



24th Annual Report  
2015-16



Diversification  
With **Globalization**

## Disclaimer

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

## Corporate Overview

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# Gravita at a Glance

## Our Vision

To be the most valuable company in the recycling space globally.



## Our Mission

To be amongst the top 5 global companies in recycling by 2023 through:

- Diversification
- Sustainable Growth
- Eco-friendly Technological Innovation
- Value creation for all stakeholders

## Core Values

- Fairness
- Trust
- Respect
- Passion
- Nurturing Relationship



# Diversification with **Globalization**

It has been an eventful decade for the Company.

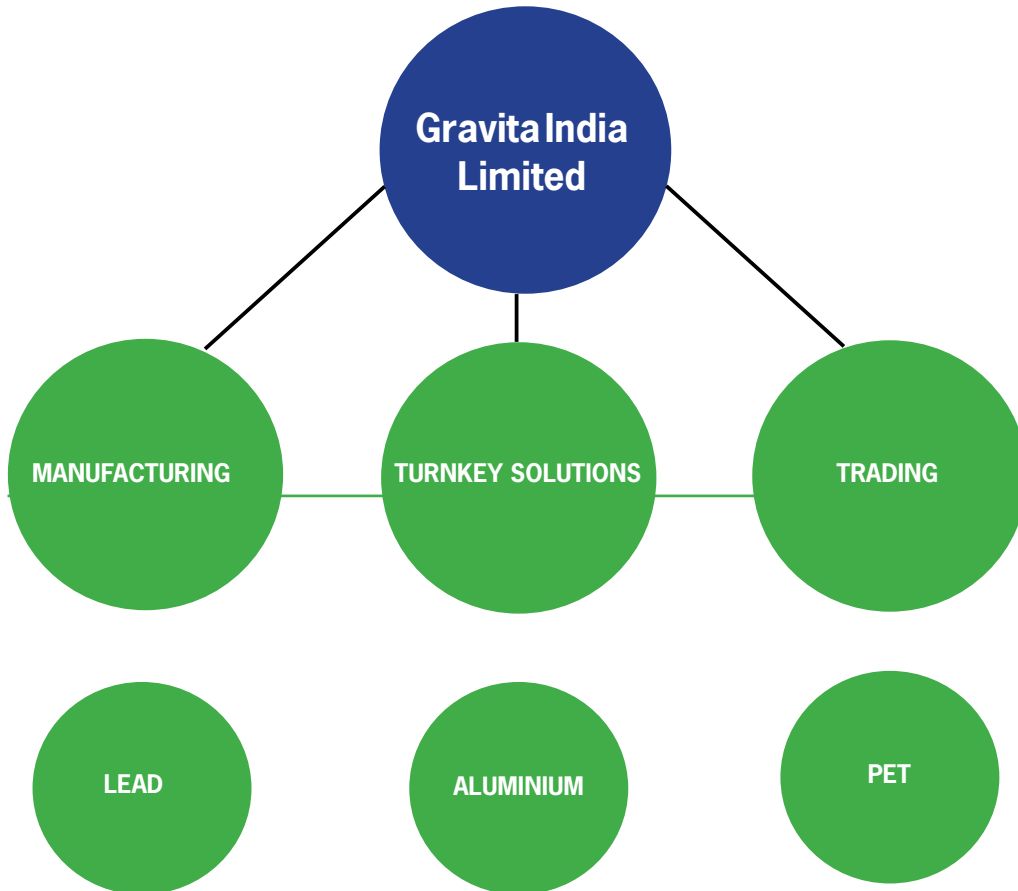
We improved our business efficiencies and expanded our manufacturing presence globally.

We innovated and explored new products for diversified opportunities.

In simpler terms, we created a sustainable platform for a steady and consistent growth.

We consistently followed our organization's growth objectives that led us to identify our capabilities and competences. Our focus and foresightedness has further allowed us to create our own opportunities by the way of identifying new and potentially profitable areas of operation.

# Business Segments at a **Glance**



**{ 98,749 }**  
Total Capacity (MTPA )  
as on 31st March 2016

**{ 59+ }**  
Turnkey Projects Executed

**{ 11+ }**  
Products Traded

**{ 9% }**  
Of Total Revenue  
generated from Trading  
activities

**{ 99.97% }**  
Level of purity in the  
Products Manufactured

# Diversification

As a part of our vision & mission to expand globally in recycling space, we diversified from the Lead recycling business and introduced Aluminium and PET recycling to our existing manufacturing setup. This initiative has de-risked our business operations and opened up multiple earnings opportunities by offering new products and solutions to our existing and new customers.

In year 2015 we started trading of Aluminium Scrap by procuring it from various countries in Africa and selling it in India with or with segregation process. It was initiated to gain experience of technicalities involved in procurement process and to establish supply chain for its upcoming plants of Aluminium recycling.

Gravita also installed a plant of PET recycling having capacity of 3,600 MTPA in Nicaragua, where it is

procuring PET bottle scrap locally and making PET flakes as finished goods, which is being exported from Nicaragua.

We further intend to enhance our share of speciality business globally by setting up new units to cater to the existing demand as well as the new demand arising out of diversification.

The increasing contribution from our diversified business combined with our improving global presence will enable us to surpass market growth and ensure steady cash flows. Thus, paving way for solid, steady and sustainable organisational growth.

**{ 3 }**  
Integrated Business  
Verticals driving the  
Company ahead





# Globalization

Gravita has already bought land in Chittoor district of Andhra Pradesh, where in a plant of Lead and Aluminium recycling is under erection with capacity of 15,000 MTPA and 12,000 MTPA respectively. This plant will grab the opportunity of domestic scrap available with large telecom players i.e. Airtel, Vodafone etc. and UPS batteries from I.T. offices in and around southern markets by having long term contracts to collect their PAN India scrap in cost effective manner and by exporting the finished goods using the nearest Chennai port which in result will save the logistic cost of the company.

In addition, the company has plans to acquire land near Mundra port in Gandhidham, Gujarat, where in another plant of Lead, Aluminium and PET recycling is planned with total capacity of 28,000 MTPA. This plant is planned to reduce the logistic cost involved and reducing the working capital cycle by import of scrap and export of finished goods using the same port.

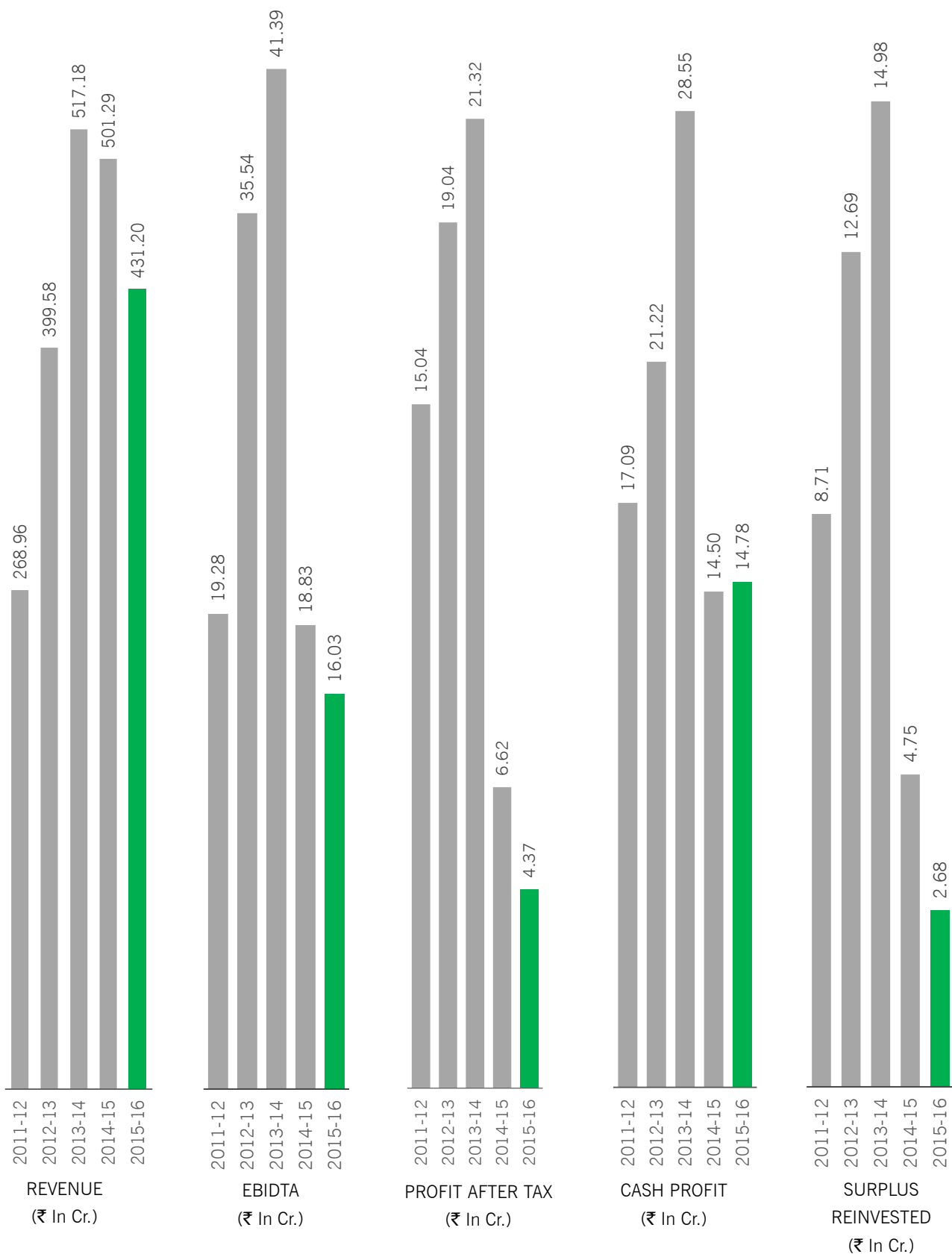
Gravita is already having manufacturing facilities in Ghana, Senegal, Mozambique, Sri Lanka and Nicaragua for Lead and PET recycling and enjoying good profit margins by procuring the scrap locally and from nearby countries and exporting the finished goods from the respective country.

In order to further expand and to reap the benefit of low cost raw material available globally, now Gravita has plans to explore its footprints globally in USA, Jamaica, Bolivia, Costa Rica and Tanzania.

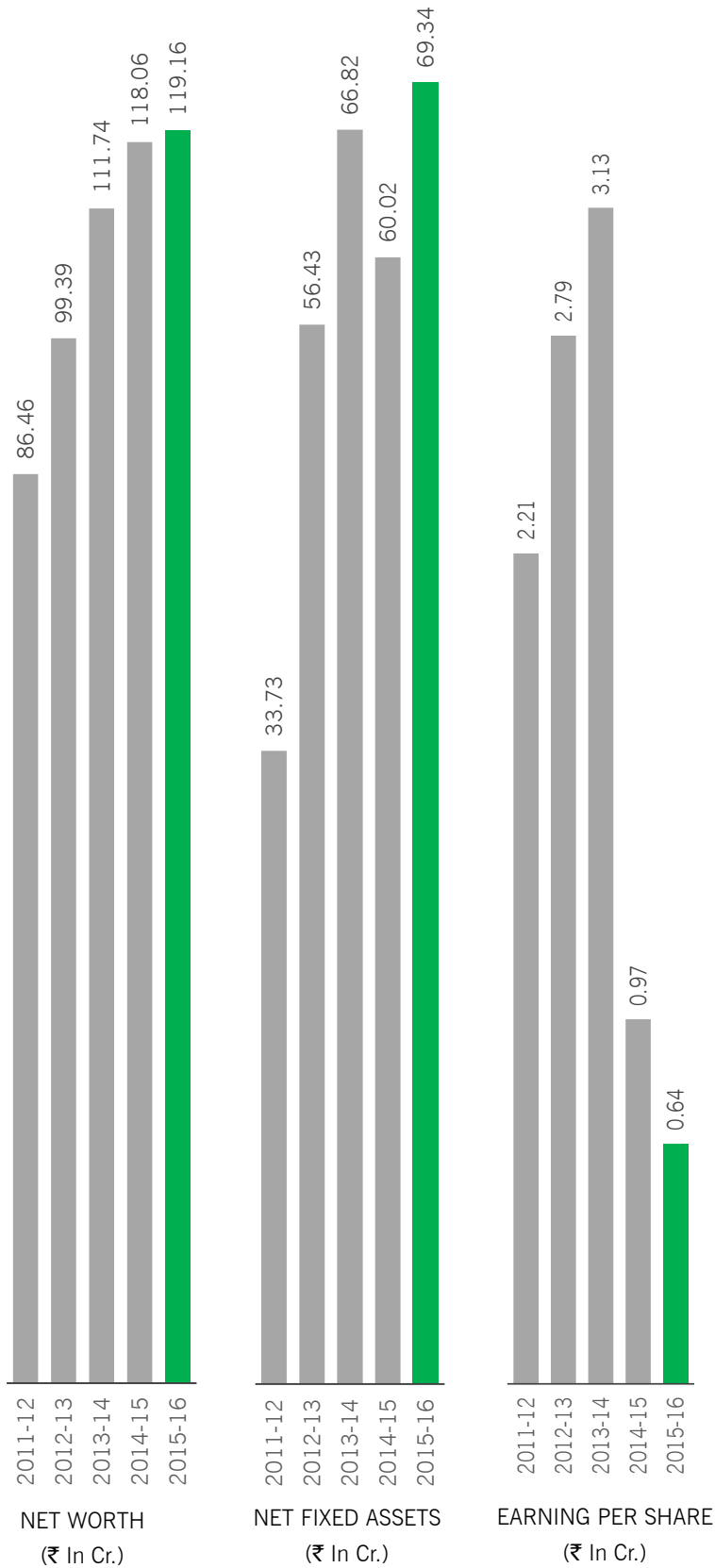
{ **10** }  
Number of  
Manufacturing Facilities



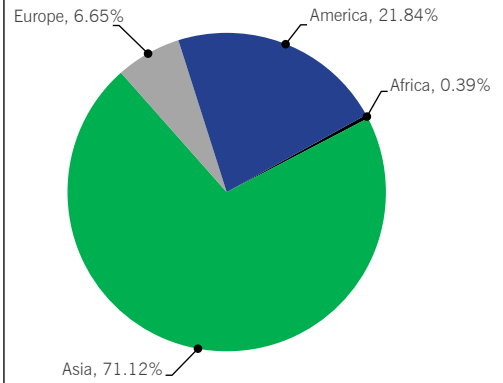
# Financial Highlights



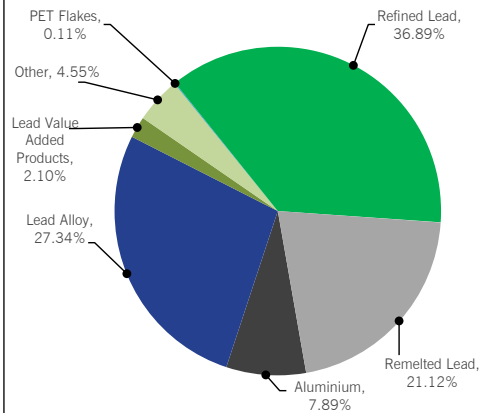




**REVENUE BY GEOGRAPHY**



**REVENUE BY PRODUCTS**



**{ 6.54% }**  
Return on Assets in  
2015-16

**{ 3.67% }**  
Return on Equity in  
2015-16

# Chairman's Communique



*Dear Shareholders,*

It gives me immense pleasure to greet you all on the 24<sup>th</sup> 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, banks, employees and the society at large.

## **INDUSTRY OVERVIEW**

Like all other industry sectors, the Lead industry in India has come a long way, with a commendable performance and creditable achievements. India used to be largely import-dependent for Lead in the sixties and seventies. Today, India is a very significant producer of recycled Lead, purely from the huge domestic generation of used Lead Acid Batteries.

The Financial Year 2015-16 was challenging year for the Lead metal market. The Lead prices are market driven and depend on multiple factors existing in local as well as in international market. The price fluctuation in Global Lead Market hit the industry unexpectedly. We overcame challenges that emerged from the external environment in a manner that has made us more future-ready than ever before. It tested our organizational capability to counter headwinds. Ultimately our resilience made us even more confident that we will always continue to contribute positively to our stakeholders and to India's long-term progress. It has also been an eventful year for global business. Global economic recovery was inconsistent across geographies and major industries, such as metal and power sectors had to cope with multiple challenges. Against the backdrop of uncertainties, India remained a bright spot in the global landscape. The country's economic fundamentals are sound, and the Government is determined to remove impediments to economic development and social empowerment. In this context, it is pertinent to mention that the 'Make in India' initiative has encouraged indigenous manufacturing expertise to compete at a global scale. Such an initiative is expected to take the share of manufacturing in the country's GDP from around 16% to 25% by 2022.

The overall industry is undergoing rapid changes and it has become essential to continuously refine and sharpen our capabilities. While responding to these changes is imperative, response capability alone will not be sufficient to generate long

{ **3.72%** }  
EBIDTA margin in  
2015-16

term sustainable value for stakeholders. Anticipation of the future shape of the industry and taking steps today, to rightly position the Company is extremely important.

### PERFORMANCE 2015-16

At GRAVITA, we look beyond challenges at the opportunities present, and apply our abilities with focus and foresight. That is exactly what we did during the year. We optimized raw material consumption through best-in-class technology intervention; improved cost competitiveness; managed cash flows; focused on value-added products to attract new customers; adding new territories and aligned long-term business strategies with diverse stakeholder expectations. Such an approach has enabled us to emerge as one of the fastest growing secondary Lead manufacturers in India and despite of all internal as well as external factors the company performed rationally well and the revenues in current F.Y. stood at ₹ 431.20 Crores as compared to ₹ 501.29 Crores in last F.Y. The net Profit of the Company stood at ₹ 4.37 Crores in 2015-16 as compared to ₹ 6.62 Crores in 2014-15.

### THE WAY FORWARD

So as to overcome with all situations we set some standard for fighting with the forces and factors of external environment in front of us. Some of our thoughts, which we considered duly to stay in the market at the top:

#### **The first is our financial stability:**

After the previous financial year, we made lots of changes in our revenue

policy and we are looking forward for a new future project only to cope up with market conditions. But for some years now we have again been fully maneuverable with no financial concerns and are stronger now than almost ever before.

#### **The second is our future vision:**

With a vision of Largest Recycler by 2023 the Company is going ahead by diversifying its business into same segment of recycling by adding Aluminum and PET Recycling to its existing manufacturing facilities. In doing so, we have also expanded and strengthened collaboration within and throughout the corporation. We have put in place dedicated raw material sourcing teams to ensure steady supply arrangements which will ensure uninterrupted supply to our manufacturing facilities. After all, this is where our unique potential lies.

#### **The third is our Research & Development capability:**

Our Research & Development effort continues to direct towards building a strong and differentiated product pipeline.

### GROWTH DRIVERS

We expect Gravita to evolve as a company with an interesting mix diversified sectors with global presence, persistently working for sustainable environment across the world. This evolution will entail taking multiple initiatives, both organic and inorganic. While not all of these initiatives may give the desired results, we are gearing up the Company to maximize the

odds of succeeding and minimize the disruption due to failures.

In the long term, we are targeting growth faster than the respective markets in which we are present. Our capable and committed employees will be the key drivers of this growth.

### NOTE OF APPRECIATION

On behalf of the Board of Directors of your Company, I wish to convey earnest thanks to our valued Shareholders for their continuous support and trust in us. This motivation helps us to excel in all our pursuits and constant endeavor to create value for you. I would like to thank my colleagues on the Board for their valuable guidance and contribution in steering the Company to higher levels of achievement. Above all, I would like to place on record the commendable efforts and commitments shown by our most valued resource, i.e. the Human Resource of the Company as our employees have always contributed their best for the Company to set new benchmarks. I thank you all once again and offer my best wishes for a very gala festive season ahead.

Warm Regards

#### **Dr. Mahavir Prasad Agarwal**

Chairman & Whole-Time Director

# Management

## Discussion & Analysis

### Economy Overview

In 2015, global economic activity remained subdued. Growth in emerging market and developing economies while still accounting for over 70 percent of global growth declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Three key transitions continued to influence the global outlook:

1. The gradual slowdown and rebalancing of economic activity in China from investment and manufacturing towards consumption and services,
2. Lower prices for energy and other commodities, and
3. A gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery as several other major advanced economy central banks continue to ease monetary policy.

Overall growth in China is evolving broadly as envisaged, but with a faster-than-expected slowdown in imports and exports, in part reflecting weaker investment and manufacturing activity. These developments, together with market concerns about the future performance of the Chinese economy, are having spillovers to other economies through trade channels and weaker commodity prices, as well as through diminishing confidence and increasing volatility in financial markets. Manufacturing activity and trade remain weak globally, reflecting not only developments in China, but also subdued global demand and investment more broadly—notably a decline in investment in extractive industries. In addition, the dramatic decline in imports in a number of emerging market and developing economies in economic distress is also weighing heavily on global trade.

The world economy will grow at 3.5% in 2017, IMF said, lowering its earlier projection by 0.1 percentage points. In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. The picture for emerging market and developing economies is diverse but in many cases challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. The projected pickup in growth in the next two years despite the

ongoing slowdown in China primarily reflects forecasts of a gradual improvement of growth rates in countries currently in economic distress, notably Brazil, Russia, and some countries in the Middle East, though even this projected partial recovery could be frustrated by new economic or political shocks.

### Indian Economy Overview

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7 per cent in 2016-17.

Currently, the manufacturing sector in India contributes over 15 per cent of the GDP. The Government of India, under the “Make in India” initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP.

Current account deficit is estimated to be around 1.5 per cent of the GDP in the current fiscal, helped by sharp fall in oil prices even as gold imports rose in the past few months. Gold imports spiked in the month of March and remained elevated in April owing to regulatory relaxations and festival demand.

