23,520	-	38,000
	(27,825)	(-)	(15,000)
<b>Options outstanding at the end of the year</b>	<b>56,972</b>	<b>19,250</b>	<b>298,325</b>
	(137,229)	(24,750)	(353,500)

### Note 3 : Reserves and Surplus

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
<b>Securities premium account</b>		
Opening balance	3,937.53	4,583.80
Add: Premium on shares issued during the year	55.45	38.42
Less: Transferred to capital reserve	-	684.69
<b>Closing balance</b>	<b>3,992.98</b>	<b>3,937.53</b>
<b>Share options outstanding account</b>		
Opening balance	121.27	94.83
Add: Amounts recorded on grants /cancellations during the year	25.51	64.86
Less: Transferred to Securities Premium Account on exercise	55.45	38.42
<b>Closing balance</b>	<b>91.33</b>	<b>121.27</b>
<b>General reserve</b>		
Opening balance	517.90	369.04
Add: Amount transferred from surplus in Statement of Profit and Loss	-	148.86
<b>Closing balance</b>	<b>517.90</b>	<b>517.90</b>
<b>Foreign currency translation reserve (FCTR)</b>		
Opening balance	79.85	(2.64)
Add/ (less): Effect of foreign exchange rate variations during the year	(74.30)	82.49
<b>Closing balance</b>	<b>5.55</b>	<b>79.85</b>
<b>Capital reserve on consolidation</b>		
Opening balance	302.71	832.09
Amount transferred from Securities Premium Account	-	684.69
Transferred to surplus in consolidated Statement of Profit and Loss	-	(724.35)
Add/ (less): Effect of changes in Group's interest	203.87	(489.72)
<b>Closing balance</b>	<b>506.58</b>	<b>302.71</b>
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	4,851.65	2,777.88
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (refer note 36)	22.93	-
Add: Profit for the year	661.86	2,132.17
Less: Appropriations		
Interim dividend (Amount per share ₹ Nil (Previous year ₹0.30))	-	204.53
Income tax on interim dividend	-	33.18
Proposed final dividend (Amount per share ₹0.20 (Previous year ₹0.50))	136.51	340.88
Income tax on proposed final dividend	27.42	55.30
Transfer to Capital Reserve on consolidation	-	(724.35)
Transfer to General Reserve	-	148.86
<b>Closing balance</b>	<b>5,326.65</b>	<b>4,851.65</b>
	<b>10,440.99</b>	<b>9,810.91</b>

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 4 : Long-Term Borrowings

(₹ in Lacs)

	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>				
Term loans				
Banks #	24.56	14.66	28.60	82.48
Foreign currency loans ##	122.21	694.64	713.59	689.13
	<b>146.77</b>	<b>709.30</b>	<b>742.19</b>	<b>771.61</b>
Less: Amount transferred to other current liabilities (refer note 9)	-	-	742.19	771.61
	<b>146.77</b>	<b>709.30</b>	<b>-</b>	<b>-</b>

#### Notes:

# Term loans from banks carry interest ranging from 9.75% p.a. to 10.82% p.a. The loans are secured by way of hypothecation of vehicles and repayable in equal monthly installments over a period of 3 to 5 years.

## Foreign currency loans represent two loans from Export Import Bank of India which carries interest ranging from 6 months USD LIBOR+5% p.a. to LIBOR+6% p.a. The loans are repayable in 18/20 equal quarterly installments as per the due dates specified in the respective loan agreements. Loans are secured by way of the following:

#### First loan:

- Pledge of liquid investments in fixed deposits.
- Second charge on entire current assets and fixed assets including immovable property of the Company except immovable property situated at Plot No. P.A. 011-066, Light Engineering Zone, Mahindra World City - SEZ, Jaipur.
- Mortgage of Flat no. 402 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur of Managing Director Mr. Rajat Agrawal
- Extension of charge on the fixed assets including immovable property situated at Plot No. P.A. 011-066, Light Engineering Zone, Mahindra World City - SEZ, Jaipur.
- Corporate guarantee of M/s Gravita Infotech (formerly known as M/s Gravita Technomech)
- Personal guarantee of Managing Director Mr. Rajat Agrawal.

#### Second Loan:

- Mortgage of immovable property Plot No. P.A. 011-066, Light Engineering Zone, Mahindra World City - SEZ, Jaipur.

### Note 5 : Deferred Tax Liabilities/ (Assets)

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>Tax effect of items constituting deferred tax liabilities</b>		
Difference between book balance and tax balance of fixed assets	220.91	199.48
<b>Less: Tax effect of items constituting deferred tax assets</b>		
Accrued expenses deductible on payments	32.34	25.23
Provision for doubtful receivables, loans and advances	35.94	38.63
Unabsorbed depreciation/ Business losses carried forward #	339.28	-
	<b>(186.65)</b>	<b>135.62</b>
Less:- Deferred tax liability (net) related to Gravita Infotech Limited (formerly known as Gravita Exim Limited)	10.56	-
	<b>(197.21)</b>	<b>135.62</b>

# The Company has recognised deferred tax asset on unabsorbed depreciation and carried forward business losses based on the management's estimates and future projections.

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 6 : Long-Term Provisions

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits	58.46	44.43
	<b>58.46</b>	<b>44.43</b>

### Note 7 : SHORT-TERM BORROWINGS

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>		
Loans repayable on demand from banks #		
Cash credit / overdraft	3,339.57	3,415.61
Packing credit	4,663.68	1,897.36
Foreign currency loans - buyers credit	1,396.66	1,363.70
<b>Unsecured</b>		
Term loan from banks		
Kotak mahindra bank Limited	-	8.49
Others	-	1.74
	<b>9,399.91</b>	<b>6,686.90</b>

#### Notes:

- # Loans repayable on demand are secured by way of:
- First pari-passu charge on entire current assets of the Company (both present and future).
  - First pari-passu charge on the following fixed assets of the Company:
    - Flat no. 302, 401, 403 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur.
    - Land and building at Jai Chand ka Bas, Diggi Malpura Road, Phagi, Jaipur.
  - First pari-passu charge on the following other assets:
    - Land and house at 3/90, HIG, Mansarovar, Jaipur of Gravita Impex Private Limited (related party).
    - Flat no. 203 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur of Managing Director Mr. Rajat Agrawal.
  - Personal guarantee of Managing Director Mr. Rajat Agrawal.
  - Corporate guarantee of M/s Gravita Impex Private Limited (related party).
  - Mortgage of lease hold rights of Plot no. 25 & 26, SICOP Industrial Area, Kathua leased in favour of M/s Gravita Metal Inc.
  - Hypothecation of plant & machinery and other fixed assets of M/s Gravita Metal Inc (both present and future).
  - Hypothecation of stock, book debts and other current assets of M/s Gravita Metal Inc.
  - Extension of charge over mortgage along with furniture fixture of flat no. 102 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur of Gravita Exim Limited.
  - Mortgage of lease hold rights of Plot no. 52-B, SICOP, Phase-I, Industrial complex, Gangyal, Jammu leased in favour of M/s Gravita Metals.
  - Hypothecation of plant & machinery and other fixed assets of M/s Gravita Metal Inc (both present and future).
  - Hypothecation of stock, book debts and other current assets of M/s Gravita Metal Inc.
  - Primary mortgage over stock, debtors and movable machinery of Navam Lanka Limited, plot no. 27 A, Mirigama EPZ, Mirigama, Sri Lanka.
  - Primary mortgage over lease hold land of Navam Lanka Limited, plot no. 27 A, Mirigama EPZ, Mirigama, Sri Lanka.

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 8 : Trade Payables

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Trade payables other than micro and small enterprises (other than acceptances)	1,304.04	797.74
	<b>1,304.04</b>	<b>797.74</b>

### Note 9 : Other Current Liabilities

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term debt (refer note 4)	742.19	771.61
Interest accrued but not due on borrowings	8.52	26.75
Unclaimed equity share application money	2.19	2.19
Unclaimed dividends	0.59	0.62
Other payables		
Statutory remittances #	60.00	80.69
Payables on purchase of fixed assets	52.90	71.06
Advance from customers	387.49	341.35
Gratuity payable to fund	39.90	27.13
Others	0.03	6.25
	<b>1,293.81</b>	<b>1,327.65</b>

# Include contribution to Provident Fund and ESI, Withholding Taxes, Sales Tax (including Work Contract Tax), Service Tax and Professional Tax.

