

# Corporate Governance Report

## Company's Philosophy on Corporate Governance

Corporate Governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting the business with a firm commitment to values, while meeting stakeholders' expectations. Gravita India Limited (hereinafter referred to as 'Gravita') is fully committed to practicing sound corporate governance and upholding the highest business standards in conducting business. Being a value-driven organisation, the Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance, viz., integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

The Company fosters a culture in which high standards of ethical behavior, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its Board of Directors, management and employees. The Company has established systems and procedures to ensure that its Board of Directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

## Board of Directors

The Board plays crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board of Directors and keep our governance practices under continuous review. As on 31st March, 2018, the total Board strength comprises of 6(six) Directors out of which 2 (two) Directors are Executive Directors and 4 (Four) are Independent Directors. The Company's Board Members are from diverse backgrounds with skills and experience in critical areas like Marketing, Finance & Taxation, Economics, Law, Governance etc. Further, all Independent Directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring the best interests of stakeholders and the Company. 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 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 Regulation 17 (1) of SEBI (LODR) Regulations, 2015. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements.

The details of composition of the Board as on 31st March, 2018, the attendance record of the Directors at the Board Meetings held during the financial year 2017-18 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 08th August, 2017	Number of Directorships in other companies as on 31st March, 2018#	No. of committee positions held in other public companies as on 31st March, 2018*	
				Chairman	Member
Dr. Mahavir Prasad Agarwal	Executive & Promoter	Yes	4	Nil	Nil
Mr. Rajat Agrawal	Executive and Promoter	No	3	Nil	Nil
Mr. Dinesh Kumar Govil	Non-Executive Lead Independent	Yes	5	2	Nil
Mr. Yogesh Mohan Kharbanda	Non-Executive Independent	No	1	Nil	1
Mr. Arun Kumar Gupta	Non-Executive Independent	Yes	Nil	Nil	Nil
Mrs. Chanchal Chadha Phadnis	Non-Executive Independent	No	Nil	Nil	Nil

#Directorship does not include directorships held in Foreign Companies Further for the purpose of calculation of chairmanship and membership of committees all the committees has been considered.

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. Further none of the Director acts as an Independent Director in more than 7 Listed Companies.
3. Non-executive Directors of the company do not hold any shares of the company as on 31.03.2018

## 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 the 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 as prescribed under Regulation 17 (2) of SEBI (LODR) Regulations, 2015. 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 2017-18:

S.No	Date of Meeting	Board Strength	No. of Directors Present
1	22nd April, 2017	6	4
2	15th May, 2017	6	5
3	24th June, 2017	6	5
4	21st July, 2017	6	4
5	01st September, 2017	6	5
6	20th November, 2017	6	5
7	30th January, 2018	6	5
8	31st March, 2018	6	4

Attendance of each Director at the Board Meetings:

Name of Director	Board Meetings held during the year	Meetings Attended
Dr. Mahavir Prasad Agarwal	8	8
Mr. Rajat Agrawal	8	5
Mr. Dinesh Kumar Govil	8	8
Mr. Yogesh Mohan Kharbanda	8	3
Mr. Arun Kumar Gupta	8	7
Mrs. Chanchal Chadha Phadnis	8	6

## 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	5	5
Mr. Yogesh Mohan Kharbanda	Member	5	1
Mr. Arun Kumar Gupta	Member	5	5
Mrs. Chanchal Chadha Phadnis	Member	5	5

## Meeting of Independent Directors

In compliance of Section 149 of Companies Act, 2013 read with SEBI (LODR) Regulations, 2015 a separate meeting of Independent Directors was held on 31st March, 2018. 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	Yes
Mr. Arun Kumar Gupta	Yes
Mrs. Chanchal Chadha Phadnis	No

## Audit Committee

The Audit Committee of the Company comprises of four Non-Executive and Independent Directors and is constituted in accordance with the requirements of the SEBI (LODR) Regulations, 2015 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.

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 Audit Reports. Minutes of the Audit Committee Meetings are circulated to all the Members of the Audit Committee and thereafter discussed and noted at the subsequent Board Meetings.