### Industry Overview

#### Global Lead Industry

There's no denying that F.Y. 2015-16 has been a tough year for base and precious metals alike. And as with most other commodities, Lead prices have seen quite a drop this year, falling 17 percent, to \$0.76 per pound. China is a crucial dynamic in most commodity markets, and Lead is no exception. The demand side of things isn't looking much better going into 2016. The largest end-use sector for Lead, the E-bike market, is close to saturated, and the market hasn't found a fresh area of demand to support consumption growth.

Both its domestic market and its trade with the rest of the world will continue to have a profound impact on the world of Lead. But we should not become too 'China-centric' - the 'rest of the world' still has an important role to play in shaping Lead's future.

The global Lead market is estimated to reach 12.5 million Metric tons by 2017 and 14 million Metric tons by 2020. The growth rate is estimated at a CAGR of 2-3% during next three years.

The growth of developed markets will be driven by the US, Japan and few European markets like Germany, France and the UK. China being largest market of Lead is showing either neutral trend or slight growth. Modest projected growth in consumption and slower replacement market brings new challenges for the industry.

The key growth drivers for the global Lead industry are the following:

1. Rising share of emerging economies in global GDP.
2. Vehicle population and rising vehicle scrappage rate.
3. Urbanization trend in emerging markets like India, China and other BRIC nations.

### **Global Lead Acid Battery (LAB)**

Lead Acid Batteries are the largest driver of growth globally and take a much bigger market share. Lead Acid Battery will account for over 5% of the incremental growth between 2016 and 2020. Key drivers for demand include:

1. Increase in scrap rate of vehicles.
2. Usage of Lead Acid Battery in other than automobile segment like energy storage devices for telecommunication segment and non-conventional energy segment.
3. Increasing disposable income in emerging markets leads to increase in vehicle populations.

### **Indian Lead Industry**

India's Lead market accounts for about 10% of the global Lead industry in volume terms. It is the fourth largest market among Lead markets after China, USA and South Korea. The market is estimated to grow at 8-12% CAGR during 2016 – 2020.

The key drivers of growth include:

1. Rising vehicle population.
2. Rising Urbanization trend and disposable income.
3. Increasing usage of energy storage applications.

### **Industry Challenges**

The key challenges for the Indian Lead industry include the

following:

1. Lack of exclusive policy for recycling industry which includes proper scrap collection centers, formal organized industry structure and proper implementation of environmental compliances.
2. Competition with unorganized sector.
3. Technological upgradation and skilled manpower.

### **Aluminium:**

The last quarter of F.Y. 15-16, heightened risk awareness which led to dumping of commodities across the world. The resultant rise in US\$, coupled with surging Chinese exports following slowing demand growth in China resulted in a sharp decline in LME, which dropped sharply by almost 10%.

Aluminium prices on LME have declined quite sharply over the last few months due to confluence of many factors such as heightened risk averseness, European region uncertainty related to Greece, slowing demand growth from China and rising exports from it.

Global demand for Aluminium has historically tended to outperform that for other metals. The weak price performance in some of the recent years has been more due to supply side developments than any issues with demand. In 2014, global Aluminium consumption rose 5.5% YoY, the fastest pace in three years, despite the slowdown in Chinese consumption growth to around 8%.

China accounted for 44% of global primary Aluminium consumption in 2014, up from 23% in 2005. As the country continues to develop towards a more consumer-focused economy, Aluminium consumption is expected to become more consumer-driven. Aluminium consumption in the USA has recovered well since the financial crisis, rising by over a third in the five years to 2014. However consumption still remains 20% below pre-crisis peak levels. European demand has struggled to grow in recent years, as it has been affected by the ongoing economic slowdown.

Indian Aluminium demand rose by 38% in the five years to 2014. India is currently the world's fifth-largest consumer of Aluminium, behind China, the USA, Japan and Germany,

and it is expected that the strong demand fundamentals have potential to elevate the country to the No. 3 position by 2017.

### **Aluminium Scrap and Recycling:**

The energy consumed in recycling of Aluminium scrap is much lower than primary Aluminium production. The recycling efforts also helps in preserving vital natural resource i.e. bauxite for future generation, reduces fluoride emissions, prevents solid waste, brings efficiency in scrap handling, in eliminating fire hazards. While secondary Aluminium industry constitutes 40% of the total consumption of the metal in developed industry, in India there is huge gap in terms efforts, technological inputs, stakeholders contribution to achieve global benchmarks and the percentage achieved in recycling metal in nearly 20% of total consumption. Countries like Japan have in reality stopped importing the Aluminium metal as a primary source and it must inspire other countries as well for emulating. The Aluminium industry in India is making great strides to compete globally in terms of recycling. The case study attempts to identify the efforts for organized scrap processing, improved understanding between recycler & consumer, gearing to meet the projected growth of 20% in automobile industry, adoption of newer technologies, improved quality and Increase awareness of safety & environmental sustainability. The challenge of economic, ecological and social sustainability is there for all countries and industries. The Aluminium industry must fulfill the commitment of ensuring competitive advantage and concurrently more sustainable global economy of the future.

### **Lead Prices- An Insight**

ILZSG anticipates that global demand for refined Lead metal will rise by 2% to 10.83 million tonnes in 2016. In China, increased usage in the automotive and telecommunications sectors will be partially balanced by a reduction in demand in the e-bike market resulting from slower sales growth and increased competition from lithium-ion batteries. European demand is forecast to grow by 3.5% mainly due to anticipated rises in the Czech Republic, Italy, Spain and the United Kingdom. After falling by 5.2% in 2015, a partial 1% recovery is anticipated in the United States. Growth is also forecast in India, Indonesia, Japan, Thailand and Turkey.

### **Aluminium Prices-An Insight**

The US demand is expected to remain strong growing at a CAGR of 4-5% over next few years. Western Europe is expected to grow moderately amidst economic uncertainty. The Aluminium demand is expected to grow at around 2.5% Chinese supply is expected to continue to impact Rest of the World demand-supply dynamics adversely, though China

has announced production cuts but as market improves the smelters will restart. However in long term, overall the demand supply scenario for primary Aluminium globally looks encouraging as demand continues to be robust with expectations of around 6% growth.

The global Aluminium demand will continue its growth at a healthy 5.7% during 2016 to 59.6 million tonnes or by another 3 million tones as a result of a strong demand growth in North America, Europe and Asia. Chinese growth is expected to continue to be strong at 7% YoY in 2016 to 31 million tonnes.

## **Company Overview**

### **Gravita India Limited**

Gravita India Ltd. is a leading global secondary metal and India's largest secondary metal producing company. A vertically integrated business, economies of scale and a diversified team of professionals enable it to deliver quality products globally. It provides diversified product range for variety of application and trusted by customers in over 50 countries, globally. Above 50% revenue flows from overseas market.

### **Long -Term Growth Strategies**

Gravita India Ltd. focuses on building a sustainable business model for driving the long-term growth of the organization. The model encompasses four most-critical business aspects, which can be continuously streamlined to achieve higher efficiencies:

#### **Creating sustainable revenue streams**

- Enhancing share of speciality business globally
- Achieving differentiation by focusing on customized products
- Focusing on key markets
- Improving speed to market
- Ensuring sustained compliance with global regulatory standards

#### **Business development**

- Using business diversification to bridge critical capability gaps
- Focusing on specialized products, technology and market presence
- Focusing on payback timelines

#### **Cost leadership**

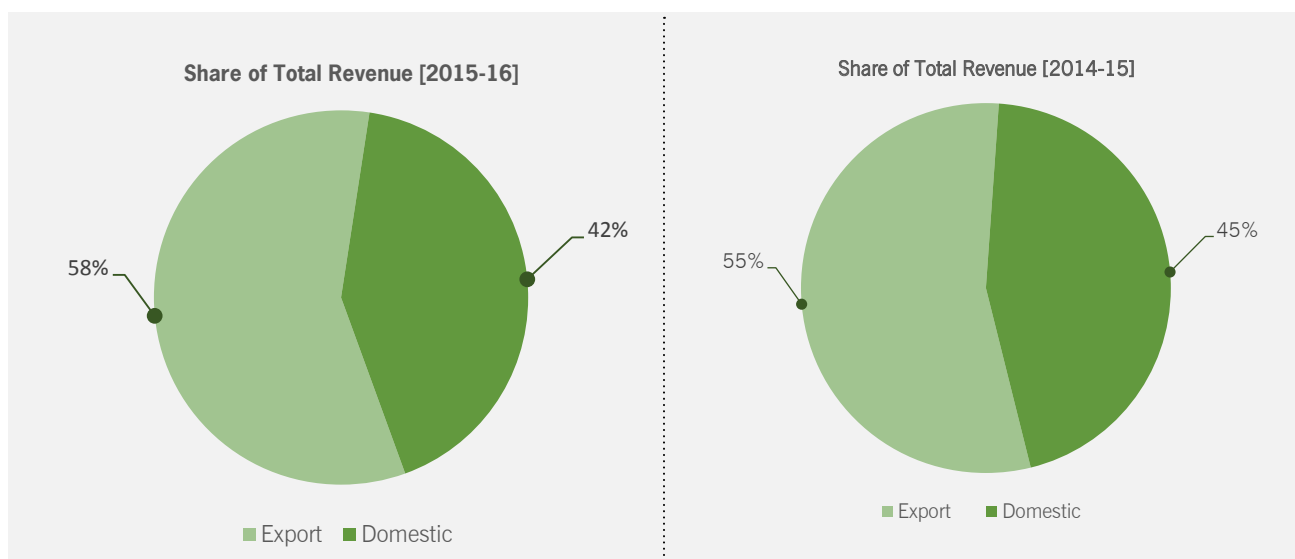
- Vertically integrated operations
- Optimized operational costs

#### **Balance profitability and investments for future**

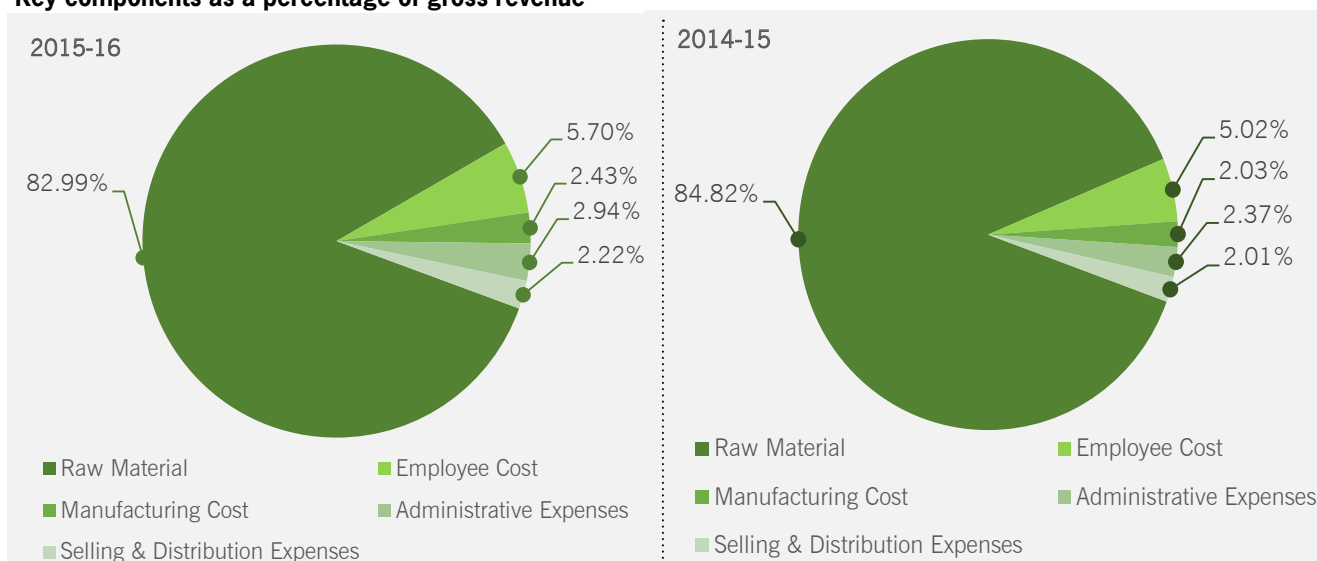
- Increasing contribution of diversified business
- Future investments directed towards "Niche" markets



## Revenue by geography



## Key components as a percentage of gross revenue



### Brief analysis of Financial Statements of 2015-16

- Gross revenue stood at ₹ 431.20 Crores against ₹ 501.29 Crores
- EBIDTA plunged by 15% from ₹ 18.83 Crores to ₹ 16.03 Crores
- Net profit declined by 34% from ₹ 6.62 Crores to ₹ 4.37 Crores

### Human Resource

We recognize that our human capital drives the Company's customer-driven business model. Therefore, we continuously strive to attract and retain the best talent from the local markets. Apart from having a robust performance management system, we strive to create an inspiring and rewarding work environment. Our employees' skills are constantly upgraded through a variety of training programmes and internal opportunities which increase work based knowledge and efficiencies. As on 31<sup>st</sup> March, 2016 company has strength of

511 (Five Hundred Eleven only) permanent employees.

### Internal Control Systems

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

# Directors' Report

To  
The Members of  
**Gravita India Limited**

We are delighted to present on behalf of Board of Directors of the Company, the 24<sup>th</sup> Annual Report of the Company along with Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016.

## CONSOLIDATED FINANCIAL PERFORMANCE

Particulars	Amount (₹ in Lacs)	
	2015-16	2014-15
Total Revenue	43,119.58	50,128.54
Total Expenditure	41,516.62	48,245.43
<b>Profit Before Interest, Depreciation and Tax (EBITDA)</b>	<b>1,602.96</b>	<b>1,883.11</b>
Add: Other Income	420.48	463.27
Less: Interest	756.86	987.69
Less: Depreciation	670.91	636.25
Profit Before Tax	595.67	722.44
Profit from Ordinary Activities Before Tax	595.67	722.44
Less: Provisions for Taxation Including Deferred Tax	47.60	(236.03)
<b>Profit After Tax (PAT)</b>	<b>548.07</b>	<b>958.47</b>
Share in Profit of Associates	0.22	2.26
Less: Minority Share in Profit & Loss	111.26	298.87
<b>Profit Available for Appropriation</b>	<b>437.03</b>	<b>661.86</b>
<b>APPROPRIATION:</b>		
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets	-	22.93
Proposed for Dividend	136.83	136.51
Corporate Tax on Dividend	32.44	27.42
<b>Balance Carried to Balance Sheet</b>	<b>267.76</b>	<b>475.00</b>

## 1. Performance at a Glance

During F.Y. 2015-16 the International Commodity Market has seen downward trend which was largely due to slow down in Chinese Market. Although there was a slight recovery in US market with respect to Lead commodity. The International Lead prices have seen levels of below \$ 1600 and average of \$ 1768 during the period. The levels are around 14% down as compared to last fiscal year. Financial Year 2015-16 proved to be full of global economic uncertainties and disturbances in many parts of the world. The industry was also affected by currency fluctuations, sluggish demand, consumer down trend and continued to be fraught with challenges. The market expects the similar situation during F.Y. 2016-17 with China maintaining about 50% share of global Lead consumption. Infrastructure spending and strong automotive sales globally are likely to boost the demand of Lead in F.Y. 2016-17. Infrastructure and automobile industries are the main demand drivers for Lead in India. We have been consistently increasing our production capabilities to make Gravita self-sufficient. Government's focus on 'Make in India', infrastructure development and 'Smart Cities' is expected to provide further impetus to the Indian metal market in F.Y. 2016-17. Despite of all odds and unfavorable market conditions, the Company performed rationally well and the highlights of the performance are as under:

### Consolidated Results:

- Consolidated Total Revenue stood at ₹ 431.20 crores
- Operating Profit before Interest, Depreciation and Tax stood at ₹ 16.03 crores in financial year 2015-16 as compared to ₹ 18.83 crores in previous year.
- Net Profit after Tax and Minority Interest during the year stood at ₹ 4.37 crores.
- Earnings Per Share of the Company stood at ₹ 0.64 per share having face value of ₹ 2 each.
- Cash Profit during the year stood at ₹ 14.78 crores.

### Standalone Results:

- Total Revenue stood at ₹ 353.84 crores as compared to ₹ 333.98 crores in the previous year.
- Operating Profit before Interest, Depreciation and Tax stood at ₹ 8.86 crores in financial year 2015-16 as compared to ₹ 5.85 crores in previous year.
- Net Profit after Tax during the year is reported at ₹ 3.27 crores as compared to last year's PAT of ₹ 5.11 crores.
- Earnings Per Share of the Company stood at ₹ 0.48 per share having face value of ₹ 2 each.
- Cash Profit during the year stood at ₹ 7.75 crores.

## 2. Dividend

The Board of Directors of your Company has recommended payment of final dividend @ 10 % (₹ 0.20 per equity share) amounting to ₹ 1.37 crores. The dividend will be paid to members whose names appear in the Register of Members as at the close of business hours of 31<sup>st</sup> July 2016 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. Further, Company has not transferred any amount to General Reserve.

## 3. Performance of Subsidiaries Companies and Firms

### a. Gravita Infotech Limited (formerly known as Gravita Exim Limited), India:

Gravita Infotech Limited is a wholly-owned subsidiary of the Company. Since inception this subsidiary was engaged in the business of providing comprehensive turnkey solution for cost effective Battery Recycling Process & plant with environment friendly technology but from F.Y. 2013-14 the company has ventured in the business of IT Segment for providing facilities related to IT Software and IT Solutions, Web Designing etc. Total revenue of the Company for current financial year stood at ₹ 3.25 crores resulting in Net Loss of ₹ 0.49 crores.

### b. Gravita Ghana Limited, Ghana:

Gravita Ghana Limited is a wholly-owned subsidiary of the Company. The subsidiary is engaged in recycling of Lead Acid Battery Scrap for producing Re-melted Lead Ingots, PP Chips etc. During the year under review this plant produced 3048 MT of Re-melted Lead Ingots and delivered revenue of ₹ 36.36 crores coupled with Net Loss of ₹ 0.62 crores.

### c. Gravita Senegal SAU, Senegal:

Gravita Senegal SAU is a step down subsidiary of Gravita India Limited. The subsidiary is engaged in recycling of Lead Acid Battery Scrap for producing Re-melted Lead Ingots, PP Chips etc. During the year under review this plant produced 1857 MT of Re-melted Lead Ingots and achieved a Turnover of ₹ 25.00 crores coupled with Net Profit of ₹ 0.46 crores.

### d. Gravita Mozambique LDA, Mozambique:

Gravita Mozambique LDA is a step down subsidiary of Gravita India Limited and is engaged in the business of Manufacture of Re-melted Lead & PP Chips. During the year under review this subsidiary has produced 2494

MT of Re-melted Lead Ingots and achieved a Turnover of ₹ 34.77 crores against ₹ 29.68 crores in last year and reported a Net Profit of ₹ 3.58 crores during the year.

**e. Gravita Global Pte. Ltd, Singapore:** Gravita Global Pte. Ltd is a wholly owned subsidiary of the Company and is based at Singapore which is engaged in the trading business. During the year under review the Company has been able to achieve a Turnover of ₹ 0.64 crores resulting in a Net Loss of ₹ 0.08 crores. During the year under review this company acquired 3.62% stake of Gravita Mozambique LDA, Mozambique from Gravita Infotech Limited.

**f. Gravita Netherlands B.V., Netherlands:** Gravita Netherlands B.V. is a step down subsidiary of Gravita India Limited. It is investment subsidiary of the Company and during the year under review this subsidiary achieved Income of ₹ 5.51 crores out of which ₹ 4.72 crores is derived from dividend income from other business entities/subsidiaries of Gravita Netherlands B.V. During the year under review this company acquired 96.38% stake of Gravita Mozambique LDA, Mozambique from Gravita India Limited.

**g. Navam Lanka Ltd, Sri Lanka:** Navam Lanka Limited is a step down subsidiary of Gravita India Limited operating in Sri Lanka for more than a decade. It is the largest producer of Lead Ingots and PP Chips in Sri Lanka. This subsidiary is engaged in recycling of Lead Acid Battery Scrap, PP Chips/Granules & Refining & Alloying of Lead Ingots to produce 99.97% Pure Lead and Specific Alloys. During the year under review this subsidiary produced 2548 MT of Re-melted Lead Ingots and Refined Lead Ingots and achieved a Total Turnover of ₹ 35.12 crores coupled with Net Profit after Tax of ₹ 2.32 crores.

**h. M/s Gravita Metals, India:** Gravita India Limited along with its wholly owned subsidiary Gravita Infotech Limited (formerly known as Gravita Exim Limited) holds 100% share in this partnership firm. This firm is engaged in manufacturing of Pure Lead and all kind of Lead Alloys like Antimonial Lead Alloy, Calcium, Selenium, Copper, Tin, Arsenic Lead Alloy etc. During the year under review the operations of Gravita Metals remained at very low level due to some excise duty issues. The topline of the firm stood at ₹ 1.89 crores with a Net Loss of ₹ 0.16 crores.

**i. M/s Gravita Metal Inc, India:** Gravita India Limited along with its wholly owned subsidiary Gravita Infotech

Limited (formerly known as Gravita Exim Limited) holds 100% share in this partnership firm. This firm is engaged in Manufacturing of Pure Lead and all kind of Specific Lead Alloys. During the year under review the unit produced 3577 MT of Re-melted Lead Ingots and achieved a Turnover of ₹ 49.83 crores coupled with Net Profit of ₹ 6.92 crores. This firm enjoys fiscal benefits of J&K region.

**j. Gravita Nicaragua S.A., Nicaragua:** Gravita Nicaragua S.A. is a step down subsidiary of the Company. This subsidiary is engaged in recycling of PET waste and having installed capacity of 3600 MTPA. During the year under review subsidiary achieved Turnover of ₹ 7.72 crores coupled with Net Loss of ₹ 0.80 crores.