### Note 10 : Short-Term Provisions

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits	15.77	6.64
<b>Other provisions</b>		
Provision for proposed equity dividend	136.51	340.88
Provision for tax on proposed dividend	23.20	55.30
Provision for taxation (net of advance tax)	75.96	110.49
	<b>251.44</b>	<b>513.31</b>

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 11 : Fixed Assets

Assets description	[₹ in Lacs]									
	Gross block			Accumulated depreciation / amortisation			Net block			
	As at March 31, 2014	Additions	Sold / Adjustments # March 31, 2015	As at March 31, 2015	As at March 31, 2014	During the year ##	Adjustments # March 31, 2015	Sold / March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Tangible fixed assets</b>										
Freehold land	275.64 (286.20)	- (-)	25.00 (10.56)	250.64 (275.64)	- (-)	(-)	- (-)	- (-)	250.64 (275.64)	275.64 (286.20)
Leasehold land	1,261.70 (618.47)	- (670.81)	534.31 (27.58)	727.39 (1,261.70)	10.47 (-)	16.82 (10.47)	11.01 (-)	16.28 (10.47)	711.11 (1,251.23)	1,251.23 (618.47)
Buildings	1,981.55 (728.27)	38.22 (1,192.54)	15.09 (-60.74)	2,034.86 (1,981.55)	233.68 (60.85)	83.25 (92.41)	(8.49) (-80.42)	325.42 (233.68)	1,709.44 (1,747.87)	1,747.87 (667.42)
Plant and equipments	2,943.17 (2,416.65)	172.31 (864.80)	70.19 (338.28)	3,185.67 (2,943.17)	904.92 (342.97)	380.94 (366.00)	3.27 (-195.95)	1,282.59 (904.92)	1,903.08 (2,038.25)	2,038.25 (2,073.68)
Office equipments	52.95 (33.67)	70.63 (24.45)	36.90 (5.17)	160.48 (52.95)	17.41 (12.28)	23.03 (10.04)	0.98 (4.91)	39.46 (17.41)	121.02 (35.54)	35.54 (21.39)
Computer and accessories	159.80 (144.24)	40.31 (39.01)	2.25 (23.45)	202.36 (159.80)	72.49 (64.71)	39.53 (20.78)	2.87 (13.00)	114.89 (72.49)	87.47 (87.31)	87.31 (79.53)
Furniture and fixtures	173.67 (168.69)	31.22 (11.91)	96.45 (6.93)	108.44 (173.67)	33.43 (18.66)	13.84 (12.60)	10.39 (-2.17)	36.88 (33.43)	71.56 (140.24)	140.24 (150.03)
Vehicles	569.41 (508.04)	114.66 (59.51)	45.49 (-1.86)	638.58 (569.41)	188.65 (109.57)	85.95 (64.52)	23.23 (-14.56)	251.37 (188.65)	387.21 (380.76)	380.76 (398.47)
<b>Sub total (A)</b>	<b>7,417.89</b>	<b>467.35</b>	<b>576.82</b>	<b>7,308.42</b>	<b>1,461.05</b>	<b>643.36</b>	<b>37.52</b>	<b>2,066.89</b>	<b>5,241.53</b>	<b>5,956.84</b>
Previous year	(4,904.23)	(2,863.03)	(349.37)	(7,417.89)	(609.04)	(576.82)	(-275.19)	(1,461.05)	(5,956.84)	
<b>Intangible fixed assets</b>										
Computer software	49.65 (33.27)	71.41 (16.58)	3.42 (0.20)	117.64 (49.65)	18.93 (16.99)	15.80 (6.28)	2.88 (4.34)	31.85 (18.93)	85.79 (30.72)	30.72 (16.28)
Goodwill	101.89 (101.89)	- (-)	- (-)	101.89 (101.89)	30.52 (20.38)	10.19 (10.14)	0.03 (-)	40.74 (30.52)	61.15 (71.37)	71.37 (81.51)
Technical know how	51.18 (21.33)	- (-)	- (-29.85)	51.18 (51.18)	51.18 (4.27)	- (10.24)	- (-36.67)	51.18 (51.18)	- (-)	- (17.06)
<b>Sub total (B)</b>	<b>202.72</b>	<b>71.41</b>	<b>3.42</b>	<b>270.71</b>	<b>100.63</b>	<b>25.99</b>	<b>2.85</b>	<b>123.77</b>	<b>146.94</b>	<b>102.09</b>
Previous year	(156.49)	(16.58)	(-29.65)	(202.72)	(41.64)	(26.66)	(-32.33)	(100.63)	(102.09)	
<b>Capital work-in-progress (C)</b>										
	-	-	-	-	-	-	-	-	<b>613.84</b>	<b>622.93</b>
Previous year	(5,060.72)	(2,879.61)	(319.72)	(7,620.61)	(650.68)	(603.48)	(-307.52)	(1,561.68)	(6,002.31)	(1,283.57)
<b>Grand total (A+B+C)</b>	<b>7,620.61</b>	<b>538.76</b>	<b>580.24</b>	<b>7,579.13</b>	<b>1,561.68</b>	<b>669.35</b>	<b>40.37</b>	<b>2,190.66</b>	<b>6,002.31</b>	<b>6,681.86</b>
Previous year	(5,060.72)	(2,879.61)	(319.72)	(7,620.61)	(650.68)	(603.48)	(-307.52)	(1,561.68)	(6,002.31)	(1,283.57)

# include amounts on account of change in classification of subsidiaries from 'Non-Integral Operations' to 'Integral Operations'. For details, refer note 37.

## Includes ₹33.10 lacs (previous year ₹ Nil) adjusted from opening balance of retained earnings (refer note 36)

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 12 : Non-Current Investments (At cost as reduced by permanent diminution in value)

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>Trade Investment</b>		
<b>Investment in associates (unquoted)</b>		
Pearl Landcon Pvt. Ltd. (5,000 (Previous year 5,000) equity shares of ₹10 each fully paid up)	4.11	1.85
<b>Other investments (unquoted)</b>		
National saving certificates pledged with Government Authorities	0.06	0.06
<b>Other investments</b>		
<b>Investment in equity instruments (unquoted) of subsidiary companies</b>		
Gravita Infra Private Limited # (9,900 (Previous year 9,900) equity shares of ₹10 each fully paid up)	-	-
Gravita Energy Limited # (49,600 (Previous year 49,600) equity shares of ₹10 each fully paid up)	-	-
<b>Aggregate amount of unquoted investments</b>	<b>4.17</b>	<b>1.91</b>

# In the previous year, investment in subsidiaries was consolidated. However, in the current year the amount of investment is written off pursuant to dissolution of these subsidiaries subsequent to the year end i.e., May 11, 2015 (Also refer note b(x) of note 1 above).

### Note 13 : Long-Term Loans and Advances (Unsecured, considered good unless otherwise stated)

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Security deposits	66.18	59.86
Capital advances	-	20.33
Minimum alternate tax credit entitlement	125.29	125.29
Advance income tax (net of provision for taxation)	132.57	119.65
Amount paid under protest	63.54	-
Prepaid expenses	4.58	1.67
	<b>392.16</b>	<b>326.80</b>

### Note 14 : Other Non-Current Assets

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Fixed deposits #	652.56	690.91
	<b>652.56</b>	<b>690.91</b>

# Represent lien with banks and financial institution and are restricted from being exchanged or used to settle a liability.

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 15 : Inventories (At lower of cost and net realisable value)

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Raw material	1,801.39	1,319.95
Goods in transit	1,811.91	537.36
	<b>3,613.30</b>	<b>1,857.31</b>
Work-in-progress	<b>1,717.84</b>	<b>890.52</b>
Finished goods (other than those acquired for trading)	2,531.47	1,937.59
Goods in transit	251.29	250.01
	<b>2,782.76</b>	<b>2,187.60</b>
Stock-in-trade (acquired for trading)	173.00	759.08
Goods in transit	112.17	-
	<b>285.17</b>	<b>759.08</b>
Stores and spares	<b>345.38</b>	<b>247.16</b>
Consumables	183.77	231.69
Goods in transit	17.53	55.39
	<b>201.30</b>	<b>287.08</b>
	<b>8,945.75</b>	<b>6,228.75</b>

### Note 16 : Trade Receivables

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	23.48	30.10
Doubtful	103.27	113.63
	126.75	143.73
Less: Provision for doubtful trade receivables	103.27	113.63
	<b>23.48</b>	<b>30.10</b>
<b>Other trade receivables</b>		
Unsecured, considered good	2,631.10	4,258.89
	<b>2,654.58</b>	<b>4,288.99</b>

### Note 17 : Cash and Cash Equivalents ##

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Cash in hand	37.28	30.09
Remittance in transit /cheques in hand	31.30	97.68
Balances with banks:		
in current accounts	596.65	222.80
in earmarked accounts #		
Unclaimed equity share application money	2.19	2.19
Unclaimed dividend account	0.59	0.62
	<b>668.01</b>	<b>353.38</b>

#### Notes:

# Balances with banks in earmarked accounts include balances that can be utilised only towards settlement of unclaimed dividend/ share application money.

