



# growing global!

GRAVITA INDIA LIMITED | ANNUAL REPORT 2012-13

## Forward-looking statements

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

# Contents

Corporate identity .....	02
Message from the Chairman .....	06
Business model .....	09
Management discussion and analysis .....	12
Notice of the Annual General Meeting .....	16
Director’s Report.....	22
Report on Corporate Governance.....	34
Auditor’s report.....	50
Balance sheet .....	54
Profit and loss account .....	55
Cash flow statement .....	56
Notes forming part of the accounts.....	58
Consolidated financial statements.....	84



Gravita India Limited is India's largest and most respected Lead manufacturer with a presence of over 20 years in the business.

With a bank of rich experience, versatile operations, low-cost manufacturing base and presence across key end consumption markets, the Company expects to strengthen its leadership position in the industry and create sustainable value for its stakeholders.



# Who we are



## Parentage

Incorporated in 1992, Gravita India Limited, flagship company of the Gravita Group, commenced commercial operations in 1993-94. The global head office of Gravita Group is in Jaipur, Rajasthan.

## Footprint

- The Company's primary manufacturing facility is located in Phagi, Jaipur, with an installed capacity of 27,600 MTPA as on 31<sup>st</sup> March 2013.
- The Company's plants are located in five countries around the globe with an overall installed capacity of 53,200 MTPA at the close of 2012-13, enabling exports to over 38 nations.
- It has five plants spread across three states in India.
- The Company is listed on the Bombay Stock Exchange and National Stock Exchange of India.

## Vision

- All our businesses are targeted at maintaining the highest levels of environmental integrity and cost-competitiveness. We firmly believe that eco-friendly business practices are the key to the preservation and protection of our natural resources.
- Our people are our biggest resource. We truly believe in them and put all our efforts for their development to enable them to meet new challenges in an ever-changing environment.
- We focus on customer satisfaction and endeavour to give them value-for-money propositions with timely and courteous services.

## Mission

We are focused on increasing the value of our Company and our global portfolio of diversified products by providing expected services and final products to customers and achieving market Leadership and operating excellence in every segment of our operations.

## Values

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

## Product portfolio

### • Lead metal

Refined Lead Ingots (LME Grade) | Lead Alloys | Lead Selenium Alloy | Lead Antimony Alloy | Lead Calcium Alloy | Lead Alloy E | Lead Copper Alloy

### • Lead Chemicals and Lead Oxides

Grey Oxides | Litharge | Red Lead

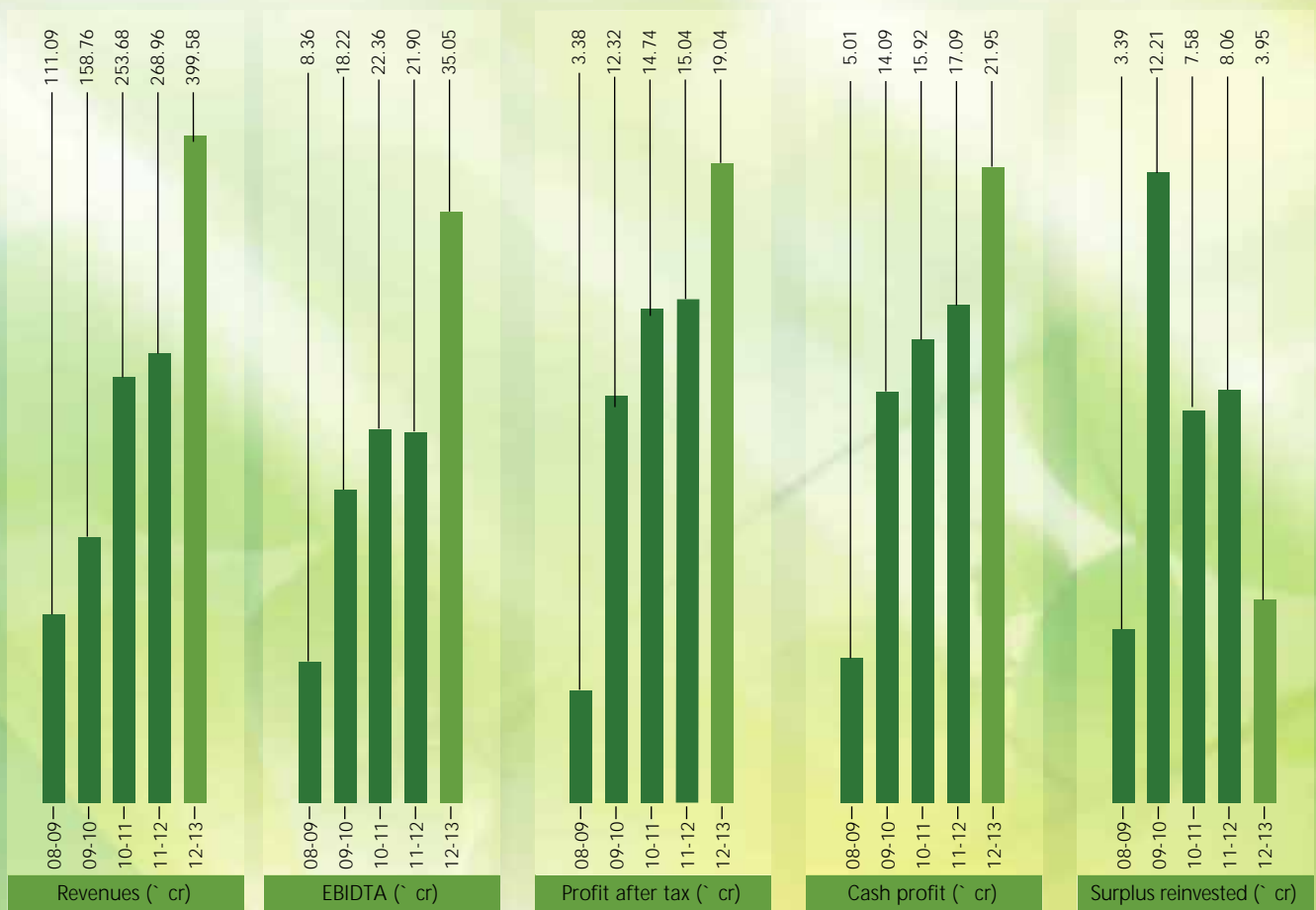
### • Lead Products

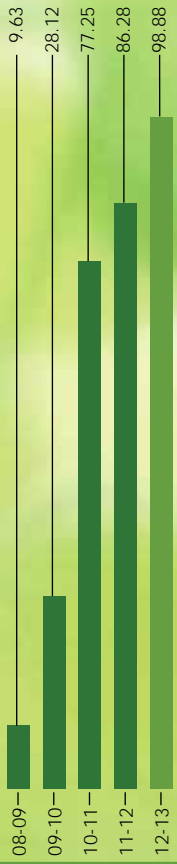
Lead Castings | Lead Powder | Lead Sheets | Lead Wire | Lead Wool | Lead Bricks | Lead Shots | Lead Pipes | Lead Anodes | Other Articles of Lead

## Awards

- Bestowed with 'The Emerging India Green SME Award 2012' instituted by CNBC TV18-ICICI Bank
- Conferred with a special recognition award for 'Outstanding Efforts in Entrepreneurship in SMEs (Manufacturing)' by the Ministry of MSMEs, Government of India
- Selected by the United Nations Environment Programme (UNEP) as a partner for eco-friendly recycling initiatives in Senegal and Ghana
- Received the status of a 'Star Export House' by the Government of India
- Received the 'Business Today Green SME' award
- Received the 'India SME 100 Award' instituted by the Bank of India
- Ranked 45th among the top-500 fastest growing SMEs in India and received the prestigious 'INC 500 Certificate of Excellence' for 2012
- Received the 'Rajasthan Export Award' from the DGFT, Government of India
- Ranked 427th among the top-500 'Most Valuable Companies' in India for 2012 by Business Today
- Placed 16th among the Top-30 'Fastest-Growing Companies in India' in the welter-weight category by Business World for 2012

# Growing our numbers

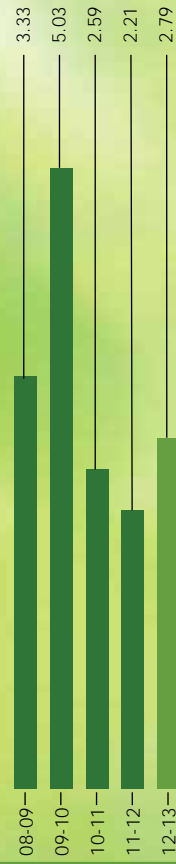




Networth (₹ cr)



Net fixed assets (₹ cr)



Earnings per share (₹)



Book value per share (₹)

# Message from the Chairman

Dear shareholders,

It gives me immense pleasure to greet you on the 21st year of our journey towards excellence and sustained leadership. On this momentous occasion, we reaffirm our commitment of creating sustainable value for all our stakeholders including shareholders, customers, consortium of banks, employees and the society at large.

## Industry Overview

The year 2012-13 witnessed a volatility in the global commodity market where LME Lead metal prices fluctuated in the range of \$1,744 to \$2,488. The market indicated positive signs during the initial part of the year then weakened during the middle of the year and showed an uptrend in the last quarter of the financial year. Lead is largely consumed by the automobile sector in the form of Lead acid batteries. Though the automobile sector remained subdued in 2012-13 the demand for Lead based commodities continued to remain upbeat on the back of increased usage of Lead acid batteries in other segments like power backup equipments and telecom.

Power shortages fueled the usage of inverters where Lead acid battery is an integral part of the equipment. The replacement market also pushed demand for this commodity.

Going forward, our major task in the current fiscal is to expand our presence globally, increase





productivity, reduce cost of production and implement cost control measures.

### Tapping emerging and traditional demand

Thirty per cent of the global mobile subscribers are based in India and China. Over the recent past, the telecom sector has grown with a rapid pace driven by an exponential growth in the mobile telephony segment. The Indian mobile subscriber base has reached close to 900 million and expected to cross 1,100 million by the end of this financial year. This will lead to an increase in the population of mobile towers, which basically transmit frequency, powered by Lead acid batteries.

Besides the telecom segment, the Indian power scenario is also boosting demand of power back-up equipments like UPS systems. UPS systems store power through Lead acid batteries for ensuring availability of power during power cuts.

More than 50% of India's rural population is still struggling with the availability of power and peak power deficit is about 12%. In such a scenario Lead acid battery inverters play a pivotal role for ensuring uninterrupted power not only in rural areas but also metro cities like Delhi. The inverter industry is growing with a rapid pace where Lead acid battery is used as power storage tool.

The upcoming segments like solar power, electric vehicles are expected to support the demand of Lead acid batteries, ensuring a growing demand of Lead metal.

The domestic per capita four wheeler population is a tenth of the global average. The expected economy rate of 8% will boost the Indian automobile industry. The coupling of both factors is expected to boost the growth of the Indian automobile sector to 12% during 2013-14. The global auto manufacturers are targeting India, China and other BRIC nations as their production hub due to low labour and production costs, ensuring the Lead industry can maintain a positive outlook.

Keeping pace with the increasing demand, Gravita is investing towards enhancing, refining and alloying capacities to 169,125 MT from the existing level of 53,200 MT. The positive outlook is being derived in the wake of the removal of restrictions levied by the Government on Lead acid battery scrap imports and the unorganised recycling players mandatorily requiring to install costly equipment to mitigate environmental risks.

According to reliable industry estimates, the Indian Lead battery market size is pegged at around USD 3.50 bn, with 60 percent representing automotive batteries and the rest industrial (or

stationary) batteries. The market is dominated by about six large Lead battery manufacturers, whereas the battery manufacturing/reconditioning space is characterised by intense competition. With rising end user demand, the country's Lead battery market worth is expected to grow to USD 6 bn by 2020.

### 2012-13 key developments

At Gravita, we strengthened our operating model through undertaking the following initiatives:

- Commissioned a world-class plant and machinery fabrication facility at the Mahindra SEZ in Jaipur, facilitating the development of customised products.
- Acquired the license to import scrap batteries, which will reduce our raw material costs by around 15 percent and strengthen our market competitiveness.
- Incorporated rotary furnaces and doubled smelted Lead production in our Senegal and Mozambique plants.
- Established a new plant in Bhuj, Gujarat, which will strengthen our output going into 2013-14.
- Ventured into the Caribbean markets by setting up manufacturing units in Nicaragua and Trinidad and Tobago. These units will commence commercial production in fiscal 2013-14.

## Focused in Growing

At Gravita, we expect to undertake several initiatives that will strengthen our leadership position both in the Indian as well as key international markets:

- We intend to commence the manufacturing of value-added products like Lead sheets, Lead powder which find usage in niche market segments which involve radio active materials.
- We expect to implement SAP-ERP across the organization towards improving operational efficiencies. The initial phase of this implementation will be undertaken in India before being rolled out across our international operating sites.

- We plan to enter into manufacturing pollution-mitigating equipment comprising of Cyclone, Cooling Tower, scrubbers, dust collectors, filter bag houses among others in our SEZ unit.
- We expect to invest ` 9.10 Crores towards automating our Jaipur facility and expansion of manufacturing capacities.
- We plan to gradually replace furnace oil with pet coke, which will enable us to lower our fuel bills by almost a fifth. It will not only reduce our production costs but also aid in combating volatile oil fuel prices.

## Road ahead

At Gravita, we invested over ` 37.84 Crores over the past two years to

enhance our capacities by almost 122%. We did so through a lean period, which optimised capital costs and quickened the pace of equipment installation. As Lead demand picks up in 2013-14 and beyond, we intend to fully capitalise on these relatively low-cost capacities and further strengthen our leadership position in the markets of our presence by emerging as the most preferred partner for our customers, driving sustainable business growth.

With my very best regards,

Dr. Mahavir Prasad Agarwal  
*Chairman*

# Our business model

## Space selection

Gravita has selected to remain engaged in a business space that is indispensable. The use of Lead is intrinsic to the manufacture of the chargeable batteries, Lead Acid batteries which is responsible for 60% of the global energy storage and is a core component of mobile handsets, laptops, tablets and mobile audio listening devices. The selection of this space has been vindicated by the significant growth of the Lead sector over the last five years leading to 2012-13. The Company addresses growth opportunities through the most competitive price-value propositions and a customised product portfolio.

## Eco-friendly products

Gravita is a responsible global Lead manufacturer. The Company's responsibility towards the environment is reflected in its primary business objective of recycling Lead products, which saves energy and, in turn, helps conserve finite mining resources. The Company is also focused on various procedural initiatives to reduce the consumption of energy and other resources.

## Solutions provider

Gravita offers the widest range of Lead solutions from standard and customised products to setting-up turnkey plants that manufacture these

products. This diversification not only mitigates dependence risks but also opens up several new revenue streams.

## Multiple-revenue sources

Gravita is three companies rolled into one. While one looks into the technological aspects of Lead processing, another, the manufacturing entity is engaged in Lead recycling. The trading entity is engaged in marketing and selling of Lead-based products. The combination of the three has translated into the Company garnering industry-wide respect with the result that our consolidated revenues have grown at a 25.50 percent CAGR over the three years leading to 2012-13.

## Geographical focus

Gravita has gained the status of a global Indian enterprise through operating facilities both in India and abroad. The Company's manufacturing units are located in the vicinity of the raw material sources ensuring that they can be accessed at a price lower than the prevailing average. As on 31<sup>st</sup> March 2013, the Company is present in nine international locations and four cities within India. The Company has chosen its Indian locations to leverage low-operating costs and access to trained manpower.

## Product portfolio

Gravita selects to manufacture products around a predefined criteria – the intended product must address industry trends and possess synergic chemistry characteristics across the widest grades that translate into the highest price-value propositions.

## Scale

Gravita intends to emerge among the world's largest manufacturers of Lead-based products. The Company has been moving towards realising this intent through proactive investments to increase capacities and through providing downstream customers with high-quality and cost-effective products. This ongoing capacity investment provides it with attractive economies-of-scale, leading to competitive manufacturing efficiencies. For instance, the Company grew its Lead processing capacity from 24,000 MTPA to 53,200 MTPA in just seven years, representing the fastest comparable growth rates anywhere in the world.

## Aggressive investments

At Gravita, we believe in continual investments irrespective of economic cycles. For instance, we invested ₹ 5,008.95 Crores in our fixed assets between 2008-09 and 2012-13, which accounted for 400% of our gross block at the close of 2012-13.

# Sustaining our growth in challenging times



## Manufacturing

Production growth over 2011-12  
**30%**

Number of operational units worldwide  
**7**

Number of products  
**36**

Overall installed capacity  
**53,200 MT**  
(31<sup>st</sup> March 2013)

Production  
**28,956 MT**  
(2012-13)

### Overview

In the competitive business of Lead manufacture, efficient manufacturing processes are the key to success. This includes eco-friendly Lead smelting, Lead refining (99.97 percent purity), value-added alloying and production of innovative Lead chemicals (Red Lead and Litharge). The Company's mother plant is located in Jaipur, supported by operating subsidiaries in Jammu, and Kathua and in Ghana, Mozambique, Senegal and Sri Lanka, outside India. Manufacturing efficiency is principally derived from high asset utilisation, which in turn is influenced by adequate raw material procurement.

The Company enjoys a representation in over 38 countries worldwide to identify adequate and cost-effective raw materials resources, representing a competitive advantage.

### Highlights

During the period under review, the Company incorporated overseas entities namely Gravita Nicaragua S.A. in Nicaragua and Gravita Trinidad and Tobago Ltd in Port of Spain, Trinidad and Tobago.

Furthermore the Company has increased its installed capacity by installing additional furnaces at its Phagi (Jaipur) based manufacturing plant.

The Company has also established a new manufacturing unit in Bhuj, Gujarat so as to enhance its working capacity.

Further the Company has entered into a fresh joint venture agreement with the Best Group of Saudi Arabia for setting up a manufacturing unit of Lead and Lead Alloys in Saudi Arabia, with change of profit sharing from 50:50 to 75:25, 25% being in favour of GIL.

The Company along with its Wholly Owned Subsidiary Gravita Exim Limited has acquired 100% stake in Noble Build Estate Private Limited, Jaipur, India.

## Turnkey projects

Number of projects till 2011-12  
**47**

Number of projects executed till 2012-13  
**55**

No. of countries catered to  
**39**

### Overview

Gravita is among the few Indian companies to facilitate eco-friendly fabrication for Lead recycling and refining plants, pollution control equipment and battery-breaking and hydro separation systems. This facilitation enables its customers to deliver environment-friendly smelting, refining and alloying solutions. The Company is a respected provider of eco-friendly plants, having supplied 55 units across 39 countries until 2012-13. The Company's segmental competency is reflected in high asset uptime, high

conversion efficiency and relatively low cost of manufacture.

The Company reinforced these realities through the commissioning of a showpiece fabrication plant at the Mahindra World City SEZ in Jaipur in 2011-12. This project promotes extensive product value-addition through in-house manufacturing, tighter quality controls and tax breaks allowed by virtue of the location.

### Highlights

During the year under review, the Company secured orders for supply of turnkey projects of maximum value in

any financial year since the inception of the projects division of the Company amounting to ` 17.75 Crores.

Further, we added five new countries to our client portfolio during this year.

### Outlook

Pollution control equipment is the principal business driver and Gravita intends to venture into the furnace segment, resulting in incremental margins. The other sectors identified for growth in 2013-14 comprise Aluminium and Zinc smelting furnace and their pollution control equipments.

## Trading

Number of commodities traded in 2012-13  
**21**

% increase in revenue from 2011-12  
**74**

Number of countries of trading presence in 2012-13  
**24**

### Overview

Gravita's intensive knowledge of a dynamic marketplace was leveraged to create a trade-centric revenue centre.

This knowledge led to trading of Lead, Lead products, metals, chemicals, ferrous scrap and minerals through its B2B (business-to-business) portal. The Company's trading segment

helped it stay abreast of marketplace developments and capitalise on emerging opportunities for further growth.

# Management discussion and analysis

## Indian economy

India's economic growth decelerated for the second year in succession in 2012-13 from 6.2 percent in 2011-12 to 5 percent in 2012-13 (advance estimates), its slowest economic growth in a decade. Economic moderation was due to a decline in the growth of all GDP constituents – agriculture, Industry and Services. Besides, deceleration in credit flows, policy uncertainty, infrastructural bottlenecks, high input costs, slowdown in consumer expenditure and subdued business confidence contributed to the overall slowdown.

To counter a challenging environment, the Central Government has sought to implement several important policies:

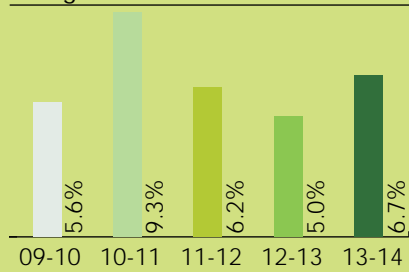
- Reducing interest rates to create a stronger investment climate;
- Reviving stressed infrastructure; fast-tracking large infrastructure projects;
- Using the buffer stock to moderate food inflation;
- Introducing FDI in multi-brand retail and aviation (already implemented);
- Partial deregulation of the oil and gas

sector (diesel pricing) to reduce fuel subsidy and hence cut the current account deficit (CAD).

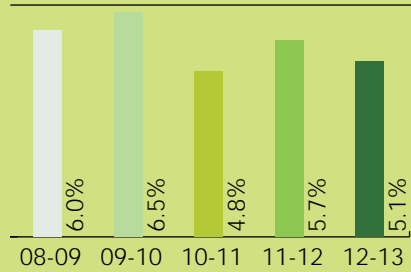
An economic survey indicates that the Indian economy could grow between 6.1–6.7 percent in 2013-14 while CRISIL estimates that the Indian economy could grow at 6.7 percent in 2013-14 due to a consumption revival catalysed by acceleration in the agricultural sector, lower interest rates and higher governmental spending.

### State of the Indian Economy

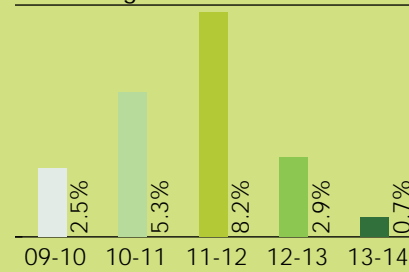
#### GDP growth



#### Fiscal deficit

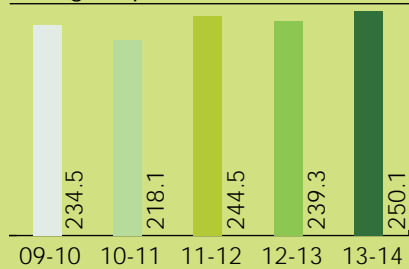


#### Industrial growth



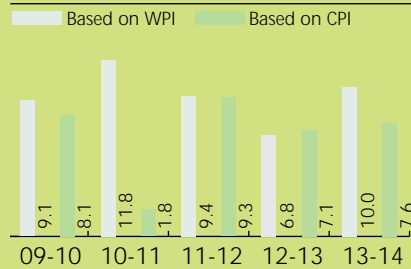
#### Food grain production

Million Tonnes



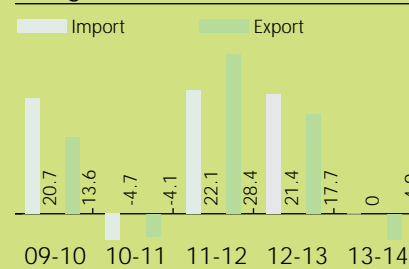
#### Inflation

%



#### Foreign trade

(In \$ millions)



# Global industry overview

## Usage

- Global demand for refined Lead metal is forecast to rise by 3.4 percent to 10.80 mn tonnes in 2012, to 11.15 mn tonnes in 2013;
- In China, Lead-acid battery production and exports have recovered strongly after the wide-ranging environmentally-motivated cutbacks in 2011 and Lead metal usage is expected to grow by 4.7 percent in 2013;
- Despite a small reduction in shipments of replacement automotive Lead-acid batteries, it is widely anticipated that demand for Lead in the US will increase by 0.6 percent in 2013 principally driven by growth in the original equipment and industrial battery sectors;
- European demand is expected to

be adversely affected by declining automotive sales and is expected to remain flat in 2013.

## Supply

- World Lead mine production has risen to 5.21 mn tonnes in 2012 and is expected to grow by 2.8 percent to 5.36 mn tonnes in 2013;
- These increases are almost entirely due to the further expansion of production levels in China with the outputs around the world forecast to be relatively stable as rises in Mexico, Peru and the Russian Federation are largely offset by a reduction in Canada;
- Expected rise in refined Lead metal output by 3.8 percent to 11.32 mn tonnes in 2013 has been influenced both by the establishment of new

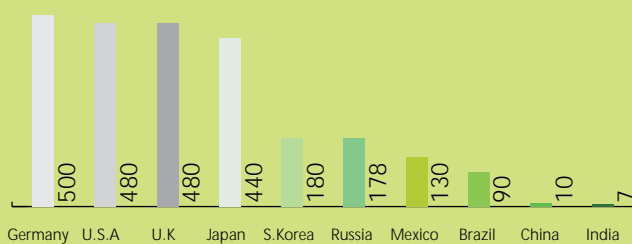
capacities and by the reopening of existing ones placed on maintenance over the recent past.

## Domestic battery overview

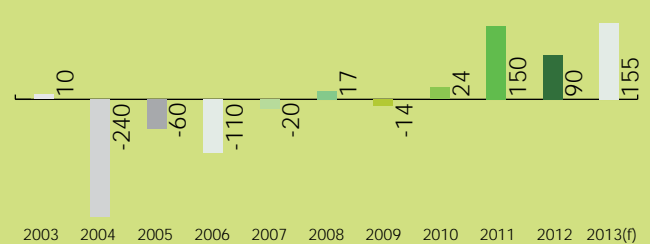
The Indian automobile battery industry is pegged at about ` 20,000 Crores (organised sector: ` 12,000 Crores) and the market is divided into OEMs and replacements.

The steady growth in automotive batteries aftermarket in India is attributed to burgeoning sales across all vehicle segments. As batteries are non-discretionary replacement products, the demand for them is expected to continue to rise. High replacement rates are also acting as a catalyst. Lead constitutes almost 70 percent of the cost of inputs of a battery (Source: Research and Market).

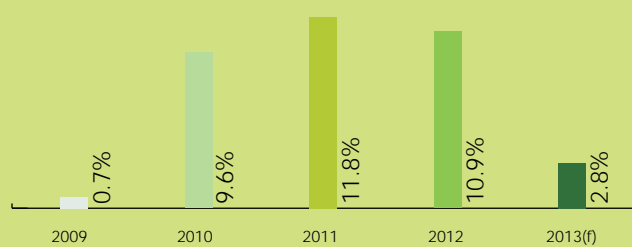
Penetration of passenger vehicle per 1000



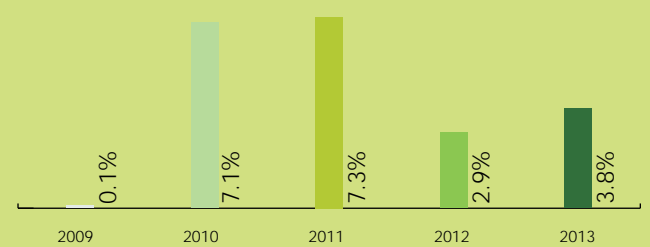
Lead metal world balance (In \$ millions)



World Lead mine supply forecast (ILZG forecast)



World Lead metal supply forecast (ILZG forecast)



# Managing risks at Gravita

Risk is an integral factor in virtually all businesses. At Gravita, risks are adequately measured, estimated and controlled. Irrespective of the type of risk or the activity that creates it, the Company's fundamental approach to risk management remains the same: identify and measure risks, leverage an in depth-knowledge of the business and competitors and respond flexibly in our risk understanding and management.

## Industry risk

The Lead manufacturing business may cease to remain lucrative.