**k. Gravita Infotech:** Gravita India Limited together with its subsidiary holds 100% share in this firm. This firm is engaged in business of Information Technology. During the year under review the Total Income of firm stood at ₹ 0.17 crores with a Net Loss of ₹ 0.09 crores.

#### I. Other Subsidiaries

The Company has some other Subsidiaries/Step Subsidiaries/LLP which are under process of implementation of projects/commercial production. The details of the same are given below:

- Noble Buildestate Private Limited
- Gravita Jamaica Limited
- Gravita Ventures Limited, Tanzania
- Gravita USA Inc.
- Recycling Infotech LLP

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

During the year under review the Company has made an application for de-registration of its step down subsidiary Gravita Trinidad & Tobago Ltd, T&T due to lack of operational ease in T&T. In addition the company has sold its entire stake of 96.32% held in Gravita Mozambique LDA to its step down subsidiary Gravita Netherlands B.V.

Further the company has also closed one of its stepdown subsidiary viz. Gravita Mauritania SARL which was incorporated during the year under review due to non-availability of export license.

#### 5. Disclosures under Companies Act, 2013

**a. Extract of Annual Return:** The detail forming part of extract of annual return is enclosed as Annexure-1.

**b. Material Subsidiaries:** In accordance with SEBI

(Listing Obligations and Disclosure Requirements), 2015, the Company has formulated a policy for determining material subsidiaries. The policy has been uploaded on the website of the Company at <http://www.gravitaindia.com/wp-content/uploads/pdf/material-subsidiaries-policy.pdf>.

**c. Number of Board Meetings:** During the year under review the Board of Directors of the company met 9 (nine) times. The details of the Board Meetings and the attendance of the Directors are provided in Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

**d. Committees of the Board:** Details of all the Committees including Audit Committee of Board of Directors along with their terms of reference, composition and meetings held during the year, is provided in the Corporate Governance Report, and forms integral part of this report.

**e. Directors' Responsibility Statement:** Pursuant to Section 134 of the Companies Act, 2013, the Directors hereby confirm that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- 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 31<sup>st</sup> March, 2016 and of the profit and loss of the company for that period;
- To the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the Annual Accounts on a Going Concern basis;
- They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

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

**f. Independent Directors:** The Company has received declarations from all Independent Directors of the Company confirming that they meet with the criteria of independence, as prescribed under Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

**g. Vigil Mechanism:** The Company is having an established and effective mechanism called the Vigil Mechanism. The mechanism under the Whistle Blower Policy of the company has been appropriately communicated within the organization. The purpose of this Policy is to provide a framework to promote responsible whistle blowing by employees. It protects employees wishing to raise a concern about serious irregularities, unethical behavior, actual or suspected fraud within the Company.

**h. Familiarisation Programme for Independent Directors:** The Company conducts an introductory familiarisation programme when a new Independent Director joins the Board of the Company. New Independent Directors are provided with copy of latest Annual Report, the Company's Code of Conduct, the Company's Code of Conduct for Prevention of Insider Trading, to let them have an insight of the Company's present status and their regulatory requirements. The induction comprises a detailed overview of the business verticals of the Company and meetings with business heads / senior leadership team and with the Managing Director of the Company. During the year under review Mrs. Chanchal Chadha Phadnis, who joined Board on 24<sup>th</sup> March, 2015 as Independent Director was given introductory familiarisation programme by providing basic documents of the company, overview of company's business, meetings with functional heads and plant visit. The policy on familiarisation programmes for Independent Directors is posted on the website of the Company and can be accessed through the following link <http://www.gravitaindia.com/wp-content/uploads/pdf/familiarization-programme.pdf>.

**i. Remuneration Policy:** The Company follows a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination & Remuneration Committee and the Board. More detail on the same is given in the Corporate Governance Report which forms part of Annual Report 2015-16.

**j. Board Evaluation:** Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The performance of the Board is evaluated by each individual Director as well as collectively by the Board on the Annual Basis towards the end of the Financial Year. The Board performance is evaluated on the basis of number of Board and Committee meetings attended by individual Director, participation of Director in the affairs of the company, duties performed by each Director, targets achieved by company during the year. The Board further discusses the areas where the performance is not up to the desired level.

**k. Internal Financial Controls:** The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

**l. Related Party Transactions:** All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. However, material transactions entered into with Related Parties in the ordinary course of business and on arm's length basis are disclosed in the form AOC-2 as Annexure-2 in terms of provisions of Rule 8 (2) of the Companies (Accounts) Rules, 2014 which forms part of this report. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive

nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all Related Party Transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The policy on Related Party Transactions as approved by the Board is available on the Company's website.

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

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

**o. Material Changes and Commitments Affecting Financial Position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:** No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

## 6. Corporate Governance

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

Being a Listed Corporate entity, our Company is committed



to sound corporate practices based on openness, fairness, professionalism and accountability paving the way in building confidence among all its stakeholders for achieving sustainable long term growth and profitability.

A detailed Corporate Governance Report and a certificate from M/s P. Pincha & Associates, Practicing Company Secretaries, Jaipur regarding compliance with conditions of Corporate Governance as required under SEBI (LODR) Regulations, 2015 are attached and forms an integral part of this report. Further, a certificate of 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 is also attached and forms integral part of this report.

## 7. Statutory Auditor

At the Annual General Meeting of the Company held on 02<sup>nd</sup> August 2014, M/s Deloitte Haskins & Sells, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 27<sup>th</sup> Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, based on recommendation of Audit Committee and Board of Directors, the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders. In

this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

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

## 8. Cost Auditor

The Audit Committee and Board of Directors of the Company has appointed M/s K.G. Goyal & Associates, Cost Accountants having firm registration no. 000024 as Cost Auditors for conducting the audit of Cost Records maintained by the company for the Financial Year 2016-17. The Cost Audit Report for the F.Y. 2014-15 was filed with Registrar of Companies (Central Government) on 28<sup>th</sup> September, 2015 while the due date for filing of Cost Audit Report for F.Y. 2014 -15 was 30<sup>th</sup> September, 2015. There are no qualifications or adverse remarks in the Cost Audit Report which require any clarification/explanation.

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

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

S. No.	Name of Person / Body Corporate	Nature (Loan / Guarantee/ Security / Acquisition)	Particulars of Loan given / Investment made or Guarantee made	Purpose for which the loan or guarantee or security is proposed to be utilized by the recipient
1	Recycling Infotech LLP	Investment in LLP (Partner of LLP )	₹ 1,02,000/- towards 51% of stake of Total Capital	Acquiring Stake in LLP
2	M/s Gravita Metal Inc	Corporate Guarantee	For securing Credit Limits amounting to ₹ 6.00 crores granted to M/s Gravita Metal Inc	For Business Purposes of the firm

## 10. Secretarial Auditor and Secretarial Audit Report

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

## 11. Insider Trading Prevention Code

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

## 12. Energy Conservation

A detailed statement on Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, forms part of this Report as Annexure-5,

## 13. Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided hereunder. Further, the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as Annexure-6.

Name	Mr. Rajat Agrawal
Age	49 Years
Designation	Managing Director
Remuneration	₹ 6,50,000/- Per Month
Nature of Employment	Regular Employment
Qualification	B.E. (Mechanical)
Experience (in Years)	24 Years
Date of Commencement of Employment	04.08.1992
Particulars of Previous Employment	Started career with Gravita only
% of Equity Shares Held	47.80%
Relation with Director	Dr. Mahavir Prasad Agarwal (WTD) is Father of Mr. Rajat Agrawal

## 14. Appointment/Resignation of KMP's

- Mr. Naveen Prakash Sharma: During the year under review Mr. Naveen Prakash Sharma has been appointed as Chief Executive Officer (CEO) of the company w.e.f. 10<sup>th</sup> August, 2015 pursuant to Section 203 of Companies Act 2013 read with SEBI (LODR), Regulations, 2015.

Mr. Sharma is associated with the Company since 2006. Considering the qualification and nature of duties being carried out by Mr. Sharma, the Nomination & Remuneration Committee of the Board proposed the appointment of Mr. Naveen Prakash Sharma as CEO of the Company which was subsequently ratified by Board of Directors in their meeting held on 10<sup>th</sup> August 2015.

- Mr. Rajeev Surana: During the year under review Mr. Rajeev Surana, Whole-time Director of the company resigned from the post of directorship w.e.f 14<sup>th</sup> March, 2016 due to his pre-occupancy.

Further, Dr. Mahavir Prasad Agarwal, Whole time Director shall be liable for retiring by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment and none of the Director is disqualified under Section 164 of the Companies Act, 2013 and rules made thereunder, for the reporting period.

## 15. Consolidated Financial Statements and Cash Flow Statement

The Consolidated Financial Statements of the Company are prepared as required in terms of Accounting Standards (AS-21) issued by Institute of Chartered Accountants of India and forms part of the Annual Report.

## 16. Subsidiaries and Associates

The Company has prepared Consolidated Financial Statements in accordance with Section 129 (3) of the Companies Act, 2013 which form part of the Annual Report. Further, the report on the performance and financial position of each of the subsidiary, associate and joint venture and salient features of the financial statements in the prescribed Form AOC-1 is annexed to this report as Annexure -7.

In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the Company are available on our website [www.gravitaindia.com](http://www.gravitaindia.com).

## 17. Disclosures Regarding ESOPs

The members of the company at its Annual General Meeting held on 27<sup>th</sup> July, 2011 had approved issue of 3405000 Stock Options of ₹ 2/- each (681000 Stock Options of ₹ 10/- each) to eligible employees of the company. The Compensation Committee of the Board of Directors of the Company administers and monitors the Employees' Stock Option Scheme of the Company in accordance with the prescribed SEBI Guidelines. The Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with SEBI Guidelines and the resolution passed by the shareholders. The certificate would be placed at the Annual General Meeting for inspection by members.

The applicable disclosures as stipulated under the SEBI Guidelines as on 31<sup>st</sup> March, 2016 with regard to the Employees' Stock Option Scheme (ESOS) are provided hereunder:

Sr. No.	Particulars	1 <sup>st</sup> Grant (Effective date being 1st October, 2011)	2 <sup>nd</sup> Grant (Effective date being 5th July, 2012)	3 <sup>rd</sup> Grant (Effective date being 1 <sup>st</sup> July 2013)	4 <sup>th</sup> Grant (Effective date being 1 <sup>st</sup> April 2015)
a)	Options granted	400380	31000	368500	500000
b)	The pricing formula	₹ 2/- per share	₹ 2/- per share	₹ 2/- per share	₹ 2/- per share
c)	Options outstanding at the beginning of the year	76448	19250	298325	Nil
d)	New options issued during the year	Nil	Nil	Nil	500000
e)	Options vested during the year	74361	8250	31850	Nil
f)	Options exercised during the year	73421	8250	31850	Nil
g)	The total number of shares arising as a result of exercise of option	73421	8250	31850	Nil
h)	Options lapsed during the year	2087	3500	6800	47500
i)	Variation of terms of options	Nil	Nil	Nil	Nil
j)	Money realized by exercise of options	₹ 1,46,842	₹ 16,500	₹ 63,700	Nil
k)	Total number of options outstanding at the end of the year	940*	11000**	259675***	452500
l)	Employee wise details of options granted to-				
	Senior Managerial Personnel:				
	Naveen Prakash Sharma	22500	----	35000	45000
	Sandeep Choudhary	15000	----	20000	22500
	Kishan Gopal Gupta	17500	----	17500	18000
	Sunil Kansal	17500	----	17500	18000
	Kamal Singh	17500	----	17500	30000
	V S Tanwar	25000	----	20000	20000
	Yogesh Malhotra	----	22500	26000	32500
	Sanjay Singh Baid	----	----	20000	20000
	Vijay Pareek	----	----	20000	35000
	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	Nil	Nil	Nil	Nil
	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil	Nil	Nil	Nil
m)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with [Accounting Standard 20 'Earnings Per Share']	₹ 0.47			

n)	Method of Calculation of Employee Compensation Cost	The employee compensation cost has been calculated using the intrinsic value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The employee compensation cost as per the intrinsic value method for the financial year 2015-16 is ₹ 66.31 Lacs.																																		
o)	Difference between the employee compensation cost so computed by intrinsic value method and the employee compensation cost that shall have been recognized if it had used the fair value of the options (in Lacs)	₹ 29.10 Lacs																																		
p)	The impact of this difference on profits and on Earnings Per Share of the Company	<p>The effect on the profits and earnings per share, had the fair value method been adopted, is presented below:</p> <p style="text-align: right;">(₹ In Lacs)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Profit After Tax as reported</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">326.56</td> </tr> <tr> <td>Add: Intrinsic Value Compensation Cost</td> <td></td> <td></td> <td style="text-align: right;">66.31</td> </tr> <tr> <td>Less: Fair Value Compensation Cost</td> <td></td> <td></td> <td style="text-align: right;">95.41</td> </tr> <tr> <td colspan="4">(Binomial Pricing Model)</td> </tr> <tr> <td>Adjusted Profit</td> <td></td> <td></td> <td style="text-align: right;">297.46</td> </tr> <tr> <td><b>Earnings Per Share</b></td> <td><b>Basic (₹)</b></td> <td></td> <td><b>Diluted (₹)</b></td> </tr> <tr> <td>As reported</td> <td style="text-align: center;">0.48</td> <td></td> <td style="text-align: center;">0.47</td> </tr> <tr> <td>As adjusted</td> <td style="text-align: center;">0.44</td> <td></td> <td style="text-align: center;">0.43</td> </tr> </table>			Profit After Tax as reported			326.56	Add: Intrinsic Value Compensation Cost			66.31	Less: Fair Value Compensation Cost			95.41	(Binomial Pricing Model)				Adjusted Profit			297.46	<b>Earnings Per Share</b>	<b>Basic (₹)</b>		<b>Diluted (₹)</b>	As reported	0.48		0.47	As adjusted	0.44		0.43
Profit After Tax as reported			326.56																																	
Add: Intrinsic Value Compensation Cost			66.31																																	
Less: Fair Value Compensation Cost			95.41																																	
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<b>Earnings Per Share</b>	<b>Basic (₹)</b>		<b>Diluted (₹)</b>																																	
As reported	0.48		0.47																																	
As adjusted	0.44		0.43																																	
q)	Weighted-average Exercise price granted during April 2014 to March 2015	₹ 2/-																																		
	Weighted-average Exercise price granted during April 2015 to March 2016	₹ 2/-																																		
	Weighted-average fair value of options outstanding as on 31 <sup>st</sup> March 2015	₹ 47.38																																		
	Weighted-average fair value of options outstanding as on 31 <sup>st</sup> March 2016	₹ 42.63																																		
	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	7.84%																																		
	Expected life (in years)	2.67																																		
	Expected volatility	68.67%																																		
	Expected dividends	N.A.																																		
r)	The price of the underlying share in market at the time of option grant	₹ 76.95	₹ 176.20	₹ 21.45	₹ 36.30																															

\* This is total number of live options of First Grant. Further, 202574 options have been exercised till the end of F.Y. 2015-16.

\*\* This is total number of live options of Second Grant. Further, 16500 options have been exercised till end of F.Y. 2015-16.

\*\*\* This is total number of live options of Third Grant. Further, 49025 options have been exercised till end of F.Y. 2015-16.

## 18. Listing of Equity Shares

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd (BSE Ltd) and National Stock Exchange (NSE) of India Ltd. and the listing fees for the Financial Year 2016-17 has been duly paid.

## 19. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (LODR), Regulations, 2015 is presented in a separate section forming part of this Annual Report.

## 20. Fixed Deposit

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

## 21. Share Capital

The Company has made allotment of 1,13,521 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 6,82,54,578 Equity Shares of ₹ 2/- each to 6,83,68,099 Equity Shares of ₹ 2/- each.

## 22. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and the Rules there under. Company has formed an "Internal Complaints Committee" for prevention and redressal of sexual harassment at workplace. The Committee is having requisite members and is chaired by a senior woman member of the organization. Further, the Company has not received any complaint of sexual harassment during the financial year 2015-16.

## 23. Miscellaneous:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

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

## 24. Acknowledgement

The Directors take this opportunity to express their deep sense of gratitude to the Banks, Government Authorities, Customers, Suppliers, BSE, NSE, CDSL, NSDL, Bankers, Business Associates, Shareholders, Auditors, Financial Institutions and other individuals / bodies for their continued co-operation and support. Directors would also like to place on record their sincere appreciation for the commitment, dedication and hard work put in by every employee of the Gravita family for the Company's success and achievements.

**For and on behalf of the Board**

Date: 17<sup>th</sup> June, 2016

Place: Jaipur

Sd/-

**(Rajat Agrawal)**

Managing Director

DIN: 00855284

Sd/-

**(Dr. Mahavir Prasad Agarwal)**

Whole-time Director

DIN: 00188179

# Annexures to the Director's Report

## Annexure-1

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

As on the financial year ended on 31<sup>st</sup> March, 2016  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

#### 1. Registration and Other Details:

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

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

All the business activities contributing 10 % or more of the total turnover of the company are stated here under:-

Sr. No.	Name and description of main Products / Services	NIC Code of the Products / Services	% to Total Turnover of the Company
1	Lead	24203	84.02%
2	Aluminum	24202	10.46%

#### 3. Particulars of Holding & Subsidiary Companies

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary	% of shares held	Applicable Section
1	Gravita Infotech Limited (Formerly Known as Gravita Exim Limited) 501, Rajputana Tower, A-27-B, Shanti Path, Tilak Nagar, Jaipur	U51109R- J2001PLC016924	Subsidiary	100.00%	2(87)(ii)
2	Noble Buildestate Private Limited 402, Gravita Tower, A-27-B, Shanti Path, Tilak Nagar, Jaipur	U45201R- J2007PTC025501	Subsidiary	100.00%	2(87)(ii)
3	Gravita Ghana Limited IN/A/43/IB Heavy Industrial Area (Opposite Licensing Office), Tema Ghana	CA-30,197	Subsidiary	100.00%	2(87)(ii)
4	Gravita Senegal SAU La Usine, Zone Industrielle de Sebikotane, Sebikotane, Dakar. Senegal (West Africa)	SN-DKR-2007-B-6703	Subsidiary	100.00%	2(87)(ii)



Sr. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary	% of shares held	Applicable Section
5	Gravita Mozambique LDA Av. Samora Machel, No 672-EN4, Bairro Matola-Gare, Tchumene-2, Municipio da Matola, Provincia de Maputo, Mozambique	000318728	Subsidiary	100.00%	2(87)(ii)
6	Gravita Global Pte. Ltd 7500A Beach Road, # 08-313 The Plaza, Singapore- 199591	201204623C	Subsidiary	100.00%	2(87)(ii)
7	Gravita Netherlands B.V. Haaksbergweg, 71/1101 BR, Amsterdam Netherlands	55270271	Subsidiary	100.00%	2(87)(ii)
8	Navam Lanka Limited Plot No.27"A", MEPZ Mirigama Export Processing Zone, Mirigama (Dist.-Gampaha) Srilanka	N(PBS)871	Subsidiary	52.00%	2(87)(ii)
9	Gravita Trinidad and Tobago Ltd.* 18 Scott Bushe Street, Port of Spain, Trinidad, W.I, P.O. Box 1543	C2013011001227	Subsidiary	100.00%	2(87)(ii)
10	Gravita Nicaragua S.A Barrio San Sebastian Ministerio Del Trabajo 4C al lago 1c Arriba Instalaciones de donge fue el cine blanco, Managua, Nicaragua	44043-B5	Subsidiary	100.00%	2(87)(ii)
11	Gravita Ventures Limited Plot No. K7/Level, Block No. Samora Avenue-Harbour View, P.O. Box 500, Dar es salaam	121399	Subsidiary	100.00%	2(87)(ii)
12	Gravita USA Inc. 5444 Westheimer, Suite 1000, Houston, Texas 77056, USA	371796364	Subsidiary	100.00%	2(87)(ii)
13	Gravita Jamaica Limited 2-6, Grenada Crescent, Kingston 5, Saint Andrew, Jamaica	88186	Subsidiary	100.00%	2(87)(ii)

\*Strike off as on 31.03.2016

#### 4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares
<b>(A) PROMOTERS</b>								
<b>(1) INDIAN</b>								
(a) Individual /HUF	50055750	0	50055750	73.34%	50055750	0	50055750	73.22%
(b) Central Government	0	0	0	0.00%	0	0	0	0.00%
(c) State Government	0	0	0	0.00%	0	0	0	0.00%
(d) Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%
(e) Financial Institutions / Banks	0	0	0	0.00%	0	0	0	0.00%
(f) Others	0	0	0	0.00%	0	0	0	0.00%
<b>Sub-Total A(1) :</b>	<b>50055750</b>	<b>0</b>	<b>50055750</b>	<b>73.34%</b>	<b>50055750</b>	<b>0</b>	<b>50055750</b>	<b>73.22%</b>