## Of the above, the balances that meet the definition of cash and cash equivalents as per Accounting Standard 3 "Cash Flow Statements" is

	665.23	350.57
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## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 18 : Short-Term Loans and Advances (Unsecured, considered good unless otherwise stated)

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Security deposits	15.52	12.71
Advance to vendors		
Unsecured, considered good	2,461.95	1,865.43
Doubtful	5.44	5.44
	<b>2,467.39</b>	<b>1,870.87</b>
Less: Provision for doubtful advances	5.44	5.44
	<b>2,461.95</b>	<b>1,865.43</b>
Prepaid expenses	123.77	73.67
Advance to employees including imprest	55.47	7.39
Balances with government authorities		
Excise refund receivable	1,014.70	103.32
CENVAT credit receivable	413.32	552.14
VAT credit receivable	556.33	327.78
Service Tax credit receivable	81.15	14.50
Export incentives receivable	111.67	273.21
Interest subsidy receivable	82.18	52.20
	<b>2,259.35</b>	<b>1,323.15</b>
Others	-	22.09
	<b>4,916.06</b>	<b>3,304.44</b>

### Note 19 : Other Current Assets

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
Interest accrued but not due on Deposits	36.29	27.82
Fixed assets held for sale	526.15	18.21
Others	19.58	48.49
	<b>582.02</b>	<b>94.52</b>

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 20 : Revenue from Operations

	(₹ in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Sale of products (inclusive of excise duty) (refer note (i))	51,424.34	53,122.69
Sale of services (Technical consultancy)	1.29	27.61
Other operating revenue (refer note (ii))	1,399.84	1,660.58
<b>Revenue from operations (Gross)</b>	<b>52,825.47</b>	<b>54,810.88</b>
Less: Excise duty	2,696.93	3,092.92
<b>Revenue from operations (Net)</b>	<b>50,128.54</b>	<b>51,717.96</b>
<b>Notes:</b>		
<b>(i) Sale of products comprises</b>		
Manufactured goods	47,425.46	49,904.77
Traded goods	3,998.88	3,217.92
	<b>51,424.34</b>	<b>53,122.69</b>
<b>(ii) Other operating revenue comprises</b>		
Export incentives	32.98	338.19
Excise incentives (refund)	1,343.77	1,319.44
Job work income	16.08	2.95
Others	7.01	-
	<b>1,399.84</b>	<b>1,660.58</b>

### Note 21 : Other Income

	(₹ in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest income on:		
Bank deposits	60.09	74.06
Income tax refunds	18.79	-
Others	16.11	0.74
Profit on sale of fixed assets	5.45	-
Liabilities no longer required written back (advance from customers forfeited)	148.16	-
Provision for doubtful trade receivables written back	10.35	-
Net gain on foreign currency transactions and translations	195.73	-
Others	8.59	21.60
Rent income	-	9.74
Dividend income from quoted and unquoted other investments in mutual funds	-	16.17
	<b>463.27</b>	<b>122.31</b>

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 22 : Cost of Materials Consumed

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Raw materials</b>		
Opening stock	1,857.31	2,886.88
Add: Exchange rate variation	0.96	18.83
	<b>1,858.27</b>	<b>2,905.71</b>
Add: Purchases	39,815.23	37,039.87
Less: Closing stock	1,801.39	1,319.95
Less: Stock-in-transit	1,811.91	537.36
	<b>38,060.20</b>	<b>38,088.27</b>
<b>Consumables (including stores and spares)</b>		
Opening stock	534.24	452.50
Add: Exchange rate variation	0.56	18.55
	<b>534.80</b>	<b>471.05</b>
Add: Purchases	2,020.14	2,163.81
Less: Closing stock	529.15	478.85
Less: Stock-in-transit	17.53	55.39
	<b>2,008.26</b>	<b>2,100.62</b>
	<b>40,068.46</b>	<b>40,188.89</b>

### Note 23 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Inventories at the end of the year (I)</b>		
Finished goods	2,782.76	2,187.60
Work-in-progress	1,717.84	890.52
Stock-in-trade (traded goods)	285.17	759.08
	<b>4,785.77</b>	<b>3,837.20</b>
<b>Inventories at the beginning of the year (II)</b>		
Finished goods	2,187.60	2,549.52
Work-in-progress	890.52	512.88
Stock-in-trade (traded goods)	759.08	276.47
	<b>3,837.20</b>	<b>3,338.87</b>
<b>Add: Exchange rate variation (III)</b>	<b>4.52</b>	<b>62.10</b>
<b>(Increase) / decrease ((II) - (I) + (III))</b>	<b>(944.05)</b>	<b>(436.23)</b>

### Note 24 : Employee Benefits Expense

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries and wages	2,178.74	1,867.19
Contributions to provident and other funds	87.57	76.61
Expense on employee stock option (ESOP) scheme (refer Note 2(e))	25.51	64.86
Staff welfare expenses	223.28	180.55
	<b>2,515.10</b>	<b>2,189.21</b>

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 25 : Finance Costs

	(₹ in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest expense on:		
Borrowings	883.55	569.64
Others #	3.55	14.92
Other borrowing costs	79.59	54.02
Net loss on foreign currency transactions and translation (considered as finance costs)	21.00	279.16
	<b>987.69</b>	<b>917.74</b>

# include interest on delayed payment of income tax ₹0.67 lacs (Previous year ₹7.95 lacs).

### Note 26 : Others Expenses

	(₹ in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Power and fuel	317.14	295.52
Rent	260.86	211.58
Increase /(decrease) of excise duty on inventory	34.11	46.18
Rates and taxes	5.49	-
Repairs and maintenance		
-Plant and machinery	322.13	208.44
-Buildings	65.90	57.18
-Others	47.13	31.64
Insurance	18.28	20.98
Freight and forwarding	924.49	873.68
Travelling and conveyance	293.57	234.90
Subcontracting	18.16	83.62
Legal and professional	166.16	132.57
Rebate and discount	48.96	114.18
Sales commission	39.24	17.41
Advertising and sales promotion	41.39	65.54
Communication	53.82	51.64
Training and recruitment	10.85	37.72
Printing and stationery	11.54	13.62
Donation	7.69	13.91
Payment to auditors # :		
To statutory auditors		
For audit	15.96	17.64
For limited reviews	9.75	8.73
For other services	0.45	0.15
Reimbursement of expenses	0.30	0.09
To cost auditors		
For audit	0.50	0.15
Written off/ provision for doubtful trade receivables, loans and advances	102.70	119.07
Provision for loss on sale of fixed asset	43.04	-
Net loss on foreign currency transactions and translation (other than considered as finance costs)	-	12.55

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Loss on fixed assets discarded/ sold	43.00	179.46
Non current investments in subsidiaries written off	5.95	-
Expenditure on Corporate Social Responsibility	4.79	3.00
Bank charges	63.57	78.67
Miscellaneous	234.16	130.72
	<b>3,211.08</b>	<b>3,060.54</b>

# Includes payment to auditors of subsidiary companies

### Note 27 : Exceptional Items

(₹ in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit on sale of unquoted non-current trade investments in associate companies		
Pagrik Ethiopia PLC	-	22.42
	<b>-</b>	<b>22.42</b>

### Note 28 : Contingent Liabilities And Commitments

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>Contingent liabilities</b>		
Claims against the group not acknowledged as debt #		
Income Tax	84.30	9.96
Excise Duty/Customs Duty/Service Tax	941.25	1,196.06
Value Added Tax/Central Sales Tax	4.54	132.81

# All the above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded, in the opinion of the Management, will not have a material effect on the results of the operations or financial position of the group.

**Details of dues of Income Tax, Service tax, Excise Duty and Value Added Taxes as on March 31, 2015 not deposited/deposited under protest on account of disputes are given below:**

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved* (₹ in lacs)	Amount deposited/held (₹ in lacs)
Income tax Act, 1961	Income Tax	Appellate Authority upto Commissioner level	2008-09, 2009-10 and 2010-11	20.52	10.31
Income tax Act, 1961	Income Tax	Appellate Authority upto Commissioner level	2011-12	63.78	-
Finance Act, 1994	Service Tax	Appellate Authority upto Commissioner level	2010-11, 2011-12, 2013-14 and 2014-15	19.02	3.62
Central Excise Act, 1944	Excise Duty	Appellate Authority upto Commissioner level	2009-10	1.68	1.68
Central Excise Act, 1944	Excise Duty	Appellate Authority upto Tribunal level	2012-13 and 2013-14	847.15	63.54
Central Excise Act, 1944	Excise Duty	Appellate Authority upto Commissioner level	2012-13 and 2013-14	73.40	-
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	Appellate Authority upto Commissioner level	2011-12	4.54	-

\* includes interest and penalty, wherever applicable.