### De-risking

- The upward movement in prices of the metal has taken place despite a situation of over-supply, with production outstripping demand amid high inventories. The extent of oversupply is pegged at 174,000 tonnes in 2013, up from 108,000 tonnes in 2012. But global demand for refined Lead metal is estimated to have risen by 3.4 per cent to 10.8 million tonnes in 2012 and the International Lead and Zinc Study Group (ILZSG) has projected a further 3.3 per cent rise to 11.2 MT in 2013.
- Extensive applications of Lead beyond batteries and in diverse areas such as telecom towers, roofing, window

canes and piping, among others, has broad-based demand.

## Regulatory risk

Any change in the regulatory environment might impact the Company's growth.

### De-risking

- Considering the importance of Lead in the overall economy, the government has granted Gravita the license to import scrap batteries.
- The Company adheres to globally benchmark of environmental norms and has not invited censure of any kind.

## Technological risk

The Company can be faced with technological obsolescence.

### De-risking

- Gravita has invested in state-of-the-art technology (gross block of ₹ 2.75 Crores as on 31<sup>st</sup> March 2013), which was further reinforced through regular ongoing improvement and upgradation initiatives.
- The Company has invested ₹ 16.71 Crores in equipment-related modernisation and purchases across the last four years and continues to remain one of the lowest cost producers of Lead products in the world.

## Geographical risk

Presence in a single region could result in stagnating revenues.

### De-risking

- Gravita's sales are almost evenly balanced (India: 61 percent; the rest-of-the-world: 39 percent).



- The Company markets its products to such countries as America, Egypt, China, Japan, Indonesia, Korea, The US, Turkey, Spain and many more.
- The Company's nine international manufacturing facilities make it possible to market products with relative logistical ease, a strong local competitive advantage in a freight-intensive business.

### Raw material sourcing risk

Unavailability of scrap could impact the business, especially since the Company is involved in secondary Lead production.

#### De-risking

- The Company has strategically commissioned global manufacturing facilities to source raw material resources from cost-effective sources.
- Through a robust trading presence,

the Company is able to leverage local knowledge and expertise in securing cost-effective raw material resources.

### Environmental risk

Being a hazardous metal by nature and governed by strict regulations, non-compliance with environmental norms can affect the business.

#### De-risking

- The Company's manufacturing facilities are ISO 14001:2004-certified.
- It exhaustively complies with statutory and environmental requirements with the result that it has never attracted pollution notices or censure at any of its facilities.

### Liquidity risk

Garnering adequate liquidity to fund planned capex can be challenging in downturns.

#### De-risking

- The Company generated a cash profit of ₹ 21.95 Crores in 2012-13 against a repayment liability of ₹ 4.04 Crores for that financial year.
- The Company's ongoing capital expenditure towards commissioning its refining plant in Jaipur in 2013-14 will help service debt as the unit is expected to report high capacity utilisations in the first few months of launch.
- The Company enjoyed a strong debtors' position equivalent to 9 days of turnover, helping smoothly fund its working capital cycle.
- The Company's debt-equity ratio is less than one, indicating scope for assuming additional debt without excessively leveraging the Balance Sheet.

## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of the Members of Gravita India Limited will be held on Monday, the 29th day of July 2013 at 11.30 A.M. at "Saurabh Farms", Chittora Road, Harsulia Mod, Diggi Malpura, Tehsil-Phagi, Jaipur-303904 (Rajasthan) to transact the following businesses:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend on Equity Shares for the Financial Year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Dinesh Kumar Govil, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajeev Surana, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** subject to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants, having Firm Registration No. 015125N be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting in place of the retiring Auditors, M/s Rajvanshi & Associates, Chartered Accountants who have opted not to be re-appointed, to audit the accounts of the Company for the Financial Year 2013-14 and in this regard the Board of Directors/ Audit Committee of Directors be and are hereby authorized to fix their remuneration plus travelling and out of pocket expenses incurred by them in connection with Statutory Audit and /or continuous audit and also such other remuneration, as may be decided to be paid by the Board of Directors/ Audit Committee of Directors, for performing duties other than those referred to herein above.

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification (s), the following resolution as a SPECIAL RESOLUTION:

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, and 311 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, and as per the recommendation of Remuneration Committee, the consent of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Rajat Agrawal who was re-appointed by the Board of Directors as Managing Director of the Company for a period of three years w.e.f. 26th September 2012 and to the remuneration payable to Mr Agrawal as recommended by the Remuneration Committee and Board of Directors at their respective meetings held on 24th June 2013 with effect from 1st July 2013 as per details mentioned below:

#### I. SALARY AND PERQUISITES:

Basic - ` 3,50,000/- per month (Three Lacs Fifty Thousand only)

HRA and Perquisites & other allowances - ` 1,50,000/- per month (One Lac Fifty Thousand only)

Annual Gross Remuneration shall comprise of Salary, HRA, allowances & perquisites and retiral benefits not exceeding ` 60 Lacs.

#### II. COMMISSION

In addition to the Salary, Perquisites, Allowances and Benefits as above, Managing Director shall be entitled to receive a commission upto 2% per annum of the net profits of the company computed as per the provisions of Section 349 and 350 of the Companies Act, 1956 for the respective financial years falling during his tenure as Managing Director.

The Managing Director shall be entitled to the facilities as are allowable to the employees of Senior Management Cadre of the Company and reimbursement of entertainment and other expenses actually and properly incurred by him in connection with the business of the Company.

Gratuity payable as per the Rules of the Company but not exceeding 15 days salary for each completed year of service and encashment of leave at the end of the tenure will not be included in the computation of Salary to the extent the same are not taxable under the Income-Tax Act, 1961.

The aggregate of the Salary and Perquisites as above shall always be subject to the overall ceiling laid down in Section 198 and 309 of the Companies Act, 1956.

“RESOLVED FURTHER THAT where in any financial year during the currency of term of Managing Director the Company has no profits or its profits are inadequate, the Company shall pay to the Managing Director, remuneration by way of Salary and Perquisites as specified above as minimum remuneration, subject however to the provisions of the Companies Act, 1956 and such approvals as may be required.”

“RESOLVED FURTHER THAT Shri Rajeev Surana, Whole-time 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.”

7. To consider and if thought fit, to pass, with or without modification (s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, and 311 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, and as per the recommendation of Remuneration Committee, the consent of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Rajeev Surana who was re-appointed by the Board of Directors as Whole-time Director of the Company liable to retire by rotation for a period of three years w.e.f. 26th September 2012 and to the remuneration payable to Mr Surana as recommended by Remuneration Committee and Board of Directors of the Company at their respective meetings held on 24th June 2013 with effect from 1st July 2013 as per details mentioned below:

**SALARY AND PERQUISITES:**

Basic - ` 1,75,000/- per month (One Lacs Seventy Five Thousand only)

HRA and Perquisites & other allowances - ` 75,000/- per month (Seventy Five Thousand only)

Annual Gross Remuneration shall comprise of Salary, HRA, allowances & perquisites and retiral benefits not exceeding ` 30 Lacs.

The Whole Time Director shall be entitled to the facilities as are allowable to the employees of Senior Management Cadre of the Company and reimbursement of entertainment and other expenses actually and properly incurred by him in connection with the business of the Company.

Gratuity payable as per the Rules of the Company but not exceeding 15 days salary for each completed year of service and encashment of leave at the end of the tenure will not be included in the computation of Salary to the extent the same are not taxable under the Income-Tax Act, 1961.

The aggregate of the Salary and Perquisites as above shall always be subject to the overall ceiling laid down in Section 198 and 309 of the Companies Act, 1956.

“RESOLVED FURTHER THAT where in any financial year during the currency of term of Whole-Time Director the Company has no profits or its profits are inadequate, the Company shall pay to the Whole-Time Director, remuneration by way of Salary and Perquisites as specified above as minimum remuneration, subject however to the provisions of the Companies Act, 1956 and such approvals as may be required.”

“RESOLVED FURTHER THAT Shri 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

Date: 24th June 2013

Place: Jaipur

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE DULY STAMPED, FILLED AND SIGNED INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, MUST BE DEPOSITED AT THE CORPORATE OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special business is annexed hereto.
3. Members and Proxies attending the Meeting are requested to bring their attendance slip duly filled along with their copy of Annual Report to the Meeting.
4. Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, 24th July 2013 to Monday, 29th July 2013 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares.
6. Payment of Dividend as recommended by the Directors, if approved at the Meeting, will be made to those members whose names are on the Company's Register of Members at the end of business hours of 23rd July 2013 and in respect of shares held in dematerialized form, the dividend will be paid to members whose names are furnished by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited as Beneficial Owners as on that date.
7. Members are requested to note that Dividends and / or IPO Application Money not encashed or remaining unclaimed for a period of 7 (seven) Years from the date of transfer to the Company's Unpaid Dividend Account/ IPO Application Money shall be transferred to the Investor Education and Protection Fund established under Section 205C of the Companies Act, 1956.
8. The members who have not yet encashed their dividend warrants and / or application money in IPO for the below mentioned financial years, are requested to forward their claims to the Company's Registrar and Share transfer Agents (RTA). It may be noted that once the unclaimed dividend and / or unclaimed application money is transferred to the Investor Education and Protection Fund (IEPF) as above, no claim shall rest with the company in respect of such amount. The respective unclaimed dividend and IPO Application Money along with their due dates for transfer to IEPF are as under:

Financial Year Ended	Nature of Amount	Due date of transfer to IEPF
31st March 2011	IPO Application Money	12.11.2017
31st March 2011	Final Dividend	29.08.2018
31st March 2012	Interim Dividend	06.03.2019
31st March 2012	Final Dividend	15.09.2019
31st March 2013	Interim Dividend	27.09.2019
31st March 2013	Interim Dividend	04.03.2020

9. As per SEBI Circular Number CIR/MRD/DP/10/2013 dated 21.03.2013 it is mandatory for the shareholders to provide their bank details to necessitate the electronic transfer of dividend and other cash benefits to their respective accounts. Therefore, members are requested to provide/ update their bank details with respective Depository Participants so as to enable the Company/RTA to comply with the provisions of above said Circular issued by SEBI.
10. In case of joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
11. Please quote your Folio Number and Company's name in all correspondence with Karvy Computershare Pvt. Ltd., Plot No 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad- 500081, Registrars and Share Transfer Agents of the Company.

12. Members having shares in physical form are requested to immediately intimate change of address, if any, to the Registrar and Share Transfer Agents quoting reference of the Registered Folio Number.
13. Section 109A of the Companies Act, 1956 provides for **Nomination** by the shareholders of the Company in the prescribed Form No. 2B which is available on the website of the Karvy Computershare Private Limited [www.karisma.karvy.com](http://www.karisma.karvy.com). Interested Members may write to the Registrars and Share Transfer Agents for the prescribed form.
14. The Certificate, from M/s Rajvanshi & Associates, Chartered Accountants, the Statutory Auditors of the Company for the financial year 2012-13, certifying that the Company's Stock option Scheme viz 'Gravita Employees Stock Option Plan 2011' is being implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended, and in accordance with the resolution passed by shareholders at the Annual General Meeting held on 27.07.2011 shall be available for inspection by the members at the AGM.
15. Shareholders, intending to require information about the Financial Accounts to be explained at the meeting, are requested to inform the Company at least a week in advance of their intention to do so, so that the necessary information may be provided at the meeting if the Chairman permits such information to be furnished.
16. Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors who are proposed to be re-appointed at the ensuing Annual General Meeting under Item No. 3, 4, 6 and 7 (4<sup>th</sup> and 7<sup>th</sup> in respect of same Director) of the Notice is as under:

Brief Profile of the Director and Nature of his Expertise in functional areas	Directorships/Committee memberships in other public companies	Shareholding in Gravita India Limited
Mr. Dinesh Kumar Govil, aged 65 years is a professional Banker having 36 years of rich and varied exposure in field of Banking Industry. He is a qualified Bachelor of Engineering and a PMA from "Indian Institute of Management" Ahmadabad, with acumen to understand functioning of business. He is Chairman of Audit Committee of Board of Directors of the Company. He has served BOB Housing Finance Ltd., Jaipur in the capacity of Managing Director. He has been on the Board of various Gramin Banks sponsored by Bank of Baroda for 5 years. He is also having exposure of International Banking environment during his tenure of 4 years as Senior Manager/Chief Manager in U.A.E.	<b>Directorships:</b> Gravita Exim Limited Viva Home Finance Limited  <b>Committee Membership:</b> Gravita Exim Limited Viva Home Finance Limited	NIL

Brief Profile of the Director and Nature of his Expertise in functional areas	Directorships/Committee memberships in other public companies	Shareholding in Gravita India Limited
Mr. Rajat Agrawal, the main Promoter and Founder Director, aged about 46 years is a first Generation entrepreneur and having wide experience of around 20 years in Industrial Management in India and Abroad. He is B.E. (Mechanical), and is a well-known personality for his contributions in Lead Industry. His valuable support in Company is commendable. The strategic decision making, aggressive implementation of plans and innate Leadership abilities of Mr. Agrawal have contributed significantly in rapid growth of Gravita Group.	<b>Directorships:</b> Gravita Exim Limited Gravita Energy Limited Saurabh Farms Limited  <b>Committee Membership:</b> NIL	24365475 Equity Shares (35.78% of total paid-up capital)

Brief Profile of the Director and Nature of his Expertise in functional areas	Directorships/Committee memberships in other public companies	Shareholding in Gravita India Limited
Mr. Rajeev Surana, the other Promoter Director, aged about 44 years; a professional (BE-Mechanical) possesses excellent Technical & Management skills. He possesses excellent communication skills and proved himself to be phenomenal leader in all aspects. His grip on operations and experience of more than 19 years is valuable assets to the Gravita Group. He carries expertise in general and strategic management.	<b>Directorships:</b> Gravita Exim Limited Gravita Energy limited  <b>Committee Membership:</b> Gravita Exim Limited	30000 Equity Shares (0.04% of total paid-up capital)

#### ANNEXURE TO THE NOTICE

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

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

#### ITEM NO. 6

Mr Rajat Agrawal aged about 46 years is a Bachelor of Engineering from MNIT, Jaipur and carry rich experience of over 20 years in establishing and handling manufacturing operations. The last term of his office as Managing Director of the Company was upto 25th September 2012. During his tenure as Managing Director, he has been instrumental in the overall growth of the Company. Under his aggressive and able Leadership the company is on rapid growth path which is also evident from the outstanding growth of the company over the last couple of years.

The Board confidently feel that the Company should continue to avail the services of Mr Agrawal. Accordingly the Board of Directors at their meeting held on 6th August 2012 had reappointed Mr Rajat Agrawal as the Managing Director of the Company for a further period of 3 years with effect from 26th September 2012 subject to the approval of the members of the Company.

Considering the excellent performance of Mr Agrawal and as per the recommendation of Remuneration Committee and Board of Directors of the Company, at their respective meetings held on 24th June 2013, have recommended the remuneration as envisaged in the concerned resolution coupled with performance linked commission to Mr. Agrawal upto 2% of net profit of the company every year during his tenure in addition to the fixed monthly salary. The remuneration proposed to be paid to Mr Agrawal is within the limits of Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 as amended and has been approved by Remuneration Committee.

Mr Agrawal is also Managing Director of Gravita Exim Limited a wholly owned subsidiary of the Company. However, he is not being paid any remuneration from Gravita Exim Limited.

The Directors, therefore, recommend passing of the relevant Special Resolution as mentioned at Item No 6 of the Notice.

None of the Directors, except Mr Rajat Agrawal and Dr Mahavir Prasad Agarwal are concerned or interested in this resolution.

#### ITEM NO. 7

Mr Rajeev Surana aged about 44 Years is a Bachelor of Engineering from MNIT, Jaipur and carries varied experience of over 19 years in handling overall operations of the entities. He is on the Board of Directors of the Company for last 8 Years. His last term of office as Whole-Time Director of the Company was upto 25th September 2012. During his tenure as Whole-Time Director he established various operational units of the company in India and looked after the overall operations of the said units. He was instrumental in acquiring and establishing the manufacturing units at Jammu & Kathua in the State of J&K. Looking to the varied experience and rich knowledge of Mr Surana the Management of the Company has assigned him further responsibilities for evaluating and acquiring /establishing further manufacturing units globally.

Accordingly the Board of Directors at their meeting held on 6th August 2012 have re-appointed Mr Rajeev Surana as Whole-Time Director of the Company for a further period of 3 years with effect from 26th September 2012 subject to the approval of members of the Company. The Remuneration Committee and Board of Directors of the Company at their respective meetings held on 24th June 2013 have recommended the remuneration as envisaged in the concerned resolution and the remuneration proposed to be paid to Mr Surana is within the limits of Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 as amended and has been approved by Remuneration Committee.

The Directors, therefore, recommend passing of the relevant Special Resolution as mentioned at Item No 7 of the Notice.

None of the Directors, except Mr Rajeev Surana are concerned or interested in this resolution.

By Order of the Board

Date: 24th June 2013

Place: Jaipur

Sd/-  
(Leena Jain)  
Company Secretary

# Directors' Report

*Dear Shareholders,*

Gravita India Ltd.

Your Directors are delighted to present the 21st Annual Report together with the audited accounts of your Company for the financial year ended 31st March, 2013.

## Financial Highlights

The Consolidated audited financial results of the Company for the year ended March 31<sup>st</sup>, 2013 are summarized below:

( In Crores)

Particulars	2012-13	2011-12
Total Income	402.27	272.88
Total Expenditure	367.55	249.86
<b>Profit Before Interest, Depreciation and Tax (PBIT)</b>	<b>34.72</b>	<b>23.02</b>
Less: Interest	5.58	1.90
Less: Depreciation	2.19	1.52
Profit Before Tax	26.95	19.60
Exceptional Items	0.34	(1.12)
Profit from Ordinary Activities before Tax	27.29	18.48
Prior Period Items	0.00	0.03
Less: Provision for Taxation Including Deferred Tax	3.79	3.27
<b>Profit After Tax (PAT)</b>	<b>23.50</b>	<b>15.24</b>
Share in Profit of Associates	0.00	0.52
Less: Minority Share in Profit & Loss	4.46	0.73
Profit Available for Appropriation	19.04	15.04
<b>APPROPRIATION:</b>		
Interim dividend	3.41	1.36
Corporate tax on Interim dividend	0.55	0.22
Transfer from Capital Reserve on Consolidation	6.94	(0.13)
Transfer to General Reserve	1.80	0.78
Proposed for Dividend	2.04	4.09
Corporate tax on Dividend	0.35	0.66
<b>Balance Carried to Balance Sheet</b>	<b>3.95</b>	<b>8.06</b>

Previous year figures have been re-grouped and re arranged wherever considered necessary.



## 1. State of Company's Affairs

The global economic scenario in FY 2012-13 continued to be fraught with challenges. Major economies witnessed slower growth. As the year progressed, business environment remained difficult and operating in such a testing environment proved challenging. FY 2012-13 proved to be full of global economic uncertainties and disturbances in many parts of the world. Despite these constraints and challenging environment, the Company performed rationally well and the highlights of the performance are as under:

### Consolidated Results:

- **Consolidated Total Revenue** increased to ` 402.27 Crores evince an ambitious increase of 47% against the corresponding figure of previous year of ` 272.88 Crores.
- The **Operating Profit before Interest, Depreciation and Tax stood at ` 34.72 Crores** in financial year 2012-13 as compared to ` 23.02 Crores in previous financial year.
- **Net Profit after Tax at ` 19.04 Crores** present substantial increase of 27% over the previous year Net Profit after Tax of ` 15.04 Crores.
- The **Earning Per Share** of the Company stood at ` 2.79 per share having face value of ` 2 each.
- The **Net Worth** of the Company at ` 99.39 Crores raised by 15% over the corresponding figure of previous year.
- The **Total Assets** of the Company accounted at ` 216.08 Crores against Total Assets for previous year at ` 165.50 Crores.

### Standalone Results:

- **Total Revenue** increased to ` 262.81 Crores evince an ambitious increase of 27% against the corresponding figure of previous year of ` 206.62 Crores.
- The **Operating Profit before Interest, Depreciation and Tax stood at ` 18.23 Crores** in financial year 2012-13 as compared to ` 11.69 Crores in previous financial year.
- **Net Profit after Tax at ` 17.97 Crores** depicting substantial increase of 130% over the previous year Net Profit after Tax of ` 7.82 Crores.
- The **Earning Per Share** of the Company stood at ` 2.64 per share having face value of ` 2 each.

- The **Net Worth** of the Company at ` 77.20 Crores raised by 19% over the corresponding figure of previous year.

- The **Total Assets** of the Company accounted at ` 162.16 Crores against Total Assets for previous year at ` 123.38 Crores

## 2. Dividend

The dividend payout for the year under review has been formulated in accordance with shareholders' aspirations and the Company's policy to pay sustainable dividend is linked to long term growth objectives of the Company.

During the Year, the Company's Board of Directors approved the payment of 1<sup>st</sup> Interim Dividend @ 10% (` 0.20 per equity share) and 2<sup>nd</sup> Interim Dividend @ 15 % (` 0.30 per equity share) respectively making the total payout of interim dividend @ 25 % amounting to ` 3.41 Crores.

Further, the Board has recommended payment of Final Dividend @ 15 % (` 0.30 per equity share ) amounting to ` 2.04 Crores. With this the total payout of dividend for the year 2012-13 will be 40% amounting to ` 5.45 Crores. The dividend will be paid to members whose names appear in the Register of Members as at the close of business hours on 23rd July, 2013 and in respect of shares held in dematerialized form it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

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

a. **Gravita Exim Ltd, India:** Gravita Exim Ltd is a wholly-owned subsidiary of the Company. This subsidiary was engaged in the business of providing comprehensive Turnkey Solutions for Cost Effective Battery Recycling Process & Plant with Environment-Friendly Technology till 2012. Since inception the company has supplied 44 recycling plants around 37 countries globally. However, during the year under review the Company switched to the business of trading of various kind of commodities. From this new business, the company achieved a turnover of ` 15.07 Crores during the current year. However, there was a Loss amounting to ` 0.84 Crores on account of trading of Heavy Metal Scrap (HMS) and diversification of business activities of the Company into trading of various commodities. During the year Gravita Exim Limited acquired 358475 shares having face value of LKR 100

each equivalent to 40% of the total paid up capital of Navam Lanka Limited from its Parent Company Gravita India Limited

**b. Gravita Ghana Ltd, Ghana:** Gravita Ghana Ltd is wholly - owned subsidiary of the Company. The subsidiary is engaged in recycling of Lead Acid Battery Scrap for producing Re-melted Lead Ingots, PP Chips etc. During the year under review the volume of production of Re-melted Lead Ingots was 2,961 MT as against 2,403 MT during the Previous Year .This subsidiary achieved a turnover of ` 30.88 Crores as against ` 27.04 Crores for previous year. The Profit after Tax of the Unit amounted to ` 0.63 Crores which is comparatively low from previous year. Lack of easy availability of Raw Materials and increased cost of production contributed to declining profit margins. Going forward, the company will continue its focus on plant optimization through initiatives such as Raw Material Planning and stringent cost control measures.

**c. Gravita Senegal SAU, Senegal:** Gravita Senegal SAU is a step down subsidiary of Gravita India Ltd. This subsidiary is engaged in the business of re-melting and recycling of Lead Scrap. During the Year under review this subsidiary produced 3,366 MT of Remelted Lead Ingots as against 2,383 MT during the previous year and achieved a turnover of ` 36.72 Crores and Profit after Tax amounted to ` 5.49 Crores depicting a tremendous increase of 106 % as against previous year profits. Further, as a part of Strategic Corporate Restructuring, Gravita India Limited transferred its complete equity stake in Gravita Senegal SAU to its step down subsidiary Gravita Netherlands BV, Netherlands.

**d. Gravita Mozambique LDA, Mozambique:** Gravita India Limited collectively with Its Wholly owned subsidiary Gravita Exim Limited holds the entire stake of Gravita Mozambique LDA. During the Year under review this subsidiary has produced 1,702 MT of Remelted Lead Ingots as against 894 MT during previous year depicting 90% increase in production, and achieved a turnover of ` 19.95 Crores coupled with a Profit after Tax of ` 0.21 Crores.

**e. Gravita Global Pte Ltd, Singapore:**

The Company incorporated a wholly owned subsidiary named as Gravita Global Pte. Ltd in Singapore and during the year invested a sum of USD 1295000. The subsidiary will be the global subsidiary of the Company and as per strategic restructuring plan of Company all other overseas subsidiaries

will come under this global subsidiary. The trading operations of this subsidiary are anticipated to commence by this year.

**f. Gravita Netherlands B.V., Netherlands:** The Company has also set up a step subsidiary named as Gravita Netherlands B V, Netherlands under its wholly owned subsidiary Gravita Global Pte Ltd in May 2012 to re-structure and consolidate its holding in overseas subsidiaries. As a part of restructuring this subsidiary acquired 100% holding of Gravita Senegal S.A.U and 12% stake in Navam Lanka Limited. Further this subsidiary also incorporated two new subsidiaries viz. Gravita Trinidad and Tobago Ltd, Port of Spain and Gravita Nicaragua S.A. Nicaragua,

**g. Navam Lanka Ltd, Srilanka:** Navam Lanka Limited is engaged in Recycling of Lead Acid Battery Scrap, Lead Scrap Smelting of Lead Concentrate to produce Re-melted Lead Ingots & Polypropylene Chips / Granules. It is the largest producer of Lead Ingots and Polypropylene Chips in Sri Lanka. Gravita India Limited holds 52% of stake in Navam Lanka Ltd, Srilanka through its subsidiaries i.e. Gravita Exim Limited (40%) and Gravita Netherlands B.V., Netherlands (12%). During the year under review the performance of this subsidiary was phenomenal. It produced 3,762 MT of Remelted Lead Ingots comparative to 2,138 MT in previous year and achieved a total turnover of ` 56.60 Crores as compared to ` 21.12 Crores coupled with Net Profit after Tax of ` 7.22 Crores as compared to ` 2.17 Crores of previous year which is almost three times higher from previous year.

**h. M/s Gravita Metals, India:** Gravita India Limited holds 95% share in the partnership firm M/s Gravita Metals, Jammu. The balance share of 5% is held by its subsidiary Gravita Exim Ltd. During the period under review the Company has availed increased credit limits from ` 10.75 Crores to ` 22.75 Crores from J&K Bank, Gangyal, Jammu and accordingly the Company has also provided Corporate Guarantee for the extended credit facilities of ` 22.75 Crores. The year-end performance of the Unit has been spectacular with production of 8,049 MT depicting an increase of 88% in production of Refined Lead/ Lead Alloys resulting in a turnover of ` 111.37 Crores and Profit after Tax of ` 8.25 Crores.

**i. M/s Gravita Metal Inc, India:** The Company along with its subsidiary Gravita Exim Limited holds 100% share in this Partnership firm also with same ratio of profit sharing i.e. 95:5. During the year under review the Unit achieved

a total turnover of ` 6.78 Crores with Net Profit of ` 0.42 Crores. Further, during the period under review the Company has extended a Corporate Guarantee in favor of J&K Bank, Gangyal, Jammu against the credit limits amounting to ` 5 Crores sanctioned to the firm by the said Bank.

j. **M/s Gravita Technomech, India:** The Company established this Unit in the year 2010-11 in Mahindra Special Economic Zone at Jaipur. The unit is engaged in manufacturing and supply of Plant & Machinery on turnkey basis. During the year under review this Unit executed 8 Turnkey projects and contributed a Turnover of ` 9.70 Crores with a PAT of ` 2.19 Crores. This Unit is having 3 projects under execution.

#### 4. Other Subsidiaries

The Company has some other subsidiaries which have not yet started their commercial production. The details of the same are given hereunder:

- Gravita Energy Limited
- Gravita Infra Private Limited
- Noble Build Estate Private Limited

#### 5. Sale/Disinvestments/winding up/striking off

During the period under review, the Company diluted its entire stake of 33.33% from Gravita Honduras S.A. The Company decided to disinvest from its honduras venture for want of sufficient availability of raw material, high labour cost and constant decline in profit margins.