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

The Audit Committee met 5 (five) times during the financial year 2017-18 on:

15th May, 2017  
24th June, 2017  
01st September, 2017  
20th November, 2017  
30th January, 2018

The intervening period between two Audit Committee meetings is well within the maximum gap of one hundred and twenty days as prescribed under Regulation 18 (2) (a) of SEBI (LODR) Regulations, 2015.

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 included 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 utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization 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.**

The Nomination and Remuneration Committee reviews and recommends the payment of salaries, commission and finalizes 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;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**Composition and Meeting:** The Company's Nomination & Remuneration Committee comprises of three Non-Executive and Independent Directors. The committee has no designated chairman. During the financial year 2017-18 the Committee met 2 (two) times i.e. on 15<sup>th</sup> May, 2017 and 31st March, 2018.

#### Composition of Nomination & Remuneration Committee and Attendance during F.Y. 2017-18:

Name of the Members	Designation	Number of Meetings held during the Year	No. of Meetings Attended
Mr. Dinesh Kumar Govil	Member	2	2
Mr. Yogesh Mohan Kharbanda	Member	2	1
Mr. Arun Kumar Gupta	Member	2	2

#### Details of Remuneration paid to Directors during F.Y. 2017 - 18

Name of the Director	Designation	Salary and other allowances	Stock options	Total
Dr. Mahavir Prasad Agarwal	Whole-time Director	1,20,00,000	Nil	1,20,00,000
Mr. Rajat Agrawal	Managing Director	1,20,00,000	Nil	1,20,00,000

#### 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 Non-executive Directors of the company have any equity shares of the Company.
- The company had issues memorandum of terms and conditions of appointment including remuneration to Managing Director and Whole-time Director of the Company.

#### Criteria for evaluation of Independent Director and the Board:

Following are the criteria for evaluation of performance of Directors:

**Executive Director:** The Executive Directors shall be evaluated on the basis of targets / criteria given to Executive Directors by the Board from time to time.

**Non-Executive/ Independent Director:** The Non-Executive / Independent Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- Act objectively and constructively while exercising their duties;
- Exercise their responsibilities in a bona fide manner in the interest of the Company;
- Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- Refrain from any action that would lead to loss of his independence;
- Inform the Board immediately when they lose their independence;
- Assist the Company in implementing the best corporate governance practices;
- Strive to attend all meetings of the Board of Directors and the Committees;
- Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- Strive to attend the General Meetings of the Company;
- Keep themselves well informed about the Company and the external environment in which it operates;
- Do not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

## 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 can be accessed through web link: <http://www.gravita-india.com/wp-content/uploads/pdf/nomination-remuneration-policy.pdf>.

- **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 shall 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 Relationship Committee

The Stakeholders Relationship Committee 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. As on 31st March, 2018, the Committee comprises of three Directors viz. Mr. Dinesh Kumar Govil, Dr. Mahavir Prasad Agarwal and Mr. Rajat Agrawal.

## Meeting of Stakeholder Relationship Committee and Attendance during F.Y. 2017-18:

Name of the Member	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	2	2
Dr. Mahavir Prasad Agarwal	Member	2	2
Mr. Rajat Agrawal	Member	2	2

### No. of Meetings

During the year under review 2 (Two) Meeting of Stakeholders' Relationship Committee was held i.e. on 20th November, 2017 and 30th January, 2018

### Terms of Reference

The role of Stakeholders' Relationship 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 authorize 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:** Mr. Nitin Gupta Compliance Officer and Company Secretary of the Company for complying with the requirements of Security Laws and the SEBI (LODR), Regulations, 2015 with the Stock Exchanges in India.

**Status of Investor Complaints:** The Company received 32 (thirty two) 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, 2018.

### Compensation Committee

The Compensation Committee of the company comprises of three Non-Executive Directors. 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. As on 31st March, 2018 the committee comprises of following directors Mr. Dinesh Kumar Govil, Mrs. Chanchal Chadha Phadnis and Mr. Yogesh Mohan Kharbanda.

**No. of Meetings:** The Committee met 2 (two) times during the F.Y. 2017-18 on 22nd April, 2017 and 21st July, 2017 respectively.

### Meetings of Compensation Committee and Attendance during F.Y. 2017-18

Name of the Member	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	2	2
Mrs. Chanchal Chadha Phadnis	Member	2	1
Mr. Yogesh Mohan Kharbanda	Member	2	1

### Investment Committee:

The Company has an Investment Committee comprising of three Directors viz., Mr. Rajat Agrawal, Dr. Mahavir Prasad Agarwal and Mr. Dinesh Kumar Govil. The committee has no designated chairman.