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for		
Tangible assets	8.54	5,430.00
Intangible assets	-	22.82

### Note 29 : Employee Benefits

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

#### Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

	(₹ in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Employer's Contribution to Provident Fund	67.10	42.30

#### Defined Benefit Plan

Within the Group, the employees' gratuity fund scheme of the parent company is funded and managed by a Trust namely 'Gravita India Limited Employees Gratuity Trust' and gratuity scheme of its subsidiaries is not funded. The scheme is defined as a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

#### (a) Reconciliation of opening and closing balances of Defined Benefit Obligation

	(₹ in Lacs)			
	Gratuity (Funded)		Compensated absences (Unfunded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Defined Benefit obligation at beginning of year	62.47	28.76	23.73	13.03
Current service cost	13.42	13.05	9.72	6.80
Interest cost	4.80	2.30	1.85	0.98
Actuarial (gain) / loss	2.58	18.60	1.26	6.77
Benefits paid	(3.73)	(0.24)	(5.28)	(3.85)
Defined Benefit obligation at year end	<b>79.54</b>	<b>62.47</b>	<b>31.28</b>	<b>23.73</b>

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### (b) Reconciliation of opening and closing balances of fair value of Plan Assets

(₹ in Lacs)

	Gratuity (Funded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Fair value of Plan assets at beginning of year	39.71	40.30
Expected return on Plan Assets	2.98	3.21
Actuarial gain / (loss)	-	(3.56)
Employer's contribution	-	-
Benefits paid	(3.73)	(0.24)
Amount withdrawn	(10.30)	-
<b>Fair value of Plan Assets at year end</b>	<b>28.66</b>	<b>39.71</b>
<b>Actual return on Plan Assets</b>	<b>2.19</b>	<b>3.21</b>

### (c) Reconciliation of fair value of assets and obligations

(₹ in Lacs)

	Gratuity (Funded)		Compensated absences (Unfunded)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Fair value of Plan Assets	28.66	39.71	-	-
Present value of obligation	79.54	62.47	31.28	23.73
<b>Liability/(Asset) recognised in Balance Sheet</b>	<b>50.88</b>	<b>22.76</b>	<b>31.28</b>	<b>23.73</b>

### (d) Expenses recognised during the year

(₹ in Lacs)

	Gratuity (Funded)		Compensated absences (Unfunded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Current service cost	13.42	13.05	9.39	6.80
Interest cost	4.80	2.30	1.85	0.98
Expected return on Plan Assets	1.89	(3.21)	-	(0.11)
Actuarial (gain) / loss	(1.50)	22.17	1.26	6.88
<b>Net cost in Statement of Profit and Loss</b>	<b>18.61</b>	<b>34.31</b>	<b>12.50</b>	<b>14.55</b>

### (e) Investment details

	% invested	
	As at March 31, 2015	As at March 31, 2014
Insurer-managed funds	100.00	100.00
	<b>100.00</b>	<b>100.00</b>

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### (f) Experience adjustments (Gratuity (Funded)) #

	(₹ in Lacs)			
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Present value of obligation	79.54	62.47	28.76	37.24
Fair value of plan assets	(28.66)	(39.71)	(40.30)	(36.84)
Funded status [Deficit /(Surplus)]	50.88	22.76	(11.54)	0.40
Experience gain /(loss) adjustments on plan liabilities	2.58	(41.65)	19.54	-#
Experience gain /(loss) adjustments on plan assets (* represents ₹267)	*	3.56	0.22	-#

# Figures for the financial years 2010-11 and 2011-12 are not readily available.

### (g) Actuarial assumptions

	Gratuity (Funded)		Compensated absences (Unfunded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Mortality table	100% of IALM- 2006-08	100% of IAL-2	100% of IALM- 2006-08	100% of IAL-2
Discount rate (per annum) #	7.75%	9.00%	7.75%	9.00%
Rate of escalation in salary (per annum) ##	5.00%	6.00%	5.00%	6.00%
Expected rate of return on plan assets (per annum) ###	7.25%	8.00%	N/A	N/A

# The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

## The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

### The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

### Note 30 : Details of Borrowing Costs Capitalised

	(₹ in Lacs)	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Borrowing costs capitalised during the year		
as fixed assets	-	39.18
as capital work-in-progress	-	12.37
	-	<b>51.55</b>



## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 31 : Segment Reporting

#### (a) Primary segment information-

(₹ in Lacs)

Business segment:	For the year ended March 31, 2015			For the year ended March 31, 2014		
	Lead	Others	Total	Lead	Others	Total
Segment revenue (Net sales/ income from each segment)	48,882.40	1,246.14	50,128.54	51,364.11	353.85	51,717.96
<b>Total Revenue</b>	<b>48,882.40</b>	<b>1,246.14</b>	<b>50,128.54</b>	<b>51,364.11</b>	<b>353.85</b>	<b>51,717.96</b>
Segment profit before tax and interest from each segment	1,239.27	351.48	1,590.75	3,568.01	(32.31)	3,535.70
<b>Operating Profit</b>			<b>1,590.75</b>			<b>3,535.70</b>
Finance costs			(987.69)			(917.74)
Other income			119.38			122.31
Profit on sale of investments			-			22.42
Income tax (expenses)/ benefits			236.03			(287.33)
Prior period adjustments			-			(312.29)
<b>Profit after tax</b>			<b>958.47</b>			<b>2,163.07</b>
Segment assets	21,908.25	3106.58	25,014.83	20,348.40	1,623.16	21,971.56
Unallocated assets			-			-
<b>Total assets</b>			<b>25,014.83</b>			<b>21,971.56</b>
Segment liabilities	2,985.63	522.57	3,508.20	2,260.79	1,119.75	3,380.54
Unallocated liabilities			8,956.79			6,834.41
<b>Total liabilities</b>			<b>12,464.99</b>			<b>10,214.95</b>
Capital expenditure	443.44	86.23	529.67	1,113.66	1,105.31	2,218.97
Unallocated capital expenditure			-			-
<b>Total capital expenditures</b>			<b>529.67</b>			<b>2,218.97</b>
Depreciation and amortisation expense	569.12	67.13	636.25	569.23	34.25	603.48
Unallocated depreciation and amortisation expense			-			-
<b>Total depreciation and amortisation expense</b>			<b>636.25</b>			<b>603.48</b>

#### (b) Secondary segment information -

(₹ in Lacs)

Geographical segment:	For the year ended March 31, 2015			For the year ended March 31, 2014		
	India	Others	Total	India	Others	Total
Segment revenue (Net sales/ income from each segment)	22,403.90	27,724.64	50,128.54	26,627.89	25,090.07	51,717.96
Segment assets	18,943.58	6,071.25	25,014.83	16,850.91	5,120.65	21,971.56
Capital expenditures	509.56	20.11	529.67	1,791.72	427.25	2,218.97

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 32 : Related Party Transactions

#### (a) Associate

Name of the associate	Country of incorporation	% of holding as at March 31, 2015	% of holding as at March 31, 2014
Pearl Landcon Private Limited	India	25.00	25.00

#### (b) Key management personnel

Name of the director	Designation
Dr. Mahavir Prasad Agarwal	Chairman and Whole-Time Director
Mr. Rajat Agrawal	Managing Director
Mr. Rajeev Surana	Whole-Time Director
Mr. Vijendra Singh Tanwar	Director
Mr. Yogesh Malhotra	Director

#### (c) Relatives of key management personnel

Name of the relative	Relationship
Mrs. Anchal Agrawal	Wife of Mr. Rajat Agrawal

#### (d) Enterprises having common key management personnel and/or their relatives

Saurabh Farms Limited  
 Shah Buildcon Private Limited  
 Jalousies India Private Limited  
 Rajeev Surana HUF

#### (e) Details of related party transactions/balances for the year ended March 31, 2015

(₹ in Lacs)

(i) Loans taken and repayment thereof	Loan taken	Repayment (including interest)	Interest expense during the year	Amount payable as at March 31, 2015
<b>Key management personnel</b>				
Mr. Rajat Agrawal	-	-	-	-
	(157.00)	(162.56)	(5.56)	(-)
Dr. Mahavir Prasad Agarwal	-	-	-	-
	(77.00)	(80.68)	(3.68)	(-)
	-	-	-	-
	<b>(234.00)</b>	<b>(243.24)</b>	<b>(9.24)</b>	<b>(-)</b>

(₹ in Lacs)

(ii) Remuneration	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Key management personnel</b>		
Mr. Rajat Agrawal	96.00	90.00
Dr. Mahavir Prasad Agarwal	42.00	40.50
Mr. Rajeev Surana	30.00	28.50
Mr. Vijendra Singh Tanwar	17.67	12.60
Mr. Yogesh Malhotra	20.81	24.86
	<b>206.48</b>	<b>196.46</b>

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

	(₹ in Lacs)	
(iii) Other transactions (nature of each transaction is mentioned in brackets)	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Associates</b>		
Pagrik Ethiopia PLC (Disinvestment made)	-	36.89
<b>Key management personnel</b>		
Mr. Rajat Agrawal (Rent Paid)	29.70	28.66
<b>Relatives of key management personnel</b>		
Mrs. Anchal Agrawal (Rent paid)	4.36	3.31
<b>Enterprises having common key management personnel and/or their relatives</b>		
Saurabh Farms Limited (Rent paid)	6.83	4.73
Shah Buildcon Private Limited (Rent Paid)	2.06	1.98
Rajeev Surana HUF (Rent Paid)	-	5.85
Jalousies India Private Limited (Rent paid)	6.30	-
<b>Amount written off in Subsidiaries</b>		
Gravita Energy Limited	4.96	-
Gravita Infra Private Limited	0.99	-
	<b>55.20</b>	<b>81.42</b>