Further the company has also made an application to Registrar of Companies, Jaipur for striking off the name of its subsidiary Gravita Technomech LLP, it being non-operational since incorporation.

#### 6. Expansion / Diversification

During the period under review, the Company incorporated two new manufacturing entities namely Gravita Nicaragua S.A., Nicaragua and Gravita Trinidad and Tobago Ltd., Port of Spain.

Further Gravita India Limited along with its Wholly Owned Subsidiary, Gravita Exim Limited has acquired 100% stake in Noble Build Estate Private Limited, Jaipur.

Furthermore the Company has increased its installed capacity by installing an additional plant at its manufacturing plant at

Phagi (Jaipur).

The Company has also established a new manufacturing unit in Bhuj, Gujarat so as to enhance its working capacity.

#### 7. Finance

The Company is expanding its business globally and to meet its Working Capital requirement Company needs to infuse funds to carry out its operations efficiently and in smooth manner. During the year under review, the Company has enhanced its Working Capital Limits, and changed its existing bankers from Punjab National Bank to State Bank of India. The credit limit of company has increased from ` 35 Crores to ` 43 Crores. In addition, the Company is already availing credit facilities of ` 15 Crores from IDBI Bank Ltd also. A Consortium between SBI and IDBI is about to be entered shortly.

Further, during the year under review the Company provided Corporate Guarantee in favour of J&K Bank, Jammu for securing Credit Facilities of ` 5 crore availed by M/s Gravita Metal Inc, Kathua a subsidiary firm of the Company. The Company has also provided its Corporate Guarantee for ` 22.75 Crores in favour of J&K Bank, Jammu for securing Credit facility of ` 22.75 Crores availed by subsidiary firm M/s Gravita Metals, Jammu.

#### 8. Reserves

In compliance of Section 205A (2A) of the Companies Act, 1956 and in accordance with the Companies (Transfer of Profits to Reserves) Rules, 1975, it is proposed to carry an amount of ` 1.80 Crores to the General Reserve Account.

#### 9. Management Discussion and Analysis Report

Management Discussion and Analysis Report forming part of Director's Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange (s), is presented in separate section forming part of Annual report. The report provides strategic direction and a more detailed analysis on the performance of the Company and its Outlook.

#### 10. Auditors' report

The qualifications/observations and comments given in the report of the Auditors read together with notes to accounts

are self explanatory and explained / clarified wherever necessary, hence no further information and explanation is required under Section 217(3) of the Companies Act, 1956.

### 11. Auditors

M/s Rajvanshi & Associates, Chartered Accountants, existing Statutory Auditors will retire at the conclusion of the ensuing Annual General Meeting and have expressed their unwillingness to their re-appointment as Statutory Auditors of the Company for the Financial Year 2013-14.

Accordingly, the Audit Committee and the Board of Directors of the company have recommended the appointment of M/s Deloitte Haskin and Sells, Chartered Accountants, Delhi as Statutory Auditors of the Company for the Financial Year 2013-14. The Company has received a certificate from M/s Deloitte Haskin and Sells, Chartered Accountants to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the Companies Act, 1956.

### 12. Cost Auditor

Pursuant to the direction from the Ministry of Corporate Affairs for appointment of Cost Auditors, your Board has appointed M/s HMVN & Associates, as the Cost Auditor of your Company for the financial year 2013-14 to conduct the audit of the cost records of the Company. They were also the cost auditor for the previous year ended 31st March, 2013. The cost audit report is required to be filed within 180 days from end of financial year.

### 13. Share Capital

The Company has made Allotment of 27552 Equity Shares of ₹ 2 each to the Employees of the Company and its subsidiaries upon exercise of an equal number of stock options granted to them pursuant to the Stock Option Scheme of the Company.

In view of the above allotment, the outstanding shares of the Company during the year has increased from 6,81,00,000 equity shares of ₹ 2 each to 6,81,27,552 equity shares of ₹ 2 each.

### 14. Directors

Mr. Dinesh Kumar Govil, Director of the Company, retires from the Board by rotation and being eligible offer himself for re-appointment.

Further Mr. Rajat Agrawal , Managing Director and Mr. Rajeev Surana, Whole-time Director of the Company have been re-appointed for a further period of 3 Years w.e.f 26.09.2012.

A brief Resume of Mr. Dinesh Kumar Govil, Mr. Rajat Agrawal and Mr. Rajeev Surana along with the additional information required under Clause 49 (IV) (G) of the Listing Agreement, is given in the notes to the Notice of the ensuing Annual General Meeting.

### 15. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

- i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- ii) They have selected such Accounting Policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit and loss of the Company for that period;
- iii) To the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) They have prepared the Annual Accounts on a Going Concern basis.

### 16. Subsidiary Companies

The Ministry of Corporate Affairs, Government of India has vide Circular No. 2/2011 dated 8th February, 2011 granted general exemption subject to fulfillment of certain conditions from attaching the Balance Sheet of the Subsidiaries to the Balance Sheet of the Company without making an application

for exemption. Accordingly, the Balance Sheet, the Statement of Profit and Loss and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. Financial information of the Subsidiary Companies is disclosed in the Annual Report under Statement pursuant to Section 212 of the Companies Act, 1956.

The Consolidated Financial Statements of the Company and its Subsidiaries prepared in accordance with Accounting Standard (AS) 21 issued by the Institute of Chartered Accountants of India (ICAI) forms a part of the Annual Report.

### 17. Listing Fees

The Shares of the Company are listed on the National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Limited (BSE) and the Listing Fee for the Year 2013-14 has been duly paid.

### 18. Fixed Deposit

The Company has not accepted any Fixed Deposits from public, shareholders or employees during the year under report.

### 19. Corporate Governance

The Company has vigorously striven to follow the best Corporate Governance practices aimed at building trust among the key stakeholders, shareholders, employees, customers, suppliers and other stakeholders on four key elements of corporate governance - transparency, fairness, disclosure and accountability.

The Compliance Report on Corporate Governance and a certificate from Auditors of the Company regarding compliance of the conditions of Corporate Governance, as

stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is attached and forms part of this report. Certificate of the CEO/CFO, inter alia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the Internal Control measures and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is attached in the Corporate Governance Report and forms part of this report.

### 20. Particulars of Employees

The Company did not have any employee drawing remuneration specified under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011, and therefore no particulars are required to be furnished.

### 21. Disclosures regarding ESOPs

The members of the Company at its Annual General Meeting held on 27th July 2011 had approved the issue of Stock Options to eligible employees/directors of the Company and its subsidiaries. Accordingly, the Board at their meeting held on 10th August 2011 approved the "Gravita ESOP 2011" Scheme. The Compensation Committee formed to govern the Gravita ESOP 2011 Scheme approved first grant of options to eligible employees/directors of the Company on 23rd September 2011 effective from 1<sup>st</sup> October 2011. The Committee approved second grant of Options to eligible employees on 5<sup>th</sup> July, 2012. The details of ESOPs pursuant to clause 12 of SEBI (ESOP & ESPS) Guidelines, 1999 are disclosed hereunder:

#### Disclosure regarding Grants under Gravita Employees Stock Option Plan 2011

Sr. No.	Particulars	First Grant (Effective date being 1st October, 2011)	2nd Grant (Effective date being 5th July, 2012)
a)	Options granted	400380	31000
b)	The pricing formula	` 2/- per share*	` 2/- per share
c)	Options vested	28446	Nil
d)	Options exercised	27552	Nil
e)	The total number of shares arising as a result of exercise of option	27552	Nil
f)	Options lapsed	162910	3500

Disclosure regarding ESOPs in Directors Report 2013 (Contd.)

Sr. No.	Particulars	First Grant (Effective date being 1st October, 2011)	2nd Grant (Effective date being 5th July, 2012)
g)	Variation of terms of options	Nil	Nil
h)	Money realized by exercise of options	55104	Nil
i)	Total number of options in force	237470**	27500
j)	Employee wise details of options granted to		
	• <b>Senior Managerial Personnel</b>		
	Navin Prakash Sharma	22500	-
	Gopal Agarwal	10000	-
	Sandeep Chaudhary	15000	-
	Krishan Gopal Gupta	17500	-
	Sunil Kansal	17500	-
	Kamal Singh	17500	-
	V S Tanwar	25000	-
	Yogesh Malhotra	-	22500
	• Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	Nil	Nil
	• Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	Nil
k)	Diluted Earnings Per Share(EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard 20 'Earnings Per Share'	2.63	2.63
l)	Method of Calculation of Employee Compensation Cost	Intrinsic Value Method	
m)	Difference between the employee compensation cost so computed at point (l) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options (in Lacs) is as under:	` 0.63 lacs	

Disclosure regarding ESOPs in Directors Report 2013 (Contd.)

Sr. No.	Particulars	First Grant (Effective date being 1st October, 2011)	2nd Grant (Effective date being 5th July, 2012)
n)	The impact of this difference on profits and on Earnings Per Share of the Company.	The effect on the profits and earnings per share, had the fair value method been adopted, is presented below:	
		Profit after tax	₹ in Lacs
		As reported	1,797.88
		Add: Intrinsic Value Compensation Cost	67.64
		Less: Fair Value Compensation Cost	68.27
		(Binomial Pricing Model)	
		Adjusted Profit	1,797.25
	Earnings Per Share	Basic (₹)	Diluted (₹)
	As reported	2.64	2.63
	As adjusted	2.64	2.63
o)	Weighted-average Exercise price granted during April 2011 to March 2012	₹ 10/-	
	Weighted-average Exercise price granted during April 2012 to March 2013	₹ 2/-	
	Weighted-average fair value of options outstanding as on 31st March 2012	₹ 75.57	
	Weighted-average fair value of options outstanding as on 31st March 2013	₹ 84.08	
	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Binomial Pricing Model	
	• risk-free interest rate	7.50%	
	• expected life (in years)	5	
	• expected volatility	57.15%	
	• expected dividends	NA	
p)	• The price of the underlying share in market at the time of option grant.	₹ 76.95 ##	₹ 176.20

\* on 23rd September 2011 the options under first grant were issued against 1 share of ₹ 10/- each. Subsequently in May 2012, the shares of the Company were sub-divided from 1 share of ₹ 10 each to 5 shares of ₹ 2 each. Accordingly all the number of options of first grant have been adjusted by multiplying them by 5.

\*\* This is total no of live options. Of it 27552 options have been exercised during the year.

## The market price of share has been divided by 5 consequent to sub division of shares

## 22. Energy Conservation, Technology Absorption and Foreign Exchange Earnings

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given as Annexure to the Directors' Report.

## 23. Consolidated Financial Statements and Cash Flow Statement

As stipulated by Clause 32 of the Listing Agreement, the Consolidated Financial Statements were prepared by the Company in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the same together with the Auditor's Report thereof form part of the Annual Report.

## 24. Insider Trading Prevention Code

The Company has adopted a Code of Conduct and Insider Trading Code for its senior management, designated employees including the Board of Directors. The Insider

Trading Code was amended during the year and the revised Code widens the coverage of definition of 'Insider' coupled with addition of more definitions and change in limits of pre-dealing approvals, whilst retaining the ethos of the Gravita brand and reputation. Both these codes are available on the Company's website.

## 25. Note of Appreciation

The Directors express their appreciation for the sincere co-operation and assistance of Government authorities, bankers, customers and suppliers and business associates. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees. Your Directors acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board

(Rajat Agrawal)  
*Managing Director*

(Rajeev Surana)  
*Whole Time Director*



# Annexure to the Directors' Report

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURES OF PARTICULARS IN REPORT OF BOARD OF DIRECTORS) RULES, 1988 FOR THE YEAR ENDED 31ST MARCH 2013

## I. Conservation of Energy:

### a) Energy Conservation measures taken:

The Company has taken appropriate steps and made necessary arrangements to conserve and optimize the use of Energy through improved operational methods and other means. The major Energy Consumption Measures taken by the company includes:

- Installation of VFD
- Installation of LED Lights
- Turbo Ventilators

### b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

The Company is making constant efforts to locate all the

possible areas where additional investment can be considered for conservation of energy. The Company has entered into an agreement with CII Chandigarh for Energy Audit of all equipments of the Company for optimum utilization of the available resources of Energy and to reduce the wastages.

### c) Impact of the measures taken above and consequent impact on the cost of production of goods:

The above measures have helped in environment protection and sustenance and also resulted in reduction of the cost of production.

### d) Total energy consumption and energy consumption per unit of production:

## FORM A

A. Power & Fuel Consumption	Current Year 2012-13	Previous Year 2011-12
<b>1. Electricity</b>		
a) Purchased		
- Unit	4,60,412	3,68,628
- Total Amount (₹)	28,38,171	19,68,777
- Rate/Unit (₹)	6.16	5.34
b) Own Generation		
Through Diesel Generator:		
- Units produced	1,41,196	1,53,151
- Units per litre of Diesel Oil	4.63	4.63
Total Amount (₹)	11,70,436	11,96,106
Rate per Unit (₹)	8.29	7.81
<b>2. Coal (Used in Furnace)</b>		
Char Coal for Furnace		
Quantity (Kgs)	4,85,432	263,775
Total Amount (₹)	66,02,149	42,85,626
Average Rate	13,601	16,247

A. Power & Fuel Consumption		Current Year 2012-13	Previous Year 2011-12
3. MET Coke			
-	Quantity (Kgs)	13,162	15,034
-	Total Amount (₹)	1,30,896	1,48,767
-	Average Rate	9,945.00	9,895.36
4. Pet Coke			
-	Quantity (Kgs)	91,391	4,657
-	Total Amount (₹)	6,41,022	35,615
-	Average Rate	7,014	7,648
5. Furnace oil			
-	Quantity (Litres)	3,95,659	2,98,095
-	Total Amount (₹)	1,59,88,079	1,09,31,143
-	Average Rate	40.41	36.67
B. Consumption Per Unit of Production		Current Year 2012-13	Previous Year 2011-12
(i) Actual Production (MTs)			
(ii) Consumption per MT of Production		13,162	15,034
Electricity	KWH/MT	72.12	89.56
Coal (Used in Furnace)	Kg/MT	58.19	45.28
MET Coke	Kg/MT	1.58	2.58
PET Coke	Kg/MT	10.96	0.80
Furnace Oil	Ltr/MT	47.43	51.17

## II. Technology Absorption

### FORM B

#### Research & Development (R & D)

#### 1. Specific Areas in which R & D carried out by the Company

The Company is having an ongoing process of Research & Development where regular studies and exploration is carried out for introduction of new products and minimization of by-production of waste during the various processes. Besides this, the Company has a Quality Control Department equipped with well experienced/quality

personnel and latest sophisticated machines to monitor and ensure consistency in quality and adherence to quality standard norms.

**VFD at Blower Motor:** - The company has implemented VFD at Blower Motor mechanism for controlling the speed of induced draft fan, a single loop control is proposed where at the suction in the flue gas path shall be measured with the help of a pressure transmitter and corrective signal shall be transferred to the variable frequency drive (VFD) for changing the speed of the fan as per actual requirement. This will lead to saving in power consumption for the induced draft fan.

2. Benefits derived as a result of the R & D
  - Reduced cost of production
  - Improved the quality of products
  - Enhanced brand building & gained a reputation as an innovative business
  - Attracted the best employees through our enhanced reputation
  - Found new business partners hips
  - Attracted external finance
3. Future Plan of Action
 

**Ingot stacking machine:** - For automatically stacking of ingot collected by ingot casting machine. By use of this labour involvement would reduce remarkably from 6-7 labours to one labour.

#### Technology Absorption, Adaption and Innovation

##### 1. Efforts made & benefits derived towards improvement in technology of Machines and Equipments

**Coal fired burner:** - Rotary furnace heating is done by burning of furnace oil through furnace oil burner. In place of furnace oil burner, coal fired burner is installed at Rotary furnace where fine coal powder is injected into it with air in furnace which burn like fuel oil. With the use of coal fired burner, cost of production from Rotary furnace reduced remarkably.

##### 2. Technology Imported : Nil

### III. Foreign Exchange Earnings & Outgo

The Details with regard to Foreign Exchange Earnings & Outgo are as under:

Particulars	( In lacs)	
	Current Year 2012-13	Previous Year 2011-12
A) Foreign Exchange earnings (F.O.B. Value)	12048.67	11015.30
B) Foreign Exchange Outgo		
1. Import of Raw Material	16,312.79	8708.40
2. Expenditure on		
- Travelling	0.84	4.14
- Others	154.39	98.89



# Report on Corporate Governance

## Company's Philosophy on Corporate Governance

The Company adheres to good corporate governance practices and is constantly striving to better them and adopt emerging best practices. It is believed that adherence to business ethics and commitment to Corporate Social Responsibility would help the Company to achieve its goal of maximizing value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a global leader as complete Lead solutions provider in Secondary Lead Segment, while upholding the core values of excellence, integrity and responsibility, which are fundamental to the Gravita Group.

Being Parent Company of the Gravita Group, Gravita India Ltd (herein after 'GIL' or 'the Company') has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct and Insider Trading Code for its Senior Management, Designated Employees including the Board of Directors. The Insider Trading Code was amended during the year and the revised Code widens the coverage of

definition of 'Insider' coupled with addition of more definitions and change in limits of pre-dealing approvals, whilst retaining the ethos of the Gravita brand and reputation. Both these codes are available on the Company's website.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement with Stock Exchanges, the details are set out below:

## Board of Directors

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board and to separate its functions of Governance and Management. The Board of Directors comprises of total 6 Directors divided into 3 Executive and 3 Non Executive and Independent Directors. The Composition of the Board is in line with the requirements of Clause 49 of the Listing Agreement.

The names and category of the Directors on the Board, their attendance at Board Meetings during the year and also the number of Directorships and Committee Memberships held by them in other Companies are given below:

Name	Category	Whether Attended AGM held on 6th August 2012	No of Directorships# in other Public companies as on 31.03.2013	No. of committee positions held in other Public Companies as on 31.03.2013	
				Chairman	Member
Dr. Mahavir Prasad Agarwal	Executive & Promoter	Yes	3	NIL	NIL
Mr. Rajat Agrawal	Executive and Promoter	Yes	3	NIL	NIL
Mr. Rajeev Surana	Executive and Promoter	Yes	2	NIL	1
Mr. Dinesh Kumar Govil	Non-Executive Lead Independent	Yes	2	2	NIL
Mr. Yogesh Mohan Kharbanda	Non-Executive Independent	No	1	NIL	1
Mr. Arun Kumar Gupta	Non-Executive Independent	No	NIL	NIL	NIL

#Directorship does not include Directorships held in Private and Foreign Companies.

##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.

### Board Meetings

Dates of Board meetings are fixed in advance and agenda is circulated generally one week before the meeting by Company Secretary to the Board Members along with comprehensive background information on the items in the agenda to enable Board to deliberate on relevant points and arrive on informed decision. All relevant information related to the

working of the Company, including the information required as per Listing Agreement is made available to Board. Apart from physical meetings, the Board also considers and approve certain matters by circular resolutions, which are put before the next Board Meeting for information and ratification of the Board. The attendance record of Board meetings held during the year 2012-13 is as follows:

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1	May 11th, 2012	6	4
2	May 25th, 2012	6	5
3	July 25th, 2012	6	4
4	August 06th, 2012	6	4
5	August 17th, 2012	6	4
6	October 23rd, 2012	6	4
7	October 31st, 2012	6	4
8	January 28th, 2013	6	5
9	March 05th, 2013	6	4

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

Name of Director	Board Meetings held during the year	Meetings Attended	Whether present at Last AGM (held on 6th August 2012)
Dr. Mahavir Prasad Agarwal	9	9	Yes
Mr. Rajat Agrawal	9	9	Yes
Mr. Rajeev Surana	9	8	Yes
Mr. Dinesh Kumar Govil	9	9	Yes
Mr. Yogesh Mohan Kharbanda	9	1	No
Mr. Arun Kumar Gupta	9	2	No

The Company had adopted the Code of Conduct for all Directors and Senior Management Personnel of the Company, which is available on the website of the company at [www.gravitaindia.com](http://www.gravitaindia.com). The Code is applicable to all the Board members and Senior Management Personnel. Further, all the Board members and Senior Management Personnel (as per Clause 49 of the Listing Agreement) have affirmed the compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director forms part of this report.

### Audit Committee

The Audit Committee of the Company is formed in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies

Act, 1956. Mr. Dinesh Kumar Govil is the Chairman of Audit Committee. All the members of Audit Committee are financially literate and possess thorough knowledge of accounting principles.

Mrs. Leena Jain Company Secretary of the Company acted as Secretary to the Audit Committee.

Dates of Audit Committee Meetings held during the year 2012-13:

- May 25th, 2012
- July 31st, 2012
- August 17th, 2012
- October 30th, 2012
- January 28th, 2013

Composition of Audit Committee and Attendance:

Name of Member	Composition as on March 31st , 2013	Number of Meetings held during the year	No of Meetings At-tended
Mr. Dinesh Kumar Govil	Chairman	5	5
Mr. Yogesh Mohan Kharbanda	Member	5	1
Mr. Arun Kumar Gupta	Member	5	4

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 included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;

- 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.

### Remuneration Committee

Composition: The Company's Remuneration Committee comprises of three Non-executive and Independent Directors.

During the financial year 2012-13 the Remuneration Committee met one time on July 31st, 2012.

### Remuneration Policy

The remuneration of Executive/Non-Executive Directors is governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards.

### Details of Remuneration paid to Directors during 2012-13

(Amount in `)

Name of Director	Designation	Salary and other Allowances	Stock Options	Total
Dr Mahavir Prasad Agarwal	Chairman	36,00,000	Nil	36,00,000
Mr. Rajat Agrawal	Managing Director	36,00,000	Nil	36,00,000
Mr. Rajeev Surana	Whole-Time Director	24,00,000	Nil	24,00,000

#### Notes:

1. The Company does not have any pecuniary relationship with any Non-Executive Independent Directors except for reimbursement of travelling expenses to the Directors for attending Board Meeting. No sitting fee is paid for attending the meetings of Committees of Directors.
2. None of the Independent Directors have any shareholding of the Company.

## Shareholders' / Investors' Grievance Committee

### Composition

The Company has a Shareholders' / Investors' Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc.

The Committee comprises of three Directors including Non-Executive Independent Director, Mr. Dinesh Kumar Govil, who chair the Committee.

### No. of Meetings

The Committee met 2 (Two) times during the financial year 2012-13 viz. May 30th, 2012 and January 2nd 2013.

### Details of Composition as well as Attendance record of the Shareholders' / Investors' Grievance Committee Meetings held during 2012-13

Name of Members	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. Rajeev Surana	Member	2	2

### Terms of Reference

The role of Shareholders 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, Company Secretary is the Compliance Officer for complying with the requirements of Securities Laws and the Listing Agreements with the Stock Exchanges in India.

### Status of Investor Complaints

The Company received 33 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, 2013.

The majority of complaints were regarding non-receipt of dividend warrants and/or Non-receipt of the refund of the money invested in the IPO.

### Compensation Committee

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

### No. of Meetings

The Committee met 2 (Two) times during the financial year 2012-13 namely May 21st, 2012 and July 5th 2012.



#### Details of Composition as well as Attendance record of the Compensation Committee Meeting held during 2012-13

Name of Members	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	2	2
Mr. Rajat Agrawal	Member	2	2
Mr. Yogesh Mohan Kharbanda	Member	2	Nil

#### Terms of Reference

The role of Compensation Committee involves:

- The quantum of Options to be granted under the Gravita ESOP 2011 per Eligible Employee and in the aggregate;
- The time and manner in which the Options are to be Granted;
- The number of tranches in which the Options are to be Granted, the number of Options to be Granted in each such tranche and the determination of Eligible Employees to whom the Options are to be granted;
- The criteria for determining the number of Options to be granted to each Eligible Employee;
- The assignment of weightage and such other criteria as may be determined by the Board to grade each Eligible Employee;
- The terms and conditions subject to which the Options Granted would vest in each Eligible Employee and the Vesting Period;
- The terms and conditions subject to which and the time period within which the Options vested shall be exercised by the Eligible Employee;
- The Exercise Price for each Option;
- The number of Options to be apportioned/allocated for various grades of Eligible Employees;
- The number of Options to be granted to each Eligible Employee;
- Obtaining permissions from, making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable to the Gravita ESOP 2011;
- Framing appropriate procedures and policies for granting, vesting and exercising of Options.
- The number of Options reserved, if any, for Grant to new employees and directors who provide services to the Company in future and become Eligible Employees;

- The Exercise Period within which an Eligible Employee should Exercise an Option and that Option would lapse on failure to Exercise the Option within such Exercise Period;
- The specified time period within which an Eligible Employee shall Exercise the Vested Options in the event of termination or resignation of such Eligible Employee;
- Procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of corporate actions;
- Conditions under which an Eligible Employee shall have the right to exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
- Conditions under which Vesting under the Gravita ESOP 2011 shall be accelerated at the discretion of the Board;
- Treatment of Unvested Options upon termination of employment, or upon a Director ceasing to hold office;
- Stipulating necessary guidelines and/or requirements for any mandatory Exercise of Options by the Eligible Employees;
- The grant, vest and exercise of Option in case of Eligible Employees who are on long leave or are guilty of misconduct or violation of Company's policies; and
- Procedure for cashless exercise of options.

#### Investment Committee

An Investment Committee was constituted on 10th August, 2011. The Committee comprises of three Directors all of whom are Executive Directors.

#### No. of Meetings

During the financial year 2012-13, 6 (six) Investment Committee meetings were held on the following dates:

- May 08th, 2012
- June 27th, 2012
- September 12th, 2012
- December 26th, 2012
- January 2nd, 2013
- February 21st, 2013

#### Details of Composition as well as Attendance record of the Investment Committee Meetings held during 2012-13

Name of Members	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Rajat Agrawal	Member	6	5
Mr. Rajeev Surana	Member	6	6
Dr. Mahavir Prasad Agarwal	Member	6	6

#### Terms of Reference

The role of Investment Committee involves:

- 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.

#### 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.	18th AGM	15.09.2010	11.00 A.M.	"Saurabh Farms", Chittora Road, Harsulia Mod, Diggi-Malpura, Tehsil-Phagi, Jaipur	Nil
2.	19th AGM	27.07.2011	04.30 P.M.	Fortune Park, Bellacasa, Cityplex, 1 Ashram Marg, Tonk Road, Jaipur-302018	6
3.	20th AGM	06.08.2012	11.30 A.M.	"Saurabh Farms", Chittora Road, Harsulia Mod, Diggi-Malpura, Tehsil-Phagi, Jaipur	Nil

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

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

During the year under consideration, pursuant to the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, resolutions through Postal Ballot in respect of the following special business were passed on 11th May 2012:-

- 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 ` 10/- (Rupees Ten) each be sub-divided into five equity shares

of the face value of ` 2/- (Rupees Two) each- Passed as an Ordinary Resolution

- For alteration of Capital Clause of the Company- Passed as an Ordinary Resolution
- For change in Investment plans of the Company from IPO funds- Passed as a Special Resolution

The Company had appointed Mr. Pradeep Pincha, Practising Company Secretary, as Scrutinizer for conducting the entire Postal Ballot process, who submitted his Report to the Managing Director after completing the scrutiny and the

result of the voting by Postal Ballot was declared on Thursday, 11th May 2012 at 4.00 p.m. at the Corporate Office of the Company. The date of declaration of result was deemed to be date of passing of the said Resolution. The result of the postal

ballot was also displayed at website of the Company (www.gravitaindia.com). A synopsis of the results submitted by the scrutinizer are as follows:

Particulars	Resolution No. 1			Resolution No.2			Resolution No.3		
	No. of Postal Ballot Forms	No. of Shares	% of Total Paid up Equity Capital	No. of Postal Ballot Forms	No. of Shares	% of Total Paid up Equity Capital	No. of Postal Ballot Forms	No. of Shares	% of Total Paid up Equity Capital
Total Postal Ballot Forms received	75	10031719	73.65	75	10031719	73.65	75	10031719	73.65
Less: Invalid Postal Ballot Forms (as per register)	12	425	0.003	12	425	0.003	12	425	0.003
Net valid Postal ballot Forms (as per register)	63	10031294	73.65	63	10031294	73.65	63	10031294	73.65
Postal Ballot Forms - in favour of the resolution	63*	10031292	73.65	61*	10031262	73.65	61*	10031237	73.65
Postal ballot Forms -against the resolution	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Neutral (Blank)	1*	2	Negligible	3*	32	Negligible	3*	57	Negligible

\*1 shareholder out of total 63 valid voters, voted for 3 shares only out of his holding of 5 shares.

