

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 maximize 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, 2016 as required under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 herein after "SEBI (LODR) Regulations, 2015" are stated below for the enlightenment of our shareholders and investors.

Board of Directors

The composition of the Board of the Company represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. As on 31st March, 2016, 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 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 Regulation 17 (1) of SEBI (LODR) Regulations, 2015.

The details of composition of the Board as on 31st March, 2016, the attendance record of the Directors at the Board Meetings held during the financial year 2015-16 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 08 th August, 2015 | Number of Directorships in other companies as on 31 st March, 2016 [#] | No. of committee positions held in other public companies as on 31 st March, 2016 | |
|------------------------------|--------------------------------|--|--|--|--------|
| | | | | Chairman | Member |
| Dr. Mahavir Prasad Agarwal | Executive & Promoter | Yes | 4 | Nil | Nil |
| Mr. Rajat Agrawal | Executive and Promoter | Yes | 4 | Nil | Nil |
| Mr. Dinesh Kumar Govil | Non-Executive Lead Independent | Yes | 4 | 2 | Nil |
| Mr. Yogesh Mohan Kharbanda | Non-Executive Independent | No | 2 | Nil | 1 |
| Mr. Arun Kumar Gupta | Non-Executive Independent | Yes | Nil | Nil | Nil |
| Mrs. Chanchal Chadha Phadnis | Non-Executive Independent | Yes | Nil | Nil | Nil |
| Mr. Rajeev Surana* | Executive & Promoter | Yes | N.A. | N.A. | N.A. |

[#]Directorship does not include directorships held in Foreign Companies.

*Mr. Rajeev Surana, Whole time Director of the Company resigned from the Board of the Company w.e.f. 14th March, 2016

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.

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 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 2015-16:

| S.No | Date of Meeting | Board Strength | No. of Directors Present |
|------|----------------------------------|----------------|--------------------------|
| 1 | 23 rd May, 2015 | 7 | 7 |
| 2 | 30 th July, 2015 | 7 | 4 |
| 3 | 10 th August, 2015 | 7 | 6 |
| 4 | 21 st September, 2015 | 7 | 4 |
| 5 | 30 th October, 2015 | 7 | 5 |
| 6 | 07 th November, 2015 | 7 | 6 |
| 7 | 01 st February, 2016 | 7 | 5 |
| 8 | 14 th March, 2016 | 7 | 5 |
| 9 | 17 th March, 2016 | 6 | 5 |

Attendance of each Director at the Board Meetings:

| Name of Director | Board Meetings held during the year | Meetings Attended |
|------------------------------|-------------------------------------|-------------------|
| Dr. Mahavir Prasad Agarwal | 9 | 9 |
| Mr. Rajat Agrawal | 9 | 7 |
| Mr. Dinesh Kumar Govil | 9 | 8 |
| Mr. Yogesh Mohan Kharbanda | 9 | 2 |
| Mr. Arun Kumar Gupta | 9 | 8 |
| Mrs. Chanchal Chadha Phadnis | 9 | 5 |
| Mr. Rajeev Surana | 9 | 8 |

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 17th March, 2016. 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 |
| Mrs. Chanchal Chadha Phadnis | Yes |

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. During

the year under review Mrs. Chanchal Chadha Phadnis was added as new member in Audit Committee.

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 5 (five) times during the financial year 2015-16 on:

23rd May, 2015

10th August, 2015

21st September, 2015

07th November, 2015

01st February, 2016

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 | 3* |

*Mrs. Chanchal Chadha Phadnis was appointed as member of Audit Committee Meeting w.e.f 23rd May, 2015. Therefore, during the year she was eligible to attend 4 Audit Committee Meetings as member of audit committee and out of which she has attended 3 meetings.

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.

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 2015-16 the Committee met 2 (two) times i.e. on 10th August, 2015 and 21st September, 2015.

Meetings of Nomination & Remuneration Committee and Attendance during F.Y. 2015-16:

| 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 | 0 |
| Mr. Arun Kumar Gupta | Member | 2 | 2 |

Details of Remuneration paid to Directors during F.Y. 2015– 2016

| 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 | 78,00,000 | Nil | 78,00,000 |
| Mr. Rajeev Surana | Whole-time Director | 30,00,000 | Nil | 28,62,903 |

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 of the company have any equity shares of the Company.
- Mr. Rajeev Surana has been paid remuneration upto 14th March, 2016 (i.e. till the date of his resignation).