<b>(2)</b>	<b>FOREIGN</b>								
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00%	0	0	0	0.00%
(b)	Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%
(c)	Institutions	0	0	0	0.00%	0	0	0	0.00%
(d)	Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%
(e)	Others	0	0	0	0.00%	0	0	0	0.00%
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
	<b>Total A=A(1)+A(2)</b>	<b>50055750</b>	<b>0</b>	<b>50055750</b>	<b>73.34%</b>	<b>50055750</b>	<b>0</b>	<b>50055750</b>	<b>73.22%</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>								
<b>(1)</b>	<b>INSTITUTIONS</b>								
(a)	Mutual Funds /UTI	0	0	0	0.00%	0	0	0	0.00%
(b)	Financial Institutions /Banks	23092	0	23092	0.03%	0	0	0	0.00%
(c)	Central Government	0	0	0	0.00%	0	0	0	0.00%
(d)	State Government	0	0	0	0.00%	0	0	0	0.00%
(e)	Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%
(f)	Insurance Companies	0	0	0	0.00%	0	0	0	0.00%
(g)	Foreign Institutional Investors	5058398	0	5058398	7.41%	5058398	0	5058398	7.40%
(h)	Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%
(i)	Others	0	0	0	0.00%	0	0	0	0.00%
	<b>Sub-Total B(1) :</b>	<b>5081490</b>	<b>0</b>	<b>5081490</b>	<b>7.44%</b>	<b>5058398</b>	<b>0</b>	<b>5058398</b>	<b>7.40%</b>
<b>(2)</b>	<b>NON-INSTITUTIONS</b>								
(a)	Bodies Corporate	4904720	0	4904720	7.19%	4101638	0	4101638	6.00%
(b)	Individuals								
	(i) Individuals holding nominal share capital upto Rs.1 lakh	2219319	4838	2224157	3.26%	4703503	7710	4711213	6.89%
	(ii) Individuals hold- ing nominal share capital in excess of Rs.1 lakh	5617150	0	5617150	8.23%	4200436	0	4200436	6.14%
(c)	Others								
	Clearing Members	225262	0	225262	0.33%	108681	0	108681	0.16%
	Non Resident Indians	146049	0	146049	0.21%	131983	0	131983	0.19%
(d)	Qualified Foreign Investor	0	0	0	0.00%	0	0	0	0.00%
	<b>Sub-Total B(2) :</b>	<b>13112500</b>	<b>4838</b>	<b>13117338</b>	<b>19.22%</b>	<b>13246241</b>	<b>7710</b>	<b>13253951</b>	<b>19.39%</b>
	Total Public Shareholding Total B=B(1)+B(2)	18193990	4838	18198828	26.66%	18304639	7710	18312349	26.78%
	<b>Total (A+B) :</b>	<b>68249740</b>	<b>4838</b>	<b>68254578</b>	<b>100.00%</b>	<b>68360389</b>	<b>7710</b>	<b>68368099</b>	<b>100.00%</b>
(C)	Shares held by custodians, against GDRs ADRs	0	0	0	0.00%	0	0	0	0.00%
	<b>GRAND TOTAL (A+B+C) :</b>	<b>68249740</b>	<b>4838</b>	<b>68254578</b>	<b>100.00%</b>	<b>68360389</b>	<b>7710</b>	<b>68368099</b>	<b>100.00%</b>

## ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rajat Agrawal	32677725	47.88	0.00	32677725	47.80	0.00	0.00
2	Mahavir Prasad Agarwal	13673325	20.03	0.00	13673325	20.00	0.00	0.00
3	Shashi Agarwal	3674700	5.38	0.00	3674700	5.37	0.00	0.00
4	Rajeev Surana	30000	0.04	0.00	30000	0.04	0.00	0.00
<b>Total</b>		<b>50055750</b>	<b>73.34</b>	<b>0.00</b>	<b>50055750</b>	<b>73.22</b>	<b>0.00</b>	<b>0.00</b>

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	50055750	73.34	50055750	73.34
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for increase/ Decrease (e.g. Allotment / Transfer / Bonus/ Sweat equity etc.)	No Change			
	At the end of the year	50055750	73.22		

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

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

Sl. No.	Name	Shareholding at the beginning of the year-1 <sup>st</sup> April 2015		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	LTS Investment Fund Ltd	0	0.00%	18.09.2015	Purchase	1782091	2.61%	1782091	2.61%
				31.03.2016		At the end of the year		1782091	2.61%
2	New Leina Investments Limited	1682388	2.46%			No Change		1682388	2.46%
				31.03.2016		At the end of the year		1682388	2.46%
3	Albula Investment Fund Ltd	783795	1.15%			No Change		783795	1.15%
				31.03.2016		At the end of the year		783795	1.15%
4	Shailesh Balvantrai Desai	701313	1.03%			No Change		701313	1.03%
				31.03.2016		At the end of the year		701313	1.03%
5	Neelima Shailesh Desai/Shailesh Balwant Rai Desai	33000	0.05%	17.04.2015	Transfer from one Demat account to another	659000	0.97%	692000	1.01%
				31.03.2016		At the end of the year		692000	1.01%
6	Avatar India Opportunities Fund	672000	0.98%			No Change		672000	0.98%
				31.03.2016		At the end of the year		672000	0.98%
7	Ram Sharan Modi	572491	0.84%			No Change		572491	0.84%
				31.03.2016		At the end of the year		572491	0.84%

8	Anand Rathi Share & Stock Brokers Limited	662849	0.97%	03.04.2015	Sale	(683)	0.0010%	662166	0.97%
				10.04.2015	Purchase	5865	0.0086%	668031	0.98%
				17.04.2015	Sale	(915)	0.0013%	667116	0.98%
				24.04.2015	Sale	(1092)	0.0016%	666024	0.98%
				01.05.2015	Sale	(1313)	0.0019%	664711	0.97%
				08.05.2015	Sale	(1929)	0.0028%	662782	0.97%
				15.05.2015	Purchase	213	0.0003%	662995	0.97%
				22.05.2015	Sale	(401)	0.0006%	662594	0.97%
				29.05.2015	Purchase	1811	0.0027%	664405	0.97%
				05.06.2015	Sale	(135)	0.0002%	664270	0.97%
				12.06.2015	Sale	(1013)	0.0015%	663257	0.97%
				19.06.2015	Sale	(1034)	0.0015%	662223	0.97%
				26.06.2015	Purchase	950	0.0014%	663173	0.97%
				30.06.2015	Sale	(1000)	0.0015%	662173	0.97%
				10.07.2015	Purchase	5000	0.0073%	667173	0.98%
				17.07.2015	Purchase	206000	0.3018%	873173	1.28%
				24.07.2015	Purchase	50	0.0001%	873223	1.28%
				31.07.2015	Purchase	50	0.0001%	873273	1.28%
				07.08.2015	Sale	(211200)	0.3093%	662073	0.97%
				14.08.2015	Purchase	4743	0.0069%	666816	0.98%
				21.08.2015	Sale	(4187)	0.0061%	662629	0.97%
				28.08.2015	Purchase	6	0.0000%	662635	0.97%
				04.09.2015	Purchase	22	0.0000%	662657	0.97%
				11.09.2015	Sale	(292)	0.0004%	662365	0.97%
				18.09.2015	Sale	(132)	0.0002%	662233	0.97%
				25.09.2015	Purchase	250	0.0004%	662483	0.97%
				30.09.2015	Sale	(25)	0.0000%	662458	0.97%
				02.10.2015	Sale	(75)	0.0001%	662383	0.97%
				09.10.2015	Sale	(190)	0.0003%	662193	0.97%
				16.10.2015	Sale	(2478)	0.0036%	659715	0.97%
				23.10.2015	Sale	(1500)	0.0022%	658215	0.96%
				30.10.2015	Sale	(901)	0.0013%	657308	0.96%
				06.11.2015	Sale	(1020)	0.0015%	656288	0.96%
				13.11.2015	Sale	(222)	0.0003%	656066	0.96%
				27.11.2015	Purchase	111	0.0002%	656177	0.96%
				04.12.2015	Purchase	389	0.0006%	656566	0.96%
				11.12.2015	Purchase	2595	0.0038%	659161	0.96%
				18.12.2015	Sale	(2303)	0.0034%	656858	0.96%
				25.12.2015	Sale	(3)	0.0000%	656855	0.96%
				31.12.2015	Purchase	853	0.0012%	657708	0.96%
				01.01.2016	Sale	(204)	0.0003%	657504	0.96%
				08.01.2016	Purchase	1362	0.0020%	658866	0.96%
				15.01.2016	Sale	(808)	0.0012%	658058	0.96%
				22.01.2016	Purchase	3547	0.0052%	661605	0.97%
				29.01.2016	Sale	(4439)	0.0065%	657166	0.96%
				05.02.2016	Purchase	200	0.0003%	657366	0.96%
				12.02.2016	Sale	(408)	0.0006%	656958	0.96%
				19.02.2016	Sale	(244)	0.0004%	657202	0.96%
				26.02.2016	Sale	(220)	0.0003%	656982	0.96%
				04.03.2016	Sale	(130)	0.0002%	656852	0.96%
				18.03.2016	Sale	(186)	0.0003%	656666	0.96%
				25.03.2016	Sale	(100)	0.0001%	656566	0.96%
				31.03.2016	Sale	(14701)	0.0215%	641865	0.94%
				31.03.2016	At the end of the year			641865	0.94%

9	Anand Rathi Share and Stock Brokers Limited	635711	0.93%	03.04.2015	Sale	(476)	0.0007%	635235	0.93%
				10.04.2015	Purchase	700	0.0010%	635935	0.93%
				17.04.2015	Sale	(237)	0.0003%	635698	0.93%
				24.04.2015	Purchase	1178	0.0017%	636876	0.93%
				01.05.2015	Sale	(862)	0.0013%	636014	0.93%
				08.05.2015	Purchase	184	0.0003%	636198	0.93%
				15.05.2015	Sale	(800)	0.0012%	635398	0.93%
				22.05.2015	Purchase	1849	0.0027%	637247	0.93%
				29.05.2015	Purchase	89	0.0001%	637336	0.93%
				05.06.2015	Sale	(201)	0.0003%	637135	0.93%
				19.06.2015	Purchase	5	0.0000%	637140	0.93%
				26.06.2015	Purchase	542	0.0008%	637682	0.93%
				30.06.2015	Sale	(48)	0.0001%	637634	0.93%
				03.07.2015	Sale	(1001)	0.0015%	636633	0.93%
				10.07.2015	Sale	(197)	0.0003%	636436	0.93%
				17.07.2015	Purchase	51999	0.0762%	688435	1.01%
				24.07.2015	Sale	(200)	0.0003%	688235	1.01%
				31.07.2015	Purchase	43	0.0001%	688278	1.01%
				07.08.2015	Sale	(51000)	0.0747%	637278	0.93%
				14.08.2015	Sale	(1900)	0.0028%	635378	0.93%
				21.08.2015	Purchase	1257	0.0018%	636635	0.93%
				28.08.2015	Purchase	2200	0.0032%	638835	0.94%
				04.09.2015	Sale	(2998)	0.0044%	635837	0.93%
				11.09.2015	Sale	(502)	0.0007%	635335	0.93%
				30.09.2015	Purchase	1510	0.0022%	636845	0.93%
				09.10.2015	Sale	(510)	0.0007%	636335	0.93%
				16.10.2015	Sale	(9000)	0.0132%	627335	0.92%
				23.10.2015	Sale	(2000)	0.0029%	625335	0.92%
				06.11.2015	Purchase	900	0.0013%	626235	0.92%
				13.11.2015	Sale	(1000)	0.0015%	625235	0.91%
				27.11.2015	Purchase	100	0.0001%	625335	0.91%
				04.12.2015	Purchase	1900	0.0028%	627235	0.92%
				11.12.2015	Sale	(2000)	0.0029%	625235	0.91%
31.12.2015	Purchase	1200	0.0018%	626435	0.92%				
08.01.2016	Purchase	334	0.0005%	626769	0.92%				
15.01.2016	Sale	(1434)	0.0021%	625335	0.91%				
22.01.2016	Purchase	1600	0.0023%	626935	0.92%				
29.01.2016	Sale	(1000)	0.0015%	625935	0.92%				
05.02.2016	Purchase	900	0.0013%	626835	0.92%				
12.02.2016	Sale	(1400)	0.0020%	625435	0.91%				
11.03.2016	Purchase	500	0.0007%	625935	0.92%				
18.03.2016	Purchase	100	0.0001%	626035	0.92%				
25.03.2016	Sale	(772)	0.0011%	625263	0.91%				
31.03.2016	Purchase	16972	0.0248%	642235	0.94%				
				31.03.2016			At the end of the year	642235	0.94%



10	Giraben AtulBhai Shah	1623299	2.38%	24.04.2015	Purchase	223000	0.3267%	1846299	2.71%
				29.05.2015	Sale	(10000)	0.0147%	1836299	2.69%
				05.06.2015	Sale	(28000)	0.0410%	1808299	2.65%
				07.08.2015	Purchase	29000	0.0425%	1837299	2.69%
				21.08.2015	Sale	(160000)	0.2343%	1677299	2.46%
				16.10.2015	Sale	(141756)	0.2076%	1535543	2.25%
				06.11.2015	Sale	(308700)	0.4515%	1226843	1.79%
				27.11.2015	Sale	(25000)	0.0366%	1201843	1.76%
				31.12.2015	Sale	(24605)	0.0360%	1177238	1.72%
				08.01.2016	Sale	(146000)	0.2135%	1031238	1.51%
				04.03.2016	Sale	(90000)	0.1316%	941238	1.38%
				25.03.2016	Sale	(207228)	0.3031%	733510	1.07%
				31.03.2016	Sale	(134788)	0.1972%	598722	0.88%
								31.03.2016	

#### V. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each Directors and KMP		Shareholding at the beginning of the year-1 <sup>st</sup> April 2015		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Rajat Agrawal	At the beginning of the year	32677725	47.88%	32677725	47.88%
	Date wise Increase / Decrease in Share Holding during the year specifying the reasons for Increase/Decrease (e.g. Allotment / Transfer / Bonus/ Sweat equity etc.)	No Change				
		At the end of the year	32677725	47.80%		
2	Dr. Mahavir Prasad Agarwal	At the beginning of the year	13673325	20.03%	13673325	20.03%
	Date wise Increase / Decrease in Share Holding during the year specifying the reasons for Increase/Decrease (e.g. Allotment / Transfer / Bonus/ Sweat equity etc.)	No Change				
		At the end of the year	13673325	20.00%		
3	Mr. Dinesh Kumar Govil	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share Holding during the year specifying the reasons for Increase/Decrease (e.g. Allotment / Transfer / Bonus/ Sweat equity etc.)	No Change				

		At the end of the year		Nil	Nil	Nil	Nil
4	Mr. Yogesh Mohan Kharbanda	At the beginning of the year		Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share Holding during the year specifying the reasons for Increase/Decrease (e.g. Allotment / Transfer / Bonus/ Sweat equity etc.)	No Change					
		At the end of the year		Nil	Nil	Nil	Nil
5	Mr. Arun Kumar Gupta	At the beginning of the year		Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share Holding during the year specifying the reasons for Increase/Decrease (e.g. Allotment / Transfer / Bonus/ Sweat equity etc.)	No Change					
		At the end of the year		Nil	Nil	Nil	Nil
6	Mrs. Chanchal Chadha Phadnis	At the beginning of the year		Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share Holding during the year specifying the reasons for Increase/Decrease (e.g. Allotment / Transfer / Bonus/ Sweat equity etc.)	No Change					
		At the end of the year		Nil	Nil	Nil	Nil
7	Mr. Naveen Prakash Sharma	At the beginning of the year		2608	0.0038%		
	Date wise Increase / Decrease in Share Holding during the year specifying the reasons for Increase/Decrease (e.g. Allotment / Transfer / Bonus/ Sweat equity etc.)	27.07.2015	Purchase	1500	0.0022%	4108	0.0060%
		28.07.2015	Purchase	200	0.0003%	4308	0.0063%
		30.07.2015	Purchase	600	0.0009%	4908	0.0072%
		31.07.2015	Purchase	400	0.0006%	5308	0.0078%
		07.08.2015	ESOP	3500	0.0051%	8808	0.0129%
		31.08.2015	Purchase	500	0.0007%	9308	0.0136%
		16.11.2015	ESOP	9000	0.0132%	18308	0.0268%

		At the end of the year		18308	0.0268%		
8	Mr. Sunil Kansal	At the beginning of the year		9725	0.0142%		
	Date wise Increase / Decrease in Share Holding during the year specifying the reasons for Increase/Decrease (e.g. Allotment / Transfer / Bonus/ Sweat equity etc.)	16.11.2015	ESOP	8750	0.0128%	18475	0.0270%
		At the end of the year		18475	0.0270%		
9	Mrs. Leena Jain	At the beginning of the year		1115	0.0016%		
	Date wise Increase / Decrease in Share Holding during the year specifying the reasons for Increase/Decrease (e.g. Allotment / Transfer / Bonus/ Sweat equity etc.)	07.08.2015	ESOP	500	0.0007%	1615	0.0024%
		16.11.2015	ESOP	1110	0.0016%	2725	0.0040%
		At the end of the year		2725	0.0040%		

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

### 5. Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In lacs)

Indebtedness at the beginning of the year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i. Principal Amount	8956.79	0.00	0.00	8956.79
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not paid	8.52	0.00	0.00	8.52
<b>Total (i+ii+iii)</b>	<b>8965.31</b>	<b>0.00</b>	<b>0.00</b>	<b>8965.31</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1339.25	0.00	0.00	1339.25
• Reduction	861.13	0.00	0.00	861.13
<b>Net Change</b>	<b>478.12</b>	<b>0.00</b>	<b>0.00</b>	<b>478.12</b>
<b>Indebtedness at the end of the year</b>				
i. Principal Amount	9434.52	0.00	0.00	9434.52
ii. Interest due but not paid	-	0.00	0.00	-
iii. Interest accrued but not paid	8.91	0.00	0.00	8.91
<b>Total (i+ii+iii)</b>	<b>9443.43</b>	<b>0.00</b>	<b>0.00</b>	<b>9443.43</b>

## 6. Remuneration of Directors and Key Managerial Personnel

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

(₹ In lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Rajat Agrawal	Dr. Mahavir Prasad Agarwal	Mr. Rajeev Surana *	
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	77.29	41.81	28.63	147.73
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961	0.71	0.19	Nil	0.90
(c)	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission -As % of profit -Others, specify	Nil	Nil	Nil	Nil
5.	Others: Provident Fund	4.87	2.61	Nil	7.48
	Gratuity	1.95	1.05	Nil	3.00
	Performance Bonus	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>84.82</b>	<b>45.66</b>	<b>28.63</b>	<b>159.11</b>
	Ceiling as per the Act	Remuneration is paid as per Schedule V of Companies Act, 2013 and ceiling is based on effective capital of the company.			

\*Resigned w.e.f 14.03.2016

### (B) Remuneration to Other Directors:

Sr. No	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
(a)	Fees for attending Board Committee Meetings		
(b)	Commission		
(c)	Other, please specify		
	Total (1)		
2.	Other Non-Executive Directors	NIL	
(a)	Fees for attending Board Committee Mmeetings		
(b)	Commission		
(c)	Other, please specify		
	Total (2)		
	Total (B) = (1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

**(C) Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD:**

(₹ In lacs)

Sr. No	Particulars of Remuneration	Name of KMP			Total Amount
		Mr. Naveen Prakash Sharma [Chief Executive Officer]	Mrs. Leena Jain [Company Secretary]	Mr. Sunil Kansal [Chief Financial Officer]	
1.	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	24.74	7.12	17.08	48.94
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961	0.19	0.19	0.19	0.57
(c)	Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option*	3.46	0.45	2.31	6.22
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission As % of profit Others (Variable Pay)	Nil 4.02	Nil 0.66	Nil 2.15	Nil 6.83
5.	Others, please specify				
	Provident Fund & other Funds	1.80	0.44	1.21	3.45
	Performance Bonus	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>34.21</b>	<b>8.86</b>	<b>22.94</b>	<b>66.01</b>
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.

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

**7. Penalties / Punishment/ Compounding of Offences:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>B. DIRECTORS</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

**For and on behalf of the Board**

Date: 17<sup>th</sup> June, 2016  
Place: Jaipur

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

Sd/-  
**(Dr. Mahavir Prasad Agarwal)**  
Whole-time Director  
DIN: 00188179

## Annexure-2

### Form No. AOC-2

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

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

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

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

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

Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:
Gravita Ghana Limited	Wholly Owned Subsidiary	Sale and Purchase of Goods and Material	N.A.	Value of purchase of goods: ₹ 3540.34 Lacs Value of sales of goods: ₹ 96.85 Lacs	N.A.	N.A.
Gravita Mozambique LDA	Wholly Owned Subsidiary	Sale and Purchase of Goods and Material	N.A.	Value of purchase of goods: ₹ 3345.82 Lacs Value of sales of goods: ₹ 63.98 Lacs	N.A.	N.A.
Gravita Senegal S.A.U	Wholly Owned Step down Subsidiary	Sale and Purchase of Goods and Material	N.A.	Value of purchase of goods: ₹ 2471.33 Lacs Value of sales of goods: ₹ 64.52 Lacs	N.A.	N.A.
Gravita Nicaragua S.A.	Wholly Owned Step down Subsidiary	Purchase of Goods and Material	N.A.	Value of purchase of goods: ₹ 716.41 Lacs	N.A.	N.A.
Navam Lanka Ltd.	Wholly Owned Step down Subsidiary	Sale of Goods and Materials	N.A.	Value of Sales of goods: ₹ 71.12 Lacs	N.A.	N.A.



M/s Gravita Metal Inc	Wholly Owned Subsidiary Firm	Sale & Purchase of Goods and Material	N.A.	Value of Sale of goods: ₹ 281.20 Lacs	N.A.	N.A.
Saurabh Farms Limited	Enterprise having common KMP	Leasing of Property	11 months	Value of Transaction: ₹ 12.83 Lacs	3 <sup>rd</sup> February, 2015 & 7 <sup>th</sup> November, 2015	N.A.
Shah Buildcon Private Limited	Enterprise having common KMP	Leasing of Property	11 months	Value of Transaction: ₹ 2.26 Lacs	Different dates for different Agreements*	N.A.
Jalousies (India) Private Limited	Enterprise having common KMP	Leasing of Property	11 months	Value of Transaction: ₹ 25.67 Lacs	3 <sup>rd</sup> February, 2015 & 7 <sup>th</sup> November, 2015	N.A.
Mr. Rajat Agrawal	Managing Director	Leasing of Property	11 months	Value of Transaction: ₹ 30.43 Lacs	Different dates for different Agreements #	N.A.
Mrs. Anchal Agrawal	Relative of Managing Director	Leasing of Property	11 months	Value of Transaction: ₹ 4.90 Lacs	11 <sup>th</sup> November, 2014 & 21 <sup>st</sup> September, 2015	N.A.