### Pledge of Shares

No Pledge has been created over the Equity Shares held by the Promoters and/or Promoters Group Shareholders as on 31<sup>st</sup> March 2013.

### Review of legal compliance reports

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 review the compliance status and report 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.
- **CEO and CFO Certification:** The certificate required under clause 49(V) of the Listing Agreement duly signed by the Managing Director and General Manager (Finance) was placed before the Board and the same is also provided with this report.
- **Compliance with the mandatory requirements of**

**Clause 49 of the Listing Agreement:** The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under the Listing Agreement. The Company has also obtained a certificate affirming the compliances from M/s Rajvanshi & Associates, Chartered Accountants, the Statutory Auditors of the Company and the same is attached to this Report.

### Means of Communication

- The quarterly, half-yearly and annual results are published in either 'Business Standard' or 'Mint' in English (Delhi Edition), and in 'Nafa Nuksan' (Vernacular) in Hindi.
- The results are also posted on the Company's website www.gravitaindia.com
- The Company's Results and other Corporate Announcements are regularly sent to the BSE Limited and National Stock Exchange of India Limited.
- These Results are not sent individually to the Shareholders.
- The in-house quarterly newsletter of the Company namely 'Gravita Focus' is sent to shareholders also.
- All price sensitive information is immediately informed to Stock Exchanges before the same is communicated to general public through press releases, if any.
- **News Releases, Presentations, etc.:** 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 also 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 2012-13. 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 2013

Date	July 29th, 2013
Venue	Saurabh Farms, Chittora Road, Harsulia Mod, Diggi Malpura, Tehsil-Phagi, Jaipur- 303904 (Raj)
Time	11.30 a.m.
Financial Year	2012-13
Book Closure Dates	Wednesday, July 24th, 2013 to Monday, July 29th 2013 (Both days inclusive)
Rate of Dividend	15% (₹ 0.30 per share)
Date of Payment	Between 3 <sup>rd</sup> August 2013 to 27 <sup>th</sup> August 2013

**b) Tentative Financial Calendar (For FY 2013-14)**

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 2013-14.

**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

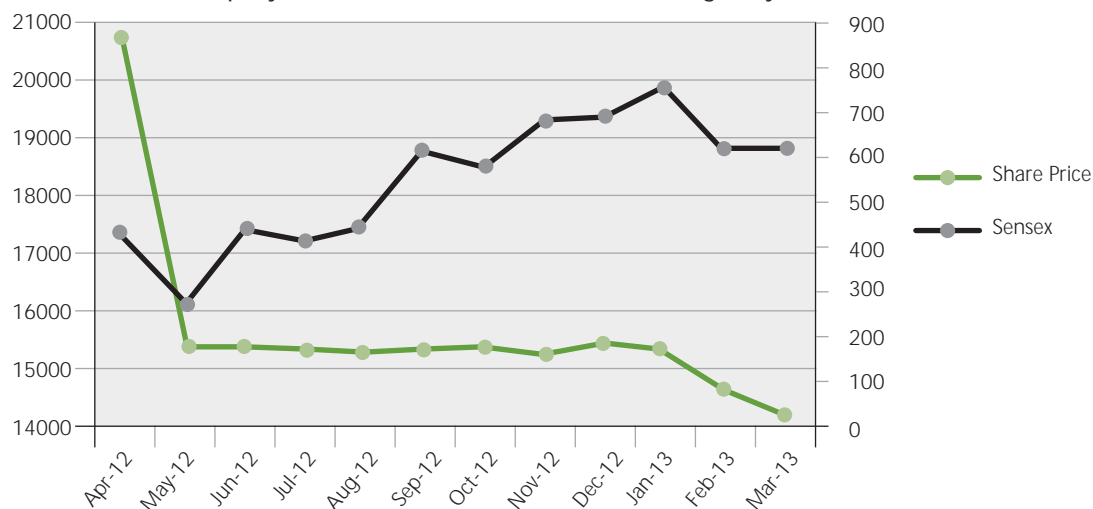
**e) Stock Market Data**

**i. Market price data for the Financial Year 2012-13:**

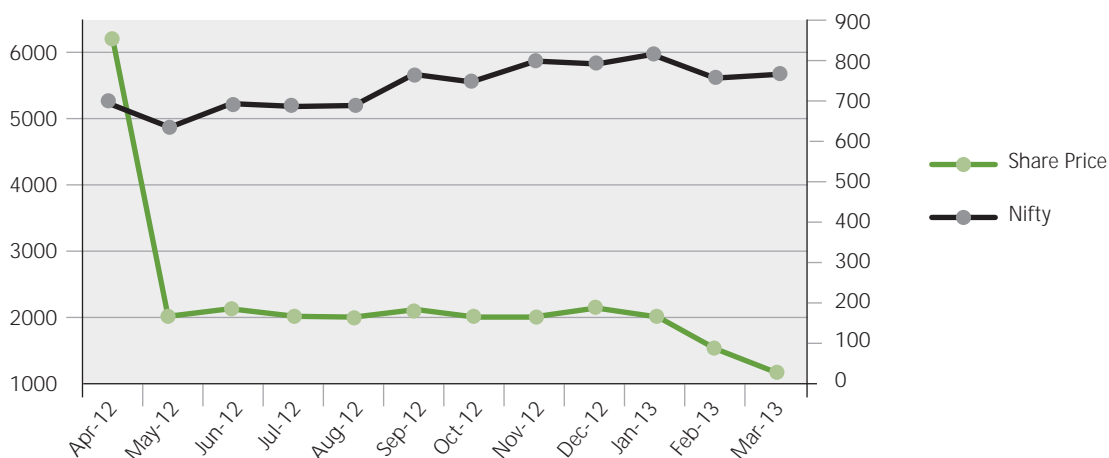
Year and Month	BSE			NSE		
	High (₹)	Low(₹)	Volume in '000 (in No.)	High (₹)	Low(₹)	Volume in '000 (In No)
April 2012	892.70	659.95	4628.180	892.20	660.05	8220.006
May 2012*	910.80	172.05*	4379.476	911.00	172.05*	5498.596
June 2012	193.25	165.15	7363.189	193.35	165.00	9202.785
July 2012	<b>204.50</b>	167.15	6020.954	<b>204.50</b>	166.90	8835.506
Aug 2012	187.00	159.95	5297.135	187.00	160.05	6051.797
Sept 2012	184.50	157.65	4956.493	184.65	135.00	6201.892
Oct 2012	181.60	164.10	4119.882	181.50	162.60	4763.800
Nov 2012	181.00	165.00	2122.556	180.70	165.30	2206.535
Dec 2012	185.90	163.40	4230.246	185.50	160.65	4945.620
Jan 2013	191.75	163.20	3030.425	191.65	163.55	3383.967
Feb 2013	168.90	88.05	2603.960	169.00	88.00	2967.367
March 2013	79.25	<b>30.15</b>	1054.308	79.20	<b>30.10</b>	1316.916

\*In May 2012, the Company sub-divided its share price from ₹ 10/- per share to ₹ 2/- per share. Accordingly the Share Prices have been adjusted to one-fifth.

ii. Performance of the Company's Share Price vis-à-vis BSE Sensex during the year 2012-13



iii. Performance of the Company's Share Price vis-à-vis NSE Nifty during the year 2012-13



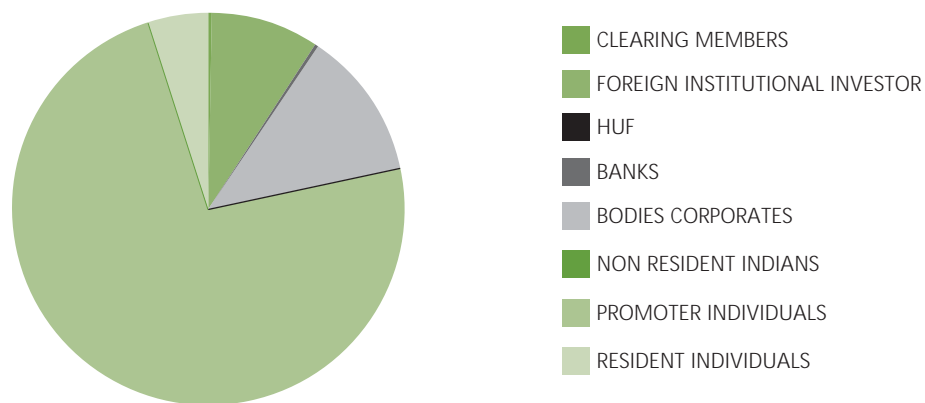
f) Distribution Schedule as on 31st March, 2013

Nominal Value of Each Equity Share is ` 2/-

No. of Equity Shares Held	No. of Share Holders	% of Share holders	No. of Shares	Amount (In `)	% of Total Shares
0001-5000	2916	93.53	499306	998612.00	0.73
5001-10000	35	1.12	132474	264948.00	0.19
10001-20000	40	1.28	308674	617348.00	0.45
20001-30000	20	0.64	245720	491440.00	0.36
30001-40000	13	0.42	226394	452788.00	0.33
40001-50000	2	0.06	43745	87490.00	0.07
50001-100000	31	0.99	1140330	2280660.00	1.67
100001 & Above	61	1.96	65530909	131061818.00	96.20
<b>TOTAL</b>	<b>3118</b>	<b>100.00</b>	<b>68127552</b>	<b>136255104.00</b>	<b>100.00</b>

**g) Shareholding Pattern as on 31st March, 2013**

Category	No. of Shares	Percentage
Clearing Members	206762	0.30
Foreign Institutional Investor	6195834	9.09
H U F	87274	0.13
Banks	113720	0.17
Bodies Corporates	8165488	11.99
Non Resident Indians	11199	0.02
Promoter Individuals	50056000	73.47
Resident Individuals	3291275	4.83
<b>Grand Total</b>	<b>6,81,27,552</b>	<b>100.00</b>



**h) 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.

**i) Corporate Identification Number (CIN)**

All the forms, returns, balance sheets, charges and all other documents, papers etc filed by the Company with the Registrar of Companies are available for inspection at the official website of Ministry of Corporate Affairs [www.mca.gov.in](http://www.mca.gov.in) under the Company's CIN: L29308RJ1992PLC006870.

**j) Subsidiary Companies**

The Company does not have a material non listed Indian Subsidiary Company, whose Turnover or Net worth exceeds

20% of the consolidated turnover or Net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year, in terms of Clause 49(iii) of the Listing Agreement.

**k) Reconciliation of Share Capital Audit**

A Qualified Practising 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 is in agreement with the total number of shares admitted in the Demat form with Depositories and that listed on Stock Exchanges.

#### **l) 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 31<sup>st</sup> March 2013 and the promoters holding of 73.47% is completely held in the dematerialized form as on 31<sup>st</sup> March 2013. The Company's Equity Shares are regularly traded on the Bombay Stock Exchange and National Stock Exchange in dematerialization form. Under the Depository system, the International Security Identification Number (ISIN) allotted to the Company's shares is INE024L01027.

#### **m) Green Initiative In Corporate Governance**

Pursuant to Circular No. 17/2011 dated 21<sup>st</sup> April 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. Your Company encourages the shareholders to register their e-mail addresses with the Company or its Registrar & Transfer Agent, KARVY COMPUTER SHARE PRIVATE LIMITED, if the shares are held in physical form and those holding shares in demat form may get their email addresses updated with the Depository Participants (DP).

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

The Company has not issued GDRs / ADRs/ Warrants or any other instruments which is convertible into Equity Shares of the Company during 2012-13.

#### **o) Address for Correspondence**

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

Registrar and Share Transfer Agents

Mr. M. S. Madhusudhan

General Manager

Karvy Computer Share Pvt Ltd

Plot No. 17-24, Vittal Rao Nagar,

Madhapur, Hyderabad – 500 081 Tel. : 040- 2342 0814

Email: einward.ris@karvy.com

Web site: www.karvy.com

For any further assistance, the Shareholder 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,

Tehsil – Phagi, Jaipur – 303 904, Rajasthan, India

Tel. 09928070682

Email: works@gravitaindia.com, info@gravitaindia.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

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

#### **p) Plant Locations**

i. 'Saurabh', Chittora Road, Harsulia Mod, Diggi – Malpura, Tehsil – Phagi, Jaipur –303 904, Rajasthan, India.

ii. Plot No. 322, Mithirohar Industrial Estate, Mithirohar, Taluka Gandhidham, Gujarat.

iii. Plot No. PA-011-006, Mahindra SEZ, Village Kalwara, Tehsil Sanganer, Distt. Jaipur.



## DECLARATION regarding compliance by Board members and senior management personnel with the Company's Code of Conduct

I, Rajat Agrawal, Managing Director of Gravita India Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company, applicable to them as laid down by the Board of Directors in terms of Clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2013.

For Gravita India Limited

Sd/-

(Rajat Agrawal)  
*Managing Director*

Date: 24<sup>th</sup> June, 2013

Place: Jaipur

# CEO/CFO Certification

Date: 28<sup>th</sup> May 2013

To,

The Board of Directors

Gravita India Limited

Jaipur.

We, Rajat Agrawal, Managing Director & CEO and Sunil Kansal (General Manager Finance & Accounts) [Head of Finance function and a qualified Chartered Accountant], of Gravita India Limited, on the basis of review of Financial Statements and Cash Flow Statements for the year ended 31st March 2013 and to the best of our knowledge and belief, hereby certify that:

1. These Statements do not contain any materially untrue statements 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;
3. 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;
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have

evaluated the effectiveness of internal control system 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;

5. We have indicated to the Auditors and the Audit Committee:
  - a. Significant Changes in internal Control over financial reporting during the year;
  - b. Significant Changes in Accounting Policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
  - c. Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

*For Gravita India Limited*

*Sd/-*

**Rajat Agrawal**  
*Managing Director*

*For Gravita India Limited*

*Sd/-*

**Sunil Kansal**  
*General Manager (Finance & Accounts)*

# Auditor's Certification

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 March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For Rajvanshi & Associates  
Chartered Accountants  
Firm Regn. No.: 005069C

Place: Jaipur  
Date: 24<sup>th</sup> June, 2013

Sd/-  
**Vikas Rajvanshi**  
*Partner*  
Membership No: 073670



## Independent Auditor's Report

To The Members of  
**Gravita India Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of **Gravita India Limited** which comprise the Balance Sheet as at 31<sup>st</sup> March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of Statement of Profit & Loss, of the profit of the Company for the year ended on that date and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
  - c. The Balance Sheet Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the returns from the branches;
  - d. In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956: and
  - e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2013, from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.

**For Rajvanshi & Associates**

*Chartered Accountants*

Firm Regn. No. : 005069C

**Vikas Rajvanshi**

*Partner*

Membership No. : 073670

Place : Jaipur

Date : 28<sup>th</sup> May 2013

## Annexure to the Auditor's Report

(Referred to in paragraph 3 of our report of even date)

1. In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
  - (b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification, as per the explanations provided to us.
  - (c) In our opinion and according to the information and explanation given to us, there is no substantial disposal of fixed assets during the year.
2. In respect of its inventories:
  - (a) As explained to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. As explained to us no material discrepancies were noticed on verification between the physical stocks and the book records.
3. In respect of loans secured or unsecured, taken or granted by the Company to/from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956:
  - a) As per information and explanations provided to us, the Company has given following loans :

(` in Lacs)

Name	Nature	Loan Given	Maximum Amount outstanding during the year	Balance as on 31st March, 2013
Gravita Ghana Limited	Subsidiary	832.00	832.00	72.47
Gravita Senegal SAU	Subsidiary	579.00	579.00	520.32
Gravita Exim Limited	Subsidiary	1854.00	1,060.18	769.23
Noble Build Estate Private Limited	Subsidiary	200.00	209.23	204.62
Gravita Energy Limited	Subsidiary	0.75	5.68	2.59

- b) In our opinion, the rate of interest, where applicable and other terms & conditions on which loans have been given to the parties listed in the register maintained u/s 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
- c) In our opinion and according to the information and explanations given to us the receipt of the principal amount and interest as per terms of the agreement are regular. No Interest has been charged from Gravita Energy Ltd.
- d) The loan is receivable on demand hence there is no overdue amount in excess of ` 1 Lacs in respect of loans granted to companies, firms or other parties listed in the register maintained under Section 301 of Companies Act, 1956.
- e) According to the information and explanations given to us, the Company has not taken any loan from parties which are covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.



## Annexure to the Auditor’s Report (Contd.)

4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
5. In respect of register maintained under Section 301 of the Companies Act, 1956:
  - (a) Based on the information and explanations given to us, the transactions pertaining to contracts and arrangements that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
  - (b) According to information and explanation given to us, there are transactions of purchases and sales entered in the register maintained under Section 301 of the Companies Act, 1956 and prices of such are reasonable having regard to prevailing market prices at the relevant time as explained to us.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposit from Public and companies, therefore burden of Compliance of the provision of the Section 58A and 58AA clause 4(vi) of the Companies Act 1956 do not arise.
7. In our opinion, the Company has internal audit system commensurate with the size of the Company and nature of its business.
8. As informed to us, Company is maintaining the cost records as prescribed under Section 209-(1) (d) of the Companies Act 1956 by the Central Government for the products of the Company. We have not, however, carried out the detailed examination of the same.
9. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been regular in depositing undisputed statutory dues including Income Tax, TDS, Sales-tax, VAT, Custom Duty, Excise Duty, Educational Cess and any other dues during the year with the appropriate authorities except in three cases:

Sl. No.	Particulars	Amount Involved (` in Lacs)	Forum where dispute is pending
1.	Central Sales Tax Demand against C-Form For the FY 2010-11	53.39	Assistant Commissioner of Commercial Tax Department, Special Circle – II, Jaipur
2.	Demand against Rajasthan VAT For FY 2010-11	18.78	Assistant Commissioner of Commercial Tax Department, Special Circle – II, Jaipur
3.	Income Tax Demand for AY 2010-11 for ` 3.86 Lacs	0.78 (after Adjustments with refunds of ` 3.08 Lacs )	CIT(A) III Jaipur

10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and the banks during the year.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

## Annexure to the Auditor's Report (Contd.)

13. The Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of the clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. The Company has given guarantees for loans taken by others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. According to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, the Company has raised five new term loans during the year and has applied for the purpose for which they have been raised.
17. According to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that, prima facie, have been used for the long term investment nor the long term loan have been used to finance short term assets except for permanent working capital.
18. During the year the Company has not allotted equity shares on preferential basis to the parties covered in the register maintained u/s 301 of the Companies Act, 1956. However the Company has allotted 27552 equity shares to employees on preferential basis under Gravita ESOP 2011 Scheme.
19. According to the information and explanation given to us, during the period covered by our audit report, the Company has not issued any debentures. Accordingly, no security/charge has been created in respect of debentures issued.
20. The Company has not raised any monies by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For Rajvanshi & Associates**

*Chartered Accountants*

Firm Regn. No. : 005069C

**Vikas Rajvanshi**

*Partner*

Membership No. : 073670

Place : Jaipur

Date : 28<sup>th</sup> May 2013

Balance Sheet as at 31<sup>st</sup> March 2013

(₹ in Lacs)

PARTICULARS	Notes	As at 31st March 2013	As at 31st March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	1,362.55	1,362.00
Reserves & Surplus	2	6,357.57	5,127.00
		<b>7,720.12</b>	<b>6,489.00</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	938.22	111.20
Deferred Tax Liabilities (net)	4	108.31	76.84
		<b>1,046.53</b>	<b>188.04</b>
<b>Current Liabilities</b>			
Short Term Borrowings	5	4,094.04	4,248.82
Trade Payables	6	2,204.64	689.40
Other Current Liabilities	7	911.94	248.44
Short Term Provisions	8	239.11	475.28
		<b>7,449.73</b>	<b>5,661.94</b>
<b>TOTAL</b>		<b>16,216.38</b>	<b>12,338.98</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		1,159.60	1,140.79
Intangible Assets		15.40	6.35
Capital Work-in-Progress		675.36	-
Non Current Investments	10	1,607.08	1,561.91
Long Term Loans and Advances	11	1,896.35	165.46
Other Non-Current Assets	12	644.67	1,268.52
		<b>5,998.46</b>	<b>4,143.03</b>
<b>Current Assets</b>			
Current Investments	13	2,468.92	2,418.89
Inventories	14	3,824.09	1,566.37
Trade Receivables	15	2,256.40	2,857.74
Cash and Bank Balances	16	137.29	167.58
Short Term Loans and Advances	17	1,511.26	1,142.25
Other Current Assets	18	19.96	43.12
		<b>10,217.93</b>	<b>8,195.95</b>
<b>TOTAL</b>		<b>16,216.38</b>	<b>12,338.98</b>
Significant Accounting Policies			
Notes to Financial Statements			
	1 to 39		

As per our report of even date

For Rajvanshi & Associates  
Chartered Accountants

For &amp; on behalf of the Board of Directors

Vikas Rajvanshi  
PartnerRajat Agrawal  
Managing DirectorRajeev Surana  
Whole Time DirectorDate : 28<sup>th</sup> May 2013  
Place : JaipurSunil Kansal  
GM - Finance & AccountsLeena Jain  
Company Secretary



## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2013

(₹ in Lacs)

PARTICULARS	Notes	Year ended 31st March 2013	Year ended 31st March 2012
<b>INCOME</b>			
Revenue from Operations (gross)	19	26,671.08	21,019.26
Less : Excise Duty		1,029.05	730.59
<b>Revenue From Operations (net)</b>		<b>25,642.03</b>	<b>20,288.67</b>
Other Income	20	639.77	373.14
<b>Total Revenue (I)</b>		<b>26,281.80</b>	<b>20,661.81</b>
<b>EXPENDITURES</b>			
Cost of Materials Consumed	21	10,094.46	6,811.02
Purchase of Stock-in-Trade (acquired for trading)	22	14,103.33	11,550.87
Change in Inventory of Finished Goods, Work-In-Progress & Stock In Trade	23	(1,375.63)	(89.82)
Employee Benefits Expenses	24	713.74	616.83
Finance Costs	25	527.74	247.60
Depreciation and Amortization Expenses	9	69.35	52.09
Other Expenses	26	681.84	498.48
<b>Total Expenses (II)</b>		<b>24,814.83</b>	<b>19,687.07</b>
<b>Profit Before Exceptional, Prior Period Items &amp; Taxes (I-II)</b>		<b>1,466.97</b>	<b>974.74</b>
Add: Exceptional Items	27	498.30	32.18
<b>Profit Before Prior Period Items &amp; Taxes</b>		<b>1,965.27</b>	<b>1,006.92</b>
Prior Period Items		-	1.26
<b>Profit Before Tax</b>		<b>1,965.27</b>	<b>1,008.18</b>
<b>Less: Tax Expense</b>			
Current Tax		205.83	210.58
Less: Minimum Alternate Tax (MAT) Credit Entitlement		60.51	-
<b>Net Current Tax</b>		<b>145.32</b>	<b>210.58</b>
Deferred Tax		31.48	16.04
Current Tax relating to prior years		(9.41)	(0.75)
<b>Net Profit for the year</b>		<b>1,797.88</b>	<b>782.31</b>
<b>Earnings Per Equity Share of face value of ₹ 2 each</b>			
Basic (in ₹)	28	2.64	1.15
Diluted (in ₹)		2.63	1.14
Significant Accounting Policies			
Notes to Financial Statements	1 to 39		

As per our report of even date

 For **Rajvanshi & Associates**  
*Chartered Accountants*

For &amp; on behalf of the Board of Directors

**Vikas Rajvanshi**  
*Partner*
**Rajat Agrawal**  
*Managing Director*
**Rajeev Surana**  
*Whole Time Director*

 Date : 28<sup>th</sup> May 2013  
 Place : Jaipur

**Sunil Kansal**  
*GM - Finance & Accounts*
**Leena Jain**  
*Company Secretary*



## Cash Flow Statement for the year ended 31<sup>st</sup> March 2013

(` in Lacs)

PARTICULARS	Year ended 31st March 2013	Year ended 31st March 2012
<b>A) NET CASH FLOW FROM OPERATING ACTIVITES</b>		
Profit Before Prior Period Items & Taxes	1,965.27	1,008.18
<b>Adjustments for:</b>		
Depreciation and Amortization Expenses	69.35	52.09
Provision for diminution of Trade Investments	0.84	-
(Profit) / Loss on Sale of Assets	(4.49)	3.94
Current tax expense relating to prior years	-	-
Exceptional Items	(490.88)	(32.17)
Employee Stock Option Expenses	67.64	47.83
Finance Costs	527.74	104.90
Interest Income	(220.69)	(181.72)
Dividend From Non-trade quoted & unquoted Investment in Mutual Funds	(56.83)	(149.22)
Dividend from trade non-current investments in Subsidiaries	(281.32)	-
	<b>(388.64)</b>	<b>(154.35)</b>
<b>Operating Profit / (Loss) before Working Capital Changes</b>		
<b>Changes in working capital:</b>		
<b>Adjustments for (increase) / decrease in Operating assets:</b>		
Inventories	(2,257.72)	75.34
Trade Receivable	601.33	289.78
Short Term Loans and Advances	(369.01)	(71.59)
Long Term Loans and Advances	(1,456.79)	63.86
Other Current Assets	23.16	(942.51)
Other Non-Current Assets	623.85	(133.64)
<b>Adjustments for increase / (decrease) in Operating liabilities:</b>		
Trade Payables	1,515.24	1.23
Other Current Liabilities	254.89	171.35
Short Term Provisions	(0.39)	(20.21)
	<b>(1,065.43)</b>	<b>(566.38)</b>
Cash Flow from Exceptional Items	511.20	287.45
Net income tax (paid) / refunds	230.59	345.53
<b>Net cash flow from / (used in) Operating activities (A)</b>	<b>280.61</b>	<b>(58.08)</b>

## Cash Flow Statement (Contd.) for the year ended 31<sup>st</sup> March 2013

(₹ in Lacs)

PARTICULARS	Year ended 31st March 2013	Year ended 31st March 2012
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on Fixed Assets, including Capital Advances	(1,007.18)	(644.15)
Proceeds from Sale of Fixed Assets	59.67	2.37
Purchase of Investments	(827.40)	(481.06)
Proceeds from sale of long-term Investments	1,222.24	135.76
Dividend Income	338.14	149.22
Interest income	220.69	181.72
<b>Net cash flow from / (used in) Investing Activities (B)</b>	<b>6.16</b>	<b>(656.14)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Equity Share Capital	0.55	-
Proceeds from Long-Term Borrowings	860.41	94.57
Repayment of Long-Term Borrowings	(33.39)	-
Proceeds from Short-term Borrowings (net)	253.83	1,646.87
Interest Paid	(527.74)	(104.90)
Dividend Paid (including Dividend Distribution Tax)	(870.72)	(791.48)
<b>Net cash flow from / (used in) Financing Activities (C)</b>	<b>(317.07)</b>	<b>845.06</b>
<b>Net increase / (decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>(30.30)</b>	<b>130.85</b>
Add: Opening cash	167.58	36.73
<b>Closing cash</b>	<b>137.29</b>	<b>167.58</b>

As per our report of even date

 For Rajvanshi & Associates  
*Chartered Accountants*

For &amp; on behalf of the Board of Directors

 Vikas Rajvanshi  
*Partner*

 Rajat Agrawal  
*Managing Director*

 Rajeev Surana  
*Whole Time Director*

 Date : 28<sup>th</sup> May 2013  
 Place : Jaipur

 Sunil Kansal  
*GM - Finance & Accounts*

 Leena Jain  
*Company Secretary*



## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March 2013

### SIGNIFICANT ACCOUNTING POLICIES

#### CORPORATE INFORMATION

Gravita India Limited ('the Company') is a public Company incorporated under the provisions of the Companies Act, 1956. The Company is carrying out smelting of Lead Ore / Lead Concentrate / Lead Battery Scrap to produce primary & secondary Lead Metal, which is further transformed into Pure Lead, Specific Lead Alloy, Lead Oxides (Lead Sub-Oxide, Red Lead, and Litharge) and Lead Products like Lead Sheets, Lead Pipes etc. with proven technology and processes. The Company has state-of-the-art Lead Processing unit at Jaipur (Rajasthan) and recently installed a unit at Bhuj (Gujarat).