**No. of Meetings:** The Committee met 1 (one) time during the F.Y. 2017-18 on 03rd January, 2018.

### Meetings of Investment Committee and Attendance during F.Y. 2017-18:

Name of the Member	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Dinesh Kumar Govil	Member	1	1
Dr. Mahavir Prasad. Agarwal	Member	1	1
Mr. Rajat Agrawal	Member	1	1

### Terms of Reference

- To make decisions about investments to be made by the Company in various overseas ventures whether by way of Equity or Capitalization 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; amongst them, Dr. Mahavir Prasad Agarwal and Mr. Rajat Agrawal are executive directors and the Chairman of the Committee Mr. Yogesh Mohan Kharbanda, is a Non-executive Independent Director.

**No. of Meetings:** The Committee met 2 (two) times during the F.Y. 2017-18 on 24th June, 2017 and 31st March, 2018 respectively.

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

Name of the Member	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Yogesh Mohan Kharbanda	Chairman	2	2
Mr. Rajat Agrawal	Member	2	0
Dr. Mahavir Prasad Agarwal	Member	2	2

### 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.

### Finance & Risk Management Committee

The Company has a Finance & Risk Management Committee comprising of three directors viz. Mr. Rajat Agrawal, Dr. Mahavir Prasad Agarwal and Mr. Dinesh Kumar Govil.

**No. of Meetings:** The Committee met 5 (Five) times during the F.Y. 2017-18 on:

01st August, 2017  
 07th September, 2017  
 16th October, 2017  
 21st December, 2017  
 17th March, 2018

### Meetings of Finance & Risk Management Committee and Attendance during F.Y. 2017-18:

Name of the Member	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Rajat Agrawal	Member	5	5
Dr. Mahavir Prasad Agarwal	Member	5	5
Mr. Dinesh Kumar Govil	Member	5	5

### Terms of Reference

- To approve Short-Term and Long-Term borrowings from Banks, Financial Institutions, Bodies Corporates, etc. for the business purposes of the Company.
- To approve opening and closing of various types of bank accounts including approval for availing net banking facilities from various banks.
- To approve change in authority with respect to Bank Accounts of the Company maintained with various Banks.
- To approve policy for the management of foreign exchange risk, interest rate risk and refinancing risk.
- To approve policy for the hedging of Commodity Price and Foreign Currency.
- To approve the granting of guarantees, indemnities, securities in favour of Subsidiaries/Associates/Partnership firms of the company and otherwise, subject to the requirement that all such actions are subsequently reported to the Board.

### 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 Resolutions passed
1.	23rd AGM	08.08.2015	11:00 A.M.	"Saurabh", Chittora Road, Harsulia Mod, Diggi-Malpura, Tehsil-Phagi, Jaipur-303904	2
2.	24th AGM	06.08.2016	11:00 A.M.	"Saurabh", Chittora Road, Harsulia Mod, Diggi-Malpura, Tehsil- Phagi, Jaipur-303904	1
3.	25th AGM	08.08.2017	11:00 A.M.	"Saurabh", Chittora Road, Harsulia Mod, Diggi-Malpura, Tehsil- Phagi, Jaipur-303904	3

- No Extra-Ordinary General Meeting of the Shareholders was held during the year.
- None of the businesses proposed to be transacted in the ensuing Annual General Meeting require special resolution through postal ballot.

### Resolution 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, the following Special Resolutions were passed on 03rd June, 2017 by way of Postal Ballot:

- Special Resolution u/s 180 (1) (c) of the Companies Act 2013 for increasing the borrowing limits of the Company upto 750 Crores.
- Special Resolution to approve the Gravita Stock Appreciation Rights Scheme 2017 for the benefit of the employees of the Company.
- Special Resolution to approve the Gravita Stock Appreciation Rights Scheme 2017 for the benefit of the employees of the Subsidiary Company (ies).