\* For property situated at 501, Gravita Tower, A-27B, Shanti Path, Tilak Nagar, Jaipur-302004 date of Board Meeting for renewal of lease agreements is 6<sup>th</sup> August, 2014 and 10<sup>th</sup> August, 2015. Further, for Property Situated at C-166, Sunder Marg, Tilak Nagar, Jaipur - 302004 date of Board Meeting for renewal of lease agreements is 3<sup>rd</sup> February, 2015 and 1<sup>st</sup> February, 2016.

# For property situated at 102, 203 Gravita Tower, A-27B, Shanti Path, Tilak Nagar, Jaipur-302004 date of Board Meeting for renewal of lease agreements is 6<sup>th</sup> August, 2014 and 10<sup>th</sup> August, 2015. Further, for Property Situated at Swena Gokul Apartment, Sunder Marg, Tilak Nagar, Jaipur-302004 date of Board Meeting for renewal of lease agreements is 23<sup>rd</sup> May, 2015 and for Property situated at P-29, Type-b, Alternative-III, Raj Aangan Scheme (NRI/NRR Township), Sec-24, Pratap Nagar, Sanganer, Jaipur-303902 date of Board Meeting for renewal of lease agreements is 3<sup>rd</sup> February, 2015 and 1<sup>st</sup> February, 2016.

**For and on behalf of the Board**

Sd/-

**(Rajat Agrawal)**  
Managing Director  
DIN: 00855284

Sd/-

**(Dr. Mahavir Prasad Agarwal)**  
Whole-time Director  
DIN: 00188179

Date: 17<sup>th</sup> June, 2016  
Place: Jaipur

## Annexure-3

### CSR REPORT

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <a href="http://www.gravitaindia.com/wp-content/uploads/pdf/csr-policy.pdf">http://www.gravitaindia.com/wp-content/uploads/pdf/csr-policy.pdf</a></p> <p>As per CSR Policy of the Company, the Company may engage in any of the activities related to Health, Education, Environment, Sports and Others. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in accordance with the provisions, amendments and rules specified in the Act. In addition, it may build CSR capacities of their own personnel as well as their implementing agencies through institutions while complying with respective provisions and amendments, if any, under Companies Act, 2013. The CSR initiatives of the Company shall focus the areas surrounding its plants, locations or where the Company has its offices.</p>
2	The Composition of the CSR Committee.	<p>CSR Committee of the Company comprises of following Directors:</p> <p>Mr. Yogesh Mohan Kharbanda (Chairman)</p> <p>Mr. Rajat Agrawal (Member)</p> <p>Dr. Mahavir Prasad Agarwal (Member)</p>
3	Average net profit of the company for last three financial years	₹ 1244.55 Lacs
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 24.89 Lacs
5	<p>Details of CSR spent during the financial year.</p> <p>(1) Total amount to be spent for the F.Y.</p> <p>(2) Amount unspent , if any;</p> <p>(3) Manner in which the amount spent during the financial year :</p>	<p>₹ 24.89 Lacs</p> <p>₹ 21.29 Lacs</p> <p>The manner in which the amount is spent is detailed hereunder in Table A</p>
6	Reason for not spending 2% of average net profits	<p>The Company is very much keen to spend amount towards Corporate Social Responsibility but due to falling commodity price, unfavorable Government Policies, sluggish market conditions for business and depleting profit margins, the company was unable to spend the required amount towards CSR.</p>

Table A: Details of amount spent in CSR activities

S.No	CSR project or activity identified	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Sector in which the project is covered	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Environment and Health	Locally at Jaipur, Rajasthan	Promoting Health Care under Schedule VII (i)	₹ 3.00 Lacs	₹ 2.97 Lacs	Expenditure upto 31 <sup>st</sup> March, 2016 Rs. 3.60 Lacs	Spent Directly
			Ensuring Environmental Sustainability, ecological balance, protection of flora and fauna, animal welfare under Schedule VII (iv)	₹ 2.00 Lacs	₹ 0.37 Lacs		
			Promoting education under Schedule VII (ii)	₹ 0.50 Lacs	₹ 0.26 Lacs		

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

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

### Form MR-3 Secretarial Audit Report For the Financial Year ended on 31<sup>st</sup> March, 2016

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

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

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

Based on my verification of Gravita India Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 /The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/SEBI (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during Audit Period) &**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during Audit Period)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

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

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

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

I further report that, during the year under review:

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

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

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

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

I further report that, during the year under review:

- a) The Company has altered its object clause by passing special resolution through postal ballot including e-Voting.
- b) The Company has issued 1,13,521 equity shares to employees under the ESOP.

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

Sd/-

**Pradeep Pincha  
Proprietor**

Dated: 8<sup>th</sup> June, 2016  
Place: Jaipur

M.No: FCS 5369  
C. P. No.:4426

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

## Annexure-A

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

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

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

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

Sd/-

**Pradeep Pincha  
Proprietor**

M.No: FCS 5369

C. P. No.:4426

Dated: 8<sup>th</sup> June, 2016

Place: Jaipur



## Annexure-5

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

#### i. Conservation of Energy:

##### a) Steps taken or impact on conservation of energy:

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

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

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

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

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

#### ii. Technology Absorption

##### a) Efforts made towards Technology Absorption: NIL

##### b) Benefits derived towards improvement in technology of machines and equipment: NIL

##### c) Technology Imported: Nil

#### iii. Foreign Exchanges Earnings & outgo

(₹ In Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A. Expenditure in Foreign Currency</b>		
Import value on CIF Basis		
Raw material and consumables	13,109.72	14584.98
Capital Goods	-	-
Finance Costs	134.26	80.37
Others	58.11	101.26
<b>Total</b>	<b>13,302.09</b>	<b>14,766.61</b>
<b>B. Earnings in Foreign Currency</b>		
Export of Goods calculated on FOB basis	21,533.41	17,985.01
Interest Income	13.30	45.58
Other Income	-	-
<b>Total</b>	<b>21,546.71</b>	<b>18,030.59</b>

## Annexure-6

### DISCLOSURES OF REMUNERATION TO DIRECTORS & KMP [PURSUANT TO SECTION 197(12)]

- i. **The Ratio of the remuneration of each Director to the median remuneration of employees of the Company for the year ended 31<sup>st</sup> March, 2016 are:-**

Sr. No.	Name of Director/ CFO/CEO/ Company Secretary	Designation	Ratio of remuneration to median remuneration of the Employee of the Company*	Percentage increase in the remuneration for the Financial Year 2015-16
1	Dr. Mahavir Prasad Agarwal	Chairman & Whole time Director	34.14:1	N.A.
2	Mr. Rajat Agrawal	Managing Director	63.41:1	30.00%
3	Mr. Rajeev Surana #	Whole-time Director	23.27:1	N.A.
4	Mrs. Leena Jain	Company Secretary	N.A.	6.00%
5	Mr. Naveen Prakash Sharma	Chief Executive Officer	N.A.	0.00%
6	Mr. Sunil Kansal	Chief Financial Officer	N.A.	0.00%

**# Resigned w.e.f 14<sup>th</sup> March, 2016.**

\* Median remuneration of the Employees of the Company assumed to be Rs. 1.23 Lacs.

- ii. Percentage increase in the median remuneration of employees in the financial year 2015-16 is 9.00%.
- iii. Number of permanent employees on the payroll as on 31<sup>st</sup> March, 2016 of the Company are 511 (Five Hundred Eleven only).
- iv. **Explanation w.r.t average increase in remuneration and Company's performance.**

The average increase in remuneration in mainly due to hiring more employees in different business segments of the Company. During the FY 2015-16 the Company has ventured into many new lines of business, results of which shall reflect in the years to come.

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

Sr. No.	Name of the KMP	% increase in the Remuneration as Compared to previous year remuneration	Comparison of Increase in Remuneration vis-a vis performance of Company
1.	Dr. Mahavir Prasad Agarwal	Nil	During the year salary of Mr. Rajat Agrawal increased by 30.00% looking into his performance and new tasks assigned to him and industry standards. Further, Mrs. Leena Jain was given hike of 6% in her remuneration which was part of performance appraisal. Further the increase in remuneration during the year was in line with Company's performance as well as per Company's market competitiveness.
2.	Mr. Rajat Agrawal	30.00%	
3.	Mr. Rajeev Surana	Nil	
4.	Mr. Naveen Prakash Sharma	Nil	
4.	Mrs. Leena Jain	6.00%	
5.	Mr. Sunil Kansal	Nil	

**vi. Variations in the market capitalization of the Company and PE ratio**

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

	BSE		NSE		PE ratio	
	Market Price of Share (In Rs)	Market Capitalization (Rs. in Crores)	Market Price of Share (In Rs.)	Market Capitalization (Rs. in Crores)	BSE	NSE
31 <sup>st</sup> March, 2016	24.30	166.13	24.35	166.47	50.63	50.73
31 <sup>st</sup> March, 2015	36.70	250.49	36.30	241.76	48.93	48.40
Price of IPO	In 2010, the company came up with IPO at market price of ₹ 125/- per share having Face Value of ₹ 10/- each. Subsequently in March 2012 1 (one) Equity share of Face Value of ₹ 10 each has been divided into 5 (five) Equity Shares of ₹ 2/- each. Therefore for better comparison the price of IPO has been considered as ₹ 25 i.e. if 1 Equity Share of face value of ₹ 10/- is having market price of ₹ 125/- at time of IPO then 1 Equity Share of face value of ₹ 2/- will have market price of ₹ 25/- (125/5)					
Variation as on 31.03.2016	-2.80%		-2.60%			
Variation as on 31.03.2015	+46.80%		+45.20%			

- vii. Average Percentile increase in the salaries of the employees other than Managerial Personnel is 8.40%.
- viii. Key Parameters for any variable component of remuneration (i.e. Commission) availed by the Directors are based on their contribution at the Board, time spent on operational matters and other responsibilities assigned. N.A.
- ix. None of the Employee other than director(s) received remuneration in excess of the highest paid Director during the Financial Year 2015-16.
- x. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**(Form AOC1)**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

**Part "A" : Subsidiaries**
**Details in their Respective Local currencies**

S. no	Name of Subsidiary	Reporting period for the subsidiary	Reporting currency	Exchange rate as on 31.03.2016	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1	Gravita Infotech Limited	31st March, 2016	INR	1.000	20,00,000.00	3,57,82,343.00	6,39,73,184.00	2,61,90,839.00	27,56,750.00	3,24,91,250.00	(48,87,586.00)	-	(48,87,586.00)	-	100%
2	Gravita Netherlands BV	31st March, 2016	USD	66.333	24,337.80	36,07,151.57	39,12,296.54	2,80,807.17	24,70,540.24	7,55,317.57	5,78,788.77	-	5,78,788.77	-	100%
3	Gravita Global Pte Ltd	31st March, 2016	USD	66.333	13,45,000.00	3,79,210.50	17,31,312.12	7,101.62	14,41,010.13	77,132.16	(35,180.61)	-	(35,180.61)	-	100%
4	Gravita Infotech Noble Buildstate Private Limited	31st March, 2016	INR	1.000	58,80,330.00	-	58,90,322.00	9,992.00	-	16,58,406.00	(8,96,918.31)	-	(8,96,918.31)	-	100%
5	Gravita Ghana Limited	31st March, 2016	GHC	17.290	3,14,363.00	57,99,371.68	1,05,10,666.40	43,96,931.72	-	2,11,29,993.07	(7,824.60)	-	(7,824.60)	-	100%
6	Gravita Senegal SAU	31st December, 2015	CFA	0.115	23,80,000.00	17,14,18,138.42	82,19,02,316.19	41,24,84,177.77	-	2,25,99,43,100.08	11,09,89,520.05	1,66,48,428.01	9,43,41,092.04	10,70,99,998.00	100%
7	Gravita Mozambique LDA	31st March, 2016	MZN	1.312	79,05,000.00	4,41,55,213.14	5,71,01,660.41	50,41,447.27	-	21,88,54,667.77	3,31,38,007.63	-	3,31,38,007.63	-	100%
8	Gravita Navam Lanka Limited	31st March, 2016	LKR	0.458	8,96,34,400.00	13,67,10,562.55	24,45,48,786.50	1,82,03,823.95	-	74,58,11,685.11	5,58,28,282.64	71,30,524.26	4,86,97,758.37	15,23,78,480.00	52%
9	Gravita Nicaragua SA	31st March, 2016	NIO	2.346	1,00,000.00	(59,93,700.58)	3,02,67,438.12	3,61,61,138.70	-	7,72,22,807.39	(80,42,815.64)	-	(80,42,815.64)	-	100%
10	Gravita Metals Inc	31st March, 2016	INR	1.000	12,52,41,894.00	-	12,75,25,333.00	22,83,439.00	-	1,88,81,315.00	(16,14,282.00)	-	(16,14,282.00)	-	100%
11	Gravita Metal Recycling Infotech LLP	31st March, 2016	INR	1.000	7,65,30,878.00	-	16,15,68,945.00	8,50,38,067.00	-	49,83,26,059.00	6,92,33,639.00	-	6,92,33,639.00	-	100%
12	Gravita Jamaica Limited	31st March, 2016	USD	66.333	-	-	1,000.00	1,000.00	-	-	-	-	-	-	100%
13	Gravita USA Inc	31st March, 2016	USD	66.333	40,000.00	-	54,278.66	14,278.66	-	-	-	-	-	-	100%
14	Gravita Recycling Infotech LLP	31st March, 2016	INR	1.000	2,00,000.00	-	1,02,10,000.00	1,00,10,000.00	-	-	(5,011.00)	-	(5,011.00)	-	100%
15	Gravita Ventures Limited	31st March, 2016	USD	66.333	-	-	2,812.31	2,812.31	-	-	-	-	-	-	100%

(₹ in Lacs)

## Details in INR

S. no	Name of Subsidiary	Reporting period for the subsidiary	Reporting currency	Exchange rate as on 31.03.2016	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Gravita Infotech Limited	31st March, 2016	INR	1.000	20.00	357.82	639.73	261.91	27.57	324.91	(48.88)	-	(48.88)	-	100%
2	Gravita Netherlands BV	31st March, 2016	USD	66.333	16.14	2,392.73	2,595.14	186.27	1,638.78	501.02	383.93	-	383.93	-	100%
3	Gravita Global Pte Ltd	31st March, 2016	USD	66.333	892.18	251.54	1,148.43	4.71	955.86	51.16	(23.34)	-	(23.34)	-	100%
4	Gravita Infotech Noble Buildstate Private Limited	31st March, 2016	INR	1.000	58.80	-	58.90	0.10	-	16.58	(8.97)	-	(8.97)	-	100%
5	Gravita Ghana Limited	31st March, 2016	INR	1.000	2.00	(51.23)	219.38	268.61	-	-	(22.66)	-	(22.66)	-	100%
6	Gravita Ghana Limited	31st March, 2016	GHC	17.290	54.35	1,002.71	1,817.29	760.23	-	3,653.37	(1.35)	-	(1.35)	-	100%
7	Gravita Senegal SAU Gravita Mozambique LDA	31st December, 2015	CFA	0.115	272.66	196.38	941.61	472.56	-	2,589.09	127.15	19.07	108.08	122.70	100%
8	Navam Lanka Limited	31st March, 2016	MZN	1.312	103.73	579.42	749.30	66.16	-	2,871.86	434.84	-	434.84	-	100%
9	Navam Lanka Limited	31st March, 2016	LKR	0.458	410.94	626.77	1,121.17	83.46	-	3,419.28	255.95	32.69	223.26	698.60	52%
10	Gravita Nicaragua SA	31st March, 2016	NIO	2.346	2.35	(140.64)	710.22	848.51	-	1,812.02	(188.72)	-	(188.72)	-	100%
11	Gravita Metals	31st March, 2016	INR	1.000	1,252.42	-	1,275.25	22.83	-	188.81	(16.14)	-	(16.14)	-	100%
12	Gravita Metal Inc	31st March, 2016	INR	1.000	765.31	-	1,615.69	850.38	-	4,983.26	692.34	-	692.34	-	100%
13	Gravita Jamaica Limited	31st March, 2016	USD	66.333	-	-	0.66	0.66	-	-	-	-	-	-	100%
14	Gravita USA Inc	31st March, 2016	USD	66.333	26.53	-	36.00	9.47	-	-	-	-	-	-	100%
15	Recycling Infotech LLP	31st March, 2016	INR	1.000	2.00	-	102.10	100.10	-	-	(0.05)	-	(0.05)	-	100%
16	Gravita Ventures Limited	31st March, 2016	USD	66.333	-	-	1.87	1.87	-	-	-	-	-	-	100%
<b>TOTAL</b>					<b>3,879.42</b>	<b>5,215.50</b>	<b>13,032.75</b>	<b>3,937.83</b>	<b>2,622.21</b>	<b>20,411.38</b>	<b>1,584.11</b>	<b>51.76</b>	<b>1,532.34</b>	<b>821.30</b>	

1. Financial information has been extracted from the standalone audited financial statement for the year ended 31<sup>st</sup> March, 2016, and have been translated at exchange rates prevailing on March 31, 2016.

2. Turnover includes other income and other operating revenues

3. The following subsidiaries have been liquidated in the process of liquidation/ disposed off during the year ended March 31, 2016

- Gravita Trinidad & Tobago Limited
- Gravita Mauritania SARL
- The following Subsidiaries of the company are yet to commence their operations
  - Noble Buildstate Private Limited
  - Gravita Jamaica Limited
  - Gravita Ventures Limited, Tanzania
  - Gravita USA Inc
  - Recycling Infotech LLP

## Part "B" : Associates

## Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of the Associate	Latest Balance Sheet Date	Share of Associate held by the company on the year end		Description of how there is significant influence	Reason why the associate is not consolidated	Net Worth attributable to Shareholding as per latest audited Balance Sheet	Profit / (loss) for the year	
			No. of Shares Held	Amount of Investment				Considered in consolidation	Not considered in consolidation
1	Pearl Landcon Private Limited	31st March, 2016	5,000	0.50	Equity Holding more than 20 % but less than 50%	Not Applicable	17.34	0.22	0.88

## For and on behalf of the Board of Directors

**Rajat Agrawal**  
(Managing Director)

**DR. M. P. Agarwal**  
(Chairman)

**Sunil Kansal**  
(Chief Financial Officer)

**Leena Jain**  
(Company Secretary)

Place: Jaipur  
Date: May 14, 2016

# Corporate Governance Report

## Company's Philosophy on Corporate Governance

Gravita India Limited (hereinafter referred to as 'Gravita'), looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long-term stakeholder value creation. Good Corporate Governance practices enable a Company to attract financial and human capital. In turn, these resources are leveraged to maximize long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large. Gravita and its employees are guided by the values of collaborative spirit, unrelenting dedication and expert thinking. These values are core to our operations. All are expected to adhere to the highest standards of integrity. In the conduct of Company's business and its dealings, it abides by the principles of honesty, openness and doing what is right and fair. Gravita is committed in doing things the right way, which means, taking business decisions and acting in a way that is ethical and is in compliance with the applicable legislation. These principles guide our behavior at all times. Our Company practices the highest standards of corporate behavior towards everyone it works with, be it the communities or the environment. This is the road to responsible, sustainable and profitable growth and creates long term value for our Company's stakeholders, people and our business partners. The Company's policies on Corporate Governance and compliance specifically till the last date of this financial year i.e. 31<sup>st</sup> March, 2016 as required under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 herein after "SEBI (LODR) Regulations, 2015" are stated below for the enlightenment of our shareholders and investors.

## Board of Directors

The composition of the Board of the Company represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. As on 31<sup>st</sup> March, 2016, the total Board strength comprises of 6 (six) Directors out of which 2 (two) Directors are Executive Directors and 4 (Four) are Independent Directors. The Independent Directors on the Board are experienced, competent and highly renowned persons from the fields of Marketing, Finance & Taxation, Economics, Law, Governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance to the management on various aspects of Business, Policy Direction, Governance, Compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors. The composition of the Board also complies with the provisions of the Companies Act, 2013 and Regulation 17 (1) of SEBI (LODR) Regulations, 2015.

The details of composition of the Board as on 31<sup>st</sup> March, 2016, the attendance record of the Directors at the Board Meetings held during the financial year 2015-16 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Companies are given herein below:



Name	Category	Whether attended AGM held on 08 <sup>th</sup> August, 2015	Number of Directorships in other companies as on 31 <sup>st</sup> March, 2016 <sup>#</sup>	No. of committee positions held in other public companies as on 31 <sup>st</sup> March, 2016	
				Chairman	Member
Dr. Mahavir Prasad Agarwal	Executive & Promoter	Yes	4	Nil	Nil
Mr. Rajat Agrawal	Executive and Promoter	Yes	4	Nil	Nil
Mr. Dinesh Kumar Govil	Non-Executive Lead Independent	Yes	4	2	Nil
Mr. Yogesh Mohan Kharbanda	Non-Executive Independent	No	2	Nil	1
Mr. Arun Kumar Gupta	Non-Executive Independent	Yes	Nil	Nil	Nil
Mrs. Chanchal Chadha Phadnis	Non-Executive Independent	Yes	Nil	Nil	Nil
Mr. Rajeev Surana*	Executive & Promoter	Yes	N.A.	N.A.	N.A.

<sup>#</sup>Directorship does not include directorships held in Foreign Companies.