#### A. Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### B. Use of Estimates

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

#### C. Inventories

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

#### D. Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

#### E. Tangible Fixed Assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred. Gains or Losses arising from de-recognition of fixed assets are measured as the difference between net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Fixed assets acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till commissioning of the project.

#### Capital work-in-progress:

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

#### F. Intangible Assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### G. Depreciation and Amortization

Depreciation has been provided on a pro-rata basis from the month the assets are put to use at straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

Assets costing up to ` 5000/- are fully depreciated in the year of acquisition.

### H. Revenue Recognition

#### Revenue from Operations:

- Sales and operating income includes sale of products, services, income from Job work services and export incentives etc. Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Excise Duty deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability accruing during the year. The Company collects Sales Tax and VAT on behalf of Government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue.
- Profit from Partnership Firms which are in the same line of operation is considered as operating Income. Revenue from job work services is recognized based on the services rendered in accordance with the terms of contracts.

#### Other Income:

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

### I. Foreign Currency Transactions and Translations

#### Initial Recognition:

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

#### Translations:

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

#### Exchange Differences:

Exchange Differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

### J. Investments

Current investments are carried individually, at the lower of cost and quoted/fair value. Costs of investments include acquisition charges such as brokerage, fees and duties. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

### K. Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of Post-employment and other long term benefits are charged to the Statement of Profit and Loss.

### L. Earnings Per Share

Basic earnings per share are computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### **M. Employee Share Based Payments**

Equity settled stock options granted under "Gravita Employee Stock Option Plan 2011 are accounted for under the intrinsic value method as per the accounting treatment prescribed by Employee Stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Employee Share based Payments issued by the Institute of Chartered Accountants of India.

### **N. Borrowing Costs**

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use are capitalized as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period they occur.

Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds.

### **O. Taxes on Income**

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

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

### **P. Impairment of Assets**

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

### **Q. Provisions and Contingencies**

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

### **R. Derivatives and Commodity Hedging Transactions**

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

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

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 1. SHARE CAPITAL

(₹ in Lacs)

Particulars	As at	As at
	31st March 2013	31st March 2012
<b>Authorized Equity Share Capital</b>		
75,000,000 Equity Shares of ₹ 2 each (15,000,000 Equity Shares of ₹ 10 each)	1,500.00	1,500.00
<b>Issued, Subscribed &amp; Paid up Capital</b>		
68,127,552 Equity Shares of ₹ 2 each fully paid up (13,620,000 Equity Shares of ₹ 10 each fully paid)	1,362.55	1,362.00
	<b>1,362.55</b>	<b>1,362.00</b>

1.1 During the year, the Company has sub-divided its 1 Equity Share of ₹ 10 each into 5 Equity Shares of ₹ 2 each vide shareholders' approval through postal ballot on 11th May, 2012. Information relating to Shares/Share Capital in notes below should be read after considering the division of shares as explained herewith.

1.2 Reconciliation of the shares outstanding is set out below:

Equity Shares	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
	As At 31st March, 2013	As At 31st March, 2013	As At 31st March, 2012	As At 31st March, 2012
At the beginning of the year	68,100,000	1,362.00	13,620,000	1,362.00
Issued during the year - ESOP	27,552	0.55	-	-
Equity Shares at the end of the year	68,127,552	1,362.55	13,620,000	1,362.00

1.3 Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a face value of ₹ 2 per share (₹ 10 per share). Each equity share holder is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Ensuing Annual General Meeting.

The Board of Directors of the Company have declared interim dividend @ 10% amounting to ₹ 0.20 per share on the Paid-up Capital of the Company in the meeting held on 17th August, 2012 and @ 15% amounting to ₹ 0.30 per share on the paid up Capital of the Company in the meeting held on 28th January, 2013.

The Board of Directors of the Company proposed final dividend @ 15% amounting to ₹ 0.30 per share on the Paid-up Capital of the Company which is to be approved in Ensuing Annual General Meeting. Hence, total payment after the approval of final dividend would be @ 40% amounting to ₹ 0.80 per share on the Paid-up Capital of the Company.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the Remaining Assets of the Company, after distribution of all preferential amounts.



Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

1. SHARE CAPITAL (contd.)

1.4 Aggregate number of Bonus Shares issued, Shares issued for Consideration other than cash and Shares bought back during the period of five years immediately preceding the reporting date:-

During the F.Y. 2009-10, the Company has allotted 33,40,000 Equity Shares of Face value of ₹ 10 each (one fully paid bonus share against two fully paid Equity Shares) by capitalization of Reserves amounting to ₹ 33,40,000.

Particulars	As at 31st March 2013	As at 31st March 2012
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash	-	-
Fully paid up by way of bonus shares (one fully paid bonus share against two Fully paid Equity Shares)	16,700,000	3,340,000
Shares bought back	-	-

1.5 Details of Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2013		As at 31st March 2012	
	No. of shares (₹ 2/- each Fully Paid up)	% holding	No. of shares (₹ 10/- each Fully Paid up)	% holding
Shareholder's Name				
Mr. Rajat Agrawal	24,365,475	35.76%	4,873,095	35.78%
Dr. M. P. Agarwal	13,673,325	20.07%	2,734,665	20.08%
Smt. Anchal Agrawal	8,312,250	12.20%	1,662,450	12.21%
Smt. Shashi Agarwal	3,674,700	5.39%	734,940	5.40%

1.6 Shares reserved for issue under Options

First Grant dated 23rd September, 2011

400,380 Options of face value of ₹ 2 each (80,076 Options of face value of ₹ 10 each) were granted on 23rd September, 2011 (effective from 01st October, 2011) exercisable over a period of 5 years after vesting on 01st October, 2012 at an exercise price of ₹ 2 per equity share (at par), out of which 162,910 Options of face value of ₹ 2 each (16,258 Options of face value of ₹ 10 each) were lapsed and 209,918 options of face value of ₹ 2 each (63,818 Options of face value of ₹ 10 each) are outstanding at the year end. During the year 27,552 Equity Shares of face value of ₹ 2 each were allotted as fully paid up at an exercise price of ₹ 2 per Equity Share against exercise of equal number of options.

Second Grant dated 05th July, 2012

31,000 Options of face value of ₹ 2 each (Nil options) were granted on 05th July, 2012 exercisable over a period of 5 years after vesting on 05th July, 2013 at an exercise price of ₹ 2 per share (at par), out of which 3,500 Options (Nil options) were lapsed and 27,500 (Nil options) are outstanding at the year end.



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 2. RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Capital Reserve</b>		
Capital Investment Subsidy		
Opening Balance	-	13.70
Less: Transferred to General Reserve	-	13.70
<b>Closing Balance</b>	-	-
<b>Securities Premium Account</b>		
Opening Balance	3,878.46	3,878.46
Add: Premium on shares issued during the year	20.65	-
<b>Closing Balance</b>	<b>3,899.11</b>	<b>3,878.46</b>
<b>Employee Stock Options Outstanding</b>		
Opening Balance	47.83	-
Add: Amounts recorded on Grants/Cancellation during the year	67.64	47.83
Less: Transferred to Securities Premium on exercise of Stock Options	20.65	-
<b>Closing Balance</b>	<b>94.83</b>	<b>47.83</b>
<b>General Reserve</b>		
Opening Balance	189.25	97.32
Add: Amount transferred from Capital Investment Subsidy	-	13.70
Add: Amount transferred from Surplus in Statement of Profit & Loss	179.79	78.23
<b>Closing Balance</b>	<b>369.04</b>	<b>189.25</b>
<b>Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening Balance	1,011.45	940.57
Profit for the year	1,797.88	782.29
Less: Appropriations		
Interim Equity Dividend [amount per share ₹ 0.50 (₹ 1)]	340.59	136.20
Tax on Interim Dividend	55.25	22.10
Proposed Equity Dividend [amount per share ₹ 0.30 (₹ 3)]	204.38	408.60
Tax on Proposed Equity Dividend	34.73	66.29
Transfer to General Reserve	179.79	78.23
<b>Total Appropriations</b>	<b>814.74</b>	<b>711.41</b>
<b>Net Surplus</b>	<b>1,994.59</b>	<b>1,011.45</b>
<b>Total Reserves and Surplus</b>	<b>6,357.57</b>	<b>5,127.00</b>



Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

3. LONG-TERM BORROWINGS

(` in Lacs)

Particulars	Non-current Portion		Current Maturities	
	As At 31st March, 2013	As At 31st March, 2012	As At 31st March, 2013	As At 31st March, 2012
<b>Secured</b>				
Term loans				
- Banks	77.81	111.20	71.05	67.34
- Others	860.41	-	404.90	-
	<b>938.22</b>	<b>111.20</b>	<b>475.94</b>	<b>67.34</b>

3.1 Term Loan from Banks were taken as under: -

The Company has various term loans from banks which is secured by way of hypothecation of vehicles which are repayable on equal monthly installments over a period from 3 to 5 years. The loan contains rate of interest from 7.93% to 10.82% p.a.

3.2 Term Loan from Others were taken as under: -

The Company has term loan from Export Import Bank of India which is secured by way of following assets:

- Pledge of Fixed Deposits
- Second Charge on entire current assets and fixed assets including immovable property of the Company (pending to be secured)
- Pledge of shares of Gravita Ghana Limited & Gravita Senegal SAU (pending to be secured)
- Mortgage of Immovable Property owned by Director
- Extension of charge on the fixed assets of M/s Gravita Technomech (related party)
- Corporate Guarantee of M/s Gravita Technomech (related party)
- Personal Guarantee of a Director

The loan is repayable in 18 equal quarterly installments. The loan contains rate of interest 6 Months LIBOR plus 600 BPS.

4. DEFERRED TAX LIABILITY (NET)

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Deferred Tax Liability on:		
Accelerated Depreciation	110.51	76.84
Less: Deferred Tax Assets on:		
Accrued Expenses deductible on payments	2.20	-
	<b>108.31</b>	<b>76.84</b>

5. SHORT TERM BORROWINGS

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Secured</b>		
Loans repayable on demand from Banks*		
Cash Credit	1,041.52	367.92
Packing Credit	939.25	555.38
Foreign Outward Bill Discount	-	574.08
Local Bill Discount	468.91	384.84
Foreign Currency Loans - Buyers Credit	1,644.36	2,366.60
	<b>4,094.04</b>	<b>4,248.82</b>

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 5. SHORT TERM BORROWINGS (contd.)

- \* Loans repayable on demand are secured by way of:
- First pari-passu charge on entire Current Assets of the Company (both present and future),
  - First pari-passu charge on the following Fixed Assets of the Company:
    - Flat no. 302, 401, 403 in Rajputana Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur
    - Land & building at Jai Chand ka Bas, Diggi Malpura Road, Phagi, Jaipur
  - First pari-passu charge on the following assets:
    - Land & house, 3/90, HIG, Mansarovar, Jaipur of M/s Gravita Impex Private Limited (related party)
    - Flat no. 203, 402 in Rajputana Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur of a director
  - Personal Gaurantee of a director
  - Corporate Guarantee of M/s Gravita Impex Private Limited (related party)
  - First charge over other block of assets of the Company (excluding Vehicle & Land & Building) both present and future.

### 6. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Trade Payables other than Micro & small enterprises #	2,204.64	689.40
	2,204.64	689.40

# Based on the information available with the Company, no supplier has been identified, who is registered under the Micro, Small & Medium Enterprises Development Act, 2006. Further, the Company has not received any claim of interest from any supplier under the said Act.

### 7. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Current Maturities of Long Term Debt (refer note 3)	475.94	67.34
Interest accrued but not Due on Borrowings	15.36	19.64
Unclaimed Equity Shares Application money	2.19	5.06
Unclaimed Dividends	0.49	0.27
Statutory Remittances *	66.64	110.67
Advance from Customers	351.32	45.47
	911.94	248.45

\* It includes contribution to Provident Fund & ESIC, Withholding Taxes, Work Contract Tax, Sales Tax, Service Tax & Professional Tax.

### 8. SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Other Provisions</b>		
Compensated Absences	-	0.39
Proposed Equity Dividend	204.38	408.60
Tax on Proposed Equity Dividend	34.73	66.29
<b>Total</b>	239.11	475.28



## GROWING GLOBAL

### Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

#### 9. FIXED ASSETS

(` in Lacs)

Particulars	Gross Block			Accumulated Depreciation				Net Block			
	As At 01st April, 2012	Adjust- ment * -	Addition	Deletion	As At 31st March, 2013	As At 01st April, 2012	During the Year	Sold	Adjust- ment * -	As At 31st March, 2013	As At 01st April, 2012
<b>Tangible Fixed Assets</b>											
Land	267.87	-	-	31.68	236.19	-	-	-	-	236.19	267.87
Buildings	198.51	0.13	-	-	198.64	24.75	2.71	-	-	171.18	173.76
Plant & Equipment	504.77	(38.41)	50.17	16.56	499.98	142.01	14.13	1.16	(1.08)	346.09	362.77
Furniture & Fixtures	22.63	(0.94)	1.75	-	23.44	5.25	1.18	-	(0.24)	17.25	17.38
Vehicles	288.51	-	55.62	10.80	333.32	28.50	25.58	4.17	-	283.42	260.01
Office Equipments	18.40	31.32	2.33	0.56	51.50	4.42	3.84	0.02	3.26	40.00	13.99
Computer & Accessories	85.09	(6.54)	35.10	5.07	108.58	40.08	14.65	0.36	(11.26)	65.47	45.01
<b>Sub Total (A)</b>	<b>1,385.79</b>	<b>(14.43)</b>	<b>144.97</b>	<b>64.67</b>	<b>1,451.66</b>	<b>245.00</b>	<b>62.08</b>	<b>5.71</b>	<b>(9.31)</b>	<b>1,159.60</b>	<b>1,140.79</b>
Previous Year	821.59	-	571.71	7.51	1,385.79	195.65	50.62	1.26	-	1,140.79	625.94
<b>Intangible Fixed Assets</b>											
Computer Software	7.98	14.43	7.43	-	29.84	1.63	7.27	-	5.54	15.40	6.35
<b>Sub Total (B)</b>	<b>7.98</b>	<b>14.43</b>	<b>7.43</b>	<b>-</b>	<b>29.84</b>	<b>1.63</b>	<b>7.27</b>	<b>-</b>	<b>5.54</b>	<b>15.40</b>	<b>6.35</b>
Previous Year	0.21	-	7.84	0.07	7.98	0.15	1.47	-	-	6.35	0.05
<b>Total (A + B)</b>	<b>1,393.77</b>	<b>-</b>	<b>152.40</b>	<b>64.67</b>	<b>1,481.50</b>	<b>246.63</b>	<b>69.35</b>	<b>5.71</b>	<b>(3.78)</b>	<b>1,175.00</b>	<b>1,147.14</b>
Previous Year	821.80	-	579.54	7.57	1,393.77	195.80	52.09	1.26	-	1,147.14	626.00
Capital Work in Progress #	-	-	-	-	-	-	-	-	-	675.36	-
<b>Grand Total</b>	<b>1,393.77</b>	<b>-</b>	<b>152.40</b>	<b>64.67</b>	<b>1,481.50</b>	<b>246.63</b>	<b>69.35</b>	<b>5.71</b>	<b>(3.78)</b>	<b>1,850.36</b>	<b>1,147.14</b>
Previous Year	821.80	-	579.54	7.57	1,393.77	195.80	52.09	1.26	-	1,147.14	626.00

\* During the year, some of fixed assets regrouped and rearranged as per their nature and use.

# Capital work-in-progress includes pre-operative expenses of Bhuj (Gujarat) - Unit, which details are as under:

Employee Benefits Expenses	6.14
Others Expenses	16.63
<b>Total</b>	<b>22.77</b>

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 10. NON-CURRENT INVESTMENTS

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Long term</b>		
(At cost as reduced by diminution in value)		
<b>10.1 Investment in Equity Instruments (unquoted)</b>		
<b>Trade Investment in Subsidiary companies</b>		
Gravita Exim Ltd. 200,000 (199,300) Equity Shares of ` 10 each fully paid up	26.09	24.91
Gravita Ghana Limited 314,363 (314,363) Equity Shares of GHC 1.00 each fully paid up	123.66	123.66
Gravita Mozambique LDA 7,618,800 (7,618,800) Equity Shares of MZN 1.00 Each fully paid up	124.06	124.06
Gravita Senegal S.A.U Nil (23,800) Equity Shares of CFA 10,000 each fully paid up	-	223.93
Gravita Global Pte Ltd 1,295,000 (Nil) Equity Shares of USD 1 each fully paid up	701.23	-
<b>Trade Associates</b>		
Gravita Honduras SA DE CV Nil (85,158 ) Equity Shares of 100 LPS each fully paid up	-	336.25
Navam Lanka Limited Nil (358,475) Equity Shares of 100 LKR each fully paid up	-	171.00
<b>Non-trade Subsidiary companies</b>		
Gravita Infra Private Ltd 6,000 (6,000) Equity Shares of ` 10 each fully paid up	0.60	0.60
Gravita Energy Ltd 49,500 (49,500) Equity Shares of ` 10 each fully paid up	4.95	4.95
Noble Build Estate Pvt Ltd 19,990 (Nil) Equity Shares of ` 10 each fully paid up	74.96	-
<b>10.2 Trade Limited Liability Partnership Firms</b>		
Gravita Technomech LLP	0.84	1.02
Less: Provision for diminution in the value of Investment	(0.84)	-
	-	1.02
<b>10.3 Trade Investment in Partnership Firms</b>		
Gravita Metals (Formerly known as M/s K. M. Udyog)	380.00	380.00
Gravita Metal Inc (Formerly known as M/s Metal Inc)	95.00	95.00
Gravita Technomech	76.50	76.50
<b>10.4 Other Trade Investments (unquoted)</b>		
National Saving Certificate pledged with Government Authorities	0.03	0.03
<b>Aggregate amount of unquoted investments</b>	<b>1,607.08</b>	<b>1,561.91</b>



Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

10. NON-CURRENT INVESTMENTS (contd.)

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>10.5 Details of Investments in Partnership Firm</b>		
<b>Investment in Gravita Metals</b>		
Name of the partner and share in profits		
Gravita India Limited	95.00%	95.00%
Gravita Exim Ltd	5.00%	5.00%
Total capital of the firm (` in Lacs)	400.00	400.00
<b>Investment in Gravita Metal Inc</b>		
Name of the partner and share in profits		
Gravita India Limited	95.00%	95.00%
Gravita Exim Ltd	5.00%	5.00%
Total capital of the firm (` in Lacs)	100.00	100.00
<b>Investment in Gravita Technomech</b>		
Name of the partner and share in profits		
Gravita India Limited	51.00%	51.00%
Mr. Rajat Agrawal	49.00%	49.00%
Total capital of the firm (` in Lacs)	150.00	150.00

11. LONG TERM LOANS AND ADVANCES

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>11.1 Security Deposit</b>		
Unsecured and Considered Good	12.72	5.81
<b>Total (A)</b>	<b>12.72</b>	<b>5.81</b>
<b>11.2 Loans and Advances to related parties</b>		
Loans and Advances to related parties	1,449.69	-
<b>Total (B)</b>	<b>1,449.69</b>	<b>-</b>
<b>11.3 Capital Advances</b>		
Unsecured and Considered Good	244.03	64.61
<b>Total (C)</b>	<b>244.03</b>	<b>64.61</b>
<b>11.4 Minimum Alternate Tax Credit Entitlement</b>		
Unsecured and Considered Good	60.51	-
<b>Total (D)</b>	<b>60.51</b>	<b>-</b>
<b>11.5 Other Loans and Advances</b>		
Advance Income-tax (net of provision for taxation)	129.21	95.04
Prepaid expenses	0.19	-
<b>Total (E)</b>	<b>129.40</b>	<b>95.04</b>
<b>Total (A + B + C + D + E)</b>	<b>1,896.35</b>	<b>165.46</b>

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 12. OTHER NON CURRENT ASSETS

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Deposits with Original Maturity for more than 3 months but less than 12 months*	627.89	1,268.52
Deposits with Original Maturity for more than 12 months *	16.78	-
* Lien with Banks & Other Financial Institutions.	644.67	1,268.52

### 13. CURRENT INVESTMENTS

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>13.1 Trade Investment in Partnership Firms</b>		
Gravita Technomech	430.74	271.23
Gravita Metals	783.78	524.79
Gravita Metal Inc	396.26	208.00
<b>13.2 Non-trade Investment in Mutual Funds (quoted)</b>		
Kotak Floater Short Term - Daily Dividend Plan 23,129 (Nil) Units	233.98	-
Templeton India Low Duration Fund - Monthly Dividend Reinvestment Plan 1,979,082 (Nil) Units	204.83	-
Reliance Liquid Fund - Treasury Plan - Daily Dividend Option Plan 2,101,292 (Nil) Units	359.23	-
Baroda Pioneer Liquid Fund - Daily Dividend Plan Nil (5,435.825) Units	-	54.39
Religare Credit Opportunities Fund - Institutional Daily Dividend Plan Nil (3,520,804.073) Units	-	352.18
Tata Fixed Income Portfolio Fund Scheme A3 Institutional Monthly Dividend Plan Nil (5,004,675.565) Units	-	502.15
<b>Non-trade Investment in Mutual Funds (unquoted)</b>		
DSP BlackRock FMP - 3M Series 33 - 3M - Dividend Payout Plan Nil (5,000,000) Units	-	506.14
<b>13.3 Non-trade Investment in Debentures (unquoted)</b>		
Siddhi Multi Trade Pvt Ltd 60 (Nil) 20% Series-A Non convertible Debentures of ` 100,000 each fully paid up	60.00	-
10,000 (Nil) Series-C Non convertible Debentures of ` 1 each fully paid up	0.10	-
	<b>2,468.92</b>	<b>2,418.89</b>
Aggregated cost of quoted Investments	798.04	908.72
Aggregated market value of quoted Investments	798.87	908.72
Aggregated cost of unquoted Investments	1,670.78	1,510.17

Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

## 14. INVENTORIES

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
(At Lower of cost and net realizable value)		
Raw Material [includes Stock-in-transit ₹ 1,382.61 Lacs (₹ 436.75 Lacs)]	1,904.21	580.74
Work-in-Progress	177.05	95.50
Finished Goods [includes Stock-in-transit ₹ 787.07 Lacs (Nil)]	1,299.71	333.19
Stock-in-trade [includes Stock-in-transit ₹ 210.77 Lacs (Nil)]	327.57	452.39
Stores & Spares	53.65	56.82
Consumables	61.90	47.73
	<b>3,824.09</b>	<b>1,566.37</b>

## 15. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured and Considered Good	80.04	5.64
Total (A)	80.04	5.64
Other Trade Receivables		
Secured and Considered Good	468.91	958.92
Unsecured and Considered Good	1,707.46	1,893.18
Total (B)	2,176.37	2,852.10
Total (A + B)	2,256.41	2,857.74

## 16. CASH AND CASH EQUIVALENT

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Balances with banks:		
- Current Accounts	126.12	152.83
- Unclaimed Equity Share Application Money	2.19	5.06
- Unclaimed dividend account	0.49	0.27
Cheques in hand	1.41	1.32
Cash in hand	7.08	8.10
	<b>137.29</b>	<b>167.58</b>



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 17. SHORT TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>17.1 Security Deposit</b>		
Unsecured and Considered Good	5.60	5.14
<b>Total (A)</b>	<b>5.60</b>	<b>5.14</b>
<b>17.2 Advance Receivables from Related Parties</b>		
Unsecured and Considered Good	833.14	324.96
<b>Total (B)</b>	<b>833.14</b>	<b>324.96</b>
<b>17.3 Advances recoverable in cash or in kind</b>		
Unsecured and Considered Good	443.57	721.07
<b>Total (C)</b>	<b>443.57</b>	<b>721.07</b>
<b>17.4 Other Loans and Advances</b>		
Prepaid expenses	30.79	17.33
Advance to employees including Imprest*	4.15	5.32
Balances with Statutory/Government authorities	192.14	55.83
Others	1.87	12.61
<b>Total (D)</b>	<b>228.95</b>	<b>91.08</b>
<b>Total (A+ B + C + D)</b>	<b>1,511.26</b>	<b>1,142.25</b>
<b>17.5 * Loans and advances due to directors or other officers, etc.</b>		
Loan to employees include		
Dues to officers	3.52	5.32

### 18. OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Interest Accrued on Fixed Deposits		
- Deposits	16.10	43.12
- Debentures	3.86	-
	<b>19.96</b>	<b>43.12</b>

### 19. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Sales of Products (inclusive of excise duty) (19.1)	25,711.90	20,767.45
Other Operating Revenue (19.2)	959.18	251.81
<b>Total Revenue from Operation (gross)</b>	<b>26,671.08</b>	<b>21,019.26</b>
Less: Excise duty	1,029.05	730.59
<b>Total Revenue from Operation (net)</b>	<b>25,642.02</b>	<b>20,288.67</b>
<b>19.1 Sales of Products</b>		
Manufactured Goods	10,388.28	7,833.90
Stock-in-trade	15,323.61	12,933.54
	<b>25,711.90</b>	<b>20,767.45</b>



**Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013**

**19. REVENUE FROM OPERATIONS (contd.)**

(` in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
<b>19.2 Other Operating Revenue</b>		
Export Incentives	5.36	4.97
Profit on DEPB License	17.95	24.64
Share of profit from Partnership Firms	894.49	200.26
Job Work Income	41.38	21.94
	<b>959.18</b>	<b>251.81</b>
<b>19.3 Details of Manufactured Goods sold</b>		
Refined Lead Ingots	2,297.96	1,609.99
Lead Alloy	5,986.89	5,010.19
Red Lead, Lead Oxides, Grey Oxide & Litharge	1,048.63	136.97
Others	269.70	566.82
Excise Duty	785.10	509.93
<b>19.4 Details of Stock-in-trade sold</b>		
Remelted Lead Ingots / Remelted Blocks	12,767.98	9,634.81
Lead Concentrate	1,169.65	1,973.80
Refined Lead Ingots	255.05	507.27
Red Lead, Lead Oxides, Grey Oxide & Litharge	178.90	31.34
Others	708.07	565.66
Excise Duty	243.95	220.66

**20. OTHER INCOME**

(` in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Interest Income on:		
Bank Deposits	101.60	52.85
Loans & Advances	96.87	128.87
Debentures	22.22	-
Dividend from Trade Non-current Investments in Subsidiaries	281.32	-
Dividend From Non-trade quoted & unquoted Investment in Mutual Funds	56.83	149.22
Net Gain on foreign currency transactions and translations	48.83	-
Rent Income	9.68	-
Other non-operating income	22.43	39.53
Income from Employee benefit funds	-	2.67
	<b>639.77</b>	<b>373.14</b>

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 21. COST OF RAW MATERIAL AND CONSUMABLES