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 Director: The Non-Executive 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 to 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.gravitaindia.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. During the year under review the composition of the said committee changed due to resignation of Mr. Rajeev Surana from post of directorship. As on 31st March, 2016, the Committee comprises of three Directors viz. Mr. Dinesh Kumar Govil, Dr. Mahavir Prasad Agarwal and Mr. Rajat Agrawal.

No. of Meetings

During the year under review 1 (One) Meeting of Stakeholders' Relationship Committee was held on 01st February, 2016.

Meetings of Stakeholder Relationship Committee and Attendance during F.Y. 2015-16 :

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

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: Mrs. Leena Jain erstwhile Compliance Officer and Company Secretary of the Company resigned from her post w.e.f 20.05.2016. And now as per Regulation 6 (1) of SEBI (LODR) Regulations, 2015 Mr. Nitin Gupta Company Secretary is the Compliance Officer for complying with the requirements of Security Laws and the SEBI (LODR),

Regulations, 2015 with the Stock Exchanges in India w.e.f 21.05.2016.

Status of Investor Complaints: The Company received 4 (four) 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, 2016.

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. During the year under review the Compensation Committee got re-constituted so as to comply with SEBI (Share Based Employee Benefits) Regulations, 2014. As on 31st March, 2016 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 3(three) times during the financial year 2015– 2016 namely 01st April, 2015, 30th July, 2015 and 30th October, 2015.

Meetings of Compensation Committee and Attendance during F.Y. 2015-16:

| Name of the Member | Designation | No. of Meetings held during the year | Meetings Attended |
|----------------------------|-------------|--------------------------------------|-------------------|
| Mr. Dinesh Kumar Govil | Chairman | 3 | 2 |
| Mr. Rajat Agrawal | Member | 3 | 3 |
| Mr. Yogesh Mohan Kharbanda | Member | 3 | 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. During the year under

review the composition of the said committee changed due to resignation of Mr. Rajeev Surana from post of directorship.

No. of Meetings

During the year under review 1 (One) Meeting of Investment Committee was held on 07th November, 2015.

Meetings of Investment Committee and Attendance during F.Y. 2015-16 :

| Name of the Member | Designation | No. of Meetings held during the year | Meetings Attended |
|----------------------------|-------------|--------------------------------------|-------------------|
| Mr. Rajat Agrawal | Member | 1 | 1 |
| Dr. Mahavir Prasad Agarwal | Member | 1 | 1 |
| Mr. Rajeev Surana | 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

Meetings of Corporate Social Responsibility Committee and Attendance during the F.Y. 2015-16

| Name of the Member | Designation | No. of Meetings held during the year | Meetings Attended |
|----------------------------|-------------|--------------------------------------|-------------------|
| Mr. Yogesh Mohan Kharbanda | Chairman | 1 | 0 |
| 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.

Meetings of Finance & Risk Management Committee and Attendance during F.Y. 2015-16:

| Name of the Member | Designation | No. of Meetings held during the year | Meetings Attended |
|------------------------|-------------|--------------------------------------|-------------------|
| Mr. Rajat Agrawal | Member | 3 | 3 |
| Mr. Rajeev Surana | Member | 3 | 3 |
| Mr. Dinesh Kumar Govil | Member | 3 | 3 |

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.

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 2015 – 2016 on 17th March, 2016.

Finance & Risk Management Committee

During the year Finance and Risk Management Committee of Board of Directors of the company was formed on 21st September, 2015 for handling day to day Banking and Finance related matters which comprised of three directors viz. Mr. Rajat Agrawal, Mr. Rajeev Surana and Mr. Dinesh Kumar Govil. Further due to resignation of Mr. Rajeev Surana from post of directorship the committee was re-constituted on 14th March, 2016 by introducing Dr. Mahavir Prasad Agarwal as new member of committee in place of Mr. Rajeev Surana.

No. of Meetings: The Committee met 3 (three) times during the financial year 2015 – 2016 on 17th October, 2015, 07th November, 2015 and 11th December, 2015.