	(₹ in Lacs)	
(iv) Amount payable at year end	As at March 31, 2015	As at March 31, 2014
<b>Key management personnel</b>		
Mr. Rajat Agrawal	2.63	0.01
<b>Relatives of key management personnel</b>		
Mrs. Anchal Agrawal	0.16	-
	<b>2.79</b>	<b>0.01</b>

### Note 33 : Leases

The group has entered into operating lease arrangements for certain facilities and office premises for a defined period with a renewal/ termination clauses. Lease payments recognised in the Statement of Profit and Loss for the year are ₹260.86 lacs (Previous year ₹211.58 lacs). Details of future minimum lease payments are provided below:

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Not later than one Year	256.02	199.86
Later than one year and not later than 5 years	320.18	331.84
Later than 5 years	179.88	190.62
	<b>756.08</b>	<b>722.32</b>

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 34 : Earnings Per Share (EPS)

	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Net profit after tax as per Statement of Profit and Loss attributable to equity shareholders (₹ in lacs) (a)	661.86	2,132.17
Weighted average number of equity shares outstanding during the year (in numbers) (b)	68,214,245	68,147,541
Basic earnings per share of face value ₹2 each (in ₹) (a)/ (b)	0.97	3.13
Effect of potential dilutive equity shares on employee stock options outstanding (in numbers) (c)	374,547	492,895
Weighted average number of equity shares in computing diluted earnings per share (in numbers) [(d) = (b)+(c)]	68,588,792	68,640,435
Diluted earnings per share of face value ₹2 each (in ₹) (a) / (d)	0.96	3.11

### Note 35 :

During the previous year, the Excise Department, under the provisions of Section 12F of Central Excise Act, 1944, has seized past books and records of the Company upto February 10, 2014. In this regard, no show cause notice has been received by the Company till date. The management is confident that the matter will get resolved in due course and no material liability would arise on resolution of this matter. The Company is in process to release the books of accounts.

### Note 36 :

Pursuant to the enactment of the Companies Act, 2013 w.e.f. April 1, 2014, the Company has reviewed the estimated economic useful lives of its fixed assets generally in accordance with that provided in the Schedule II to the Companies Act, 2013. As a result (after considering the transitional provision specified in the Schedule II), the depreciation charge for the current year is higher by ₹31.14 lacs and depreciation amounting to ₹22.93 lacs (net of deferred tax liabilities of ₹10.17 lacs) has been adjusted from the opening balance of retained earnings.

### Note 37 :

Upto financial year 2012-13, the Company was considering its subsidiaries as 'Non-Integral Operations' for the purpose of consolidation. However, on a review thereof, the Management is of the view that all its subsidiaries (except Navam Lanka Limited) since inception are in the nature of 'Integral Operations' in terms of the criteria specified in AS 11 'Effect of Changes in Foreign Exchange Rates'. On giving effect thereof, the impact of necessary adjustments amounting to ₹312.29 lacs has been disclosed as 'Prior-Period Adjustment' in the Consolidated Statement of Profit and Loss for the year ended March 31, 2014.

### Note 38 :

The Group do not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

### Note 39 :

There are no amounts which are required to be transferred to the Investor Education and Protection Fund.

## Notes forming part of the Consolidated Financial Statements (contd.)

for the year ended March 31, 2015

### Note 40 : Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements of Schedule III to the Companies Act, 2013

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit/ (loss)	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)
Gravita India Limited (parent company)	43.20%	5,421.27	-111.64%	(1,070.05)
<b>Subsidiaries</b>				
<b>Indian</b>				
Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	0.45%	56.88	-10.77%	(103.22)
Noble Build Estate Private Limited	1.49%	186.71	-0.74%	(7.13)
M/s Gravita Metals	5.75%	721.38	99.36%	952.29
M/s Gravita Metal Inc	9.31%	1,168.34	15.50%	148.58
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)	0.47%	58.48	-1.65%	(15.85)
<b>Foreign</b>				
Gravita Ghana Limited	15.22%	1,910.45	-9.06%	(86.80)
Gravita Mozambique LDA	4.31%	540.89	24.01%	230.10
Gravita Global Pte Limited	1.13%	141.36	17.90%	171.59
Navam Lanka Limited	12.40%	1,556.55	64.96%	622.65
Gravita Netherlands BV	0.10%	12.84	-1.73%	(16.57)
Gravita Senegal S.A.U	2.69%	337.25	28.94%	277.36
Gravita Nicaragua S.A.	3.47%	435.67	-5.72%	(54.82)
Gravita Trinidad & Tobago Limited	0.01%	1.77	-9.35%	(89.66)
	<b>100.00%</b>	<b>12,549.84</b>	<b>100.00%</b>	<b>958.47</b>
Minority interests in all subsidiaries		743.76		298.87
<b>Associates</b>				
<b>(Investment as per the equity method)</b>				
<b>Indian</b>				
Pearl Landcon Private Limited			100.00%	2.26
			100.00%	2.26

#### Note 41:

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

**Rajat Agrawal**  
(Managing Director)

**Rajeev Surana**  
(Whole Time Director)

**Sunil Kansal**  
(Chief Financial Officer)

**Leena Jain**  
(Company Secretary)

Place: Jaipur  
Date: May 23, 2015



# Corporate Information

## Corporate Identification Number

(CIN): L29308RJ1992PLC006870

## Board of Directors & KMP

### Dr. Mahavir Prasad Agarwal

Chairman & Whole time Director

### Rajat Agrawal

Managing Director

### Rajeev Surana

Whole time Director

### Dinesh Kumar Govil

Director

### Yogesh Mohan Kharbanda

Director

### Arun Kumar Gupta

Director

### Chanchal Chadha Phadnis

Additional Director

### Sunil Kansal

Chief Financial Officer

### Leena Jain

Company Secretary

## Senior Management Personnel

### Naveen Prakash Sharma

President & CEO

### Vijendra Singh Tanwar

Director- New Business Development

### Vijay Pareek

Vice President (Sales & Marketing)

### Yogesh Malhotra

Vice President (Operations)

### Sandeep Choudhary

Vice President (Imports)

### Sanjay Singh Baid

Vice President (Procurement)

### Sandeep Grover

Vice President (HR & Admin)

## Statutory Auditors

### M/s Deloitte Haskins & Sells

7th Floor, Building No.10, Tower B,

DLF Cyber City Complex, DLF Phase II,

Gurgaon-122 002, Haryana, India

Website: [www.deloitte.com](http://www.deloitte.com)

## Internal Auditors

### Pro Advisory India LLP

15th Floor, Tower A, DLF Building No.5

DLF Phase III, DLF Cyber City

Gurgaon – 122002, Haryana, India

Website:[www.protiviti.in](http://www.protiviti.in)

## Cost Auditors

### M/s K.G.Goyal & Associates

289, Mahaveer Nagar-II,

Maharani Farms, Durgapura

Jaipur-302018

## Registrar & Share Transfer Agent

### Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad – 500 032

Phone No. 040-67162222

Website:[www.karvy.com](http://www.karvy.com)

## Bankers

State Bank of India

State Bank of Bikaner & Jaipur

Punjab National Bank

## Corporate Office

402, Gravita Tower, A-27-B, Shanti Path,

Tilak Nagar, Jaipur-302 004, India

Ph.No.:+91-141-2623266,+91-141-2622697

Fax:+91-141-2621491

[www.gravitaindia.com](http://www.gravitaindia.com)

## Registered Office and Works

“Saurabh”, Chittora Road, Harsulia Mod,

Diggsi- Malpura Road, Tehsil Phagi, Jaipur-303 904

Email: [works@gravitaindia.com](mailto:works@gravitaindia.com)

[info@gravitaindia.com](mailto:info@gravitaindia.com)

## Other Plant Locations

Plot No. 322, Mithirohar Industrial Estate, Mithirohar,

Taluka Gandhidham, Gujarat.

Plot No. PA-011-006, Mahindra SEZ, Village Kalwara,

Tehsil Sanganer, Distt. Jaipur.