(₹ in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
<b>21.1 Material Consumed *</b>		
Opening Stock	1,033.13	1,238.81
Add: Purchases	10,309.81	6,131.49
Less: Closing stock of Materials	552.84	143.99
Less: Stock-in-transit	1,351.37	889.14
<b>Total (A)</b>	<b>9,438.72</b>	<b>6,337.17</b>
<b>21.2 Consumables Consumed</b>		
Opening stock of Consumables	47.73	64.03
Add: Purchase of Consumables	723.55	457.55
Less: Closing Stock of Consumables	115.55	47.73
<b>Total (B)</b>	<b>655.73</b>	<b>473.85</b>
<b>Total (A) + (B)</b>	<b>10,094.46</b>	<b>6,811.02</b>
<b>21.3 * Details of Raw Material / Consumables Consumed</b>		
Remelted Lead	3,388.13	2,709.11
Lead Scrap	1,730.05	2,598.84
Refined Lead Ingot	1,058.22	413.94
Battery Scrap & Battery Plate & Dust	1,557.91	238.24
Lead Concentrate	154.42	290.77
Others	2,205.74	560.11
	<b>10,094.46</b>	<b>6,811.02</b>

### 22. PURCHASE OF STOCK IN TRADE

(₹ in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Indigenous #	3,350.49	423.84
Import #	10,752.84	11,127.03
<b>TOTAL</b>	<b>14,103.33</b>	<b>11,550.87</b>
<b># Details of purchase of traded goods</b>		
Remelted Lead Ingots	12,229.43	8,023.19
Lead Concentrate	427.73	1,242.49
Refined Lead Ingots	148.00	108.26
Others	1,298.16	2,176.93
	<b>14,103.33</b>	<b>11,550.87</b>



Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

23. (INCREASE)/DECREASE IN INVENTORY

(` in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Closing stock		
Finished Goods	1,299.71	114.40
Work-in-process*	177.05	95.50
Stock-in-trade	327.57	218.79
Less :Opening Stock		
Finished Goods	114.40	174.10
Work-in-process*	95.50	81.81
Stock-in-trade	218.79	82.96
<b>TOTAL</b>	<b>1,375.63</b>	<b>89.82</b>
* Work-in-process		
Ash & Residues	83.35	61.74
Rejected & Scrap Material	60.09	6.47
Material-in-process	9.56	9.39
Others	24.05	17.91
	<b>177.05</b>	<b>95.50</b>

24. EMPLOYEE BENEFITS EXPENSES

(` in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Salaries, Wages, Bonus etc.	598.10	527.21
Contribution to Provident and Other fund	14.82	13.15
Staff Welfare Expenses	33.18	28.64
Employee Stock Option	67.64	47.83
	<b>713.74</b>	<b>616.83</b>

25. FINANCE COSTS

(` in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Interest Expenses:		
- Borrowings	282.06	140.43
- Others *	4.81	2.27
Other Borrowing Costs	56.29	38.85
Net loss on foreign currency transactions and translations	184.58	66.05
	<b>527.74</b>	<b>247.60</b>

\* includes interest on income tax ` 0.02 Lacs ( ` 0.13 Lacs)

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 26. OTHERS EXPENSES

(₹ in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Power and fuel	39.91	24.78
Rent	38.24	18.46
Rates & Taxes	0.58	-
Repairs and Maintenance :		
- Plant and Machinery	13.60	14.13
- Buildings	11.51	6.78
- Others	0.08	8.73
Insurance	3.06	3.76
Freight and Forwarding	149.11	132.84
Travelling and Conveyance	89.50	51.61
Sub-Contracting	52.96	18.02
Legal and Professional	50.85	44.19
Rebate & Discount	38.91	1.42
Sales Commission	31.12	28.15
Advertising and Sales Promotion	25.01	38.05
Communication	19.51	12.75
Training & Recruitment	13.47	8.01
Printing and Stationery	5.98	7.66
Donation	4.08	3.08
Payment to Auditor:		
Statutory & Tax Audit	1.50	1.30
Limited review of Unaudited Financial Results	1.20	1.20
Certification and other services	0.19	0.40
Loss on Sale of Fixed Assets	2.93	3.94
Provision for diminution of Trade Investments	0.84	-
Corporate Social Responsibility	0.32	-
Miscellaneous	87.38	69.22
	<b>681.84</b>	<b>498.48</b>

### 27. EXCEPTIONAL ITEMS

(₹ in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Profit on Sales of unquoted Non Current Trade Investments in		
- Gravita Honduras SA DE CV	26.17	-
- Navam Lanka Limited	234.09	-
- Gravita Senegal SAU	230.33	-
- Gravita Georgia Ltd	-	29.38
- Floret Trade Link Ltd	-	2.80
Profit on sale of fixed asset	7.70	-
	<b>498.30</b>	<b>32.18</b>



Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

28. EARNINGS PER SHARE (EPS)

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Profit after Tax attributable to Equity Shareholders (a)	1,797.88	782.31
Weighted average nos. of Equity Shares outstanding during the year (Nos.) (b)	68,112,078	68,100,000
Basic Earnings per Share of face value ` 2 each (in `) (a)/ (b) #	2.64	1.15
Effect of Potential Dilutive Equity Shares on Employee Stock Options outstanding (c)	231,650	410,800
Weighted average number of Equity Shares in computing Diluted Earnings per share [(d) = (b) + (c)]	68,343,727	68,510,800
Diluted earnings per Share of face value ` 2 each (in `) (a) / (d) #	2.63	1.14

# restated on face value of ` 2 per equity share

29. CONTINGENT LIABILITIES & COMMITMENTS

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Contingent Liabilities</b>		
Outstanding Guarantee submitted to bank in respect of Investment in Partnership firms	1,448.21	217.84
Guarantee Given to Government Authorities on behalf of Partnership firms	985.44	286.20
Letter of Credit for import of raw material	-	21.74
Bank Guarantee to BSE	-	22.50
<b>Commitments</b>		
Estimated amount of Contracts remaining to be executed on Capital account (net of advances) and not provided for	853.67	37.73

30. GRATUITY

The liability in respect of payment under Employees Gratuity has been provided on Actuarial valuation in line with Accounting Standard 15 (Revised).

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>I. Changes in Present value of obligations</b>		
Mortality Table (LIC)	(1994-96)	(1994-96)
Valuation Rate of Interest	8.00%	8.00%
Salary Inflation Rate	5.00%	5.00%
Retirement Age	58	58
<b>II. Change in Benefit Obligation</b>		
Opening Defined Benefit	29.21	27.01
Obligation Service Cost for the year	(11.34)	2.19
Closing defined benefit obligation	17.87	29.21

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 31. LEASES

(` in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Total of future minimum lease payments under Operating Lease for each of the following period are as under		
A) Not later than one year	3.35	13.57
	<b>3.35</b>	<b>13.57</b>

31.1 The Company has taken certain assets on Operating Lease agreement with:

Lessor	Property	Valid Up to	Amount (in ` Per month)
Archna Gupta & Vijay Gupta	101, Rajputana Tower, A-27B, Shanti Path, Tilak Nagar, Jaipur	31st July, 2013	13,734
Prabhathi Lal Meena	Plot no. 30 to 34, Ganesh Nagar, Near Sushawat Dharam Kanta Road no. 17, VKIA, Jaipur	30th September, 2013	15,000
Viram Dev Singh	Plot no. 75, Ward no. 4B, Adipur, Kutch, Gujarat	14th January, 2014	14,000
Pooja Dilip Chandnani	Duplex no. 4, Plot no. 296, Ward no.3B, Adipur, Kutch, Gujarat	08th August, 2013	8,000

### 32. SEGMENT REPORTING

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

### 33. RELATED PARTY TRANSACTIONS

(` in Lacs)

#### 33.1 Related Party Disclosure

##### a. List of Subsidiaries

- Gravita Exim Limited and its Associate
- Navam Lanka Limited (Associate from 06th January, 2013)
- Gravita Ghana Limited
- Gravita Mozambique LDA
- Gravita Senegal S.A.U (Subsidiary up to 26th December, 2012)
- Gravita Energy Limited
- Gravita Infra Private Limited
- Noble Build Estate Private Limited (Subsidiary from 03rd July, 2012)
- Gravita Global Pte Limited and its Subsidiary
  - Gravita Netherlands BV and its subsidiaries
    - Gravita Senegal S.A.U (Subsidiary from 27th December, 2012)
    - Gravita Nicaragua S.A.
    - Gravita Trinidad & Tobago Limited



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 33. RELATED PARTY TRANSACTIONS (contd.)

**b. Associates**

Gravita Honduras SA DE CV (Associate up to 25th September, 2012)

Navam Lanka Limited (Associate up to 05th January, 2013)

**c. Limited Liability Partnership Firms**

Gravita Technomech LLP (in process of strike off)

**d. Partnership Firms**

M/s Gravita Metals (formerly known as M/s KM Udyog)

M/s Gravita Metal Inc (formerly known as M/s Metal Inc)

M/s Gravita Technomech

**e. Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise:**

Gravita Exim Limited

Gravita Ghana Limited

Gravita Mozambique LDA

Gravita Senegal S.A.U (Subsidiary up to 26th December, 2012)

Gravita Energy Limited

Gravita Infra Pvt. Ltd.

Noble Build Estate Pvt Ltd.

Gravita Global Pte Ltd

Gravita Netherlands BV

Navam Lanka Ltd.

Gravita Honduras SA DE CV (Associates up to 25th September, 2012)

Gravita Technomech LLP (in process of strike off)

M/s Gravita Metals (formerly known as M/s KM Udyog)

M/s Gravita Metal Inc (formerly known as M/s Metal Inc)

M/s Gravita Technomech

Gravita Impex Pvt. Limited

Saurabh Farms Limited

Shah Buildcon Pvt. Limited

Jalousies India Pvt. Limited

Surana Professional Services Pvt Limited

M/s R.Surana & Company

M/s Surana Associates

Gravita Nicaragua S.A

Gravita Trinidad And Tobago Ltd

**f. Key Management Personnel**

Dr. Mahavir Prasad Agarwal

Mr. Rajat Agrawal

Mr. Rajeev Surana



## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 33. RELATED PARTY TRANSACTIONS (contd.)

(₹ in Lacs)

33.2	Sale/Purchase of goods and services	Sale of Goods	Purchase of Goods	Amount Owed by related parties	Amount Owed to related parties
	<b>Subsidiaries</b>				
	Gravita Senegal S.A.U	-	3,525.58	-	690.09
		(-)	(2,726.56)	(-)	(78.97)
	Gravita Ghana Ltd.	1.14	3,009.50	1.15	37.76
		(-)	(2,506.08)	(-)	(282.40)
	Gravita Georgia Ltd.	-	-	-	-
		(-)	(671.94)	(-)	(-)
	Gravita Exim Ltd.	9.70	264.21	-	-
		(0.51)	(3.20)	(1.32)	(-)
	Navam Lanka Limited	1.00	723.12	0.07	100.17
		(5.69)	(1,743.17)	(-)	(121.47)
	Gravita Mozambique LDA	-	1,953.58	-	177.63
		(-)	(669.95)	(-)	(27.18)
	<b>Partnership Firms</b>				
	M/s Gravita Metal Inc	51.94	157.11	-	-
		(-)	(108.56)	(-)	(4.73)
	M/s Gravita Metals	3,121.42	46.83	-	-
		(205.08)	(369.39)	(-)	(13.82)
	M/s Gravita Technomech	2.05	-	-	-
		(2.32)	(-)	(1.12)	(-)
	<b>Associates</b>				
	Gravita Honduras SA DE CV	-	106.79	-	-
		(28.57)	(661.56)	(-)	(12.76)

33.3	Loans given and repayment thereof	Loan Given	Repayment	Interest Accrued	Amount owed by related parties
	<b>Subsidiaries</b>				
	Gravita Energy Ltd	0.75	0.96	-	2.59
		(2.80)	(-)	(-)	(2.80)
	Gravita Ghana Limited	832.45	71.21	51.20	724.74
		(-)	(-)	(-)	(-)
	Gravita Senegal SAU	578.97	50.19	28.89	520.32
		(-)	(-)	(-)	(-)
	Floret Tradelink Ltd.	-	6.00	0.49	-
		(6.00)	(-)	(0.65)	(6.65)
	Gravita Exim Ltd.	1,853.94	1,424.69	52.91	769.23
		(905.44)	(738.27)	(16.94)	(287.07)
	Noble Build Estate Pvt Ltd	200.00	-	4.63	204.63
		(-)	(-)	(-)	(-)
	<b>Limited Liability Partnership Firms</b>				
	Gravita Technomech LLP	-	-	-	-
		(-)	(296.48)	(-)	(-)
	<b>Associates</b>				
	Gravita Honduras SA DE CV	26.93	26.93	-	-
		(-)	(-)	(-)	(-)



Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

33. RELATED PARTY TRANSACTIONS (contd.)

(` in Lacs)

33.4 Loans taken and repayment thereof	Loan taken	Repayment	Interest Accrued	Amount owed to related parties
Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise:				
Jalousies India Pvt Ltd	-	-	-	-
	(200.00)	(200.00)	(2.00)	(-)

33.5 Expenses Recovered

(` in Lacs)

Particulars	2012-13	2011-12
<b>Subsidiaries</b>		
Gravita Ghana Limited	7.27	5.58
Gravita Senegal SAU	32.91	-
Navam Lanka Limited	1.10	0.69
Gravita Mozambique LDA	6.03	0.34
Gravita Energy Limited	0.76	4.94
Gravita Infra Private Limited	0.01	-
Gravita Nicaragua S.A.	16.35	-
Gravita Trinidad & Tobago Ltd	6.16	-
Gravita Global Pte Ltd	-	2.94
<b>Associates</b>		
Gravita Honduras SA DE CV	-	46.38
<b>Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise:</b>		
Shah Buildcon Private Limited	0.89	0.08

33.6 Remuneration to key managerial personnel

(` in Lacs)

Particulars	2012-13	2011-12
Mr. Rajat Agrawal	36.00	36.00
Dr. M.P. Agarwal	36.00	36.00
Mr. Rajeev Surana	24.00	26.00
<b>Relative of Key Management Personnel</b>		
Mrs. Shashi Agrawal	0.05	0.78
<b>Total</b>	<b>96.05</b>	<b>98.78</b>

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 33. RELATED PARTY TRANSACTIONS (contd.)

#### 33.7 Other Transaction with Related Parties/Key Managerial Personnel/Relative of Key Managerial Personnel

Particulars	2012-13	2011-12
		(` in Lacs)
<b>Subsidiaries</b>		
Gravita Global Pte Ltd (Investment Made)	701.23	-
Navam Lanka Limited (Disinvestment Made)	405.09	-
Navam Lanka Limited (Investment Made)	-	0.01
Gravita Senegal SAU (Disinvestment Made)	223.93	-
Gravita Senegal SAU (Dividend Received)	210.80	-
Noble Build Estate Pvt Ltd (Investment Made)	74.96	-
Navam Lanka Limited (Dividend Received)	70.52	-
Gravita Exim Ltd (Rent Paid)	2.56	-
Gravita Exim Ltd (Investment Made)	1.18	-
Gravita Georgia Limited (Disinvestment)	-	97.09
Floret Tradelink Limited (Disinvestment)	-	2.55
Gravita Infra Pvt Ltd (Share application money refund)	-	3.95
<b>Partnership Firms</b>		
M/s Gravita Metals (Investment Made)	-	380.00
M/s Gravita Metal Inc (Investment Made)	-	95.00
M/s Gravita Technomech (Investment Made)	-	76.50
<b>Associates</b>		
Gravita Honduras SA DE CV		
(Disinvestment made)	362.42	-
(Investment made)	-	(136.58)
Gravita Honduras SA DE CV (Rent Income)	9.68	-
<b>Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise:</b>		
Saurabh Farms Limited (Rent Paid)	1.53	0.20
[Rent Outstanding As on 31-Mar-2013 ` 0.68 (Nil)]		
Shah Buildcon Pvt Ltd (Rent Paid)	1.20	-
Rajeev Surana HUF (Rent Paid)	1.00	3.27
[Rent Outstanding As on 31-Mar-2013 ` 0.11 (Nil)]		
<b>Key Management Personnel</b>		
Mr. Rajat Agrawal (Rent Paid)	25.71	15.21

Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

## 34. UTILIZATION OF MONEY RAISED THROUGH IPO FUNDS

During the year 2010-11, the Company had received ₹ 4,500 Lacs as Initial Public Offering. The details of utilization of proceeds through the Initial Public Offering as at 31st March, 2013 are as under: (₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Amount received from IPO	4,500.00	4,500.00
<b>Utilization of Funds:</b>		
Investment in additional manufacturing facilities	350.00	371.43
Investment in overseas ventures	714.02	519.03
Investment in Partnership Firms	1,295.00	1,295.00
Working Capital requirement	2,500.00	1,200.00
General corporate purpose	90.00	90.00
Expenses of the issue	261.54	261.54
<b>Total Funds Utilized</b>	<b>5,210.56</b>	<b>3,737.00</b>
<b>Balance Funds Unutilized</b>	<b>-</b>	<b>763.00</b>

## 35. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company used forward exchange contracts to hedge against its foreign currency exposure relating to the underlying transaction. The Company does not enter into any derivative instruments for trading or speculative purpose. There are no outstanding foreign currency contracts as on 31-Mar-2013.

The foreign currency exposure not hedged as at 31-Mar-2013 is as under: (₹ in Lacs)

Currency	2012-13	2011-12	2012-13	2011-12
	Payable	Payable	Receivable	Receivable
Equivalent (₹ in Lacs)	3,795.98	2,942.51	1,151.46	1,397.28
USD in Lacs	69.80	53.84	21.17	23.22
Euro in Lacs	-	-	0.10	3.12

## 36. VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Material (including Stock-in-transit)	16,312.79	8,708.40

## Notes forming part of Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 37. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Finance Costs	118.36	76.01
Other Expenses	36.87	27.02
	<b>155.23</b>	<b>103.03</b>

### 38. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Exports of Goods (FOB)	11,471.12	10,946.81
Other Income	312.46	39.11
Exceptional Items	256.50	29.38
Other Expenses recovered	8.58	-
	<b>12048.67</b>	<b>11015.30</b>

39. The previous year figures have been shown in bracket and regrouped/reclassified, wherever necessary to conform to the current year presentation.

As per our report of even date

For Rajvanshi & Associates  
Chartered Accountants

For & on behalf of the Board of Directors

Vikas Rajvanshi  
Partner

Rajat Agrawal  
Managing Director

Rajeev Surana  
Whole Time Director

Date : 28<sup>th</sup> May 2013  
Place : Jaipur

Sunil Kansal  
GM - Finance & Accounts

Leena Jain  
Company Secretary



GROWING GLOBAL

# CONSOLIDATED FINANCIAL STATEMENTS

# Independent Consolidated Auditor's Report

To  
The Board of Directors of  
**GRAVITA INDIA LIMITED**

## Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **GRAVITA INDIA LIMITED** (the "Company") and its Subsidiaries (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements / Consolidated Financial Statements of the subsidiaries and associates as noted below, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

## Other Matters

Financial statements / Consolidated Financial Statements of certain Subsidiaries which reflect total assets (net) of ` 7,612.25 Lacs as at March 31, 2013, total revenue (net) of ` 14,314.62 Lacs and net cash outflow amounting to ` 146.16 Lacs for the year then ended, have been audited by us.

We did not audit the financial statements / Consolidated Financial Statements of certain Subsidiaries, whose financial statements / Consolidated Financial Statements reflect total assets (net) of ` 7,055.28 Lacs as at March 31, 2013 total revenues (net) of ` 14,414.94 Lacs and net cash flows amounting to ` 63.25 Lacs for the year ended on that date and financial statements of an (unaudited) associate in which the share of loss of the Group is ` 0.42 Lacs. These financial statements / Consolidated Financial Statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matters.

## For Rajvanshi & Associates

*Chartered Accountants*

Firm Regn. No. : 005069C

## Vikas Rajvanshi

*Partner*

Membership No. : 073670

Place : Jaipur

Date : 28<sup>th</sup> May 2013

Consolidated Balance Sheet as at 31<sup>st</sup> March 2013

(₹ in Lacs)

Particulars	Notes	As at 31st March 2013	As at 31st March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	1,362.55	1,362.00
Reserves & Surplus	2	8,576.50	7,284.19
		<b>9,939.05</b>	<b>8,646.19</b>
<b>Minority Interest</b>		<b>803.85</b>	<b>180.32</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	1,440.52	989.30
Deferred Tax Liabilities (net)	4	118.86	85.95
		<b>1,559.38</b>	<b>1,075.25</b>
<b>Current Liabilities</b>			
Short Term Borrowings	5	5,352.25	4,999.65
Trade Payables	6	2,173.99	726.67
Other Current Liabilities	7	1,531.75	447.31
Short Term Provisions	8	247.57	474.89
		<b>9,305.56</b>	<b>6,648.52</b>
<b>TOTAL</b>		<b>21,607.84</b>	<b>16,550.28</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		4,295.19	3,165.99
Intangible Assets		114.85	120.86
Capital Work-in-Progress		1,232.95	86.22
Non Current Investments	10	14.61	574.63
Long Term Loans and Advances	11	366.33	77.38
Other Non-Current Assets	12	648.68	1,265.11
		<b>6,672.61</b>	<b>5,290.19</b>
<b>Current Assets</b>			
Current Investments	13	858.14	1,414.86
Inventories	14	6,835.12	2,819.48
Trade Receivables	15	4,322.28	4,484.46
Cash and Bank Balances	16	370.64	562.57
Short Term Loans and Advances	17	2,463.60	1,913.34
Other Current Assets	18	85.45	65.38
		<b>14,935.23</b>	<b>11,260.09</b>
<b>TOTAL</b>		<b>21,607.84</b>	<b>16,550.28</b>
Significant Accounting Policies			
Notes to Financial Statements	1 to 37		

As per our report of even date

For Rajvanshi & Associates  
Chartered Accountants

For &amp; on behalf of the Board of Directors

Vikas Rajvanshi  
PartnerRajat Agrawal  
Managing DirectorRajeev Surana  
Whole Time DirectorDate : 28<sup>th</sup> May 2013  
Place : JaipurSunil Kansal  
GM - Finance & AccountsLeena Jain  
Company Secretary



## Statement of Consolidated Profit and Loss for the year ended 31<sup>st</sup> March 2013

(₹ in Lacs)

Particulars	Notes	Year ended 31st March 2013	Year ended 31st March 2012
<b>INCOME</b>			
Revenue from Operations (gross)	19	40,987.26	27,627.04
Less : Excise Duty		1,029.05	730.59
<b>Revenue From Operations (net)</b>		<b>39,958.21</b>	<b>26,896.45</b>
Other Income	20	268.89	391.25
<b>Total Revenue (I)</b>		<b>40,227.10</b>	<b>27,287.70</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	27,434.53	16,031.71
Purchase of Stock-in-Trade	22	6,577.55	6,480.93
Change in Inventory of Finished Goods, Work-In-Progress & Stock In Trade	23	(1,631.56)	(555.74)
Employee Benefits Expenses	24	1,734.47	1,346.52
Finance Costs	25	908.87	254.11
Depreciation and Amortization Expenses	9	218.78	151.72
Other Expenses	26	2,289.09	1,618.52
<b>Total Expenses (II)</b>		<b>37,531.73</b>	<b>25,327.77</b>
<b>Profit Before Exceptional, Prior Period Items &amp; Taxes (I-II)</b>		<b>2,695.37</b>	<b>1,959.93</b>
Add: Exceptional Items	27	33.87	(111.61)
<b>Profit Before Prior Period Items &amp; Taxes</b>		<b>2,729.24</b>	<b>1,848.32</b>
Add: Prior Period Items		-	3.64
<b>Profit Before Tax</b>		<b>2,729.24</b>	<b>1,851.96</b>
Less: Tax Expense			
Current Tax		446.06	298.27
Less: Minimum Alternate Tax (MAT)/ Alternate Minimum Tax (AMT) Credit Entitlement		88.57	-
<b>Net Current Tax</b>		<b>357.49</b>	<b>298.27</b>
Deferred Tax		32.92	17.29
Current Tax relating to prior years		(11.02)	11.82
<b>Profit for the year before Minority Interest</b>		<b>2349.85</b>	<b>1524.58</b>
Less: Minority Interest		445.87	72.55
Add: Share in profit of Associates		(0.42)	52.35
Surplus during the year transferred to balance sheet		1,903.56	1,504.38
<b>Earnings Per Equity Share of face value of ₹ 2 each</b>			
Basic (in ₹)	28	2.79	2.21
Diluted (in ₹)		2.79	2.20
Significant Accounting Policies			
Notes to Financial Statements	1 to 37		

As per our report of even date

 For Rajvanshi & Associates  
 Chartered Accountants

For &amp; on behalf of the Board of Directors

 Vikas Rajvanshi  
 Partner

 Rajat Agrawal  
 Managing Director

 Rajeev Surana  
 Whole Time Director

 Date : 28<sup>th</sup> May 2013  
 Place : Jaipur

 Sunil Kansal  
 GM - Finance & Accounts

 Leena Jain  
 Company Secretary



## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2013

(` in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
<b>A) NET CASH FLOW FROM OPERATING ACTIVITES</b>		
Net Profit before tax	2729.24	1904.31
<b>Non-cash adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation for the year	218.78	151.72
Loss/(profit) on Sale of Fixed Assets	(3.11)	5.18
Loss/(profit) on Sale of Investments	(26.17)	111.61
Share in Profit of Associates	0.42	(52.35)
Employee Stock Compensation Expense	67.64	47.83
Unrealized Foreign Exchange Loss	124.56	(21.97)
Finance Expenses	908.87	254.11
Interest Income	(143.46)	(132.69)
Dividend Income	(56.83)	(149.44)
<b>Operating Profit before Working Capital Changes</b>	<b>1090.71</b>	<b>214.00</b>
Movements in Working Capital :		
Increase/(Decrease) in Trade Payables	1447.32	269.51
Increase / (Decrease) in Long-term Provisions	-	(9.22)
Increase / (Decrease) in Short-term Provisions	-	(69.24)
Increase/(Decrease) in Other Current Liabilities	1084.44	(64.26)
Decrease/(Increase) in Trade Receivables	162.18	(981.20)
Decrease/(Increase) in Inventories	(4015.64)	(528.01)
Decrease / (Increase) in Long-term Loans and Advances	(288.95)	(7.68)
Decrease / (Increase) in Short-term Loans and Advances	(565.57)	(694.93)
Decrease/(Increase) in Other Non Current Assets	616.43	-
Decrease/(Increase) in Other Current Assets	(20.07)	(1067.80)
<b>Cash generated from Operations</b>	<b>(1579.86)</b>	<b>(3152.83)</b>
Direct taxes paid	(334.56)	(375.54)
<b>Net cash flow from/ (used in) Operating Activities (A)</b>	<b>1905.52</b>	<b>(1410.06)</b>

## Consolidated Cash Flow Statement (Contd.) for the year ended 31<sup>st</sup> March 2013

(₹ in Lacs)

Particulars	As at		As at	
	31st March 2013		31st March 2012	
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets, including intangible assets and CWIP	(2547.02)		(1927.12)	
Interest Income	143.46		132.69	
Dividend Income	56.83		149.44	
Proceeds from Sale of Fixed Assets	61.37		424.18	
Proceeds of Non-Current Investments	-		-	
Purchase of Non-Current Investments	585.77		(80.91)	
Purchase of Current Investments	556.72		-	
Loss/(Profit) on Sale of Investments	-		(111.61)	
Proceeds from sale/maturity of Current Investments	-		1227.61	
Adjustment for Share of minority in Subsidiary	-	(1142.88)	(120.42)	(306.14)
<b>Net Cash Flow from Investing Activities (B)</b>		<b>(1142.88)</b>		<b>(306.14)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Shares	0.55		-	
Premium on Issue of Shares	20.65		-	
Proceeds from Long Term Borrowings	451.22		955.22	
Repayments of Long Term Borrowings	-		-	
Proceeds from Short Term Borrowings (net)	352.60		2215.36	
Financial Expenses	(908.87)		(254.11)	
Dividend of Equity Shares	(749.19)		(681.00)	
Tax on Dividend	(121.54)	(954.58)	(112.58)	2122.89
<b>Net Cash Flow from Financing Activities (B)</b>		<b>(954.58)</b>		<b>2122.89</b>
<b>Increase / (decrease) in Cash and Cash equivalents (A+B+C)</b>		<b>(191.94)</b>		<b>406.68</b>
Add: Opening cash		562.57		155.89
<b>Closing cash</b>		<b>370.64</b>		<b>562.57</b>

As per our report of even date

 For Rajvanshi & Associates  
 Chartered Accountants

For &amp; on behalf of the Board of Directors

 Vikas Rajvanshi  
 Partner

 Rajat Agrawal  
 Managing Director

 Rajeev Surana  
 Whole Time Director

 Date : 28<sup>th</sup> May 2013  
 Place : Jaipur

 Sunil Kansal  
 GM - Finance & Accounts

 Leena Jain  
 Company Secretary



## Notes forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2013

### A. Principles of Consolidation:

The financial statements of the Subsidiary Companies used in the consolidation are drawn as of the same reporting date as of the Company.