- (d) Special Resolution to authorize the Gravita Employee Welfare Trust for secondary acquisition for implementation of Gravita Stock Appreciation Rights Scheme 2017.
- (e) Special Resolution to provide funds of Gravita Employee Welfare Trust for purchase of shares of the Company for implementation of Gravita Stock Appreciation Rights Scheme 2017.
- (f) Special Resolution pursuant to regulation 31A of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for reclassification Mr. Rajeev Surana from Promoter to Public Category.

The Company had appointed Mr. Pradeep Pincha, Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot process, who submitted his report after completing the scrutiny and the results of the voting by Postal Ballot were declared on 03rd June, 2017 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 scrutinizer is as under:

#### Resolution No. 1:

Particulars	Number of Votes casted through			Total in Percentage (%)
	Postal Ballot	e-Voting	Total	
Assent	250	51555774	51556024	100
Dissent	-	-	-	-
Invalid Votes	4	-	4	Negligible
<b>Total</b>	<b>254</b>	<b>51555774</b>	<b>51556028</b>	<b>100</b>

#### Resolution No. 2:

Particulars	Number of Votes casted through			Total in Percentage (%)
	Postal Ballot	e-Voting	Total	
Assent	250	51551617	51551867	99.992
Dissent	-	4157	4157	0.008
Invalid Votes	4	-	4	Negligible
<b>Total</b>	<b>254</b>	<b>51555774</b>	<b>51556028</b>	<b>100</b>

#### Resolution No. 3:

Particulars	Number of Votes casted through			Total in Percentage (%)
	Postal Ballot	e-Voting	Total	
Assent	250	51551617	51551867	99.992
Dissent	-	4157	4157	0.008
Invalid Votes	4	-	4	Negligible
<b>Total</b>	<b>254</b>	<b>51555774</b>	<b>51556028</b>	<b>100</b>

#### Resolution No. 4:

Particulars	Number of Votes casted through			Total in Percentage (%)
	Postal Ballot	e-Voting	Total	
Assent	250	51551617	51551867	99.992
Dissent	-	4157	4157	0.008
Invalid Votes	4	-	4	Negligible
<b>Total</b>	<b>254</b>	<b>51555774</b>	<b>51556028</b>	<b>100</b>

**Resolution No. 5:**

Particulars	Number of Votes casted through			Total in Percentage (%)
	Postal Ballot	e-Voting	Total	
Assent	250	51551617	51551867	99.992
Dissent	-	4157	4157	0.008
Invalid Votes	4	-	4	Negligible
<b>Total</b>	<b>254</b>	<b>51555774</b>	<b>51556028</b>	<b>100</b>

**Resolution No. 6:**

Particulars	Number of Votes casted through			Total in Percentage (%)
	Postal Ballot	e-Voting	Total	
Assent	250	51552137	51552387	99.993
Dissent	-	3637	3637	0.007
Invalid Votes	4	-	4	Negligible
<b>Total</b>	<b>254</b>	<b>51555774</b>	<b>51556028</b>	<b>100</b>

**Procedure Followed:**

- I. The Company issued the Postal Ballot Notice dated 22nd April, 2017 containing draft resolution together with the explanatory statement and the Postal Ballot Forms and self-addressed envelopes to the members whose names appeared in the register of members as on 28th April, 2017 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 Scrutinizer on or before the close of business hours on 2nd June, 2017. The members who opted for the e-voting could vote on or before the business hours, i.e. 5.00 P.M. on 2nd June, 2017.
- III. After due scrutiny of all the Postal Ballot Forms / E-voting received up to the close of the working hours on 2nd June, 2017. The Scrutinizer submitted his final report on 3rd June, 2017.
- IV. The results of the Postal Ballot / E-voting were declared on 3rd June, 2017. 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 <http://www.gravitaindia.com/investors/postal-ballots/>

**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, 2018.

**Review of Legal Compliance Reports:** Alike the previous years, the Board, during the year, periodically reviewed the reports placed by the management with respect to adherence and compliance with various laws and regulations 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 accordingly.

**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 minimization 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.

**Familiarization Programme:** The Company has Familiarization Program for Independent Directors to familiarize them with regard to their roles, rights, responsibilities in the Company,

along with industry, business operations, business model, code of conduct and policies of the Company etc. The Familiarization Program has been disclosed on the website of the Company. The company's policy on familiarization programme is available on following web link: <http://www.gravitaindia.com/wp-content/uploads/pdf/familiarization-programme.pdf>.