**Gravita India Limited**

'Saurabh', Chittora Road, Harsulia Mod, Diggi – Malpura,

Tehsil – Phagi, Jaipur – 303 904, Rajasthan, India

Tel. 09928070682





## GRAVITA INDIA LIMITED

(CIN : L29308RJ1992PLC006870)

Regd. Office: 'Saurabh', Chittora Road, Harsulia Mod  
Diggi-Malpura, Tehsil Phagi, Jaipur-303904 (Rajasthan)

### Notice of Annual General Meeting

Notice is hereby given that the **23rd Annual General Meeting** of the Members of **Gravita India Limited** having **CIN – L29308RJ1992PLC006870**, will be held on **Saturday, the 8<sup>th</sup> August, 2015** at **11.00 a.m.** at "Saurabh", Chittora Road, Harsulia Mod, Diggi-Malpura, Tehsil Phagi, Jaipur-303904 (Rajasthan) to transact the following businesses :-

#### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend on Equity Shares for the Financial Year 2014-15.
3. To appoint a Director in place of Mr. Rajeev Surana (DIN 01374077), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors of the Company, and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the resolution passed by the members at the Annual General Meeting of the Company held on 02nd August 2014, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, having Firm Registration No. 015125N, who hold office till the conclusion of 27th Annual General Meeting of the Company be and is hereby ratified for the FY 2015-16 at such remuneration plus Service Tax as applicable, out-of-pocket expenses, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

#### Special Business

5. To consider and if thought fit, to pass with or without

**modification(s), the following resolution as an ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Chanchal Chadha Phadnis (DIN:07133840), who was appointed as an Additional Director by the Board of Directors of Company and who has submitted a declaration that she meets the criteria for Independence as provided in Section 149(6) of Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a member pursuant to the provisions of Section 160 of the Act, signifying his intention to propose the candidature of Mrs. Chanchal Chadha Phadnis for the office of Director, be and is hereby appointed as an Independent Director of the Company who shall hold office upto five years from the date of her appointment i.e. from 24th March, 2015 and whose office shall not, henceforth, be liable to determination by retirement of Directors by rotation."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act, the consent of the Members of the Company be and is hereby accorded to re-appoint Dr. Mahavir Prasad Agarwal having DIN: 00188179 (who has attained the age of eighty (80) years) as Whole-time Director of the Company for a period of three years w.e.f. 1st April, 2015 at a remuneration and other terms and conditions as considered and approved by Nomination and Remuneration Committee of Board of Directors of the Company as mentioned below:

#### Salary And Perquisites:

Basic – ₹1,81,794/- per month (One Lac Eighty One Thousand Seven Hundred Ninety Four only)

HRA and Perquisites & other allowances – ₹1,68,205/- per month (One Lac Sixty Eight Thousand Two Hundred Five only)

**“RESOLVED FURTHER THAT** the Whole-time Director shall be entitled to the facilities as are allowable to the employees of Senior Management Cadre of the Company and reimbursement of entertainment and other expenses actually and properly incurred by him in connection with the Business of the Company.”

**“RESOLVED FURTHER THAT** gratuity payable as per the Rules of the Company but not exceeding 15 days salary for each completed year of service, encashment of leave at the end of the tenure and Provident Fund will not be included in the computation of Salary to the extent the same are not taxable under the Income-Tax Act, 1961.”

**“RESOLVED FURTHER THAT** wherein any financial year during the currency of tenure of Whole-time Director, the Company has no profits or its profits are inadequate, the Company shall pay to Dr. Mahavir Prasad Agarwal, Whole-time Director remuneration by way of salary and perquisites as prescribed in Schedule V of the Companies Act, 2013, subject to approvals, if any as may be required.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to alter, vary and modify any of the terms and conditions of the said re-appointment/remuneration including salary, allowances and perquisites in accordance with and subject to the limits prescribed in Section 196, 197 and/or Schedule V of the Companies Act, 2013 or any amendment or any statutory modifications or re-enactment thereof, subject to approvals, if any as may be required and as may be agreed between the Board of Directors and Dr. Mahavir Prasad Agarwal.”

**“RESOLVED FURTHER THAT** Dr. Mahavir Prasad Agarwal shall be Key Managerial person of the Company as defined under Section 203 of Companies Act, 2013 read with Rules made thereunder.”

**“RESOLVED FURTHER THAT** Shri Rajat Agrawal, Managing Director and Shri Rajeev Surana, Whole-time Director and Smt. Leena Jain, Company Secretary of the Company be and are hereby severally authorised to comply with all necessary formalities including filing of necessary forms with Registrar of Companies in this regard.”

**7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act, the remuneration of Shri Rajat Agrawal, Managing

Director of the Company be and is hereby revised as under as considered and approved by the Nomination & Remuneration Committee for the remaining term of his office with effect from 1st April, 2015:-

**I. Salary and Perquisites:**

Basic – ₹ 3,38,313/- per month (Three Lacs Thirty Eight Thousand Three Hundred Thirteen only)  
HRA, Perquisites & other allowances – ₹ 3,11,686/- per month (Three Lacs Eleven Thousand Six Hundred Eighty Six only).

**II. Commission:**

In addition to the Salary, Perquisites, Allowances and Benefits as above, Managing Director shall be entitled to receive a commission upto 2% per annum of the Net Profits of the Company computed as per the provisions of Section 198 of the Companies Act, 2013 for the respective financial years falling during his tenure as Managing Director.

**“RESOLVED FURTHER THAT** the Managing Director shall be entitled to the facilities as are allowable to the employees of Senior Management Cadre of the Company and reimbursement of entertainment and other expenses actually and properly incurred by him in connection with the Business of the Company.

**“RESOLVED FURTHER THAT** gratuity payable as per the Rules of the Company but not exceeding 15 days salary for each completed year of service, encashment of leave at the end of the tenure and Provident Fund will not be included in the computation of Salary to the extent the same are not taxable under the Income-Tax Act, 1961.”

**“RESOLVED FURTHER THAT** wherein any financial year during the currency of tenure of Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Rajat Agrawal remuneration by way of salary and perquisites as prescribed in Schedule V of the Companies Act, 2013, subject to approvals, if any as may be required.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to alter, vary and modify any of the terms and conditions of the said remuneration including salary, allowances and perquisites in accordance with and subject to the limits prescribed in Section 196, 197 and/or Schedule V of the Companies Act, 2013 or any amendment or any statutory modifications or re-enactments thereof, subject to approvals, if any as may be required and as may be agreed between the Board of Directors and Mr. Rajat Agrawal.”

**“RESOLVED FURTHER THAT** Shri Rajeev Surana, Whole-time Director and Smt Leena Jain, Company Secretary of the Company be and are hereby severally authorised

to comply with all necessary formalities including filing of necessary forms with Registrar of Companies in this regard.”

**8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provision of Section 148 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending 31st March, 2016, be paid the remuneration as set out in the Explanatory

Statement annexed to the Notice convening the Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all things, deed, acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board

sd/-

**(Leena Jain)**

Company Secretary

Date: 23<sup>rd</sup> May, 2015

Place: Jaipur

## NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE DULY STAMPED, FILLED AND SIGNED INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, MUST BE DEPOSITED AT THE CORPORATE OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE COMMENCEMENT OF THE MEETING.**
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- An Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the Special Businesses in the Notice is annexed here to and forms part of this Notice. The profile of the Directors seeking appointment/re- appointment, as required in terms of Clause 49 of the Listing Agreement entered with the Stock Exchanges is annexed.
- Members and Proxies attending the Meeting are requested to bring their attendance slip duly filled along with their copy of Annual Report to the Meeting.
- Corporate Members are requested to send a duly certified true copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
- The Register of Members and Share Transfer books of the Company shall remain closed from, Monday, 03<sup>rd</sup> August, 2015 to Saturday, 08<sup>th</sup> August, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares.
- Payment of Dividend as recommended by the Directors, if approved at the Meeting, will be made to those members whose names are on the Company’s Register of Members at the end of business hours of 2<sup>nd</sup> August, 2015 and in respect of the shares held in dematerialised form, the dividend will be paid to members whose names are furnished by the Depositories, viz. National Securities Depositories Limited and Central Depository Services (India) Limited as Beneficial Owners as on that date.
- Members are requested to note that Dividends and / or IPO Application Money not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company’s Unpaid Dividend Account(s)/ IPO Application Money shall be transferred to the Investor Education and Protection Fund (IEPF) established under Section 205 C of the Companies Act, 1956.
- The members who have not yet encashed their dividend warrants and / or application money in IPO for the below mentioned financial years, are requested to forward their claims to the Company’s Registrar and Share Transfer Agents (RTA). It may be noted that once the unclaimed

dividend and / or unclaimed application money is transferred to the Investor Education and Protection Fund (IEPF) as above, no claims shall rest with the company in respect of such amount. The respective unclaimed dividend and IPO Application money along with their due dates for transfer to IEPF are as under :

Financial Year Ended	Nature of Amount	Due Date of transfer to IEPF
31st March, 2011	IPO Application Money	12.11.2017
31st March, 2011	Final Dividend	29.08.2018
31st March, 2012	Interim Dividend	06.03.2019
31st March, 2012	Final Dividend	15.09.2019
31st March, 2013	Interim Dividend	27.09.2019
31st March, 2013	Interim Dividend	04.03.2020
31st March, 2013	Final Dividend	04.09.2020
31st March, 2014	Interim Dividend	10.03.2021
31st March, 2014	Final Dividend	08.09.2021