- 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. | 21 st AGM | 29.07.2013 | 11.30 A.M. | "Saurabh Farms", Chittora Road, Harsulia Mod, Diggj-Malpura, Tehsil-Phagi, Jaipur | 2 |
| 2. | 22 nd AGM | 02.08.2014 | 11.00 A.M. | "Saurabh", Chittora Road, Harsulia Mod, Diggj-Malpura, Tehsil-Phagi, Jaipur | 5 |
| 3. | 23 rd AGM | 08.08.2015 | 11.00 A.M. | "Saurabh", Chittora Road, Harsulia Mod, Diggj-Malpura, Tehsil-Phagi, Jaipur | 2 |

- 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.
- a) Special Resolution under Section 13 of the Companies Act, 2013 towards Alteration in Object Clause;

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 Resolution was passed on 07th July, 2015 by way of Postal Ballot:

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 7th July, 2015 at the Corporate Office of the Company. The date of declaration of results was deemed to be date of passing of the said resolution. The results of the postal ballot are also available at website of the Company (www.gravitaindia.com). A synopsis of the results submitted by the scrutinizer is as under:

| Particulars | Number of Members voting through | | | Number of Votes casted through | | | Total in Percentage (%) |
|---------------|----------------------------------|----------|-------|--------------------------------|----------|----------|-------------------------|
| | Postal Ballot | e-Voting | Total | Postal Ballot | e-Voting | Total | |
| Assent | 39 | 55 | 94 | 1684507 | 50800967 | 52485474 | 99.998 |
| Dissent | 3 | 1 | 4 | 1210 | 225 | 1435 | 0.002 |
| Invalid Votes | 14 | Nil | 14 | Nil | Nil | Nil | Nil |
| Total | 56 | 56 | 112 | 1685717 | 50801192 | 52486909 | 100.00 |

Procedure Followed

- The Company issued the Postal Ballot Notice dated 23rd May, 2015 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 29th May, 2015 and other concerned.
- 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 05th July, 2015. The members who opted for the e-voting could vote on or before the business hours, i.e. 5.00 P.M. on 5th July, 2015.
- After due scrutiny of all the Postal Ballot Forms / E-voting received up to the close of the working hours on 5th July, 2015. The Scrutinizer submitted his final report on 07th July, 2015.
- The results of the Postal Ballot / E-voting were declared on 07th July, 2015. 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, 2016.

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 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: During the year under review Mrs. Chanchal Chadha Phadnis, new Independent Director on the Board was given familiarization programme by providing with a copy of latest Annual Report, the Company's Code of Conduct, and the Company's Code of Conduct for Prevention of Insider Trading to let her have an insight of the Company's present status and their regulatory requirements. In addition, a detailed overview of the business verticals of the Company and meetings with business heads / senior leadership team, and with the Managing Director of the Company was conducted. The 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) as per SEBI (LODR) Regulations, 2015 duly signed by the Managing Director, CEO and CFO was 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: The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015. 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.

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 to this end 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
- Written Communication to: Vigilance officer- Gravita India Whistle Blower Policy, A-27 B, Gravita Tower, Shanti Path, Tilak Nagar, Jaipur - 302004

Due to resignation of Mrs. Leena Jain erstwhile Vigilance Officer in whistle blower policy of the Company, Mr. Nitin Gupta was appointed as new Vigilance Officer w.e.f. 21st May, 2016 by Audit Committee and Board of Directors at their meetings held on 14th May, 2016. 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).

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 upload on NEAPS and BSE Listing Centre the quarterly un-audited as well as 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 'Mint' /'Financial Express' in English (Delhi Edition), and in 'Nafa Nuksan' (Vernacular) in Hindi. Further the same are also available on website of the company (www.gravitaindia.com)
- These Results are not sent individually to the Shareholders.

Website & Newsletter

- The Company's website 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.
- 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

General Shareholder Information

a) Annual General Meeting 2016

| | |
|--------------------|--|
| Day and Date | Saturday, 6 th August, 2016 |
| Venue | Saurabh, Chittora Road, Harsulia Mod, Diggi Malpura Road, Tehsil-Phagi, Jaipur - 303904 (Raj) |
| Time | 11.00 a.m. |
| Financial Year | 2015-16 |
| Book Closure Dates | Monday, 1 st August, 2016 to Saturday, 6 th August, 2016 (both days inclusive) |
| Rate of Dividend | 10% |
| Date of Payment | Between 11 th August, 2016 to 4 th September, 2016 |

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 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 forms part of the Annual Report of Financial Year 2015-16. 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.

b) Tentative Financial Calendar (For FY 2016-17)