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

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

### Board Meetings

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

are passed by circulation. The intervening period between two Board meetings is well within the maximum gap of four months as prescribed under Regulation 17 (2) of SEBI (LODR) Regulations, 2015. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any. The following meetings of the Board were held during the Financial Year 2015-16:

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

**Attendance of each Director at the Board Meetings:**

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

**Meeting of Independent Directors**

In compliance of Section 149 of Companies Act, 2013 read with SEBI (LODR) Regulations, 2015 a separate meeting of Independent Directors was held on 17<sup>th</sup> March, 2016. Attendance of Independent Directors at the meeting is given hereunder:

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

**Audit Committee**

The Audit Committee of the Company comprises of four Non-Executive and Independent Directors and is constituted in accordance with the requirements of the SEBI (LODR), Regulations, 2015 read with Companies Act 2013. Mr. Dinesh Kumar Govil is the Chairman of the Audit Committee. All the members of the committee are financially literate and possess thorough knowledge of accounting principles. During

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

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

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

The Audit Committee met 5 (five) times during the financial year 2015-16 on:

23<sup>rd</sup> May, 2015

10<sup>th</sup> August, 2015

21<sup>st</sup> September, 2015

07<sup>th</sup> November, 2015

01<sup>st</sup> February, 2016

**Composition of Audit Committee and Attendance:**

Name of the Members	Designation	Number of Meetings held during the year	No. of Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	5	5
Mr. Yogesh Mohan Kharbanda	Member	5	1
Mr. Arun Kumar Gupta	Member	5	5
Mrs. Chanchal Chadha Phadnis	Member	5	3*

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

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

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure

that the financial statements are correct, sufficient and credible;

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial

statements before submission to the board for approval, with particular reference to:

- a) Matters required to be included in the Director's Responsibility Statement to be stated in the Board's report in terms of provisions of Companies Act;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
  - Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue among others), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - Discussion with internal auditors any significant findings and follow up there on;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism, in case the same is existing;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Scrutiny of inter corporate loans and investment;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems.

### Nomination & Remuneration Committee

The Nomination and Remuneration Committee reviews and recommends the payment of salaries, commission and finalizes appointment and other employment conditions of Directors, Key Managerial Personnel and other Senior Employees.

#### Terms of Reference:

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

#### Composition and Meeting:

The Company's Nomination & Remuneration Committee comprises of three Non-Executive and Independent Directors. The committee has no designated chairman. During the financial year 2015-16 the Committee met 2 (two) times i.e. on 10<sup>th</sup> August, 2015 and 21<sup>st</sup> September, 2015.

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

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

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

Name of the Director	Designation	Salary and other allowances	Stock options	Total
Dr. Mahavir Prasad Agarwal	Whole-time Director	42,00,000	Nil	42,00,000
Mr. Rajat Agrawal	Managing Director	78,00,000	Nil	78,00,000
Mr. Rajeev Surana	Whole-time Director	30,00,000	Nil	28,62,903

**Notes:**

- The Company does not have any pecuniary relationship with any Non-Executive Independent Director except for reimbursement of traveling expenses to the Directors for attending Board Meeting. No sitting fee is paid for attending the meetings of Board/Committees of Directors.
- None of the Independent Directors of the company have any equity shares of the Company.
- Mr. Rajeev Surana has been paid remuneration upto 14<sup>th</sup> March, 2016 (i.e. till the date of his resignation).

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

Following are the criteria for evaluation of performance of Directors:

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

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

- Act objectively and constructively while exercising their duties;
- Exercise their responsibilities in a bona fide manner in the interest of the company;
- Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- Do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- Refrain from any action that would lead to loss of his independence;

- Inform the Board immediately when they lose their independence;
- Assist the company in implementing the best corporate governance practices;
- Strive to attend all meetings of the Board of Directors and the Committees;
- Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- Strive to attend the General Meetings of the company;
- Keep themselves well informed about the company and the external environment in which it operates;
- Do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;
- Abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

## Remuneration Policy

The remuneration paid to Executive Directors is recommended by Nomination & Remuneration Committee and approved by Board in Board Meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company. The Remuneration Policy of the Company can be accessed through web link: <http://www.gravitaindia.com/wp-content/uploads/pdf/nomination-remuneration-policy.pdf>

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

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

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

**Sitting Fees:**

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

**Profit Linked Commission:**

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

**Stock Options:**

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

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

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

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

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

## Stakeholders Relationship Committee

The Stakeholders Relationship Committee is entrusted with the responsibility of addressing the shareholders'/ investors' complaints with respect to transfer of shares, non-receipt of Annual Report, non-receipt of dividend etc. During the year under review the composition of the said committee changed due to resignation of Mr. Rajeev Surana from post of directorship. As on 31<sup>st</sup> March, 2016, the Committee comprises of three Directors viz. Mr. Dinesh Kumar Govil, Dr. Mahavir Prasad Agarwal and Mr. Rajat Agrawal.

**No. of Meetings**

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

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

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

**Terms of Reference**

The role of Stakeholders' Relationship Committee involves:

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

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

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

**Status of Investor Complaints:** The Company received 4 (four) complaints from investors which were resolved well in stipulated time by the Company and there were no complaints pending with the company or its Share Transfer Agents as on 31<sup>st</sup> March, 2016.

**Compensation Committee**

The Compensation Committee of the company comprises of three Non-Executive Directors. The Chairman of Compensation Committee is Mr. Dinesh Kumar Govil. The Compensation Committee administers the Employee Stock Option Plan of the Company and determines eligibility of employees for Stock Options. During the year under review the Compensation Committee got re-constituted so as to comply with SEBI (Share Based Employee Benefits) Regulations, 2014. As on 31<sup>st</sup> March, 2016 the committee comprises of following directors Mr. Dinesh Kumar Govil, Mrs. Chanchal Chadha Phadnis and Mr. Yogesh Mohan Kharbanda.

**No. of Meetings:** The Committee met 3(three) times during the financial year 2015– 2016 namely 01st April, 2015, 30th July, 2015 and 30th October, 2015.

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

Name of the Member	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Dinesh Kumar Govil	Chairman	3	2
Mr. Rajat Agrawal	Member	3	3
Mr. Yogesh Mohan Kharbanda	Member	3	1

**Investment Committee:**

The Company has an Investment Committee comprising of Three Directors viz., Mr. Rajat Agrawal, Dr. Mahavir Prasad Agarwal and Mr. Dinesh Kumar Govil. During the year under

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

**No. of Meetings**

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

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

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

**Terms of Reference**

- To make decisions about investments to be made by the Company in various overseas ventures whether by way of Equity or Capitalization of Exports or by way of loan
- To make decisions about investments to be made by the Company in shares, stocks, units of mutual funds, subscription to public issues of other companies etc.; and
- To make decisions about disinvestments/ alienation/ sale/ transfer/ gift or pledge of any of the investments made in clause mentioned above which the Committee may consider most beneficial in the interest of the Company

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

Name of the Member	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Yogesh Mohan Kharbanda	Chairman	1	0
Mr. Rajat Agrawal	Member	1	1
Dr. Mahavir Prasad Agarwal	Member	1	1

**Terms of Reference**

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

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

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

**Terms of Reference**

- To approve Short-Term and Long-Term borrowings from Banks, Financial Institutions, Bodies Corporates, etc. for the business purposes of the Company.
- To approve opening and closing of various types of bank accounts including approval for availing net banking facilities from various banks.
- To approve change in authority with respect to Bank Accounts of the Company maintained with various Banks.

**Corporate Social Responsibility Committee**

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

**No. of Meetings:** The Committee met 1(one) time during the financial year 2015 – 2016 on 17th March, 2016.

**Finance & Risk Management Committee**

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

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



- To approve policy for the management of foreign exchange risk, interest rate risk and refinancing risk.
- To approve policy for the hedging of Commodity Price and Foreign Currency.
- To approve the granting of guarantees, indemnities, securities in favour of Subsidiaries/Associates/Partnership firms of the company and otherwise, subject to the requirement that all such actions are subsequently reported to the Board.

### General Body Meetings

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

S. No.	AGM	Date	Time	Venue	No. of Special Resolutions passed
1.	21 <sup>st</sup> AGM	29.07.2013	11.30 A.M.	"Saurabh Farms", Chittora Road, Harsulia Mod, Diggj-Malpura, Tehsil-Phagi, Jaipur	2
2.	22 <sup>nd</sup> AGM	02.08.2014	11.00 A.M.	"Saurabh", Chittora Road, Harsulia Mod, Diggj-Malpura, Tehsil-Phagi, Jaipur	5
3.	23 <sup>rd</sup> AGM	08.08.2015	11.00 A.M.	"Saurabh", Chittora Road, Harsulia Mod, Diggj-Malpura, Tehsil-Phagi, Jaipur	2

- No Extra-Ordinary General Meeting of the Shareholders was held during the year.
  - None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.
- a) Special Resolution under Section 13 of the Companies Act, 2013 towards Alteration in Object Clause;

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

During the year under consideration, pursuant to the provisions of Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, the following Special Resolution was passed on 07<sup>th</sup> July, 2015 by way of Postal Ballot:

The Company had appointed Mr. Pradeep Pincha, Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot process, who submitted his report after completing the scrutiny and the results of the voting by Postal Ballot were declared on 7<sup>th</sup> July, 2015 at the Corporate Office of the Company. The date of declaration of results was deemed to be date of passing of the said resolution. The results of the postal ballot are also available at website of the Company ([www.gravitaindia.com](http://www.gravitaindia.com)). A synopsis of the results submitted by the scrutinizer is as under:

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

#### Procedure Followed

- The Company issued the Postal Ballot Notice dated 23<sup>rd</sup> May, 2015 containing draft resolution together with the explanatory statement and the Postal Ballot Forms and self-addressed envelopes to the members whose names appeared in the register of members as on 29<sup>th</sup> May, 2015 and other concerned.
- Members were advised to read carefully the instructions printed on the Postal Ballot Form and return the duly completed form in the attached self-addressed envelope so as to reach the Scrutinizer on or before the close of business hours on 05<sup>th</sup> July, 2015. The members who opted for the e-voting could vote on or before the business hours, i.e. 5.00 P.M. on 5<sup>th</sup> July, 2015.
- After due scrutiny of all the Postal Ballot Forms / E-voting received up to the close of the working hours on 5<sup>th</sup> July, 2015. The Scrutinizer submitted his final report on 07<sup>th</sup> July, 2015.
- The results of the Postal Ballot / E-voting were declared on 07<sup>th</sup> July, 2015. The date of declaration of the results of the Postal Ballot was taken as the date of passing of the resolution.

v. The results of the Postal Ballot were also placed on the website of the Company at <http://www.gravitaIndia.com/investors/postal-ballots>

**Pledge of Shares:** No Pledge has been created over the Equity Shares held by the Promoters and/or Promoter Group Shareholders during the Financial Year ended 31<sup>st</sup> March, 2016.

**Review of Legal Compliance Reports:** As has been done earlier also, during the year, the Board periodically reviewed reports placed by the management with respect to compliance of various laws applicable to the Company. The Internal Auditors also reviewed the compliance status of the Company within their terms of reference and reported to the Audit Committee.

### Disclosures:

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

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

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

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

**Familiarization Programme:** During the year under review Mrs. Chanchal Chadha Phadnis, new Independent Director on the Board was given familiarization programme by providing with a copy of latest Annual Report, the Company's Code of Conduct, and the Company's Code of Conduct for Prevention of Insider Trading to let her have an insight of the Company's present status and their regulatory requirements. In addition, a detailed overview of the business verticals of the Company and meetings with business heads / senior leadership team, and with the Managing Director of the Company was conducted. The policy on familiarization programme is available on following web link:

<http://www.gravitaIndia.com/wp-content/uploads/pdf/familiarization-programme.pdf>.

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

**Compliance with the mandatory requirements of Corporate Governance as per SEBI (LODR) Regulations, 2015:** The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015. The Company has also obtained a certificate affirming the compliances from M/s P. Pincha & Associates, Practicing Company Secretaries, Jaipur and the same is attached to this Report.

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

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

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

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

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

Due to resignation of Mrs. Leena Jain erstwhile Vigilance Officer in whistle blower policy of the Company, Mr. Nitin Gupta was appointed as new Vigilance Officer w.e.f. 21<sup>st</sup> May, 2016 by Audit Committee and Board of Directors at their meetings held on 14<sup>th</sup> May, 2016. During the year, no one has been denied access to the audit committee. The Policy is also available at website of the Company ([www.gravitaIndia.com](http://www.gravitaIndia.com)).

## Means of Communication

### Financial Results

- Pursuant to Regulation 33 (4) of SEBI (LODR) Regulations, 2015, the Company has regularly furnished, by way of online electronic upload on NEAPS and BSE Listing Centre the quarterly un-audited as well as annual audited results to both the Stock exchanges i.e. BSE & NSE within the timelines prescribed by SEBI in this regard.
- The quarterly, half-yearly and annual results are published in 'Mint' /'Financial Express' in English (Delhi Edition), and in 'Nafa Nuksan' (Vernacular) in Hindi. Further the same are also available on website of the company ([www.gravitaindia.com](http://www.gravitaindia.com))
- These Results are not sent individually to the Shareholders.

### Website & Newsletter

- The Company's website [www.gravitaindia.com](http://www.gravitaindia.com) contains a dedicated functional segment called 'Investors Information' (<http://www.gravitaindia.com/investors>) where all the information needed by the shareholders is available, including the Corporate Governance Report, Shareholding Patterns, Financial Results, Intimations sent to exchanges and Annual Reports.
- The in-house quarterly newsletter of the Company named 'Gravita Focus' is sent to the shareholders to keep them updated with the ongoing events of the company.

### News Releases, Presentations, etc.

- All price sensitive information is immediately informed

## General Shareholder Information

### a) Annual General Meeting 2016

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

to Stock Exchanges before the same is communicated to general public through press releases, if any.

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

### Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report of Financial Year 2015-16. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.

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

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

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

**c) Listing at Stock Exchanges**

The Company's shares are presently listed on BSE Ltd and National Stock Exchange of India Ltd (NSE). The Company has paid Listing fees to BSE & NSE for the financial year 2016-17.

**d) Stock Code**

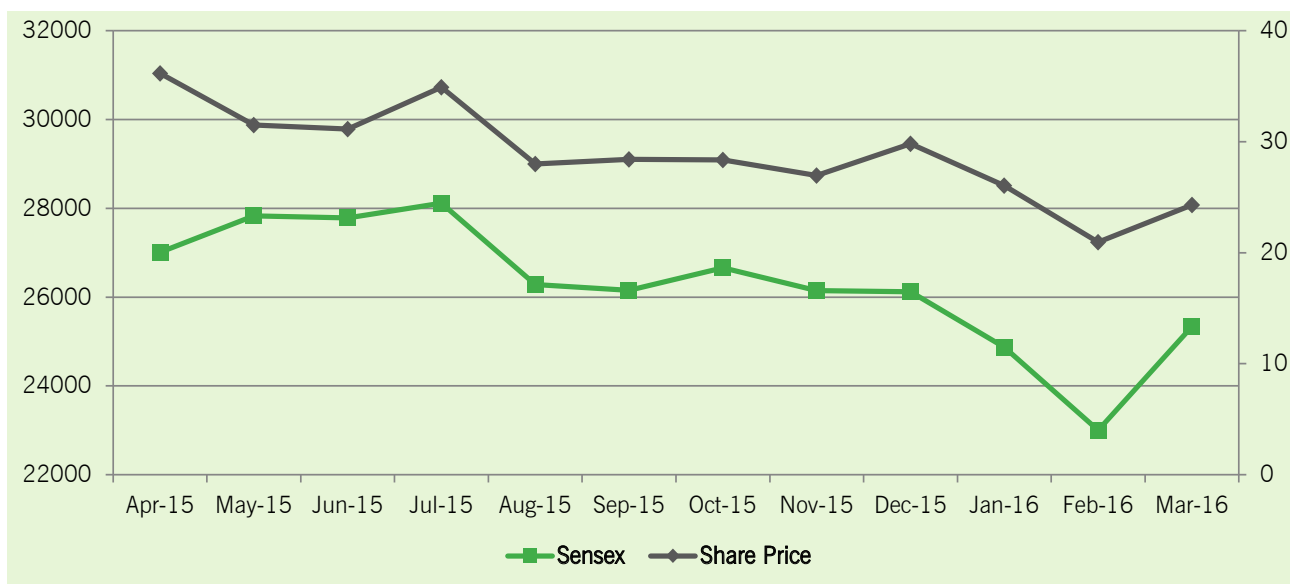
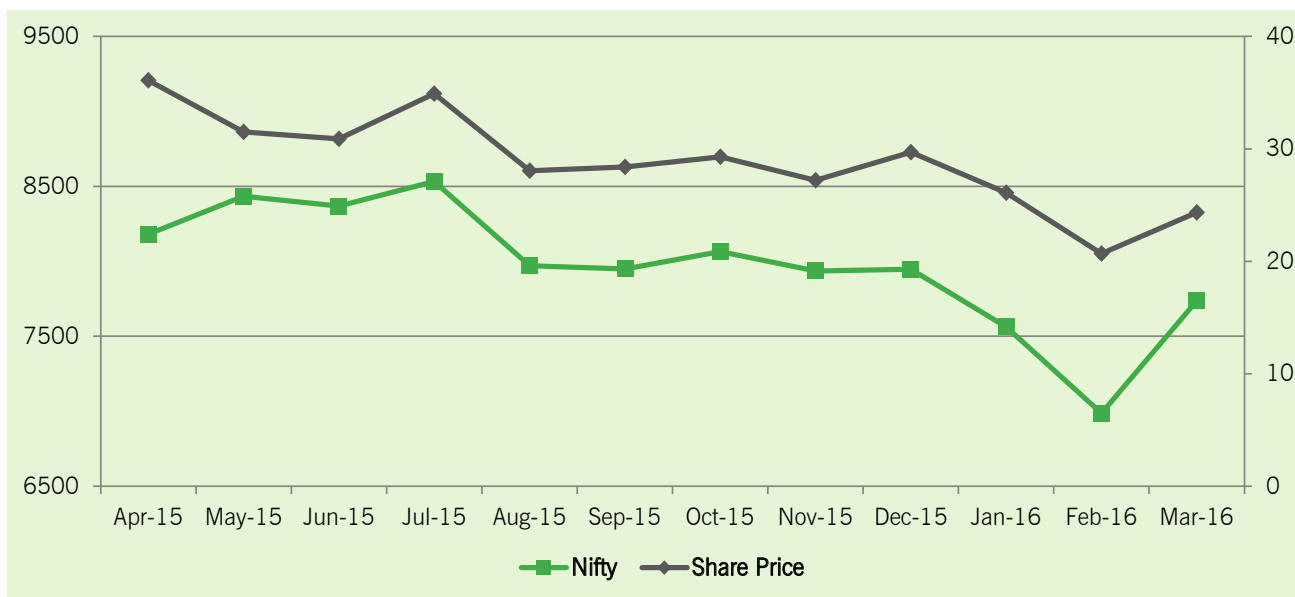
Stock Code for the Equity Shares of the Company at the respective Stock Exchanges are:

BSE Ltd : 533282

National Stock Exchange: GRAVITA

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

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

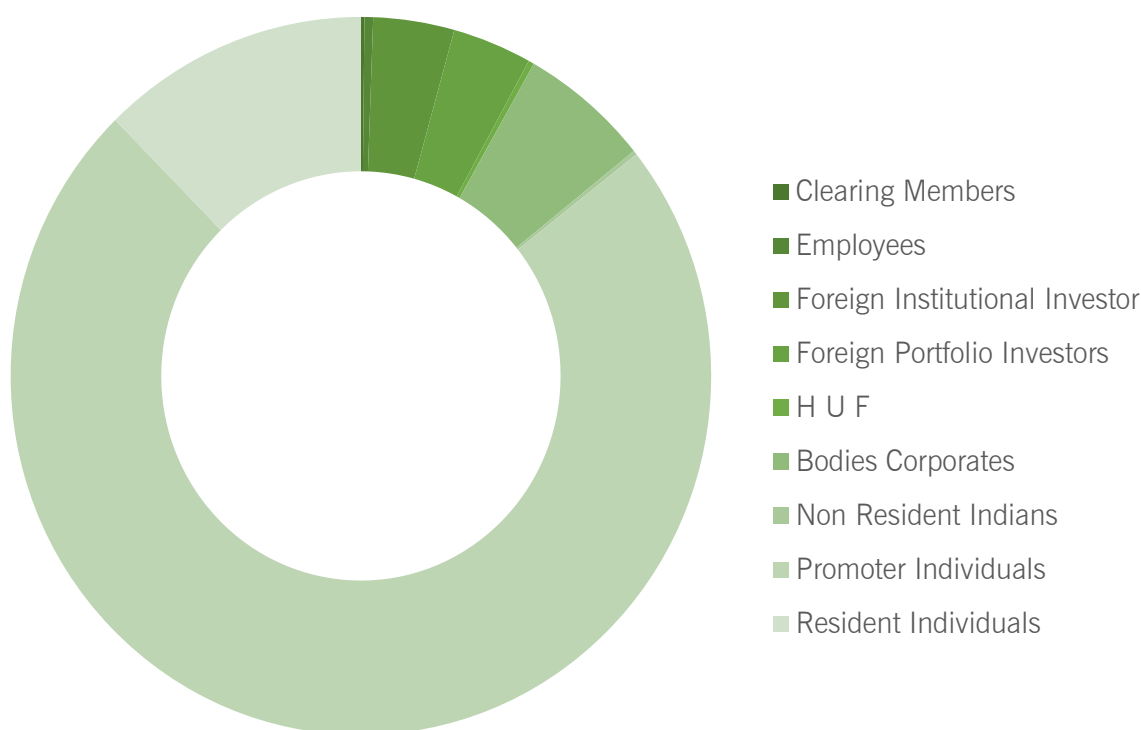
**ii. Performance of the Company's Share Price vis-à-vis BSE Sensex during the year 2015-16:**

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

**f) Distribution Schedule as on 31<sup>st</sup> March, 2016**

Nominal Value of Each Equity Share is ₹ 2/-

No. of Equity Shares Held	No. of Share Holders	% of Share holders	No. of Shares	Amount (In ₹)	% of Total Shares
upto 1 - 5000	7309	93.96	2561742	5123484.00	3.75
5001 - 10000	237	3.05	881522	1763044.00	1.29
10001 - 20000	105	1.35	772113	1544226.00	1.13
20001 - 30000	32	0.41	411353	822706.00	0.60
30001 - 40000	19	0.24	339431	678862.00	0.50
40001 - 50000	6	0.08	137754	275508.00	0.20
50001 - 100000	25	0.32	839643	1679286.00	1.23
100001 & ABOVE	45	0.59	62424541	124849082.00	91.31
<b>TOTAL</b>	<b>7778</b>	<b>100.00</b>	<b>68368099</b>	<b>136736198.00</b>	<b>100.00</b>

**g) Shareholding Pattern as on 31<sup>st</sup> March, 2016**

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

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

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

**i) Subsidiary Companies**

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

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

The information required to be disclosed in this sections is disclosed in Directors Report which forms integral part of Annual Report 2015-16.