10. Pursuant to the Provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 02nd August, 2014 (date of last Annual General Meeting) on the website of the Company [www.gravitaindia.com](http://www.gravitaindia.com)
11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy Computershare Pvt. Ltd. (RTA) quoting reference of the Registered Folio Number.
12. Members who hold share in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificate to RTA of the Company, for consolidation into single folio.
13. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
14. The Certificate, from M/s Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company for the financial year 2014-15, certifying that the Company's Stock option Scheme viz 'Gravita Employees Stock Option Plan 2011' is being implemented in accordance with the SEBI Guidelines, as amended, and in accordance with the resolution passed by shareholders at the Annual General Meeting held on 27th July, 2011 shall be available for inspection by the members at the AGM.
15. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
16. Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the directors who are proposed to be appointed/reappointed at the ensuing Annual General Meeting under Item Nos. 3,5 and 6 of the Notice are as under :

Brief Profile of the Director and Nature of his Expertise in functional areas	Directorship/Committee memberships in other companies:	Shareholding in Gravita India Limited
<p><b>Dr. Mahavir Prasad Agarwal</b> Dr. Agarwal has worked in the Department of Medical &amp; Health, Government of Rajasthan in various capacities from 1958 to 1992. He retired as Director of Department of Medical &amp; Health, Rajasthan in 1992. After retirement, Dr. Agarwal engaged himself in the business of Lead Manufacturing and Trading with his technocrat son to gather vast 23 years of experience in the Lead Metal Industry. He is an Instrumental guiding force and source of inspiration to whole Gravita Team.</p>	<p><b>Directorships :</b> Gravita Infotech Limited Saurabh Farms Limited Shah Buildcon Private Limited Jalousies (India) Private Limited</p> <p><b>Committee Membership :</b> NIL</p>	20.03%

Brief Profile of the Director and Nature of his Expertise in functional areas	Directorship/Committee memberships in other companies:	Shareholding in Gravita India Limited
<p><b>Mrs. Chanchal Chadda Phadnis</b> Mrs. Phadnis is a professional banker having 36 years of rich and varied exposure in the field of Banking Industry. She has served as administration head of SBI's Delhi Zone and incharge HRM &amp; Training of Jaipur Zone. She has also served as an advisor of BIFR, Ministry of Finance for a period of 5 years by providing her expertise in financial, legal and banking related matters. In addition, she has also acted as member and chairperson of "Internal Complaints Committee on Prevention of Sexual Harassment at Workplace" of State Bank of India, Local Head Office, New Delhi.</p>	NIL	NIL
<p><b>Mr. Rajeev Surana</b> Mr. Surana is the other Promoter Director, aged about 46 years, a professional (BE-Mechanical) who possesses excellent Technical &amp; Management skills. He has excellent communication skills and proved himself to be phenomenal leader in all aspects. His grip on operations and experience of more than 19 years is valuable asset to the Gravita Group. He carries expertise in general and strategic management.</p>	<p><b>Directorships:</b> Gravita Infotech Limited Surana Professional Services Private Limited <b>Committee Membership:</b> Gravita Infotech Limited</p>	0.04%

17. Electronic copy of Annual Report 2015 and Notice of the 23rd Annual General Meeting of the Company inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Notice of the 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
18. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E-Communication Registration Form', available on following URL <http://www.gravitaindia.com/investors/e-communication>. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
19. In compliance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Equity Listing Agreement, the Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically on all resolutions set forth in this Notice.
- For this purpose, the Company has signed an agreement with the Central Depository Services (India) Limited ("CDSL") for facilitating e-voting.
- The instructions for members for voting electronically are as under:-
- (i) The voting period begins on Wednesday, 05th August, 2015 at 10:00 A.M. and ends on Friday, 07th August, 2015 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on 02nd August, 2015 (cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (iii) Click on "Shareholders" tab.
  - (iv) Now, select the "GRAVITA INDIA LIMITED" from the drop down menu and click on "SUBMIT"
  - (v) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (vi) Next enter the Image Verification as displayed and Click on Login.

- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding Shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant "Gravita India Limited" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note For Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log onto <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using admin login and password, who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutiniser to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under Help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board

sd/-

(Leena Jain)

Company Secretary

Date: 23<sup>rd</sup> May, 2015

Place: Jaipur

## ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice:

### ITEM NO. 5

Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 1, 2014, every listed company is required to appoint a woman director on its Board. Accordingly Mrs. Chanchal Chadha Phadnis was appointed as an Additional Director by the Board with effect from 24th March, 2015, pursuant to Section 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Phadnis will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹1,00,000/- proposing the candidature of Mrs. Phadnis for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Company has received from Mrs. Phadnis, a certificate to the effect that she is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013, along with a declaration to the effect that she meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013. The resolution seeks the approval of members for the appointment of Mrs. Chanchal Chadha Phadnis as an Independent Director of the Company up to 23<sup>rd</sup> March, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board of Directors, Mrs. Phadnis, fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and she is independent of the management.

The Board recommends passing of the relevant Ordinary Resolution as mentioned in Item no. 5 of the Notice.

None of the Directors, Key Managerial Persons of the Company, and their relatives except Mrs. Chanchal Chadha Phadnis and her relatives may be deemed concerned or interested in the resolution.

### ITEM NO. 6

The tenure of appointment of Dr. Agarwal as Whole-time Director expired on 31<sup>st</sup> March, 2015 and he has been re-appointed as Whole-time Director for a further tenure of 3 years w.e.f 1<sup>st</sup> April, 2015 as recommended by Nomination & Remuneration Committee and approved by Board of Directors at their respective meetings held on 24<sup>th</sup> March, 2015.

In terms of the provisions of Companies Act, the Nomination and Remuneration Committee of the Board and the Board of Directors have appointed him on the current remuneration of ₹42.00 Lacs (Forty Two Lacs Only) per annum. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him with the prior approval of the Central Government or in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

### Disclosures as per Schedule V of Companies Act, 2013

#### I. General Information

##### i. Nature of Industry:

Gravita India Limited is engaged in manufacturing and recycling of Lead and Lead Products.

##### ii. Date of commencement of commercial production:

In year 1992

##### iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

N.A.

##### iv. Financial performance based on given indicators:

(₹ in Lacs)

Particulars	2013-14	2014-15
Total Revenue	33,827.35	33,397.90
Profit Before Tax	1600.49	167.89
Net Profit After Tax	1488.59	511.22
EPS	2.18	0.75

##### v. Foreign investments or collaborators, if any:

The Company has formed various wholly owned

subsidiaries globally by investing in their equities. Details of the same are disclosed in Board Report.

## II. Information about the Appointee

### i. Background Details

The brief profile of Dr. M.P Agarwal has been described under point no. 16 in notes forming part of this notice

### ii. Past Remuneration

Dr. M.P Agarwal is receiving remuneration of ₹42.00 Lacs per annum from last two years and his re-appointment is also done on same remuneration.

### iii. Recognition or Awards: NIL

### iv. Job Profile and his Suitability

Dr. Agarwal is serving company since 1992 and he is having excellent grasp and thorough knowledge and experience of not only Engineering and Technology but also of General Management. Looking into his knowledge in various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Dr. Mahavir Prasad Agarwal should be continued with the Company.

### v. Remuneration Proposed

The remuneration proposed is detailed in the resolution.

### vi. Comparative remuneration Profile with respect to Industry, Size of the Company, Profile of the position and person

Looking into the vast experience of Dr. M.P Agarwal, the proposed remuneration is in consensus with remuneration paid to the KMP's of other industries of similar size for similarly placed persons.

### vii. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Dr. Agarwal belongs to promoter group and hold 20.03% of total shareholding of the company. Further he is father of Mr. Rajat Agrawal, Managing Director of the Company.

## III. OTHER INFORMATION:

### i. Reasons of loss or inadequate profits:

The major reason for loss/inadequate profit is due to downfall in average LME from \$ 2093 in F.Y. 13-14 to \$ 2021 in F.Y. 14-15 resulting in reduction of selling prices. Apart from this the other reasons for loss were increased Employee Cost, Finance Cost coupled with Forex Losses.

### ii. Steps taken or proposed to be taken for

### improvement:

The Company has plans to enter into PAN India Contracts for better availability of Raw Material (scrap) from domestic suppliers i.e. Telecom Players, IT & BPO Companies, Railways etc. and for Geographical benefits the company is also planning to set up units across the country for flexible scrap sourcing and export into logistically beneficial markets. Further, apart from its existing business of Lead Manufacture and Recycling the company is focusing on Aluminum Scrap sourcing and if found feasible, it may venture into aluminum recycling in future.

### iii. Expected increase in productivity and profit in measurable terms:

Considering the above mentioned measures and best management efforts coupled with favorable market conditions the company is expecting a growth of 15% in bottom line.

## IV. DISCLOSURES:

The details required to be given under this head is disclosed in Corporate Governance Report of the Company which forms part of Annual Report 2014-15.