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 2016-17.

d) Stock Code

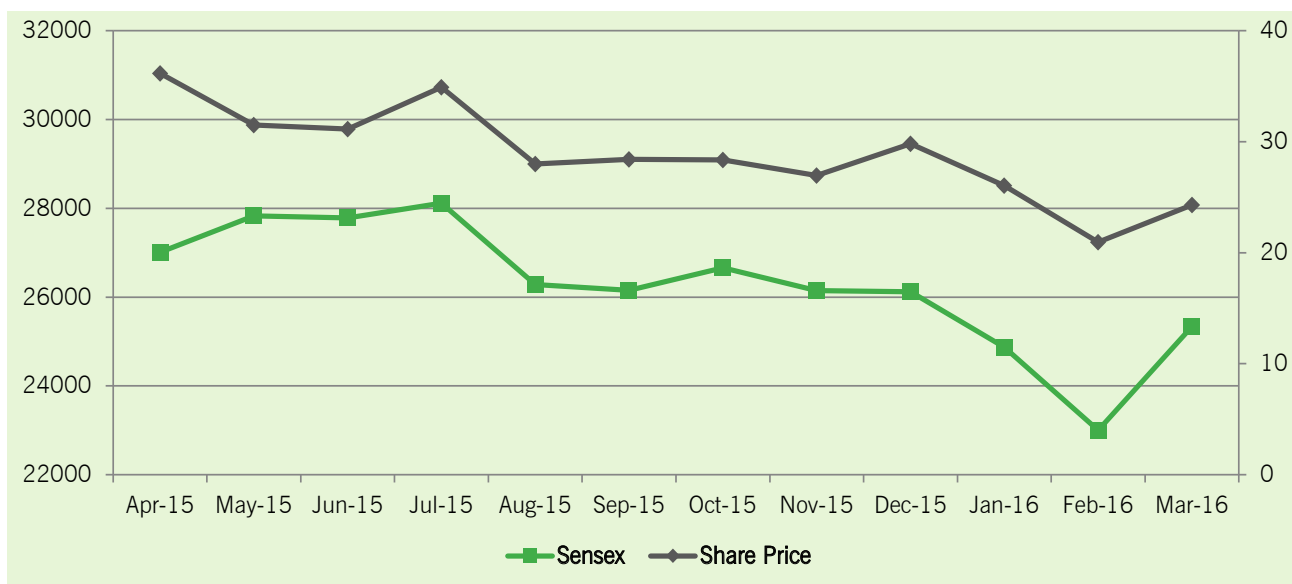
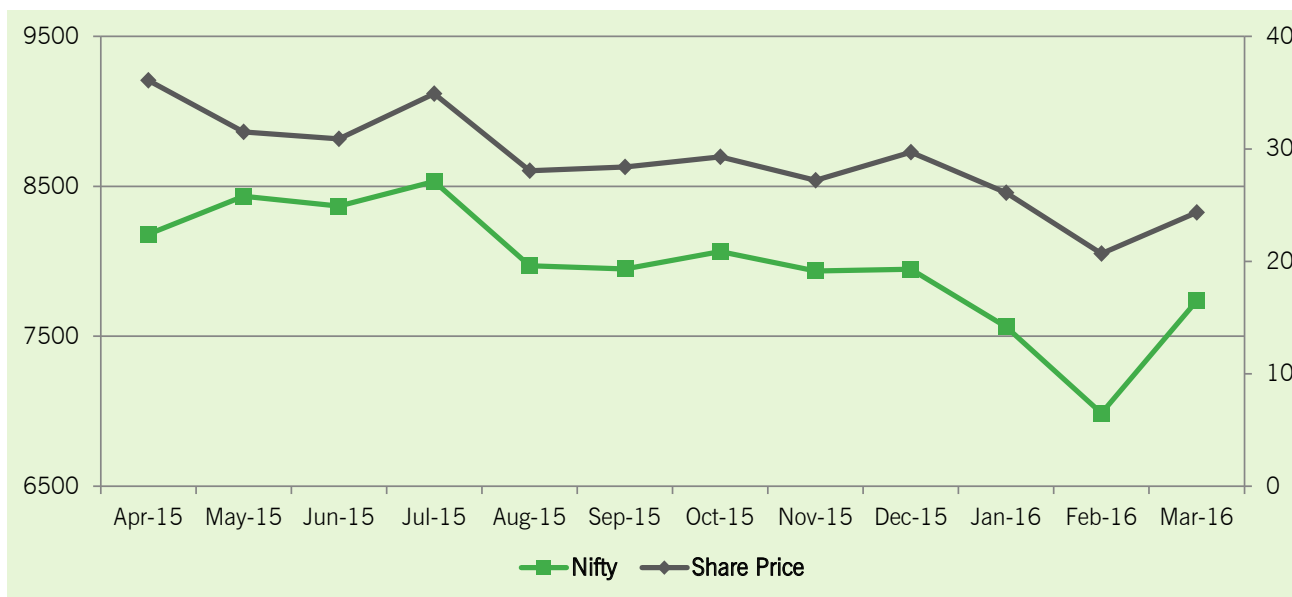
Stock Code for the Equity Shares of the Company at the respective Stock Exchanges are:

BSE Ltd : 533282

National Stock Exchange: GRAVITA

e) Stock Market Data**i. Market price data for the Financial Year 2015-16:**

| Year and Month | BSE | | | NSE | | |
|----------------|----------|---------|----------------------------|----------|---------|---------------------------|
| | High (₹) | Low (₹) | Volume in '000 (in No.) | High (₹) | Low (₹) | Volume in '000 (in No) |
| April 2015 | 48.80 | 36.00 | 853.099 | 50.00 | 35.60 | 2370.781 |
| May 2015 | 38.00 | 31.00 | 212.119 | 38.70 | 30.80 | 940.138 |
| June 2015 | 35.40 | 26.40 | 292.224 | 35.55 | 25.20 | 777.228 |
| July 2015 | 36.70 | 29.35 | 599.995 | 36.90 | 29.20 | 1734.030 |
| Aug 2015 | 37.50 | 24.60 | 894.331 | 37.70 | 23.30 | 2932.186 |
| Sept 2015 | 32.00 | 25.00 | 181.085 | 30.85 | 24.65 | 2245.782 |
| Oct 2015 | 34.50 | 27.25 | 263.408 | 34.65 | 26.20 | 995.224 |
| Nov 2015 | 29.25 | 25.00 | 165.693 | 29.95 | 26.00 | 777.565 |
| Dec 2015 | 34.10 | 26.00 | 964.008 | 34.00 | 24.00 | 3959.327 |
| Jan 2016 | 34.30 | 21.50 | 1400.211 | 34.45 | 21.25 | 4104.414 |
| Feb 2016 | 27.30 | 20.50 | 407.543 | 27.80 | 20.30 | 1363.64 |
| March 2016 | 29.45 | 21.10 | 2628.585 | 29.40 | 20.70 | 4206.453 |

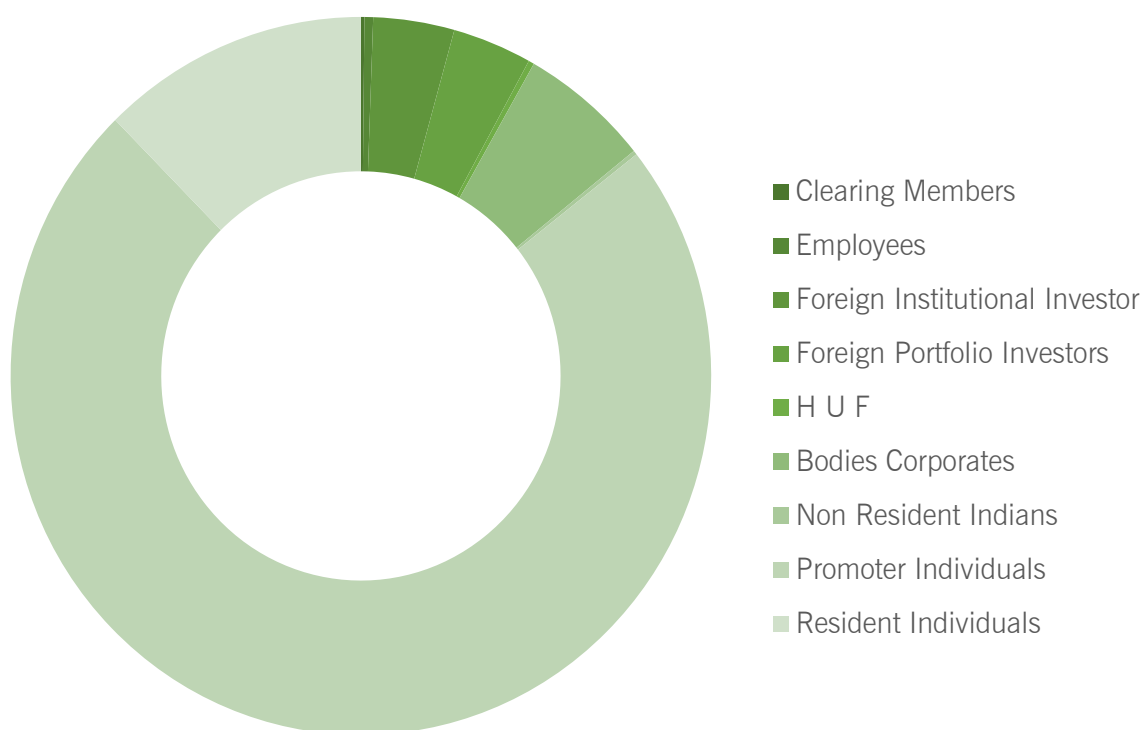
ii. Performance of the Company's Share Price vis-à-vis BSE Sensex during the year 2015-16:

iii. Performance of the Company's Share Price vis-à-vis NSE Nifty during the year 2015-16:

f) Distribution Schedule as on 31st March, 2016

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 |
|---------------------------|----------------------|--------------------|-----------------|---------------------|-------------------|
| upto 1 - 5000 | 7309 | 93.96 | 2561742 | 5123484.00 | 3.75 |
| 5001 - 10000 | 237 | 3.05 | 881522 | 1763044.00 | 1.29 |
| 10001 - 20000 | 105 | 1.35 | 772113 | 1544226.00 | 1.13 |
| 20001 - 30000 | 32 | 0.41 | 411353 | 822706.00 | 0.60 |
| 30001 - 40000 | 19 | 0.24 | 339431 | 678862.00 | 0.50 |
| 40001 - 50000 | 6 | 0.08 | 137754 | 275508.00 | 0.20 |
| 50001 - 100000 | 25 | 0.32 | 839643 | 1679286.00 | 1.23 |
| 100001 & ABOVE | 45 | 0.59 | 62424541 | 124849082.00 | 91.31 |
| TOTAL | 7778 | 100.00 | 68368099 | 136736198.00 | 100.00 |

g) Shareholding Pattern as on 31st March, 2016

| Category | No. of Shares | %age |
|--------------------------------|-----------------|---------------|
| Clearing Members | 108681 | 0.16 |
| Employees | 276641 | 0.40 |
| Foreign Institutional Investor | 2554091 | 3.74 |
| Foreign Portfolio Investors | 2504307 | 3.66 |
| H U F | 178199 | 0.26 |
| Bodies Corporates | 4101638 | 6.00 |
| Non Resident Indians | 131983 | 0.19 |
| Promoter Individuals | 50055750 | 73.22 |
| Resident Individuals | 8456809 | 12.37 |
| Grand Total | 68368099 | 100.00 |

**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 Directors Report which forms integral part of Annual Report 2015-16.

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, 2016.

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 99.99% of the Company's Equity Share Capital are dematerialized as on 31st March, 2016 and the promoters holding of 73.22% is completely held in the dematerialized form as on 31st March, 2016. 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 2015-16.

p) Commodity Price risk or foreign exchange risk and hedging activities

Please refer to Management Discussion & 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 – 500032
Phone No. 040-67162222
Email: inward.ris@karvy.com
Web site: 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
Web Site: 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

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.

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, 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 2016.

For Gravita India Limited

Sd/-

**Naveen Prakash Sharma
(CEO)**

For Gravita India Limited

Sd/-

**Rajat Agrawal
(Managing Director)**

Date: 15th April, 2016
Place: Jaipur

CEO/CFO Certification

Date: 17th June, 2016

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, 2016 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/-

Naveen Prakash Sharma
(Chief Executive Officer)

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 2016, as stipulated in SEBI (LODR), Regulations 2015 and in terms of requirement of the Listing Agreement of the said Company with BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE").

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 compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified under the applicable regulations of SEBI (LODR), Regulations, 2015 .

We 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.N. No. FCS 5369
C. P. No.:4426

Place: Jaipur
Date: 8th June, 2016