

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, Notice is hereby given for seeking the approval of the shareholders of Gravita India Ltd for the proposals contained in the draft resolutions appended below by way of Postal Ballot. The explanatory statement pertaining to the said Resolutions setting out material facts is annexed hereto along with a Postal Ballot Form for your consideration.

1. Sub- Division of Shares

To consider &, if thought fit, to pass with or without modification(s), the following resolution(s) as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Article 4 of the Articles of Association of the Company and Section 94 and all other applicable provisions, if any, of the Companies Act, 1956, (including any amendments thereto or re-enactment thereof) and subject to such approvals, consents, permissions and sanctions, if any, as may be required from any authority, the consent of the shareholders of the company be and is hereby accorded for sub-dividing the equity shares of the Company, including the paid-up shares, such that each existing equity share of the Company of the face value of Rs. 10/- (Rupees Ten) each be sub-divided into five equity shares of the face value of Rs. 2/- (Rupees Two) each."

"RESOLVED FURTHER THAT pursuant to the sub-division of the equity shares of the Company, the Authorized, issued, subscribed and paid up equity shares of face value Rs. 10 /- (Rupees Ten) each, shall stand sub-divided into equity shares of face value of Rs 2/- (Rupees Two) each, fully paid-up."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do, perform and execute all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give effect to this resolution including but not limited to fixing of the record date as per the requirement of the Listing Agreement, execution of all necessary documents with the Stock Exchanges and the Depositories, Reserve Bank of India and/or any other relevant statutory authority, if any, cancellation or rectification of the existing physical share certificates in lieu of the old certificates and to settle any question or difficulty that may arise with regard to the sub-division of the equity shares as aforesaid or for any matters connected herewith or incidental hereto."

2. Alteration of Memorandum of Association

To consider &, if thought fit, to pass with or without modification(s), the following resolution(s) as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 13, 16, and all other applicable provisions, if any, of the Companies Act, 1956, including amendments thereto or re-enactment thereof the consent of the shareholders of the Company is being accorded for alteration of the Memorandum of Association of the Company as follows:

The existing Clause V of the Memorandum of Association of the Company be deleted by substitution in its place and instead the following clause as new Clause V:

V "The Authorized Share Capital of the Company is Rs. 15,00,00,000/- (Fifteen Crore) divided into 7,50,00,000 (Seven Crores Fifty Lacs only) Equity Shares of Rs. 2/- (Rupees Two) each."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorised to do perform and execute all such acts, matters, deeds and things as it may consider necessary, expedient, usual or proper to give effect to this resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard and for any matters connected herewith or incidental hereto."

3. Change in Investment Plans of the Company from IPO Funds.

To consider &, if thought fit, to pass with or without modification(s), the following resolution(s) as a Special Resolution:

"RESOLVED THAT in compliance of provisions of Listing Agreement of the Company with the Stock Exchanges, the Consent of the company be and is hereby accorded to change the investment profile of the amount raised through IPO of the Company from existing objectives as under:

Existing Objects of the Public Issue and their fund requirement:

(Rs. In Lacs)

| Sr. no. | Object | Amount | Total Amount |
|---------|---|--------|----------------|
| 1 | Set up additional manufacturing facilities at-Jaipur | | 723.00 |
| 2 | Invest in overseas ventures at | | |
| | -Sri Lanka- Navam Lanka limited | 178.00 | |
| | -Senegal- Gravita Senegal SAU | 182.77 | |
| | -Honduras- Gravita Honduras SA | 358.34 | 719.11 |
| 3 | Margin money for working capital requirement | | 1200.00 |
| 4 | Invest in setting up manufacturing facilities at Australia and Mexico | | 930.00 |
| 5 | Fresh Investments: | | |
| | M/s KM Udyog, Jammu (Presently known as M/s Gravita Metals) | 750.00 | |
| | M/s Gravita Technomech SEZ | 245.00 | |
| | M/s Metal Inc Kathua (Presently known as M/s Gravita Metal Inc.) | 300.00 | 1295.00 |
| 6 | General corporate purposes | | 90.00 |
| 7 | Expenses of the issue | | 261.54 |
| | Total | | 5218.65 |