The Board recommends passing of the relevant Special Resolution as mentioned in Item No. 6 of the Notice.

None of the Directors, Key Managerial Personnel of the Company, and their relatives except Dr. Mahavir Prasad Agarwal and Mr. Rajat Agrawal and their relatives may be deemed concerned or interested in the resolution.

### ITEM NO.7

Mr. Rajat Agrawal has been instrumental in transforming the Indian Lead Recycling industry with his progressive outlook. Under his leadership, the Gravita group has grown leaps & bounds, into a true Indian multinational, with subsidiaries in more than 10 countries across continents.

Considering the excellent performance of Mr. Agrawal, Nomination and Remuneration Committee and Board of Directors of the Company, at their respective meetings held on 24th March, 2015 has recommended to increase the remuneration of Mr. Agrawal from ₹60.00 Lacs (Sixty Lacs) per annum to ₹78.00 Lacs (Seventy Eight Lacs) per annum. The Remuneration proposed to be paid to Mr. Agrawal is within the limit of Section 197 read with Schedule V of the Companies Act, 2013 as amended and has been approved by Remuneration Committee.

### Disclosures as per Schedule V of the Companies Act, 2013

#### I. General Information

##### i. Nature of Industry:

Gravita India Limited is engaged in manufacturing and recycling of Lead and Lead Products.



ii. **Date of commencement of commercial production:**  
In year 1992

iii. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**  
N.A.

iv. **Financial performance based on given indicators**

(₹ in Lacs)

Particulars	2013-14	2014-15
Total Revenue	33,827.35	33,397.90
Profit Before Tax	1600.49	167.89
Net Profit After Tax	1488.59	511.22
EPS	2.18	0.75

v. **Foreign investments or collaborators, if any:**  
The Company has formed various wholly owned subsidiaries globally by investing in their equities. Details of the same are disclosed in Board Report.

## II. Information about the Appointee

### i. Backgrounds Details

Mr. Rajat Agrawal aged about 48 years is a Bachelor of Engineering from MNIT, Jaipur and carry rich experience of over 23 years in establishing and handling manufacturing operations. He has attended various management development programmes and has participated in, and contributed to, many prestigious international industry conferences. He has also attended OPM, an advanced management programme at the Harvard Business School, USA.

### ii. Past Remuneration

Mr. Rajat Agrawal was receiving remuneration of ₹60.00 Lacs per annum from last two years and now the said remuneration is revised from ₹60 Lacs to ₹78 Lacs per annum.

### iii. Recognition or Awards:

Mr. Agrawal's visionary spirit has won him much acclaim and many awards including 'The Most Innovative CEO Award by Inc. 500, The Niryat Shree Award by The President of India, The CNBC TV 18-ICICI Bank Emerging India Award 2012, The COSIA Entrepreneurship Appreciation Award 2011, The Udyog Bharti Award, The Niryat Shiromani Award and The Rashtriya Vikas Ratan Award'.

### iv. Job Profile and his Suitability

Mr. Rajat Agrawal is first generation entrepreneur and belongs to promoter group of the Company. He is serving the company since its incorporation i.e. from 1992. Mr. Agrawal possesses rich business acumen and carries restlessness in achieving the goals set for the Company. With his endless efforts and wide

experience, the company has been able to achieve the present heights in past few years. Looking into his competence in carrying the Company further, the Board of Directors has recommended increase in his remuneration.

### v. Remuneration Proposed

The remuneration proposed is detailed in the resolution.

### vi. Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person

Looking into the work handled and responsibilities shouldered to Mr. Rajat Agrawal, the proposed remuneration is in consensus with remuneration paid to the KMP's of other industries of similar size for similarly placed persons.

### vii. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Mr. Rajat Agrawal belongs to promoter group and hold 47.88% of total shareholding of the company. Further, Dr. M. P. Agarwal, Whole-time Director is father of Mr. Rajat Agrawal.

## III. OTHER INFORMATION:

### i. Reasons of loss or inadequate profits:

The major reason for loss/inadequate profit is due to downfall in average LME from USD 2093 in F.Y. 13-14 to USD 2021 in F.Y. 14-15 resulting in reduction of selling prices. Apart from this the other reasons for loss were increased Employee Cost, Finance Cost coupled with Forex Losses.

### ii. Steps taken or proposed to be taken for improvement:

The Company has plans to enter into PAN India Contracts for better availability of Raw Material (scrap) from domestic suppliers i.e. Telecom Players, IT & BPO Companies, Railways etc. and for Geographical benefits the company is also planning to set up units across the country for flexible scrap sourcing and export into logistically beneficial markets. Further, apart from its existing business of Lead Manufacture and Recycling, the company is focusing on Aluminum Scrap sourcing and if found feasible, it may venture into aluminum recycling in future.

### iii. Expected increase in productivity and profit in measurable terms:

Considering the above mentioned measures and best management efforts coupled with favorable market conditions the company is expecting a growth of 15% in bottom line.

#### IV. DISCLOSURES:

The details required to be given under this head is disclosed in Corporate Governance Report of the Company which forms part of Annual Report 2014-15.

The Board recommends passing of the relevant Special Resolution as mentioned in Item no. 7 of the notice.

None of the Directors, Key Managerial Personnel of the Company, and their relatives except Dr. Mahavir Prasad Agarwal and Mr. Rajat Agrawal and their relatives may be deemed concerned or interested in the resolution.

#### Item No. 8

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a Cost Auditor to audit the Cost Records of Company. On recommendation of the Audit Committee at its meeting held on 23rd May 2015, the Board has approved the appointment of M/s. K.G. Goyal & Associates, Cost Accountants as the Cost Auditor of the Company for F.Y. 2015-16 at a remuneration of

₹50,000/- exclusive of reimbursement of service tax and all out of pocket expenses incurred by them in connection with the Cost Audit.

The remuneration of the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the Board recommends passing of the relevant Ordinary Resolution as mentioned in Item no.8 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in the resolution.

**By Order of the Board**

sd/-

**(Leena Jain)**

Company Secretary

Date: 23rd May, 2015

Place: Jaipur

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**GRAVITA INDIA LIMITED**

**[CIN : L29308RJ1992PLC006870]**

Regd. Office: 'Saurabh', Chittora Road, Harsulia Mod  
Diggj-Malpura, Tehsil Phagi, Jaipur-303904 (Rajasthan)

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member (s):..... E-mail id: .....

Registered address: ..... Folio/Client Id:.....

..... DP ID:.....

I/We, being the member (s) of ..... Shares of the above named company, hereby appoint:

- 1) .....of..... having e-mail id ..... or failing him
- 2) .....of..... having e-mail id ..... or failing him
- 3) .....of..... having e-mail id .....

and whose signature(s) are appended below, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on 8<sup>th</sup> August, 2015 at 11.00 a.m. at 'Saurabh', Chittora Road, Harsulia Mod, Diggj-Malpura, Tehsil Phagi, Jaipur, 303904 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions
	<b>Ordinary Business</b>
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended 31st March, 2015
2	Approval of final dividend for F.Y. 2014-15
3	Appointment of a director in place of Mr. Rajeev Surana, who retires by rotation and being eligible, seeks re-appointment
4	Ratification of appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors
	<b>Special Business</b>
5	Appointment of Mrs. Chanchal Chadha Phadnis as Independent Director for a period of 5 years
6	Special Resolution for re-appointment of Dr. Mahavir Prasad Agarwal as Whole-time Director for a period of 3 years
7	Special resolution for revision in remuneration of Mr. Rajat Agrawal, Managing Director
8	Ratification of remuneration of Cost Auditors of the Company under Section 148 of Companies Act, 2013

Signed this..... day of.....2015

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy Holder

₹1/-Revenue  
Stamp

**(See overleaf for Notes)**

**Notes:**

1. A Proxy need not be a member of the Company.
2. This form of proxy, in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send a Certified Copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the meeting.



**GRAVITA INDIA LIMITED**

**[CIN : L29308RJ1992PLC006870]**

Regd. Office: 'Saurabh', Chittora Road, Harsulia Mod  
Diggi-Malpura, Tehsil Phagi, Jaipur-303904 (Rajasthan)

## ATTENDANCE SLIP

Regd. Folio No. / Client ID:.....

DP ID:.....

Name & Address of First / Sole Shareholder:.....

No. of Shares held:.....

I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting of the Company held on 8<sup>th</sup> August, 2015 at 11.00 a.m. at 'Saurabh', Chittora Road, Harsulia Mod, Diggi-Malpura, Tehsil Phagi, Jaipur-303904 (Rajasthan).

\_\_\_\_\_  
Signature of the Member / Proxy

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### Notes:

- a) Only Member / Proxy can attend the meeting.
- b) Member / Proxy who wish to attend the meeting must bring this attendance slip to the meeting and hand it over at the entrance of the meeting hall.
- c) Member / Proxy should bring his / her copy of the Annual Report for reference at the meeting.