**k) Reconciliation of Share Capital Audit**

A Qualified Practicing Company Secretary carried out the Quarterly Reconciliation of Share Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) of the total issued and listed Equity Share Capital. The Report on Reconciliation of Share Capital confirms that the total issued/paid up capital of the Company admitted with depositories is in agreement with the capital of the Company listed with the Stock Exchanges. Further none of the shares of the company are lying in suspense account as on 31<sup>st</sup> March, 2016.

**l) Share Transfer System**

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

**m) Dematerialization of Shares and Liquidity**

The Shares of Company are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity Shares of the Company representing 99.99% of the Company's Equity Share Capital are dematerialized as on 31<sup>st</sup> March, 2016 and the promoters holding of 73.22% is completely held in the dematerialized form as on 31<sup>st</sup> March, 2016. The Company's Equity Shares are regularly traded on the Bombay Stock Exchange and National Stock Exchange in dematerialized form. Under the Depository system, the International Security Identification Number (ISIN) allotted to the Company's shares is **INE024L01027**.

**n) Green Initiative in Corporate Governance**

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

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

The Company has not issued GDRs / ADRs/ Warrants or any other instruments which is convertible into Equity Shares of the Company during 2015-16.

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

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

**q) Address for Correspondence**

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

**Registrar and Share Transfer Agents**

Mrs. Shobha Anand  
Karvy Computershare Pvt Ltd  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500032  
Phone No. 040-67162222  
Email: [inward.ris@karvy.com](mailto:inward.ris@karvy.com)  
Web site: [www.karvy.com](http://www.karvy.com)

For any further assistance, the Shareholders may Contact:

### Company's Corporate Office

Company Secretary  
Gravita India Limited  
402, Gravita Tower, A-27B, Shanti Path, Tilak Nagar,  
Jaipur – 302 004, Rajasthan, India  
Tel. 0141-2623266  
Email: [companysecretary@gravitaindia.com](mailto:companysecretary@gravitaindia.com)  
Web Site: [www.gravitaindia.com](http://www.gravitaindia.com)

### Registered Office

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

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

### Plant Locations:

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

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

We, Rajat Agrawal, Managing Director and Naveen Prakash Sharma, CEO of Gravita India Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company, applicable to them as laid down by the Board of Directors in terms of Schedule V of SEBI (LODR) Regulations, 2015, for the year ended 31<sup>st</sup> March 2016.

**For Gravita India Limited**

Sd/-

**Naveen Prakash Sharma  
(CEO)**

**For Gravita India Limited**

Sd/-

**Rajat Agrawal  
(Managing Director)**

Date: 15<sup>th</sup> April, 2016  
Place: Jaipur



# CEO/CFO Certification

**Date: 17th June, 2016**

To

The Board of Directors  
Gravita India Limited  
Jaipur

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

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting.

For Gravita India Limited

Sd/-

**Rajat Agrawal**  
(Managing Director)

For Gravita India Limited

Sd/-

**Naveen Prakash Sharma**  
(Chief Executive Officer)

For Gravita India Limited

Sd/-

**Sunil Kansal**  
(Chief Financial Officer)

# Corporate Governance Compliance Certificate

To  
The Members,  
**Gravita India Limited**

We have examined the compliance of conditions of Corporate Governance by Gravita India Limited, for the year ended on 31st March 2016, as stipulated in SEBI (LODR), Regulations 2015 and in terms of requirement of the Listing Agreement of the said Company with BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE").

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified under the applicable regulations of SEBI (LODR), Regulations, 2015 .

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

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

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

Place: Jaipur  
Date: 8<sup>th</sup> June, 2016

## Independent Auditor's Report

To

The Members of

**Gravita India Limited**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GRAVITA INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash inflows for the year ended on that date.

### Other Matter

The standalone financial statements include the Company's share of net profit of ₹ 637.97 lacs for the year ended March 31, 2016 in respect of three partnership firms, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management

and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these partnership firms, is based solely on the reports of the other auditors.

Our opinion on the standalone financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the Directors as on March 31, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report

expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses -Refer Note 44 to the financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company- Refer Note 45 to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-

**Vijay Agarwal**

(Partner)

(Membership No. 094468)

Place: Jaipur  
Date: May 14, 2016

## Annexure “A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of GRAVITA INDIA LIMITED (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material mis-statements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to

the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 015125N)

Sd/-

**Vijay Agarwal**

(Partner)

(Membership No. 094468)

Place: Jaipur

Date: May 14, 2016

## Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us in respect of freehold land disclosed as fixed assets in the financial statement whose title deeds have been pledged as security for loans, are held in the name of the Company based on the confirmation received by us from “SBI Bank” corporate loan and working capital term loan lender.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (c) There are no dues of Customs Duty and Service Tax which have not been deposited as on March 31, 2016 on account of disputes. Details of dues of Income-tax, Sales tax, Value Added Tax and Excise Duty which have not been deposited as on March 31, 2016 on account of disputes are given below:
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved* (₹ in lacs)	Amount Unpaid (₹ in lacs)
Income Tax Act, 1961	Income tax	Appellate authority upto Commissioner level	2007-08 to 2012-13	51.53	31.46
Central Excise Act, 1944	Excise Duty	Appellate Authority upto Commissioner level	2009-10	1.68	-
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	Appellate Authority upto Commissioner level	2011-12	4.54	4.54

\*Amount as per demand orders including interest and penalty wherever quantified in the order.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loan or borrowing from financial institutions and government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised amount by way of initial public offer/ further public offer (including debt instruments) during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or Directors of its subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-

**Vijay Agarwal**

(Partner)

(Membership No. 094468)

Date: May 14, 2016

Place: Jaipur



## Balance Sheet

as at March 31, 2016

(₹ in Lacs)

	Notes	As at March 31st, 2016	As at March 31st, 2015
<b>Equity and Liabilities</b>			
<b>Shareholders funds</b>			
Share capital	2	1,367.36	1,365.09
Reserves and surplus	3	7,850.96	7,627.36
		<b>9,218.32</b>	<b>8,992.45</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	629.33	146.77
Long-term provisions	6	77.02	65.50
		<b>706.35</b>	<b>212.27</b>
<b>Current liabilities</b>			
Short-term borrowings	7	8,711.27	8,067.83
Trade payables	8		
Outstanding other than micro and small enterprises		814.28	927.69
Other current liabilities	9	352.93	1,200.42
Short-term provisions	10	173.15	163.34
		<b>10,051.63</b>	<b>10,359.28</b>
<b>TOTAL</b>		<b>19,976.30</b>	<b>19,564.00</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	11		
Tangible assets		3,678.24	3,573.71
Intangible assets		109.42	85.78
Capital work-in-progress		1,227.79	299.60
		<b>5,015.45</b>	<b>3,959.09</b>
Non-current investments	12	1,430.34	1,553.38
Deferred tax assets (net)	5	197.21	197.21
Long-term loans and advances	13	573.28	429.09
Other non-current assets	14	457.65	680.83
		<b>7,673.93</b>	<b>6,819.60</b>
<b>Current assets</b>			
Current investments	15	1,288.47	1,186.71
Inventories	16	5,173.92	6,259.15
Trade receivables	17	2,920.97	2,128.39
Cash and cash equivalents	18	67.37	131.04
Short-term loans and advances	19	2,828.45	2,184.03
Other current assets	20	23.19	855.08
		<b>12,302.37</b>	<b>12,744.40</b>
<b>TOTAL</b>		<b>19,976.30</b>	<b>19,564.00</b>
See accompanying notes forming part of the financial statements	1-47		

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**Vijay Agarwal**

Partner

Place: Jaipur

Date: May 14, 2016

**For and on behalf of the Board of Directors**

**Rajat Agrawal**

(Managing Director)

**Sunil Kansal**

(Chief Financial Officer)

**Dr. M. P. Agarwal**

(Chairman)

**Leena Jain**

(Company Secretary)

## Statement of Profit and Loss

for the year ended March 31, 2016

(₹ in Lacs)

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Income</b>			
Revenue from operations (gross)	21	36,977.73	34,636.70
Less : Excise duty		1,593.71	1,238.80
Revenue from operations (net)		35,384.02	33,397.90
Other income	22	410.62	709.48
<b>Total revenue (I)</b>		<b>35,794.64</b>	<b>34,107.38</b>
<b>Expenses</b>			
Cost of materials consumed	23	18,177.90	18,484.76
Purchase of stock-in-trade (traded goods)	24	12,833.01	12,327.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	426.68	(906.88)
Employee benefits expenses	26	1,537.07	1,549.23
Finance costs	27	682.31	841.23
Depreciation and amortisation expenses	11	292.01	285.54
Other expenses	28	1,523.41	1,358.05
<b>Total expenses (II)</b>		<b>35,472.39</b>	<b>33,939.49</b>
<b>Profit Before Tax (I - II)</b>		<b>322.25</b>	<b>167.89</b>
Less: Tax expense			
Current tax		-	-
Excess provision for tax relating to earlier years written back		(4.31)	(30.99)
Net current tax expense		(4.31)	(30.99)
Deferred tax		-	(312.34)
Net tax expense		(4.31)	(343.33)
<b>Profit After Tax</b>		<b>326.56</b>	<b>511.22</b>
<b>Earnings per share of face value of ₹ 2</b>			
Basic (in ₹)	40	0.48	0.75
Diluted (in ₹)		0.47	0.75
See accompanying notes forming part of the financial statements	1-47		

In terms of our report attached

For and on behalf of the Board of Directors

**For Deloitte Haskins & Sells**

Chartered Accountants

**Vijay Agarwal**

Partner

**Rajat Agrawal**

(Managing Director)

**Dr. M. P. Agarwal**

(Chairman)

Place: Jaipur

Date: May 14, 2016

**Sunil Kansal**

(Chief Financial Officer)

**Leena Jain**

(Company Secretary)

## Cash Flow Statement

for the year ended March 31, 2016

(₹ in Lacs)

	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>A. Cash flow from Operating Activities</b>				
Profit before tax		322.25		167.89
<b>Adjustments for:</b>				
Depreciation and amortisation expense	292.01		285.54	
Non-current investments in subsidiaries written off	-		5.55	
Provision/ written off for doubtful trade receivables, loans and advances	155.83		4.91	
Provision for loss on sale of fixed asset	-		43.04	
Liabilities no longer required written back (advance from customers forfeited)	-		(148.16)	
Loss on fixed assets discarded/ scrapped / written off	56.92		2.76	
Profit on sale of long term trade Investment in subsidiary company (refer note 46)	(252.98)		-	
Expense on employee stock option (ESOP) scheme	66.31		25.51	
Finance costs	682.31		841.23	
Interest income	(93.49)		(163.43)	
		906.91		896.95
<b>Operating profit before working capital changes</b>				
<u>Changes in working capital</u>				
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Inventories	1,085.23		(2,659.57)	
Trade receivables	(792.58)		1,308.19	
Short-term loans and advances	(800.25)		(268.61)	
Long-term loans and advances	(5.75)		233.38	
Other current assets	265.65		305.10	
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
Long-term provisions	11.52		6.30	
Trade payables	(113.41)		(280.10)	
Other current liabilities	(160.00)		157.03	
Short-term provisions	4.83		(40.55)	
		(504.76)		(1,238.83)
<b>Cash generated from operations</b>		<b>724.40</b>		<b>(173.99)</b>
Net income tax paid/ (refunds)		19.21		(25.49)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>705.19</b>		<b>(148.50)</b>

**Cash Flow Statement [contd.]**

for the year ended March 31, 2016

(₹ in Lacs)

	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>B. Cash flow from Investing Activities</b>				
Capital expenditure on fixed assets, including capital advances	(1,563.56)		(403.59)	
Proceeds from sale of fixed assets	514.59		8.50	
Investment in Non current trade investment	(1.02)		(0.98)	
Proceeds from sale of long term trade Investment in subsidiary company	377.04		-	
Bank balances not considered as Cash and cash equivalents ((placed)/matured)	(1.90)		0.03	
Proceeds from Investment in non-current fixed deposits	241.23		47.84	
Increase in current trade investments	(101.76)		(572.03)	
Interest received	128.93		144.90	
<b>Net cash used in investing activities (B)</b>		<b>(406.45)</b>		<b>(775.33)</b>
<b>C. Cash flow from Financing Activities</b>				
Proceeds from issue of equity shares	2.27		1.59	
Proceeds from long-term borrowings	720.50		45.47	
Repayment of long-term borrowings	(886.21)		(627.40)	
Proceeds from short-term borrowings (net)	643.44		2,788.74	
Finance costs	(681.92)		(859.46)	
Dividend paid (including tax on dividend)	(162.39)		(400.43)	
<b>Net cash flow (used in)/ from financing activities (C)</b>		<b>(364.31)</b>		<b>948.51</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>		<b>(65.57)</b>		<b>24.68</b>
Cash and cash equivalents at the beginning of the year		128.26		103.58
<b>Cash and cash equivalents at the end of the year (refer note 18)</b>		<b>62.69</b>		<b>128.26</b>

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

**Vijay Agarwal**

Partner

Place: Jaipur

Date: May 14, 2016

For and on behalf of the Board of Directors

**Rajat Agrawal**

(Managing Director)

**Sunil Kansal**

(Chief Financial Officer)

**Dr. M. P. Agarwal**

(Chairman)

**Leena Jain**

(Company Secretary)

## Notes forming part of Financial Statements

for the year ended March 31, 2016

### Corporate Information

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

### Note 1: Significant Accounting Policies

#### a) Basis of Accounting and Preparation of Financial Statements

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

#### b) Use of Estimates

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

#### c) Inventories

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

#### d) Cash Flow Statement

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

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

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

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

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

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

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

### Capital work-in-progress:

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

### g) Depreciation and Amortisation

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

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

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

### h) Revenue Recognition

#### Revenue from Operations:

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

#### Other Income:

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

### i) Foreign Currency Transactions and Translations

#### Initial Recognition:

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

#### Translations:

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

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

### **Treatment of 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 recognised as income or expense in the Statement of Profit and Loss.

### **j) Investments**

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

### **k) Employee Benefits**

Employee benefits include Provident Fund, Employee State Insurance Scheme, Gratuity Fund and Compensated Absences.

#### **Defined Contribution Plans**

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

#### **Defined Benefit Plans**

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

#### **Short-Term Employee Benefits**

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

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

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

#### **Long-Term Employee Benefits**

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

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

### l) Leases

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

### m) Earnings Per Share

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

### n) Employee Share Based Payments

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

### o) Borrowing Costs

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

### p) Taxes on Income

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

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available



## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### q) Impairment of Assets

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

### r) Provisions and Contingencies

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

### s) Derivatives and Commodity Hedging Transactions

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

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

### t) Operating Cycle

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

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

### Note 2: Share Capital

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Authorised share capital</b>		
75,000,000 (Previous year 75,000,000) equity shares of ₹ 2 each	1,500.00	1,500.00
<b>Issued, subscribed and paid up capital</b>		
68,368,099 (Previous year 68,254,578) equity shares of ₹ 2 each fully paid up	1,367.36	1,365.09
	<b>1,367.36</b>	<b>1,365.09</b>

#### Notes:

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

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	Number of shares	(₹ in Lacs)	Number of shares	(₹ in lacs)
<b>At the beginning of the year</b>	68,254,578	1,365.09	68,175,166	1,363.50
Add: Issued during the year - ESOP	113,521	2.27	79,412	1.59
<b>Outstanding at the end of the year</b>	<b>68,368,099</b>	<b>1,367.36</b>	<b>68,254,578</b>	<b>1,365.09</b>

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

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

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

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

Name of the shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of shares held	% holding	No. of shares held	% holding
Mr. Rajat Agrawal	32,677,725	47.80	32,677,725	47.88
Dr. M. P. Agarwal	13,673,325	20.00	13,673,325	20.03
Smt. Shashi Agarwal	3,674,700	5.37	3,674,700	5.38

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

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

The members of the Company at its Annual General Meeting held on July 27, 2011 had approved the issue of Stock Options to eligible employees/Directors of the Company and its subsidiaries. Accordingly, the Board at their meeting held on August 10, 2011 approved the "Gravita ESOP 2011" Scheme. A Compensation Committee was formed to govern the Gravita ESOP 2011 Scheme which has approved first, second, third and fourth grant of options on September 23, 2011, July 5, 2012, July 1, 2013 and April 1, 2015 respectively. Details are as follows:

	First grant	Second grant	Third grant	Fourth grant
Grant Date	September 23, 2011	July 5, 2012	July 1, 2013	April 1, 2015
Grant effective from	October 1, 2011	July 5, 2012	July 1, 2013	April 1, 2015
Exercisable period	5 years	5 years	5 years	5 years
Option Granted	4,00,380	31,000	3,68,500	5,00,000
Exercise price	₹ 2 per share	₹ 2 per share	₹ 2 per share	₹ 2 per share

#### Movement in stock options:

	First grant	Second grant	Third grant	Fourth grant
Options outstanding at the beginning of the year	<b>56,972</b>	<b>19,250</b>	<b>2,98,325</b>	-
	(1,37,229)	(24,750)	(3,53,500)	(-)
New options issued during the year	-	-	-	5,00,000
	(-)	(-)	(-)	(-)
Options exercised during the year	73,421	8,250	31,850	-
	(56,737)	(5,500)	(17,175)	(-)
Lapsed/ forfeited during the year	(17,389)	-	6,800	47,500
	(23,520)	(-)	(38,000)	(-)
Options outstanding at the end of the year	940	11,000	2,59,675	4,52,500
	(56,972)	(19,250)	(2,98,325)	(-)

#### Note 3: Reserves and Surplus

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Securities premium account</b>		
Opening balance	3,992.98	3,937.53
Add: Premium on shares issued during the year	75.59	55.45
<b>Closing balance</b>	<b>4,068.57</b>	<b>3,992.98</b>
<b>Share options outstanding account</b>		
Opening balance	91.33	121.27
Add: Amounts recorded on grants /cancellations during the year	66.31	25.51
Less: Transferred to securities premium account on exercise	75.59	55.45
<b>Closing balance</b>	<b>82.05</b>	<b>91.33</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
<b>General reserve</b>		
Opening balance	517.90	517.90
Add: Transferred from surplus in Statement of Profit and Loss	-	-
<b>Closing balance</b>	<b>517.90</b>	<b>517.90</b>
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	3,025.15	2,700.43
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	-	22.57
Add: Profit for the year	326.56	511.22
Less: Appropriations		
Proposed final dividend (Amount per share ₹ 0.20 (previous year ₹ 0.20))	136.83	136.51
Income tax on proposed final dividend	32.44	27.42
<b>Closing balance</b>	<b>3,182.44</b>	<b>3,025.15</b>
	<b>7,850.96</b>	<b>7,627.36</b>

### Note 4: Long-Term Borrowings

(₹ in Lacs)

	Non-current portion		Current maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
<b>Secured</b>				
Term loans				
- Vehicles Loans from Banks #	39.59	24.56	22.29	28.60
- Corporate Loan (I and II) ##	589.74	-	71.63	-
- Foreign currency loan ###	-	122.21	-	713.59
	<b>629.33</b>	<b>146.77</b>	<b>93.92</b>	<b>742.19</b>
Less: Amount transferred to other current liabilities (refer note 9)	-	-	93.92	742.19
	<b>629.33</b>	<b>146.77</b>	-	-

### Notes:

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

## Corporate loan-I of ₹ 372.08 lacs (Previous Year Nil) with currency swing option @ 6months @ LIBOR +3.25% p.a. on fully hedged basis, repayable in 23 quarterly installments commencing from 31.03.2016 and ending on 30.09.2021. The Company has opted for the currency swing option for ₹ 380 Lacs only and has converted into loan of equivalent to USD 575,000.

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

- a) First pari-passu charge over the entire current assets of the Company including raw material, stock in process, finished goods including stocks in transit and those lying in godowns, ports, etc. and book debts (both present and future), along with other banks.
- b) Second charge over the entire fixed assets of the Company both present and future (including Equitable Mortgage (EM) of properties disclosed under Note-7) excluding vehicles and entire assets situated at Plot No. P.A. 011-66, Light Engineering Zone, Mahindra World City - Sez, Jaipur and assets of proposed Chittoor plant.