New Objectives for utilization of IPO Funds:
(Rs. In Lacs)

| Sr. no. | Object | Amount | Total Amount |
|---------|--|--------|----------------|
| 1 | Set up additional manufacturing facilities at-Jaipur | | 350.00 |
| 2 | Invest in overseas ventures at | | |
| | -Senegal- Gravita Senegal SAU | 182.77 | |
| | -Honduras- Gravita Honduras SA | 336.25 | 519.02 |
| 3 | Margin money for working capital requirement | | 2500.00 |
| 4 | Investment in Gravita Global Pte Ltd, Singapore for:- | | |
| | - Additional Stake of 12% in Navam Lanka Ltd. Sri Lanka | 195.00 | 195.00 |
| 5 | M/s Gravita Technomech SEZ | | 245.00 |
| 6 | M/s KM Udyog, Jammu (Presently known as M/s Gravita Metals) | | 750.00 |
| 7 | M/s Metal Inc Kathua (Presently known as M/s Gravita Metal Inc.) | | 300.00 |
| 8 | General corporate purposes | | 90.00 |
| 9 | Expenses of the issue | | 261.54 |
| | Total | | 5210.56 |

Means of Finance:
(Rs. In Lacs)

| Particulars | Old | Revised |
|-----------------------|---------|---------|
| Proceeds of the issue | 4500.00 | 4500.00 |
| Internal Accruals | 718.65 | 710.56 |

"RESOLVED FURTHER THAT Mr. Rajat Agrawal, Managing Director and Smt Leena Jain, Company Secretary of the Company be and are hereby severally authorized to comply with all necessary formalities in this regard."

By Order of the Board

Sd/
Leena Jain
(Company Secretary)

Place: Jaipur
Dated: 15-03-2012

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
2. In terms of Section 192A of the Companies Act, 1956 read with the Postal Ballot Rules, the items of business set out in the Notice above are sought to be passed by Postal Ballot.
3. The Board of Directors has appointed Mr. Pradeep Pincha, Practising Company Secretary, as Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
4. The Notice is being sent under certificate of posting to all the members whose names would appear in the Register of Members as on 2nd April 2012.
5. The shareholders are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the closing of working hours **on or before 9th May, 2012**. Any Postal Ballot Form received after 30 days of issuance of this notice shall be treated as if the reply from the shareholders has not been received.
6. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. Shareholders who do not receive the Postal Ballot Form may apply to the Company and obtain a duplicate thereof. Facility of voting through electronic mode is not being provided by the Company.
7. The Scrutinizer will submit the report to the Chairman of the Company after completion of scrutiny of the Postal Ballot Forms.
8. The results of the Postal Ballot will be announced by the Chairman of the Company or by the Managing Director or any other Director on **11th May, 2012** at the corporate office of the Company at 402, Gravita Tower, A-27B, Shanti Path, Tilak Nagar, Jaipur-302004, Rajasthan. The results will be informed to the stock exchanges and hosted on the Company's website www.gravitaindia.com on the very day itself.
9. Copy of the Memorandum of Association of the Company, as altered and other documents referred to in this notice and the accompanying Explanatory Statement are open for inspection at the Corporate Office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. up to 9th May 2012

By Order of the Board

Sd/
Leena Jain
(Company Secretary)

Place: Jaipur
Dated: 15-03-2012

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 1:

The shareholders of the Company are already aware that the equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE) and the shares are being actively traded on NSE and BSE.

The market price of the shares of the Company has witnessed significant spurt over its offered price of Rs 125/- per share. In order to improve the liquidity of the Company's shares at the stock exchanges and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at their meeting held on 9th March 2012, considered it desirable to sub-divide the nominal value of the Equity Share Capital (Authorized, Issued and Paid-up) of the Company.

The shareholders may please note that presently the nominal value of the equity shares of the Company is Rs.10/- per share and consequent upon the sub-division it is being divided into 5 (Five) equity shares of Rs. 2/- each. The date on which this sub-division would become effective, will be decided by the Board after obtaining the shareholders' approval, which will be notified through the Stock Exchanges.