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

- a) The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealized profits or losses have been eliminated.
- b) The excess of cost to the Group of its investments in Subsidiary Companies over its share of the equity of the Subsidiary Companies at the dates on which the investments in the Subsidiary Companies are made, is recognized as 'Goodwill' being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the Subsidiary Companies as on the date of investment is in excess of cost of investment of the Group, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.
- c) The Consolidated Financial Statements include the share of profit / loss of Associate Companies, which are accounted under the 'Equity method' as per which the share of profit of the Associate Company has been added to the cost of investment. An Associate is an enterprise in which the investor has significant influence and which is neither a Subsidiary nor a Joint Venture. Investments in Associates are initially recorded at cost, any Goodwill/Capital Reserve arising at the time of acquisition are identified and carrying amount of investment are adjusted thereafter by post acquisition share of Profits/Losses.
- d) Minority interest's share in net assets of consolidated Subsidiaries is presented in the Consolidated Balance Sheet separate from liabilities and the equity of Company shareholder. Minority interest in the Consolidated Financial Statements is identified and recognized after taking consideration:
  1. The amount of equity attributable to minorities at the date on which investments in Subsidiary is made.
  2. The Minorities' share of movement in equity since the date Parent – Subsidiary relationship came into existence.
  3. The Losses attributable to the minorities are adjusted against the minority interest in the equity of the Subsidiary.
  4. The excess of loss over the minority interest in the equity is adjusted against General Reserve of the Company.
- e) In case of foreign subsidiaries, being non integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, Liabilities and Equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".
- f) The CFS are prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the CFS and are presented in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.
- g) The stocks held out of the inter-group sale and purchase transaction are stated at the cost to the seller Company and the adjustment thereof is stated as Stock Reserve.
- h) The Fixed Assets acquired from Group Companies are restated at the cost to the Company and the depreciation is calculated on the cost to the Seller Company.
- i) The figures of Previous year have been regrouped/reclassified, where necessary, to conform to the current year's classification.

### B. Other Significant Accounting policies:

These are set out under "Significant Accounting Policies" as given in the Company's financial statements on standalone basis.

## Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 1. SHARE CAPITAL

(₹ in Lacs)

Particulars	As at	As at
	31st March 2013	31st March 2012
<b>Authorized Equity Share Capital</b>		
75,000,000 Equity Shares of ₹ 2 each (15,000,000 Equity Shares of ₹ 10 each)	1,500.00	1,500.00
<b>Issued, Subscribed &amp; Paid up Capital</b>		
68,127,552 Equity Shares of ₹ 2 each fully paid up (13,620,000 Equity Shares of ₹ 10 each fully paid)	1,362.55	1,362.00
	<b>1,362.55</b>	<b>1,362.00</b>

1.1 During the year, the Company has sub-divided its 1 Equity Share of ₹ 10 each into 5 Equity Shares of ₹ 2 each vide Shareholders' approval through Postal Ballot on 11th May, 2012. Information relating to Shares/Share Capital in notes below should be read after considering the division of shares as explained herewith.

1.2 Reconciliation of the shares outstanding is set out below:

Equity Shares	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
	As At 31st March, 2013	As At 31st March, 2013	As At 31st March, 2012	As At 31st March, 2012
At the beginning of the year	68,100,000	1,362.00	13,620,000	1,362.00
Issued during the year - ESOP	27,552	0.55	-	-
Equity Shares at the end of the year	68,127,552	1,362.55	13,620,000	1,362.00

### 1.3 Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a face value of ₹ 2 per share (₹ 10 per share). Each equity share holder is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Ensuing Annual General Meeting.

The Board of Directors of the Company have declared interim dividend @ 10% amounting to ₹ 0.20 per share on the Paid-up Capital of the Company in the meeting held on 17th August, 2012 and @ 15% amounting to ₹ 0.30 per share on the paid up Capital of the Company in the meeting held on 28th January, 2013.

The Board of Directors of the Company proposed final dividend @ 15% amounting to ₹ 0.30 per share on the Paid-up Capital of the Company which is to be approved at the Ensuing Annual General Meeting. Hence, total payment after the approval of final dividend would be @ 40% amounting to ₹ 0.80 Per Share on the Paid-up Capital of the Company.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the Remaining Assets of the Company, after distribution of all preferential amounts.



**Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013**

**1. SHARE CAPITAL (contd.)**

1.4 Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:-

During the F.Y. 2009-10, the Company has allotted 33,40,000 Equity Shares of face value of ₹ 10 each (one fully paid bonus share against two fully paid Equity Shares) by capitalization of Reserves amounting to ₹ 33,40,000.

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Equity shares with voting rights</b>		
Fully paid up pursuant to contract(s) without payment being received in cash	-	-
Fully paid up by way of bonus shares (one fully paid bonus share against two fully paid Equity Shares )	16,700,000	3,340,000
Shares bought back	-	-

1.5 Details of Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2013		As at 31st March 2012	
	No. of shares (₹ 2/- each Fully Paid up)	% holding	No. of shares (₹ 10/- each Fully Paid up)	% holding
<b>Shareholders Name</b>				
Mr. Rajat Agrawal	24,365,475	35.76%	4,873,095	35.78%
Dr. M. P. Agarwal	13,673,325	20.07%	2,734,665	20.08%
Smt. Anchal Agrawal	8,312,250	12.20%	1,662,450	12.21%
Smt. Shashi Agarwal	3,674,700	5.39%	734,940	5.40%

1.6 Shares reserved for issue under Options

**First Grant dated 23rd September, 2011**

400,380 Options of face value of ₹ 2 each (80,076 Options of face value of ₹ 10 each) were granted on 23rd September, 2011 (effective from 01st October, 2011) exercisable over a period of 5 years after vesting on 01st October, 2012 at an exercise price of ₹ 2 per equity share (at par), out of which 162,910 Options of face value of ₹ 2 each (16,258 Options of face value of ₹ 10 each) were lapsed and 209,918 Options of face value of ₹ 2 each (63,818 Options of face value of ₹ 10 each) are outstanding at the year end. During the year 27,552 Equity Shares of face value of ₹ 2 each were allotted as fully paid up at an exercise price of ₹ 2 per Equity Share against exercise of equal no. of options.

**Second Grant dated 05th July, 2012**

31,000 Options of face value of ₹ 2 each (Nil options) were granted on 05th July, 2012 exercisable over a period of 5 years after vesting on 05th July, 2013 at an exercise price of ₹ 2 per share (at par), out of which 3,500 Options (Nil options) were lapsed and 27,500 (Nil options) are outstanding at the year end.

## Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 2. RESERVES AND SURPLUS

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Capital Reserve		
Capital Investment Subsidy:		
Opening Balance	-	13.70
Less: Transferred to General Reserve	-	13.70
Closing Balance	-	-
Capital reserve on consolidation	832.10	960.26
Foreign Currency Monetary Translation Difference Account	(78.50)	(45.91)
Foreign Exchange Translation Reserve	(2.64)	(127.20)
Securities Premium Account		
Opening Balance	3,878.46	3,878.46
Add: Premium on shares issued during the year	705.34	-
Closing Balance	4,583.80	3,878.46
Employee Stock Options Outstanding		
Opening Balance	47.83	-
Add: Amounts recorded on Grants/Cancellation during the year	67.64	47.83
Less: Transferred to Securities Premium on exercise of Stock Options	20.65	-
Closing Balance	94.82	47.83
General Reserve		
Opening Balance	189.25	97.32
Add: Amount transferred from Capital Investment Subsidy	-	13.70
Add: Amount transferred from Surplus in Statement of Profit & Loss	179.79	78.23
Closing Balance	369.04	189.25
Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	2,383.16	1,575.09
Profit for the year	1,903.56	1,504.38
Transfer to Capital Reserve on consolidation	694.09	(13.45)
Interim Equity Dividend [amount per share ` 0.50 (` 1)]	340.59	136.20
Tax on Interim Dividend	55.25	22.10
Proposed Equity Dividend [amount per share ` 0.30 (` 3)]	204.38	408.60
Tax on Proposed Equity Dividend	34.74	66.29
Transfer to General Reserve	179.79	78.23
Total Appropriations	1,508.84	697.97
Net Surplus	2,777.88	2,381.50
Total Reserves and Surplus	8,576.50	7,284.19



Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

3. LONG-TERM BORROWINGS

(` in Lacs)

Particulars	Non-current Portion		Current Maturities	
	As At 31st March, 2013	As At 31st March, 2012	As At 31st March, 2013	As At 31st March, 2012
Secured				
Term loans				
- Banks	86.98	114.00	95.70	78.39
- Others	1,353.54	875.30	623.66	-
	1,440.52	989.30	719.36	78.39

3.1 Term Loan from Banks were taken as under: -

The Company has various term loan from banks which are secured by way of hypothecation of vehicles which are repayable on equal monthly installments over a period from 3 to 5 years. The loan contains rate of interest from 7.93% to 10.82% p.a.

3.2 Term Loan from Others includes: -

Term Loan of ` 1265.31 Lacs from Export Import Bank of India which is secured by way of:

- Pledge of Fixed Deposits
- Second charge on entire current assets and fixed assets including immovable property of the Company (pending to be secured)
- Pledge of shares of Gravita Ghana Limited & Gravita Senegal SAU (pending to be secured)
- Mortgage of Immovable Property owned by Director
- Extension of charge on the fixed assets of M/s Gravita Technomech
- Corporate Guarantee of M/s Gravita Technomech
- Personal Guarantee of a Director

Term Loan of ` 711.88 Lacs from Export Import Bank of India which is secured by way of:

- Exclusive Charge on entire movable fixed assets of M/s Gravita Technomech both present and future
- Exclusive Charge by way of mortgage over entire immovable property of M/s Gravita Technomech

Both term loans are repayable in 18 to 20 equal quarterly installments. The loans contain rate of interest @ 6 Months LIBOR plus 550 to 600 BPS.

4. DEFERRED TAX LIABILITY (NET)

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Deferred Tax Liability on:		
Accelerated Depreciation	121.06	85.95
Less: Deferred Tax Assets on:		
Accrued Expenses deductible on payments	2.20	-
	118.86	85.95



## Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 5. SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Secured*</b>		
Loans repayable on demand from Banks		
Cash Credit	1,780.20	585.75
Packing Credit	939.25	555.38
Foreign Outward Bill Discount	-	574.08
Local Bill Discount	986.70	903.45
Foreign Currency Loans - Buyers Credit	1,644.36	2,366.60
<b>Unsecured</b>		
Loan from related parties	1.74	-
Other Loans	0.00	14.39
	<b>5,352.25</b>	<b>4,999.65</b>

\* Secured Short Term Borrowings are secured by hypothecation of certain fixed assets, investments and current assets, both present and future, Personal Guarantee of a director and hypothecation of certain assets of director and Gravita Impex Private Limited (related party).

### 6. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Trade Payables other than Micro & Small Enterprises #	2,173.99	726.67
	<b>2,173.99</b>	<b>726.67</b>

# Based on the information available with the Company, no supplier has been identified, who is registered under the Micro, Small & Medium Enterprises Development Act, 2006. Further, the Company has not received any claim of interest from any supplier under the said Act.

### 7. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Current Maturities of Long Term Debt (refer note 3)	719.36	78.39
Interest accrued but not Due on Borrowings	15.36	19.64
Unclaimed Equity Shares Application money	2.19	5.06
Unclaimed Dividends	0.49	0.27
Statutory Remittances *	140.24	-
Advance from Customers	590.25	133.37
Others	63.86	210.58
	<b>1,531.75</b>	<b>447.31</b>

\* It includes contribution to Provident Fund & ESIC, Withholding Taxes, Work contract Tax, Sales Tax, Service Tax & Professional tax.

### 8. SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Other Provisions</b>		
Proposed Equity Dividend	204.38	408.60
Tax on Proposed Equity Dividend	34.73	66.29
Provision for diminution in the value of Investment	0.84	-
Provision for Tax (Net of Advance Tax)	7.62	-
	<b>247.57</b>	<b>474.89</b>



## GROWING GLOBAL

### Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

#### 9. FIXED ASSETS

(` in Lacs)

Particulars	Gross Block				Accumulated Depreciation				Net Block			
	As At 01st April, 2012*	Adjustment	Addition	Deletion	Exchange Translation Reserve	As At 31st March, 2013	As At 01st April, 2012*	During the Year	Sold	Exchange Translation Reserve	As At 31st March, 2013	As At 01st April, 2012 *
<b>Tangible Fixed Assets</b>												
Land	746.88	-	214.18	31.68	(24.72)	904.66	-	-	-	-	904.67	746.88
Buildings	612.11	0.13	80.40	-	35.63	728.27	43.69	17.21	-	(0.05)	60.85	568.42
Plant & Equipment	2,141.54	(8.07)	274.52	19.96	28.62	2,416.65	236.14	110.85	2.57	(1.45)	342.97	1,905.39
Furniture & Fixtures	72.15	(1.75)	98.33	-	(0.04)	168.69	14.04	4.89	0.24	(0.03)	18.66	58.11
Vehicles	444.35	0.04	74.16	10.80	0.29	508.04	72.54	41.30	4.17	(0.10)	109.57	371.81
Electric Equipment	22.54	2.53	8.80	0.56	0.36	33.67	4.71	4.33	(3.24)	-	12.28	17.83
Computer & Accessories	120.41	(10.73)	39.54	5.07	0.09	144.24	60.47	15.88	11.61	(0.03)	64.71	59.95
<b>Sub Total (A)</b>	<b>4,159.98</b>	<b>(17.85)</b>	<b>789.93</b>	<b>68.07</b>	<b>40.23</b>	<b>4,904.22</b>	<b>431.59</b>	<b>194.46</b>	<b>15.35</b>	<b>(1.66)</b>	<b>609.04</b>	<b>3,728.39</b>
Previous Year	1,975.79	-	1,782.70	232.37	73.44	3,599.55	373.62	126.11	70.82	4.64	433.56	1,602.16
<b>Intangible Fixed Assets</b>												
Goodwill	101.89	-	-	-	-	101.89	10.19	10.19	-	-	20.38	91.70
Computer Software	7.98	17.85	7.43	-	-	33.26	1.63	9.82	(5.54)	-	16.99	6.35
Technical Know How	35.99	-	-	-	(14.66)	21.33	14.48	4.32	-	(14.53)	4.27	21.51
<b>Sub Total (B)</b>	<b>145.86</b>	<b>17.85</b>	<b>7.43</b>	<b>-</b>	<b>(14.66)</b>	<b>156.48</b>	<b>26.30</b>	<b>24.33</b>	<b>(5.54)</b>	<b>(14.53)</b>	<b>41.63</b>	<b>119.56</b>
Previous Year	87.64	-	58.21	-	1.37	147.22	0.15	25.62	-	0.59	26.36	87.48
<b>Total (A + B)</b>	<b>4,305.84</b>	<b>(0.00)</b>	<b>797.36</b>	<b>68.07</b>	<b>25.57</b>	<b>5,060.70</b>	<b>457.89</b>	<b>218.79</b>	<b>9.81</b>	<b>(16.19)</b>	<b>650.67</b>	<b>3,847.95</b>
Previous Year	2,063.43	-	1,840.91	232.37	74.81	3,746.77	373.77	151.73	70.82	5.23	459.92	1,689.64
Capital Work in Progress #	86.22	-	1,146.73	-	-	1,232.95	-	-	-	-	1,232.95	86.22
Previous Year	-	86.22	-	-	-	86.22	-	-	-	-	86.22	-
<b>Grand Total</b>	<b>4,392.06</b>	<b>(0.00)</b>	<b>1,944.09</b>	<b>68.07</b>	<b>25.57</b>	<b>6,293.65</b>	<b>457.89</b>	<b>218.79</b>	<b>9.81</b>	<b>(16.19)</b>	<b>650.67</b>	<b>3,934.17</b>
Previous Year	2,063.43	86.22	1,840.91	232.37	74.81	3,832.99	373.77	151.73	70.82	5.23	459.92	1,689.64

\* Opening Balances includes fixed assets of subsidiaries added / sold during the year.

# Capital work-in-progress includes pre-operative expenses of Bhuj (Gujarat) - Unit, which details are as under:

Employee Benefits Expenses	6.14
Others Expenses	2.28
<b>Total</b>	<b>8.42</b>

## Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 10. NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Long term</b>		
(At cost as reduced by diminution in value)		
<b>10.1 Investment in Equity Instruments (unquoted)</b>		
<b>Trade Investment in Subsidiary companies</b>		
Navam Lanka Limited Nil (358,475) Equity Shares of 100 LKR each fully paid up	-	238.21
Gravita Honduras SA DE CV Nil (85,158) Equity Shares of 100 LPS Each fully paid up	-	321.79
<b>Non-trade Investment in Associates</b>		
Pearl Landcon Private Limited 5,000 (5,000) Equity Share of ₹ 10 each fully paid up	0.08	0.10
<b>10.2 Other Trade Investments (unquoted)</b>		
Pagrik Ethiopia PLC 31,560 (31,560) Equity Share of BIRR 10.00 each fully paid up	14.47	14.47
National Saving Certificate pledged with Government Authorities	0.06	0.06
	<b>14.61</b>	<b>574.63</b>

### 11. LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Security Deposit</b>		
Unsecured and Considered Good	61.79	12.73
<b>Total (A)</b>	<b>61.79</b>	<b>12.73</b>
<b>Capital Advances</b>		
Unsecured and Considered Good	244.03	64.65
<b>Total (B)</b>	<b>244.03</b>	<b>64.65</b>
<b>Minimum Alternate Tax (MAT) / Alternate Minimum Tax (AMT) Credit Entitlement</b>		
Unsecured and Considered Good	60.51	-
<b>Total (C)</b>	<b>60.51</b>	<b>-</b>
<b>Total (A + B + C)</b>	<b>366.33</b>	<b>77.38</b>

### 12. OTHER NON CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Deposits with Original Maturity for more than 3 months but less than 12 months*	631.90	1,265.11
Deposits with Original Maturity for more than 12 months *	16.78	0.00
* Lien with Banks & Other Financial Institutions.	<b>648.68</b>	<b>1,265.11</b>



Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

13. CURRENT INVESTMENTS

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>13.1 Non-trade Investment in Mutual Funds (quoted)</b>		
Kotak Floater Short Term - Daily Dividend Plan 23,129 (Nil) Units	233.98	-
Templeton India Low Duration Fund - Monthly Dividend Reinvestment Plan 1,979,082 (Nil) Units	204.83	-
Reliance Liquid Fund - Treasury Plan - Daily Dividend Option Plan 2,101,292 (Nil) Units	359.23	-
Baroda Pioneer Liquid Fund - Daily Dividend Plan Nil (5,435.825) Units	-	54.39
Religare Credit Opportunities Fund - Institutional Daily Dividend Plan Nil (3,520,804.073) Units	-	352.18
Tata Fixed Income Portfolio Fund Scheme A3 Institutional Monthly Dividend Plan Nil (5,004,675.565) Units	-	502.15
<b>Non-trade Investment in Mutual Funds (unquoted)</b>		
DSP BlackRock FMP - 3M Series 33 - 3M - Dividend Payout Plan Nil (5,000,000) Units	-	506.14
<b>13.2 Non-trade Investment in Debentures (unquoted)</b>		
Siddhi Multi Trade Pvt Ltd 60 (Nil) 20% Series-A Non convertible Debentures of ` 100,000 each fully paid up 10,000 (Nil) Series-C Non convertible Debentures of ` 1 each fully paid up	60.00 0.10	- -
	<b>858.14</b>	<b>1,414.86</b>
Aggregated cost of quoted Investments	798.04	908.72
Aggregated market value of quoted Investments	798.87	908.72
Aggregated cost of unquoted Investments	1,670.78	1,510.17

14. INVENTORIES

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
(At Lower of cost and net realizable value)		
Raw Material [includes stock-in-transit ` 1268.29 Lacs (` 436.75 Lacs)]	2,952.25	380.32
Work in Progress	606.21	276.75
Finished Goods	2,482.16	556.16
Stock-In-Trade [includes stock-in-transit ` 104.46 Lacs (Nil)]	407.37	381.95
Stores & Spares	214.56	1,072.78
Consumables	257.94	167.48
	<b>6,920.49</b>	<b>2,835.44</b>
Less: Stock Reserve	85.37	15.96
	<b>6,835.12</b>	<b>2,819.48</b>

## Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 15. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>15.1 Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured and Considered Good	143.72	61.83
<b>Total (A)</b>	<b>143.72</b>	<b>61.83</b>
<b>15.2 Other Trade Receivables</b>		
Secured and Considered Good	530.73	958.92
Unsecured and Considered Good	3,647.83	3,463.71
<b>Total (B)</b>	<b>4,178.56</b>	<b>4,422.63</b>
<b>Total (A + B)</b>	<b>4,322.28</b>	<b>4,484.46</b>

### 16. CASH AND CASH EQUIVALENT

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Balances with banks:		
- Current Accounts	330.09	339.29
- Deposits with original maturity of less than three months	0.00	97.52
- Unclaimed Equity Share Application Money	2.19	5.06
- Unclaimed dividend account	0.49	0.27
Cheques in hand	5.61	1.32
Cash in hand	32.26	119.11
	<b>370.64</b>	<b>562.57</b>

### 17. SHORT TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>17.1 Security Deposit</b>		
Unsecured and Considered Good	16.80	62.47
<b>Total (A)</b>	<b>16.80</b>	<b>62.47</b>
<b>17.2 Advance Receivables from Related Parties</b>		
Unsecured and Considered Good	0.29	30.77
<b>Total (B)</b>	<b>0.29</b>	<b>30.77</b>
<b>17.3 Advances recoverable in cash or in kind</b>		
Unsecured and Considered Good	1,761.87	1,489.16
<b>Total (C)</b>	<b>1,761.87</b>	<b>1,489.16</b>
<b>17.4 Other Loans and Advances</b>		
Prepaid expenses	98.54	29.01
Advance to employees including Imprest*	44.14	20.13
Balances with Statutory/Government Authorities	532.64	253.88
Advance Income Tax (net of Provision for Tax)	-	15.31
Others	9.32	12.61
<b>Total (D)</b>	<b>684.64</b>	<b>330.94</b>
<b>Total (A+ B + C + D)</b>	<b>2,463.60</b>	<b>1,913.34</b>
<b>17.5 * Loans and advances due to Directors or other Officers, etc.</b>		
Loan to employees include		
Dues to officers	7.67	7.64



Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

**18. OTHER CURRENT ASSETS**

(` in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Interest Accrued on Fixed Deposits		
- Deposits	0.05	43.12
- Debentures	3.86	-
Preliminary Expenses	30.24	0.95
Preoperative Expenses	20.38	16.71
Others	30.92	4.60
	<b>85.45</b>	<b>65.38</b>

**19. REVENUE FROM OPERATIONS**

(` in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Sales of Products (inclusive of excise duty) (19.1)	39,789.08	27,047.19
Sales of Services (inclusive of excise duty) (19.2)	14.98	55.19
Other Operating Revenue (19.3)	1,183.20	524.66
<b>Total Revenue from Operations (gross)</b>	<b>40,987.26</b>	<b>27,627.04</b>
Less: Excise duty	1,029.05	730.59
<b>Total Revenue from Operations (net)</b>	<b>39,958.21</b>	<b>26,896.45</b>
<b>19.1 Revenue from Sales of Products</b>		
Manufactured Goods	26,622.88	19,479.60
Stock-In-Trade	13,166.20	7,567.59
	<b>39,789.08</b>	<b>27,047.19</b>
<b>19.2 Sale of Services</b>	<b>14.98</b>	<b>55.19</b>
	<b>14.98</b>	<b>55.19</b>
<b>19.3 Other operating revenue</b>		
Export Incentives	9.01	9.74
Excise Incentives and subsidy	1,114.37	468.00
Profit on DEPB License	17.95	24.58
Job work Income	41.87	22.34
	<b>1,183.20</b>	<b>524.66</b>

**20. OTHER INCOME**

(` in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Interest Income on:		
Bank Deposits	104.59	53.21
Loans & Advances	16.65	79.48
Debentures	22.22	-
Dividend from Non Traded Quoted and unquoted investments in Mutual Funds	56.83	149.44
Net Gain on foreign currency transactions and translations	21.83	-
Rent Income	12.24	-
Other non-operating income	34.53	106.45
Income from Employee benefit funds	-	2.67
	<b>268.89</b>	<b>391.25</b>

## Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 21. COST OF RAW MATERIAL AND CONSUMABLES

(₹ in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
<b>Material Consumed</b>		
Opening Stock as per last Financial Statements	1,376.25	1,644.16
Add: Opening Stock of Subsidiaries Added/transferred	63.45	(138.38)
<b>Net Opening Stock</b>	<b>1,439.70</b>	<b>1,505.78</b>
Add: Purchases	27,928.46	14,789.85
Less: Closing stock of Materials	1,535.50	498.50
Less: Stock In Transit	1,486.15	877.75
<b>Total (A)</b>	<b>26,346.51</b>	<b>14,919.38</b>
<b>CONSUMABLE CONSUMED</b>		
Opening Stock as per last financial statements	192.20	131.17
Add: Opening Stock of subsidiaries added/transferred	18.18	(3.48)
<b>Net Opening Stock</b>	<b>210.38</b>	<b>127.69</b>
Add: Purchase of Consumables	1,240.72	1,176.84
Less: Closing Stock of consumables	363.08	192.20
<b>Total (B)</b>	<b>1,088.02</b>	<b>1,112.33</b>
<b>Total (A) + (B)</b>	<b>27,434.53</b>	<b>16,031.71</b>

### 22. PURCHASE OF STOCK IN TRADE

(₹ in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Domestic	3,427.11	437.31
Import	3,150.44	6,043.62
	<b>6,577.55</b>	<b>6,480.93</b>

### 23. (INCREASE)/DECREASE IN INVENTORY

(₹ in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
<b>Closing stock</b>		
Finished Goods	2,374.35	610.52
Work in Process	522.33	431.87
Stock-in -Trade	427.86	92.04
<b>Total (A)</b>	<b>3,324.54</b>	<b>1,134.43</b>
<b>Less :Opening Stock</b>		
Finished Goods	610.52	437.48
Work in Process	431.87	197.47
Stock-in-trade	92.04	-
Opening Stock of Subsidiaries added/transferred	541.99	56.26
<b>Total (B)</b>	<b>1,676.42</b>	<b>578.69</b>
Exchange Rate Variation (C)	16.56	-
<b>Total (A + B + C)</b>	<b>(1,631.56)</b>	<b>(555.74)</b>



Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

24. EMPLOYEE BENEFITS EXPENSES

(` in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Salaries, Wages, Bonus etc.	1,469.00	1,183.87
Contribution to Provident and Other fund	67.90	30.28
Staff Welfare Expenses	129.93	84.54
Employee Stock Option	67.64	47.83
	<b>1,734.47</b>	<b>1,346.52</b>

25. FINANCE COSTS

(` in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Interest Expenses	557.89	189.95
Other Borrowing Costs	116.41	121.39
Net loss on foreign currency transactions and translations	234.57	(57.23)
	<b>908.87</b>	<b>254.11</b>