**CEO and CFO Certification:** The certificate required under Regulation 17 (8) of SEBI (LODR) Regulations, 2015 duly signed by the Managing Director, CEO and CFO is placed before the Board and the same is also provided with this report.

**Compliance with the mandatory requirements of Corporate Governance as per SEBI (LODR) Regulations, 2015:** During the year, the Company has complied with all applicable mandatory corporate governance requirements of the Listing Regulations. Specifically, Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

**Certificate of compliance of Corporate Governance:** The Company has obtained a certificate affirming the compliances of Corporate Governance from M/s P. Pincha & Associates, Practicing Company Secretaries, Jaipur and the same is attached to this Report.

**Web link for Policies:** The Policies adopted by company can be accessed by following web link:

**For Policy on determining Material Subsidiaries:** <http://www.gravitaindia.com/wp-content/uploads/pdf/material-subsidiaries-policy.pdf>

**For Policy on Related Party Transactions:** <http://www.gravitaindia.com/wp-content/uploads/pdf/rpt-policy.pdf>

**Whistle Blower Policy:** The Audit Committee of the Board is committed to ensure fraud-free work environment and for that purpose the Committee has laid down a Whistle Blower Policy providing a platform to all its stakeholders including employees and 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. Nitin Gupta
- **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 one 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 Regulation 33 (4) of SEBI (LODR) Regulations, 2015, the Company has regularly furnished, by way of online electronic uploading on NEAPS and BSE Listing Centre the quarterly/half-yearly/annual audited results to both the Stock exchanges i.e. BSE & NSE within the timelines prescribed by SEBI in this regard.
- The quarterly, half-yearly and annual results are published in 'Economic Times' /'Financial Express'/'Business Standard'/'Mint' in English, 'Gujarat Samachar' in Gujarati and in 'NafaNuksan'/'Business Remedies' (Vernacular) in Hindi. Further the same are also available on website of the company ([www.gravitaindia.com](http://www.gravitaindia.com))
- The quarterly/half-yearly Results are not sent individually to the Shareholders.

### Website & Newsletter

- 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, Financial Results, Intimations sent to exchanges and Annual Reports.

### News Releases, Presentations, etc.

- The price sensitive information's, if any, are immediately informed to the Stock Exchange(s) before the same is communicated to general public through press releases.
- 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 centralized web based complaints redressal system. The salient features of this system are: Centralized 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 form

part of the Annual Report of Financial Year 2017-18. 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

Day and Date	Saturday 1 <sup>st</sup> September 2018
Venue	Saurabh, Chittora Road, Harsulia Mod, Diggi Malpura Road, Tehsil-Phagi, Jaipur- 303904 (Rajasthan)
Time	11.00 a.m.
Financial Year	2017-18
Book Closure Dates	Saturday 25 <sup>th</sup> August 2018 to Saturday 1 <sup>st</sup> September 2018 (both days inclusive)
Rate of Dividend	35%
Date of Payment	Between Thursday 6 <sup>th</sup> September 2018 to Sunday 30 <sup>th</sup> September 2018

#### b) Tentative Financial Calendar (For FY 2018-19)

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 2018-19. The address details of Stock exchanges are as under:

The BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001 Fax No.: 022-22722041	The Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra- Kurla Complex, Bandra (East) Mumbai- 400 051 Fax No.: 022-26598237/38
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#### d) Stock Code

Stock Code for the Equity Shares of the Company at the respective Stock Exchanges is as under:

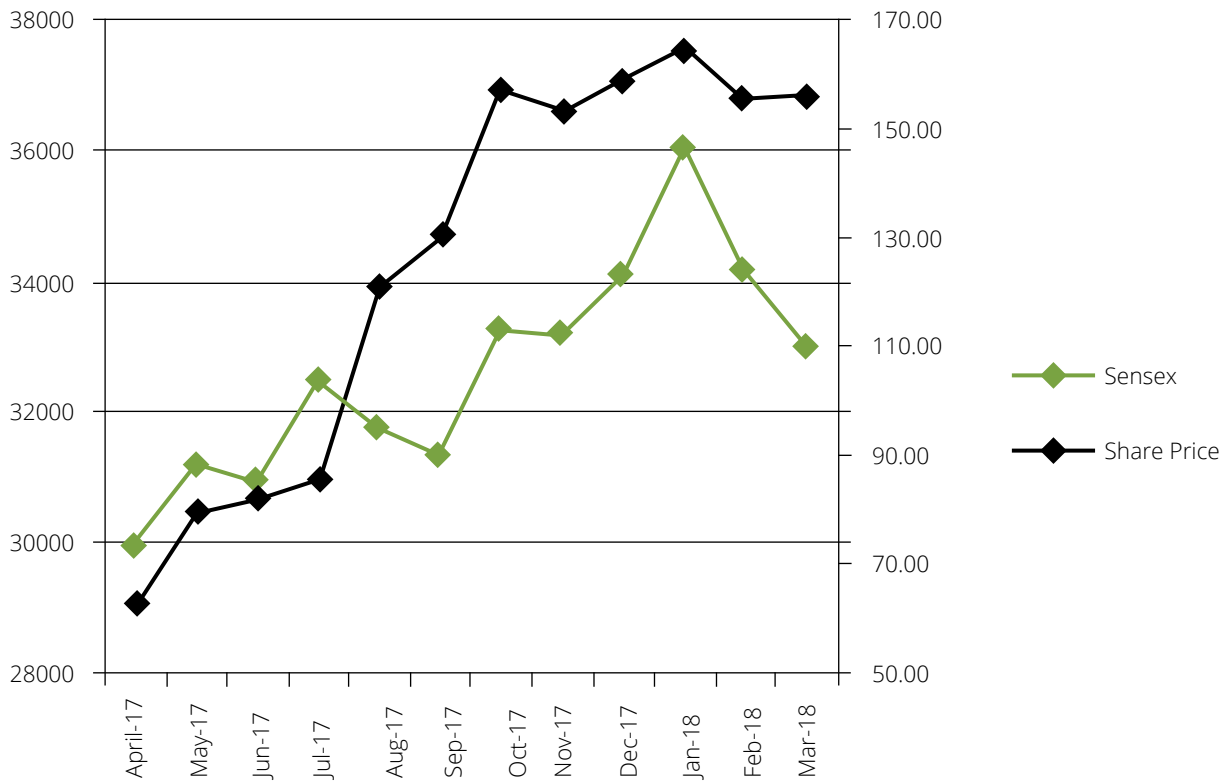
BSE Ltd	: 533282
National Stock Exchange	: GRAVITA

e) Stock Market Data

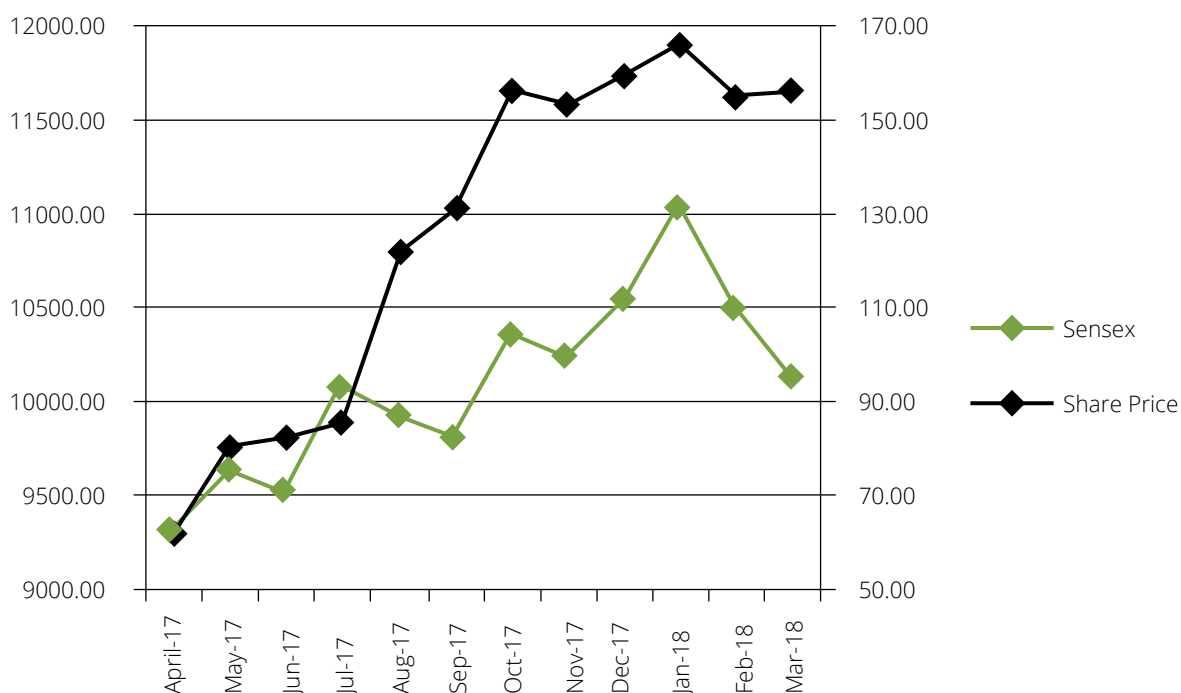
i. Market price data for the Financial Year 2017-18:

Year and Month	BSE			NSE		
	High (Rs)	Low (Rs)	Volume in '000 (in No.)	High (Rs)	Low (Rs)	Volume in '000 (in No.)
April 2017	65.00	<b>51.50</b>	1975.499	63.40	<b>51.40</b>	7146.351
May 2017	89.05	62.00	3144.041	89.30	62.00	13371.017
June 2017	83.95	74.90	854.997	84.70	73.95	4160.276
July 2017	91.90	80.90	858.619	91.80	80.15	5249.868
Aug 2017	122.95	84.75	7880.289	124.00	85.05	23503.617
Sept 2017	142.00	120.25	4289.869	141.80	120.15	16117.797
Oct 2017	171.90	131.10	4935.69	172.00	131.60	21172.961
Nov 2017	169.40	147.00	2219.317	170.00	146.00	9033.559
Dec 2017	164.50	145.00	1056.127	164.60	141.50	6743.709
Jan 2018	<b>193.85</b>	155.20	2399.32	<b>193.80</b>	155.10	10715.126
Feb 2018	170.90	136.00	963.345	171.80	137.00	4930.114
March 2018	185.00	150.70	615.745	182.00	150.35	4734.164

ii. Performance of the Company's Share Price vis-à-vis BSE Sensex during the year 2017-18:

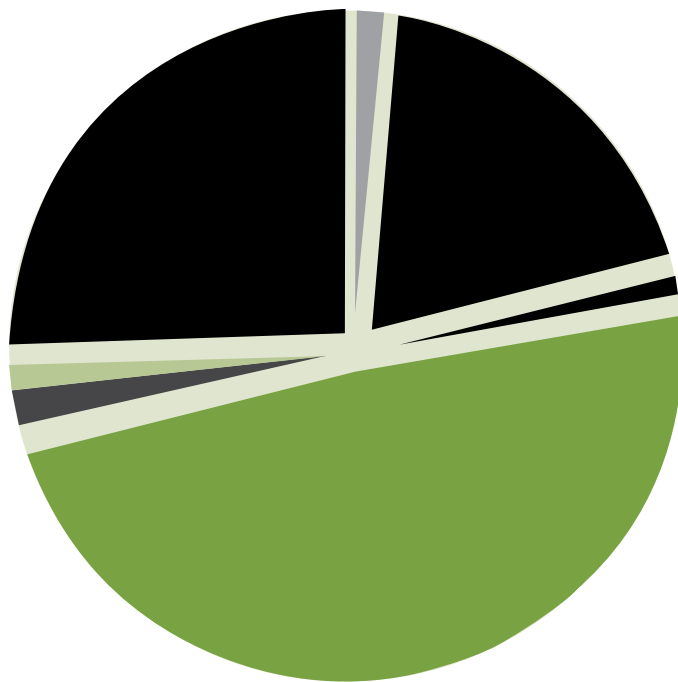


iii. Performance of the Company's Share Price vis-à-vis NSE Nifty during the year 2017-18:



f) Shareholding Pattern as on 31st March, 2018

Category	No. of Shares	%age
Mutual Funds	1491890	2.17
Trusts	14288	0.02
Alternative Investment Fund	770000	1.12
Resident Individuals	13169818	19.17
Employee Trusts	70400	0.10
Employees	510866	0.74
Non- Resident Indians	178335	0.26
Clearing Members	58911	0.09
Indian Financial Institutions	39076	0.06
Promoters Individuals	32677725	47.56
Foreign Portfolio Investors	170418	0.25
Banks	2906	Negligible
Non-resident Indian Non -Repatriable	118598	0.17
Bodies Corporates	1377495	2.00
NBFC	904	Negligible
HUF	704959	1.03
Promoter Trust	17348025	25.25
<b>Grand Total</b>	<b>68704614</b>	<b>100.00</b>