As per the provisions of Section 94 of the Companies Act, 1956, approval of the Shareholders is required for sub-division of shares. Therefore, the said resolution is being put up before you for your approval.

Your Directors recommend the above Resolution for your approval.

None of the Directors of the Company are in any way interested in the Resolution, except of their shareholding and the shareholding of their relatives in the Company.

Item No. 2:

The existing Clause V of Memorandum of Association specifies the present Authorised Share Capital of your Company. In view of sub-division in the par value of the equity shares from Rs 10/- per share to Rs 2/- per share, the present Clause V of the Memorandum of Association is required to be altered to reflect the sub-division of the equity shares.

A copy of the existing Memorandum and Articles of Association as well as the specimen of the amended Memorandum and Articles of Association of the Company is available for inspection by members at the Corporate Office of the Company on any working day during working hours between 11a.m. to 1 p.m.

As per the provisions of Section 16 of the Companies Act, 1956, approval of the Shareholders is required for amending the Memorandum of Association. Accordingly this resolution is being put before the shareholders for their permission on the same.

Your Directors recommend the above Resolution for your approval.

None of the Directors of the Company are in any way interested in the Resolution, except to the extent of their shareholding and the shareholding of their relatives in the Company.

Item No. 3:

The Company came up with an Initial Public Offering of Rs. 45 Crores in November 2010. With the lapse of time, the Company has to change its investment plans in view of changing business environment and number of other factors. Therefore, the Company had changed its investment plans with the approval of shareholders at the 19th Annual General Meeting (AGM) held on 27th July, 2011. However, in view of the feasibility studies completed after the AGM referred herein before, it has become indispensable to revise the IPO Fund utilization purposes once again.

The Company has already invested Rs 350 Lacs in the expansion plans of Plant of the Company at Jaipur as per its IPO objectives. However, the remaining expansion plans which were to be executed for the balance amount of Rs 373 Lacs have been dispensed with due to thin margins and lesser feasibility of generating good profits in the long run. Therefore, the IPO funds of Rs 373 Lacs shall be utilized for revised investment plans of the Company as detailed hereunder.

The Company has incorporated a wholly owned Subsidiary Company in Singapore namely Gravita Global Pte Ltd. Hitherto all investments in Navam Lanka Limited, Sri Lanka i.e. Rs. 195.00 Lacs shall be done through Gravita Global Pte Ltd in view of better administration and flexibility of taxation matters from Singapore.

As on date the Company had invested Rs. 336.25 Lacs in its Associate Company, Gravita Honduras SA, Honduras. The Company has decided not to make any further investment in Honduras and use the remaining amount of IPO funds (Fund which is to be invested in Honduras as per amended IPO objective) for other purposes.

So far the Company could not materialize the investment plans in Australia and Mexico in view of need of any lucrative or beneficial proposal being implemented in these countries and they does not seem to materialize in near future also. The Board has therefore decided not to use the IPO funds for expansion plans in these countries.

With the growing business the working capital requirements of the Company are also increasing. In addition to the increased working capital limits from the Bankers, the Board proposes to use a further sum of Rs. 1300 lacs from IPO Funds for working capital needs.

In view of the above it is proposed to change the utilization of proceeds of IPO funds, which was earlier ammended at the 19th Annual General Meeting of the Company, held on 27th July, 2011. In terms of provisions of Listing Agreements entered into by the Company with stock Exchanges any changes in investment plans

of IPO Funds from those mentioned in IPO document shall be furthered with the permission of shareholders granted by way of Special Resolution. Accordingly this resolution is being put before the shareholders for their permission on the same.

The detailed project cost along with necessary details for the new objectives shall be available for inspection and information of the members at the Corporate Office of the Company during business hours from 11a.m. to 1 p.m. on all working days.

The Board recommends the said changes in IPO objectives in view of overall progress of the Company.

None of the Directors may be considered concerned or interested in the resolution.

By Order of the Board

**Sd/-
Leena Jain
(Company Secretary)**

**Place: Jaipur
Dated: 15-03-2012**