26. OTHERS EXPENSES

(` in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Power and fuel	203.80	109.87
Rent	190.60	139.63
Repairs and Maintenance		
Plant and Machinery	111.07	50.92
Buildings	18.71	26.63
Others	23.57	38.35
Insurance	17.17	11.51
Freight and Forwarding	786.50	619.53
Travelling and conveyance	196.04	157.03
Subcontracting	68.31	19.09
Legal and Professional	97.35	76.13
Rebate & Discount	151.53	1.42
Sales Commission	31.48	29.13
Advertising and Sales Promotion	34.61	67.31
Communication	48.71	38.48
Training & Recruitment	13.86	9.11
Printing and stationery	11.49	12.90
Donation	19.14	3.91
Payment to auditor:		
Statutory & Tax Audit	3.07	3.77
Limited review of unaudited financial results	1.20	1.20
Certification and other services	0.19	0.40
Loss on sale of fixed assets	4.59	5.18
Provision for diminution of trade investments	0.84	-
Corporate Social Responsibility	0.32	-
Miscellaneous expenses	254.94	197.02
	<b>2,289.09</b>	<b>1,618.52</b>



## Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 27. EXCEPTIONAL ITEMS

(₹ in Lacs)

Particulars	Year ended 31st March 2013	Year ended 31st March 2012
Profit on Sales of unquoted non current trade investments in		
- Gravita Honduras SA DE CV	26.17	-
- Gravita Georgia Limited	-	(112.24)
- Floret Trade Link Limited	-	0.02
- Penta Exim Private Limited	-	0.61
Profit on sale of fixed asset	7.70	-
	<b>33.87</b>	<b>(111.61)</b>

### 28. EARNINGS PER SHARE (EPS)

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Profit after Tax attributable to Equity Shareholders (a)	1,903.56	1,504.38
Weighted average nos. of Equity Shares outstanding during the year (Nos.) (b)	68,112,078	68,100,000
Basic Earnings per Share of face value ₹ 2 each (in ₹) (a)/ (b) #	2.79	2.21
Effect of Potential Dilutive Equity Shares on Employee Stock Options outstanding ( c )	231,650	410,800
Weighted average number of Equity Shares in computing Diluted Earnings per share [(d) = (b)+ (c)]	68,343,727	68,510,800
Diluted earnings per Share of face value ₹ 2 each (in ₹) (a) / (d) #	2.79	2.20

# restated on face value of ₹ 2 per Equity Share

### 29. CONTINGENT LIABILITIES & COMMITMENTS

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Contingent Liabilities</b>		
Guarantee Given to Government Authorities on behalf of Partnership firms	985.44	286.20
Letter of Credit for import of raw material	-	21.74
Bank Guarantee to BSE	-	22.50
<b>Commitments</b>		
Estimated amount of Contracts remaining to be executed on Capital account (net of advances) and not provided for	1,046.96	463.63



Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

30. GRATUITY

The liability in respect of payment under Employees Gratuity has been provided on Actuarial valuation in line with Accounting Standard 15 (Revised). Since, there is not much change in the conditions and circumstances between 31-Mar-2011 and 31-Mar-2012, therefore defined benefit obligations are taken on the basis of last year provisions. (₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>I. Changes in Present value of obligations</b>		
Mortality Table (LIC)	(1994-96)	(1994-96)
Valuation Rate of Interest	8.00%	8.00%
Salary Inflation Rate	5.00%	5.00%
Retirement Age	58	58
<b>II. Change in Benefit Obligation</b>		
Opening Defined Benefit	39.60	34.52
Obligation Service Cost for the year	(13.71)	5.08
<b>Closing defined benefit obligation</b>	<b>25.89</b>	<b>39.60</b>

31. LEASES

(₹ in Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Total of future minimum lease payments under Operating Lease for each of the following period are as under		
A) Not Later than one Year	116.71	25.24
B) Later than one year and not later than 5 years	387.80	22.80
C) Later than 5 years	271.39	10.45
	<b>775.89</b>	<b>58.49</b>

31.1 The Company has taken certain assets on Operating Lease agreement with:

Lessor	Property	Valid Up to	Amount (in ₹ Per month)
Archna Gupta & Vijay Gupta	101, Rajputana Tower, A-27B, Shanti Path, Tilak Nagar, Jaipur	31st July, 2013	13,734
Prabhati Lal Meena	Plot no. 30 to 34, Ganesh Nagar, Near Sushawat Dharam Kanta Road no. 17, VKI, Jaipur	30th September, 2013	25,000
Viram Dev Singh	Plot no. 75, Ward no. 4-B, Adipur, Kutch, Gujarat	14th January, 2014	14,000
Pooja Dilip Chandnani	Duplex no. 4, Plot no. 296, Ward no.3-B, Adipur, Kutch, Gujarat	08th August, 2013	8,000
Mr. Imtiyaz	AV.SAMORA MACHEL (Estrada Maputo-Witbank) No.672-EN4, Bairro Matola- Gare, Tchumene-2, Municipio da Matola, Provincia de Maputo, Mozambique'	23rd May, 2021	473,187
Augusto jose valoi	Plot No.3380/67, Q.Ni.26, District of Tchumene-2, Matola City, Mozambique	30th June, 2015	108,779
Board of Investment of Srilanka	27 A, MEPZ, Mirigama Export Processing Zone, Mirigama, Distt- Gampaha, Srilanka	2050	207,243
Ruwani Waharaka	78, Giriulla Road, Mirigama, Srilanka	31st August, 2013	12,858
SMAWK Manchanayake	17, Swarna Jayanthi Mawatha, Mirigama, Srilanka	19th March, 2014	9,644
Jonor Real estate Company limited	P.O. Box BT 16 Community 2 TEMA	14th February, 2021	275,210
Issac and Ryna	House Number G 5 Community 5 TEMA	14th February, 2015	48,950

## Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 32. SEGMENT REPORTING

The Company has identified two reportable segments viz. Lead and other business. Segments have been identified and reported taking into account -

- Nature of Products and services
- the different risks and returns
- the organization structure
- the internal financial reporting system

Gross turnover is after elimination of inter segment turnover. Lead includes all types of Lead, Lead alloy, Refined Lead, Remelted Lead, Lead Oxides, and Lead products.

Other segment includes sales, installation, commissioning, and consulting in respect of Lead smelting plant and turnkey projects.

32.1 Primary Segment Information	(₹ in Lacs)	
Particulars	2012-13	2011-12
<b>Segment Revenue (Net sale/ income from each segment)</b>		
Lead	38,155.62	26,114.15
Others	1,802.59	782.30
<b>Net Sales/ Income from Operations</b>	<b>39,958.21</b>	<b>26,896.45</b>
<b>Segment Profit before Tax and Interest from each Segment</b>		
Lead	3,123.74	1,967.48
Others	163.39	74.43
<b>Total Profit Before Tax and Interest</b>	<b>3,287.12</b>	<b>2,041.91</b>
Less: Interest	557.89	189.95
<b>Total Profit before Tax</b>	<b>2,729.24</b>	<b>1,851.96</b>
<b>Segment Assets</b>		
Lead	17,468.67	14,452.63
Others	4,139.17	2,235.54
<b>Total Assets</b>	<b>21,607.84</b>	<b>16,688.17</b>
<b>Segment Liabilities</b>		
Lead	10,427.59	6,668.45
Others	1,241.20	1,373.53
<b>Total Liabilities</b>	<b>11,668.79</b>	<b>8,041.98</b>
<b>Capital Expenditures</b>		
Lead	1,958.68	1,369.87
Others	(14.58)	585.86
<b>Total Capital Expenditures</b>	<b>1,944.09</b>	<b>1,955.73</b>
<b>Depreciation and amortization expense</b>		
Lead	198.62	134.30
Others	20.16	17.42
<b>Total Depreciation and amortization expense</b>	<b>218.78</b>	<b>151.72</b>



**Notes forming part of Consolidated Financial Statements** (Contd.) for the year ended 31<sup>st</sup> March 2013

32.2 Secondary Segment Information	(₹ in Lacs)	
Particulars	2012-13	2011-12
<b>Segment Revenue - External Turnover</b>		
- Within India	23,652.58	25,603.47
- Outside India	15,122.43	1,292.98
<b>Total Revenue</b>	<b>38,775.01</b>	<b>26,896.45</b>
<b>Segment Assets</b>		
- Within India	15,629.42	14,237.84
- Outside India	5,978.42	2,450.33
<b>Total Assets</b>	<b>21,607.84</b>	<b>16,688.17</b>
<b>Segment Liability</b>		
- Within India	8,646.13	7,666.95
- Outside India	3,022.66	375.03
<b>Total Liabilities</b>	<b>11,668.79</b>	<b>8,041.98</b>
<b>Capital Expenditure</b>		
- Within India	1,893.99	1,379.20
- Outside India	50.10	576.53
<b>Total Expenditure</b>	<b>1,944.09</b>	<b>1,955.73</b>

**33. RELATED PARTY TRANSACTIONS**

**33.1 Related Party Disclosure**

**a. List of Subsidiaries**

- Gravita Exim Limited
- Navam Lanka Limited (Subsidiary from 10th May, 2012)
- Gravita Ghana Limited
- Gravita Mozambique LDA
- Gravita Energy Limited
- Gravita Infra Private Limited
- Noble Build Estate Private Limited
- Gravita Global Pte Limited and its Subsidiary
  - Gravita Netherlands BV and its subsidiaries
    - Gravita Senegal S.A.U.
    - Gravita Nicaragua S.A.
    - Gravita Trinidad & Tobago Limited

**b. Associates**

- Gravita Honduras SA DE CV (Associate up to 25th September, 2012)
- Pearl Landcon Private Limited

**c. Limited Liability Partnership Firms**

- Gravita Technomech LLP (in process of strike off)

**d. Partnership Firms**

- M/s Gravita Metals (formerly known as M/s KM Udyog)
- M/s Gravita Metal Inc (formerly known as M/s Metal Inc)
- M/s Gravita Technomech

**e. Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise:**

- Gravita Exim Limited
- Gravita Ghana Limited
- Gravita Mozambique LDA
- Gravita Senegal S.A.U.
- Gravita Energy Limited

## Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 33. RELATED PARTY TRANSACTIONS (contd.)

Gravita Infra Pvt. Ltd.  
 Noble Build Estate Pvt Ltd.  
 Gravita Global Pte Ltd  
 Gravita Netherlands BV  
 Navam Lanka Ltd.  
 Gravita Honduras SA DE CV.  
 Gravita Technomech LLP  
 M/s Gravita Metals (formerly known as M/s KM Udyog)  
 M/s Gravita Metal Inc (formerly known as M/s Metal Inc)  
 M/s Gravita Technomech  
 Gravita Impex Private Limited  
 Saurabh Farms Limited  
 Shah Buildcon Private Limited  
 Jalousies India Private Limited  
 Surana Professional Services Private Limited  
 M/s R.Surana & Company  
 M/s Surana Associates  
 Gravita Nicaragua S.A  
 Gravita Trinidad And Tobago Ltd  
 Pearl Landcon Private Limited

f. **Key Management Personnel**

Dr. Mahavir Prasad Agarwal  
 Mr. Rajat Agrawal  
 Mr. Rajeev Surana  
 Mr. Vijendra Singh Tanwar

33.2	Sale/purchase of goods and services	Sale of Goods	Purchase of Goods	Amount Owed by related parties	Amount Owed to related parties
	<b>Associates</b>				
	Gravita Honduras SA DE CV	-	106.79	-	-
		(28.57)	(661.56)	(-)	(12.76)
33.3	Loans given and repayment thereof	Loan Given	Repayment	Interest Accrued	Amounted owed by related parties
	<b>Associates</b>				
	Gravita Honduras SA DE CV	26.93	26.93	-	-
		(-)	(-)	(-)	(-)
	Pearl Landcon Pvt Ltd	-	-	-	-
		(4.00)	(4.00)	(-)	(-)
33.4	Loans taken and repayment thereof	Loan taken	Repayment	Interest Accrued	Amounted owed to related parties
	<b>Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise:</b>				
	Jalousies India Pvt Ltd	-	-	-	-
		(200.00)	(200.00)	(2.00)	(-)



Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

33. RELATED PARTY TRANSACTIONS (contd.)

33.5 Expenses Recovered (₹ in Lacs)		
Particulars	2012-13	2011-12
<b>Associates</b>		
Gravita Honduras SA DE CV	-	46.38
<b>Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise:</b>		
Shah Buildcon Private Limited	0.89	0.08

33.6 Remuneration to key managerial personnel (₹ in Lacs)		
Particulars	2012-13	2011-12
Mr. Rajat Agrawal	36.00	36.00
Dr. M.P. Agarwal	36.00	36.00
Mr. Rajeev Surana	24.00	26.00
Mr. Vijendra Singh Tanwar	21.60	18.00
<b>Relative of Key Management Personnel</b>		
Mrs. Shashi Agrawal	0.05	0.78
<b>Total</b>	<b>117.65</b>	<b>116.78</b>

33.7 Other Transaction with Related Parties/Key Managerial Personnel/Relative of Key Managerial Personnel (₹ in Lacs)		
Particulars	2012-13	2011-12
<b>Associates</b>		
Gravita Honduras SA DE CV (Disinvestment made)	362.42	-
(Investment made)	-	(136.58)
Gravita Honduras SA DE CV (Rent Income)	9.68	-
<b>Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise:</b>		
Saurabh Farms Limited (Rent Paid)	1.53	0.20
[Rent Outstanding As on 31-Mar-2013 ₹ 0.68 Lacs (Nil)]		
Shah Buildcon Pvt Ltd (Rent Paid)	1.20	-
Rajeev Surana HUF (Rent Paid)	1.00	3.27
[Rent Outstanding As on 31-Mar-2013 ₹ 0.11 Lacs (Nil)]		
Saurabh Farms Limited (Rent Paid including Electricity)	2.52	3.15
<b>Key Management Personnel</b>		
Mr. Rajat Agrawal (Rent Paid)	25.71	15.21
<b>Relative of Key Management Personnel</b>		
Mrs. Anchal Agrawal (Rent Paid)	-	2.80

34. UTILIZATION OF MONEY RAISED THROUGH IPO FUNDS

During the year 2010-11, the Company had received ₹ 4,500 Lacs as Initial Public Offering. The details of utilization of proceeds through the Initial Public Offering as at 31<sup>st</sup> March, 2013 are as under:

₹ in Lacs		
Particulars	As at 31st March 2013	As at 31st March 2012
Amount received from IPO	4,500.00	4,500.00
<b>Utilization of Funds:</b>		
Investment in additional manufacturing facilities	350.00	371.43

## Notes forming part of Consolidated Financial Statements (Contd.) for the year ended 31<sup>st</sup> March 2013

### 34. UTILIZATION OF MONEY RAISED THROUGH IPO FUNDS (contd.)

During the year 2010-11, the Company had received ` 4,500 Lacs as Initial Public Offering. The details of utilization of proceeds through the Initial Public Offering as at 31st March, 2013 are as under:

Particulars	(` in Lacs)	
	As at 31st March 2013	As at 31st March 2012
Investment in overseas ventures	714.02	519.03
Investment in Partnership Firms	1,295.00	1,295.00
Working Capital requirement	2,500.00	1,200.00
General corporate purpose	90.00	90.00
Expenses of the issue	261.54	261.54
<b>Total Funds Utilized</b>	<b>5,210.56</b>	<b>3,737.00</b>
<b>Balance Funds Unutilized</b>	<b>-</b>	<b>763.00</b>

35. The previous year figures have been shown in bracket and regrouped/reclassified, wherever necessary to conform to the current year.

36. The Subsidiaries considered in the Consolidated Financial Statements are:

Name of Subsidiaries	Country of Incorporation	Proportion of ownership interest
Gravita Exim Limited	India	100.00%
Gravita Energy Limited	India	99.20%
Gravita Infra Private Limited	India	99.00%
M/s Gravita Technomech	India	51.00%
Gravita Technomech LLP	India	51.00%
M/s Gravita Metals (formerly known as M/s K.M Udyog)	India	100.00%
M/s Gravita Metal Inc (formerly known as M/s Metal Inc.)	India	100.00%
Gravita Ghana Limited	Ghana	100.00%
Gravita Mozambique Limitada	Mozambique	100.00%
Gravita Senegal SAU	Senegal	100.00%
Gravita Global Pte Ltd	Singapore	100.00%
Gravita Netherlands BV	Netherlands	100.00%
Gravita Nicaragua SA	Nicaragua	100.00%
Gravita Trinidad & Tobago Limited	Trinidad & Tobago	100.00%
Noble Build Estate Private Limited	India	100.00%
Navam Lanka Limited (from 11th May, 2012)	Sri Lanka	52.00%

The Associates considered in the Consolidated Financial Statements following equity method on the basis of principles given In Accounting Standards (AS)-23 i.e. Accounting for Investments in Associates in Consolidated Financial Statements are:-

Name of Associate	Country of Incorporation	Proportion of ownership interest
Navam Lanka Limited (Up to 10th May, 2012)	Sri Lanka	40.00%
Pearl Landcon Private Limited	India	25.00%
Gravita Honduras SA DE CV (Up to 25th September, 2012)	Honduras	33.33%

As per our report of even date

For Rajvanshi & Associates  
Chartered Accountants

For & on behalf of the Board of Directors

Vikas Rajvanshi  
Partner

Rajat Agrawal  
Managing Director

Rajeev Surana  
Whole Time Director

Date : 28<sup>th</sup> May 2013  
Place : Jaipur

Sunil Kansal  
GM - Finance & Accounts

Leena Jain  
Company Secretary



## GROWING GLOBAL

### 37. STATEMENT PURSUANT TO SECTION 212 OF COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

(` in Lacs)

S. No.	Stake Held	Name of Subsidiary Companies	Reporting Currency *	Capital	Reserve & Surpluses	Total Assets	Total Liabilities	Investments	Turnover 12-13	Profit Before Taxation	Provision for taxation	Profit 12-13	Country
1.	100.00%	Gravita Exim Ltd.	INR	20.00	230.95	1,114.74	1,114.74	465.53	1,507.56	(84.36)	(0.35)	(84.01)	India
2.	99.20%	Gravita Energy Ltd.	INR	5.00	-	7.70	7.70	-	-	-	-	-	India
3.	99.00%	Gravita Infra Pvt. Ltd.	INR	1.00	-	3.87	3.87	-	-	-	-	-	India
4.	51.00%	M/s Gravita Technomech	INR	614.85	(54.90)	1,600.47	1,600.47	-	969.51	235.52	16.22	219.30	India
5.	100.00%	M/s Gravita Metals (formerly known as M/s K.M Udyog)	INR	1,197.34	43.54	2,576.78	2,576.78	-	11,137.12	825.12	-	825.12	India
6.	100.00%	M/s Gravita Metal Inc. (formerly known as M/s Metal Inc.)	INR	498.35	20.91	612.03	612.03	-	678.42	41.54	-	41.54	India
7.	51.00%	Gravita Technomech LLP	INR	1.64	(0.04)	1.60	1.60	-	-	-	-	-	India
8.	100.00%	Noble Build Estate Pvt. Ltd.	INR	2.00	(1.25)	210.53	210.53	-	-	(2.22)	-	(2.22)	India
9.	100.00%	Gravita Global Pte Ltd.	USD	12.95	-	12.95	12.95	12.77	-	-	-	-	Singapore
			INR	707.78	-	709.13	709.13	697.99	-	-	-	-	
10.	52.00%	Navam Lanka Ltd.	LKR	896.34	2,563.12	5,334.46	5,334.46	-	13,405.89	1,933.60	224.03	1,709.58	Sri Lanka
			INR	386.77	1,105.99	2,301.82	2,301.82	-	5,659.97	816.37	94.60	721.76	
11.	100.00%	Gravita Netherlands BV	USD	0.24	12.82	13.08	13.08	12.37	-	0.29	-	0.29	Netherlands
			INR	13.30	700.48	714.82	714.82	676.08	22.01	15.76	-	15.76	
12.	100.00%	Gravita Trinidad & Tobago Ltd.	TTD	0.31	-	1.26	1.26	-	-	-	-	-	Trinidad & Tobago
			INR	2.73	-	10.94	10.94	-	-	-	-	-	
13.	100.00%	Gravita Nicaragua SA	NIO	0.95	-	22.55	22.55	-	-	-	-	-	Nicaragua
			INR	2.15	-	50.93	50.93	-	-	-	-	-	
14.	100.00%	Gravita Ghana Ltd.	GHS	3.14	44.27	76.61	76.61	-	106.83	2.19	-	2.19	Ghana
			INR	89.67	1,262.90	2,185.38	2,185.38	-	3,087.62	63.36	-	63.36	
15.	100.00%	Gravita Senegal SAU	CFA	2,380.00	7,157.46	15,513.94	15,513.94	-	34,291.43	5,804.91	759.37	5,045.55	Senegal
			INR	254.18	764.42	1,656.89	1,656.89	-	3,672.36	631.37	82.09	549.28	
16.	100.00%	Gravita Mozambique LDA	MZN	79.05	87.80	501.01	501.01	-	1,046.47	13.14	1.96	11.19	Mozambique
			INR	144.01	159.95	912.74	912.74	-	1,994.99	25.05	3.73	21.32	

\* Exchange Rates for the respective foreign currency are as under:-

Reporting Currency	Exchange rate as on 31.3.2012	Exchange rate as on 31.3.2013	Average Exchange rate during the Year
GHS to INR	29.4206	28.5256	28.9014
CFA to INR	0.1077	0.1068	0.1081
MZN to INR	1.8653	1.8218	1.9064
TTD to INR	8.3031	8.6802	8.6845
NIO to INR	2.2822	2.2582	2.3251
USD to INR	52.185	54.655	54.5494
LKR to INR	0.4071	0.4315	0.4222

As per our report of even date

For Rajvanshi & Associates  
Chartered Accountants

For & on behalf of the Board of Directors

Vikas Rajvanshi  
Partner

Rajat Agrawal  
Managing Director

Rajeev Surana  
Whole Time Director

Date : 28<sup>th</sup> May 2013  
Place : Jaipur

Sunil Kansal  
GM - Finance & Accounts

Leena Jain  
Company Secretary





REGD. OFFICE: "SAURABH", CHITTORA ROAD, HARSULIA MOD, DIGGI-MALPURA, TEHSIL PHAGI, JAIPUR-303904

### ATTENDANCE SLIP

Regd. Folio No. / Client ID: .....

Name and Address of First / Sole Shareholder: .....  
.....  
.....

No. of Shares held: .....

I hereby record my presence at the 21<sup>st</sup> Annual General Meeting of the Company to be held on Monday, the 29<sup>th</sup> day of July 2013 at 11.30 A.M. at "Saurabh Farms", Chittora Road, Harsulia Mod, Diggi Malpura, Tehsil-Phagi, Jaipur - 303904 (Rajasthan)

\_\_\_\_\_  
Signature of the Member / Proxy

**Notes:**

- a) Only Member / Proxy can attend the meeting. No minors would be allowed at the meeting.
- b) Member / Proxy who wish to attend the meeting must bring this attendance slip to the meeting and hand it over at the entrance of the meeting hall.
- c) Member / Proxy should bring his / her copy of the Annual Report for reference at the meeting.



REGD. OFFICE: "SAURABH", CHITTORA ROAD, HARSULIA MOD, DIGGI-MALPURA, TEHSIL PHAGI, JAIPUR-303904

### PROXY FORM

Regd. Folio No. / Client ID: .....

No. of Shares held: .....

I / We ..... of being a member / members of the above named Company, hereby appoint ..... of ..... or failing him / her ..... of ..... as my/our Proxy to attend and vote for me/us on my/our behalf at the 21<sup>st</sup> Annual General Meeting of the Company to be held on 29<sup>th</sup> July 2013 at 11.30 A.M. at "Saurabh Farms", Chittora Road, Harsulia Mod, Diggi Malpura, Tehsil-Phagi, Jaipur - 303904 (Rajasthan) and at any adjournment(s) thereof.

Signed this ..... day ..... of 2013

Re. 1/-  
Revenue  
Stamp

**Notes:**

- a) Proxy need not be a member of the Company.
- b) The Proxy form duly filled in and signed by the member(s) across Revenue Stamp should reach the Company's Corporate Office at least 48 hours before the time fixed for the meeting.
- c) Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send a Certified Copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the meeting.

# Corporate Information

## Board of Directors

---

Dr. Mahavir Prasad Agarwal  
*Chairman & Whole time Director*

Rajeev Surana  
*Whole time Director*

Yogesh Mohan Kharbanda  
*Director*

Rajat Agrawal  
*Managing Director*

Dinesh Kumar Govil  
*Director*

Arun Kumar Gupta  
*Director*

## Company Secretary

---

Leena Jain

## Key Management Personnel

---

Navin Prakash Sharma  
*President & CEO*

Vijendra Singh Tanwar  
*Whole time Director–Gravita Exim Ltd*

Vijay Pareek  
*Vice President (Sales & Marketing)*

Yogesh Malhotra  
*Vice President (HR & Operations)*

Gopal Agrawal  
*Vice President (Engineering)*

Rakesh Jain  
*Vice President (Projects)*

Sandeep Choudhary  
*Vice President (Operations)*

Madhaw Ram Gupta  
*Vice President (Production)*

Sanjay Singh Baid  
*Vice President (Procurement)*

## Statutory Auditors

M/s Rajvanshi & Associates  
Chartered Accountants  
H-15, Chitranjan Marg,  
C-Scheme, Jaipur.

## Registrar and Share Transfer Agent

Karvy Computershare Pvt. Ltd.  
KARVY HOUSE, 46, Avenue 4, Street No. 1,  
Banjara Hills, Hyderabad – 500 034  
Website: [www.karvy.com](http://www.karvy.com)

## Bankers

State Bank of India  
IDBI Bank Ltd  
AXIS Bank Ltd  
Punjab National Bank

## Internal Auditors

Kalani & Company  
Chartered Accountants  
Shankar Ratan Chambers,  
S-23A, Mangal Marg, Bapu Nagar,  
Jaipur - 302015.

## Corporate Office

402, Gravita Tower, A-27B, Shanti Path,  
Tilak Nagar, Jaipur – 302 004, India  
Ph. No.: +91-141-2623266, +91-141-2622697  
Fax: +91-141-2621491  
[www.gravitaindia.com](http://www.gravitaindia.com)

## Registered Office and Works

‘Saurabh’, Chittora Road, Harsulia Mod,  
Diggi – Malpura Road, Tehsil Phagi, Jaipur - 303 904.  
Email: [works@gravitaindia.com](mailto:works@gravitaindia.com),  
[info@gravitaindia.com](mailto:info@gravitaindia.com)





# GRAVITA INDIA LIMITED

Corp. Office : 402, Gravita Tower  
A-27 B, Shanti Path, Tilak Nagar  
JAIPUR-302 004, Rajasthan (INDIA)  
Phone : +91-141- 2623266, 2622697  
FAX : +91-141-2621491  
E-mail : info@gravitaindia.com  
Web. : www.gravitaindia.com

28th May 2013

## FORM A

Covering Letter of the Annual Audit Report to be filed with the  
Stock Exchanges

1.	Name of the Company:	<b>Gravita India Limited</b>
2.	Annual financial statements for the year ended	<b>31<sup>st</sup> March 2013</b>
3.	Type of Audit Observation	<b>Unqualified</b>
4.	Frequency of observation	<b>Not Applicable</b>
5.	To be signed by:-	
	a) <b>Rajat Agrawal, Managing Director</b>	 
	b) <b>Sunil Kansal, G M Finance &amp; Accounts</b>	 
	c) <b>Vikas Rajvanshi, Auditor of the company</b>	 
	d) <b>Dinesh Kumar Govil, Audit Committee Chairman</b>	 



Works & Regd. Office :  
'SAURABH', Chittora Road, Diggi-Malpura Road  
Tehsil : Phagi, JAIPUR-303 904, Raj. (INDIA)