- TRUSTS
- ALTERNATIVE INVESTMENT FUND
- RESIDENT INDIVIDUALS
- EMPLOYEE TRUSTS
- EMPLOYEES
- NON RESIDENT INDIANS
- CLEARING MEMEBERS
- INDIAN FINANCIAL INSTITUTIONS
- PROMOTERS INDIVIDUALS
- FOREIGN PORTFOLIO INVESTORS
- BANKS
- NON RESIDENT INDIAN NON REPATRIABLE
- BODIES CORPORATES
- NBFC
- HUF
- PROMOTER TRUST

**g) Distribution Schedule as on 31st March, 2018**

Nominal Value of Each Equity Share is Rs 2/-

No. of Equity Shares Held	No. of Share Holders	% of Share holders	No. of Shares	Amount (In Rs.)	% of Total Shares
1-5000	17268	96.08	4532561	9065122.00	6.60
5001- 10000	369	2.05	1334944	2669888.00	1.94
10001- 20000	185	1.03	1346905	2693810.00	1.96
20001- 30000	46	0.26	570421	1140842.00	0.83
30001- 40000	28	0.16	483738	967476.00	0.70
40001- 50000	11	0.06	239892	479784.00	0.35
50001- 100000	30	0.17	1073100	2146200.00	1.56
100001& Above	36	0.20	59123053	118246106.00	86.05
<b>TOTAL</b>	<b>17973</b>	<b>100.00</b>	<b>68704614</b>	<b>137409228.00</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.

**j) Information as per part E of schedule II**

The information required to be disclosed in this sections is disclosed in Board's Report which forms integral part of Annual Report 2017-18.

**k) 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. Further none of the shares of the company are lying in suspense account as on 31st March, 2018.

**l) 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.

**m) Dematerialization of Shares and Liquidity**

The Shares of Company are compulsorily traded in dematerialized 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 99.98% of the Company's Equity Share Capital are dematerialized as on 31st March, 2018 and the promoters holding of 72.81% is completely held in the dematerialized form as on 31st March, 2018. The Company's Equity Shares are regularly traded on the Bombay Stock Exchange and National Stock Exchange in dematerialized form. Under the Depository system, the International Security Identification Number (ISIN) allotted to the Company's shares is **INE024L01027**.

**n) 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.**

**o) 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 2017-18.

**p) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

Please refer to Management Discussion and Analysis Report for the same.

**q) 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

Website: 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)

Website: [www.gravitaindia.com](http://www.gravitaindia.com)



**Registered Office**

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

In Compliance of Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has designated exclusive Email ID for redressal of Investor Grievances i.e. [companysecretary@gravitaindia.com](mailto:companysecretary@gravitaindia.com)

**r) Plant Locations:**

- i. 'Saurabh', Chittora Road, Harsulia Mod, Diggi – Malpura Road, 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.

- iv. Survey No. 233/15 to 233/30, Thiruthani Road, Ananthapuram- Panchayat Narasingarayani Pettah Post Chittoor, Andhra Pradesh.

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

We, Rajat Agrawal, Managing Director and Naveen Prakash Sharma, President & CEO 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 Schedule V of SEBI (LODR) Regulations, 2015, for the year ended 31st March 2018

For **Gravita India Limited**

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

Sd/-  
**Naveen Prakash Sharma**  
(CEO)

Date: 5th April 2018  
Place: Jaipur

# CEO/CFO Certification

Date: 14th June 2018

To

The Board of Directors

**Gravita India Limited**

Jaipur

We, Rajat Agrawal, Managing Director, Naveen Prakash Sharma, CEO 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 31st March, 2018 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

For Gravita India Limited

For Gravita India Limited

Sd/-

**Rajat Agrawal**

(Managing Director)

Sd/-

**Naveen Prakash Sharma**

(Chief Executive Officer)

Sd/-

**Sunil Kansal**

(Chief Financial Officer)