## Corporate loan II of ₹ 289.29 lacs (Previous Year Nil) with currency swing option @ 6months @ LIBOR +3.25% p.a. on fully hedged basis. The company do not opted for currency swing as the last disbursement date was 31st March, 2016. The Rupee loan carry interest rate 11.95% p.a. The loan is repayable in 23 quarterly installments commencing from 31.03.2016 and ending on 30.09.2021. The loan is secured by way of following:

- a) First pari-passu charge along with other member bank over the entire fixed assets of the company both present and future (including Equitable Mortgage (EM) of properties disclosed under Note-7) excluding vehicles and entire assets situated at Plot No. P.A. 011-66, Light Engineering Zone, Mahindra World City - Sez, Jaipur and assets of proposed Chittoor plant.
- b) First pari-passu charge by way of equitable mortgage of flat no. 203, on first floor in Rajputana Tower situated at Plot No. A-27-B, Tilak Nagar, Shanti Path, Jaipur of Managing Director Mr. Rajat Agrawal.
- c) First pari-passu charge by way of equitable mortgage of land and house HIG, SFS Block 3, Plot No 90, HIG, Mansarovar, Jaipur of Gravita Impex Private Limited.
- d) Second charge on the entire current assets of the Company, both present and future.

### The Foreign currency loan in the previous year was secured by way of following:

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

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

( ₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Tax effect of items constituting deferred tax liabilities</b>		
Difference between book balance and tax balance of fixed assets	222.80	210.35
<b>Less: Tax effect of items constituting deferred tax assets</b>		
Accrued expenses deductible on payments	35.27	32.34
Provision for doubtful receivables, loans and advances	61.02	35.94
Unabsorbed depreciation/ Business losses carried forward#	323.72	339.28
	<b>(197.21)</b>	<b>(197.21)</b>

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

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

### Note 6: Long-Term Provisions

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
- Provision for compensated absences	25.30	25.60
- Provision for Gratuity (payable to fund)	51.72	39.90
	<b>77.02</b>	<b>65.50</b>

### Note 7: Short-Term Borrowings

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Secured</b>		
Loans repayable on demand from banks #		
Cash credit / overdraft	3,152.46	2,007.49
Packing credit	3,206.11	4,663.68
Foreign currency loans - buyers credit	2,352.70	1,396.66
	<b>8,711.27</b>	<b>8,067.83</b>

#### Notes:

# Loans repayable on demand are secured by way of:

- a) First pari-passu charge over the entire current assets of the Company including raw material, stock in process, finished goods including stocks in transit and those lying in godowns, ports, etc and book debts (both present and future).
- b) First pari-passu charge on the entire fixed assets of the Company both present and future, excluding vehicles and entire assets situated at Plot No. P.A. 011-66, Light Engineering Zone, Mahindra World City - Sez, Jaipur and assets of proposed chittoor plant, but including the following:
  - (i) Flat no. 302, 401, 403 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur.
  - (ii) Land and building at Jai Chand ka Bas, Diggli Malpura Road, Phagi, Jaipur.
- c) First pari-passu charge on the following other assets:
  - (i) Land and house at 3/90, HIG, Mansarovar, Jaipur of Gravita Impex Private Limited (related party).
  - (ii) Flat no. 203 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur of Managing Director Mr. Rajat Agrawal.
- d) Personal guarantee of Managing Director Mr. Rajat Agrawal.
- e) Corporate guarantee of M/s Gravita Impex Private Limited (related party).

### Note 8: Trade Payables

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
Trade payables other than micro and small enterprises (other than acceptances) #	814.28	927.69
	<b>814.28</b>	<b>927.69</b>

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

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

### Note 9: Other Current Liabilities

( ₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term debt (refer note 4)	93.92	742.19
Interest accrued but not due on borrowings	8.91	8.52
Unclaimed equity share application money	2.19	2.19
Unclaimed dividends	2.49	0.59
Other payables		
Statutory remittances #	36.52	8.72
Payables on purchase of fixed assets	11.39	52.90
Advance from customers	197.51	385.31
	<b>352.93</b>	<b>1,200.42</b>

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

### Note 10: Short-Term Provisions

( ₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Provision for employee benefits</b>		
Provision for compensated absences	8.46	3.63
<b>Other provisions</b>		
Provision for proposed equity dividend	136.83	136.51
Provision for tax on proposed dividend	27.86	23.20
	<b>173.15</b>	<b>163.34</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

### 11. Fixed Assets

(₹ in Lacs)

Assets description	Gross block			Accumulated depreciation / amortisation				Net block	
	as at April 01, 2015	Additions	Sold / Adjustment	as at March 31, 2016	Balance as at April 01, 2015	During the year #	Sold / Adjustment	As at March 31, 2016	As at March 31, 2015
<b>Tangible fixed assets</b>									
Freehold land	225.63 (225.63)	210.61	-	436.24 (225.63)	-	-	-	436.24 (225.63)	225.63 (225.63)
Leasehold land	480.57 (1,041.83)	-	-	480.57 (480.57)	9.54 (10.47)	4.61 (9.99)	-	466.42 (471.03)	471.03 (1,031.36)
Buildings	1,408.11 (1,370.66)	111.83 (37.45)	18.16 (561.26)	1,501.78 (1,408.11)	89.71 (46.59)	46.37 (43.12)	6.35 (10.92)	1,372.05 (1,318.40)	1,318.40 (1,324.07)
Plant and equipments	1,442.14 (1,329.74)	46.49 (120.86)	168.09 (8.46)	1,320.54 (1,442.14)	358.79 (217.93)	121.58 (143.00)	127.05 (2.14)	967.22 (1,083.35)	1,083.35 (1,111.81)
Office equipments	108.47 (57.18)	6.99 (57.44)	1.13 (6.15)	114.33 (108.47)	22.00 (9.71)	13.78 (14.83)	0.50 (2.54)	79.05 (86.47)	86.47 (47.47)
Computer and accessories	153.25 (134.16)	2.45 (20.70)	0.75 (1.61)	154.95 (153.25)	86.68 (51.98)	21.58 (35.74)	0.52 (1.04)	47.21 (66.57)	66.57 (82.18)
Furniture and fixtures	45.99 (26.45)	7.41 (20.48)	0.09 (0.94)	53.31 (45.99)	9.78 (8.47)	4.64 (3.13)	0.07 (1.82)	38.96 (36.21)	36.21 (17.98)
Vehicles	417.55 (371.89)	43.16 (53.68)	17.15 (8.02)	443.56 (417.55)	131.50 (84.99)	53.09 (52.84)	12.12 (6.33)	271.09 (286.05)	286.05 (286.90)
<b>Sub total (A)</b>	<b>4,281.71</b> (4,557.54)	<b>428.94</b> (310.61)	<b>205.37</b> (586.44)	<b>4,505.28</b> (4,281.71)	<b>708.00</b> (430.14)	<b>265.65</b> (302.65)	<b>146.61</b> (24.79)	<b>3,678.24</b> (3,573.71)	<b>3,573.71</b> (4,127.40)
<b>Intangible fixed assets</b>									
Computer software	117.63 (46.22)	50.00 (71.41)	-	167.63 (117.63)	31.85 (16.41)	26.36 (15.49)	-	109.42 (85.78)	85.78 (29.81)
<b>Sub total (B)</b>	<b>117.63</b> (46.22)	<b>50.00</b> (71.41)	<b>-</b>	<b>167.63</b> (117.63)	<b>31.85</b> (16.41)	<b>26.36</b> (15.49)	<b>-</b>	<b>109.42</b> (85.78)	<b>85.78</b> (29.81)
<b>Capital work-in-progress (C)</b>									
<b>Grand total (A+B+C)</b>	<b>4,399.34</b> (4,603.76)	<b>478.94</b> (382.02)	<b>205.37</b> (586.44)	<b>4,672.91</b> (4,399.34)	<b>739.85</b> (446.55)	<b>292.01</b> (318.14)	<b>146.61</b> (24.84)	<b>5,015.45</b> (3,959.09)	<b>3,959.09</b> (4,390.62)

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



## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

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

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Trade</b>		
<b>Investment in equity instruments (unquoted) of subsidiary companies</b>		
Gravita Infotech Limited ( Formerly known as M/s Gravita Exim Limited) (200,000 (Previous year 200,000) equity shares of ₹ 10 each fully paid up)	26.09	26.09
Gravita Ghana Limited (314,363 (Previous year 314,363) equity shares of GHC 1 each fully paid up)	123.66	123.66
Gravita Mozambique LDA (Nil (Previous year 7,618,800) equity shares of MZN 1 each fully paid up)	-	124.06
Gravita Global Pte Limited (1,345,000 (Previous year 1,345,000) equity shares of USD 1 each fully paid up)	728.60	728.60
<b>Investment in partnership firms (refer note below)</b>		
M/s Gravita Metals #	380.00	380.00
M/s Gravita Metal Inc ##	95.00	95.00
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech) ###	0.98	0.98
<b>Investment in limited liability partnership (LLP) ####</b>		
M/s Recycling Infotech LLP (Incorporated on December 2, 2015)	1.02	-
<b>Other investments (unquoted)</b>		
National saving certificates pledged with Government Authorities	0.03	0.03
	<b>1,355.38</b>	<b>1,478.42</b>
<b>Other investments</b>		
<b>Investment in equity instruments (unquoted) of subsidiary companies</b>		
Noble Build Estate Private Limited (19,990 (Previous year 19,990) equity Shares of ₹ 10 each fully paid up)	74.96	74.96
	<b>74.96</b>	<b>74.96</b>
<b>Aggregate amount of unquoted investments</b>	<b>1,430.34</b>	<b>1,553.38</b>
<b>Note: Other details relating to investment in partnership firms</b>		
<b># Investment in M/s Gravita Metals</b>		
Name of the partner and share in profits (in %)		
Gravita India Limited	95.00%	95.00%
Gravita Infotech Limited ( Formerly known as M/s Gravita Exim Limited)	5.00%	5.00%
Total capital of the firm (₹ in Lacs)	400.00	400.00
<b>## Investment in M/s Gravita Metal Inc</b>		
Name of the partner and share in profits (in %)		
Gravita India Limited	95.00%	95.00%
Gravita Infotech Limited ( Formerly known as M/s Gravita Exim Limited)	5.00%	5.00%
Total capital of the firm (₹ in Lacs)	100.00	100.00

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

(₹ in Lacs)

### ### Investment in M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)

Name of the partner and share in profits (in %)

Gravita India Limited	49.00%	49.00%
Gravita Infotech Limited ( Formerly known as M/s Gravita Exim Limited)	51.00%	51.00%
Total capital of the firm (₹ in Lacs)	2.00	2.00

### #### Investment in M/s Recycling Infotech LLP

Name of the partner and share in profits (in %)

Gravita India Limited	51.00%	-
Gravita Infotech Limited ( Formerly known as M/s Gravita Exim Limited)	49.00%	-
Total capital of the firm ( ₹ in Lacs)	2.00	-

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

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
Loans and advances to related parties (refer note 38(h))	200.00	464.44
Less: Current maturities transferred to other current assets (refer note 20)	-	264.44
	<b>200.00</b>	<b>200.00</b>
Security deposits	37.78	30.68
Capital advances	114.92	-
Minimum alternate tax credit entitlement	94.04	94.04
Advance income tax (net of provision for taxation ₹ Nil (previous year ₹ Nil))	123.31	99.79
Prepaid expenses	3.23	4.58
	<b>573.28</b>	<b>429.09</b>

### Note 14: Other Non-Current Assets

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
Fixed deposits #	394.61	635.84
Interest accrued but not due on loans and advances to related parties (refer note 38(h))	63.04	44.99
	<b>457.65</b>	<b>680.83</b>

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

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

### Note 15: Current Investments

( ₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Investment in partnership firms (trade) #</b>		
M/s Gravita Metals	617.04	146.08
M/s Gravita Metal Inc	624.94	1,027.90
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)	46.49	12.73
	<b>1,288.47</b>	<b>1,186.71</b>
Aggregate amount of quoted Investments	-	-
Aggregate market value of quoted Investments	-	-
Aggregate amount of unquoted Investments	<b>1,288.47</b>	<b>1,186.71</b>

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

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

( ₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
Raw material	941.79	1,494.52
Goods in transit	1,602.86	1,698.70
	2,544.65	3,193.22
Work-in-progress	1,126.64	1,013.06
Finished goods (other than those acquired for trading)	420.31	957.20
Goods in transit	240.93	251.29
	661.24	1,208.49
Stock-in-trade (acquired for trading)	260.83	351.12
Goods in transit	400.46	303.18
	661.29	654.30
Stores and spares	107.22	109.65
Consumables	72.88	80.43
	<b>5,173.92</b>	<b>6,259.15</b>

### Note 17: Trade Receivables

( ₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	133.62	21.91
Doubtful	<b>106.22</b>	<b>103.27</b>
	239.84	125.18
Less: Provision for doubtful trade receivables	106.22	103.27
	<b>133.62</b>	<b>21.91</b>
<b>Other trade receivables</b>		
Unsecured, considered good	2,787.35	2,106.48
	<b>2,920.97</b>	<b>2,128.39</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

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

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
Cash in hand	8.93	11.81
Remittance in transit /cheques in hand	53.20	-
Balances with banks:		
in current accounts	0.56	116.45
in earmarked accounts #		
Unclaimed equity share application money	2.19	2.19
Unclaimed dividend account	2.49	0.59
	<b>67.37</b>	<b>131.04</b>

#### Notes:

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

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

	62.69	128.26
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### Note 19: Short-Term Loans and Advances (Unsecured, considered good unless otherwise stated)

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
Security deposits	0.25	8.00
Loans and advances to related parties (refer note 38(h))	1,334.11	349.49
Advance to vendors		
Unsecured, considered good	816.57	721.65
Doubtful	46.22	5.44
	862.79	727.09
Less: Provision for doubtful advances	46.22	5.44
	816.57	721.65
Prepaid expenses	35.49	48.16
Advance to employees including imprest #	14.41	17.98
Balances with government authorities		
CENVAT credit receivable	319.77	410.84
VAT credit receivable	185.26	435.62
Service Tax credit receivable	120.31	80.79
Export incentives receivable	2.28	111.50
	627.62	1,038.75
Others	-	-
	<b>2,828.45</b>	<b>2,184.03</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

### Note 20: Other Current Assets

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
Current maturities of long terms loans and advances to related parties (refer note 13)	-	264.44
Interest accrued but not due on		
Deposits	11.33	35.28
Loans and advance to related parties (refer note 38(h))	0.34	29.88
Fixed assets held for sale	11.52	524.27
Others	-	1.21
	<b>23.19</b>	<b>855.08</b>

### Note 21: Revenue from Operations

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of products (inclusive of excise duty) (refer note (i))	36,232.27	33,426.11
Sale of services (Technical consultancy)	-	1.29
Other operating revenue (refer note (ii))	745.46	1,209.30
<b>Revenue from operations (Gross)</b>	<b>36,977.73</b>	<b>34,636.70</b>
Less: Excise duty	1,593.71	1,238.80
<b>Revenue from operations (Net)</b>	<b>35,384.02</b>	<b>33,397.90</b>
<b>Notes:</b>		
<b>(i) Sale of products comprises</b>		
Manufactured goods (refer note (a))	22,916.77	20,402.72
Traded goods (refer note (b))	13,315.50	13,023.39
	<b>36,232.27</b>	<b>33,426.11</b>
<b>(ii) Other operating revenue comprises</b>		
Export incentives	80.92	32.88
Share of profit from partnership firms	637.97	1,160.34
Job work income	26.57	16.08
	<b>745.46</b>	<b>1,209.30</b>
<b>(a) Details of manufactured goods sold</b>		
Refined Lead Ingots	9,927.20	12,369.23
Lead alloys	10,674.25	6,051.43
Lead value added products	826.60	1,458.02
Remelted Lead Ingots	209.40	173.07
Project Items	777.31	100.65
Others	502.01	250.32
	<b>22,916.77</b>	<b>20,402.72</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

(₹ in Lacs)

<b>(b) Details of traded goods sold</b>		
Aluminium Scrap	3,788.94	741.91
Remelted Lead Ingots	8,804.81	11,794.92
Copper Scrap	441.70	-
Lead value added products	-	335.74
Others	280.05	150.82
	<b>13,315.50</b>	<b>13,023.39</b>

### Note 22: Other Income

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest income on:		
Bank deposits	49.65	58.67
Loans and advances (refer note 38(h))	33.35	84.95
Income tax refunds	-	18.79
Others	10.49	1.02
Provision for doubtful trade receivables written back	-	10.35
Profit on sale of long term trade Investment in subsidiary company (refer note 46)	252.98	-
Recovery from subsidiaries on non-fulfillment of contractual obligations	-	384.44
Liabilities no longer required written back (advance from customers forfeited)	-	148.16
Others	64.15	3.10
	<b>410.62</b>	<b>709.48</b>

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

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Raw materials #</b>		
Opening stock	3,193.22	1,489.27
Add: Purchases	16,586.07	19,341.37
Less: Closing stock	941.79	1,494.52
Less: Stock-in-transit	1,602.86	1,698.70
	<b>17,234.64</b>	<b>17,637.42</b>
<b>Consumables (including stores and spares) #</b>		
Opening stock	190.08	141.34
Add: Purchases	933.28	896.08
Less: Closing stock	180.10	190.08
	<b>943.26</b>	<b>847.34</b>
	<b>18,177.90</b>	<b>18,484.76</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

(₹ in Lacs)

**Notes:**

# Details of raw materials and consumables consumed		
Remelted Lead	6,736.08	7,951.31
Lead scrap	1,924.14	1,703.04
Battery scrap, Battery plate & Powder	8,060.16	5,718.74
Others	1,457.52	3,111.67
	<b>18,177.90</b>	<b>18,484.76</b>
## Details of raw materials and consumables consumed as		
Indigenous	4,972.34	5,157.25
Imported	13,205.56	13,327.51
	<b>18,177.90</b>	<b>18,484.76</b>

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

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Details of purchase of stock-in-trade (traded goods) (product-wise)		
Remelted Lead Ingots	8,436.32	10,477.60
Refined Lead Ingots	-	293.76
Aluminium Scrap	3,466.51	1,070.68
Others	930.18	485.52
	<b>12,833.01</b>	<b>12,327.56</b>

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

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Inventories at the end of the year (I)</b>		
Finished goods	661.24	1,208.49
Work-in-progress #	1,126.64	1,013.06
Stock-in-trade (traded goods)	661.29	654.30
<b>Inventories at the beginning of the year (II)</b>	<b>2,449.17</b>	<b>2,875.85</b>
Finished Goods	1,208.49	954.45
Work-in-progress	1,013.06	274.91
Stock-in-trade (traded goods)	654.30	739.61
	<b>2,875.85</b>	<b>1,968.97</b>
<b>Decrease/ (increase) ((II) - (I))</b>	<b>426.68</b>	<b>(906.88)</b>

**Note:**

# Details of inventory of work-in-progress		
Refined Lead Ingots	1,035.55	874.50
PP chips	10.37	9.18
Lead value added products	45.12	7.22
Others	35.60	122.16
	<b>1,126.64</b>	<b>1,013.06</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

### Note 26: Employee Benefits Expenses

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	1,296.81	1,350.29
Contribution to provident and other funds (refer Note 35)	60.15	58.76
Expense on employee stock option (ESOP) scheme (refer Note 2(d))	66.31	25.51
Staff welfare expenses	113.80	114.67
	<b>1,537.07</b>	<b>1,549.23</b>

### Note 27: Finance Costs

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense on:		
Borrowings	527.22	741.13
Others #	1.18	1.32
Other borrowing costs	76.22	77.78
Net loss on foreign currency transactions and translation (considered as finance costs)	77.69	21.00
	<b>682.31</b>	<b>841.23</b>

# Include interest on delayed payment of income tax ₹ Nil (previous year ₹ 0.67 lac).

### Note 28: Others Expenses

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Power and fuel	165.86	138.56
Rent	109.44	77.64
Increase of excise duty on inventory	21.29	48.15
Rates and taxes	5.46	5.49
Repairs and maintenance		
Plant and machinery	168.42	150.00
Buildings	27.91	31.39
Others	70.74	34.91
Insurance	8.18	9.15
Freight and forwarding	196.18	272.33
Travelling and conveyance	111.42	167.86
Subcontracting	-	18.07
Legal and professional	84.45	102.87
Rebate and discount	84.24	45.32
Sales commission	45.45	20.79
Advertising and sales promotion	41.68	24.65



## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Communication	26.28	28.71
Training and recruitment	7.45	9.59
Printing and stationery	4.95	7.08
Donation	15.62	5.26
Payment to auditors:		
To statutory auditors		
For audit	12.25	12.25
For limited reviews	9.75	9.75
For other services	-	0.45
Reimbursement of expenses	0.30	0.30
To cost auditors		
For audit	0.50	0.50
Written off/ Provision for doubtful trade receivables, loans and advances	155.83	4.91
Loss on fixed assets discarded/ scrapped / written off	56.92	2.76
Non-current investments in subsidiaries written off	-	5.55
Provision for loss on sale of fixed asset	-	43.04
Expenditure on Corporate Social Responsibility (refer note 43)	4.45	4.79
Bank charges	77.82	62.69
Miscellaneous Expenses	10.57	13.24
	<b>1523.41</b>	<b>1358.05</b>

### Note 29: Contingent Liabilities And Commitments

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Contingent liabilities</b>		
Corporate guarantee given to banks for loans availed by the following partnership firms		
M/s Gravita Metals	-	2,275.00
Dues outstanding	-	990.02
M/s Gravita Metal Inc	600.00	500.00
Dues outstanding	464.91	342.06
Corporate guarantee given to banks for loans availed by the following subsidiary		
Gravita Global Pte Limited	-	312.95
Dues outstanding	-	-
Claims against the Company not acknowledged as debt #		
Income Tax	51.53	20.52
Excise Duty/Customs Duty/Service Tax	10.91	20.70
Value Added Tax/Central Sales Tax	4.54	4.54

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

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

Details of dues of Income-tax, Service Tax, Excise Duty and Value Added Tax as on March 31, 2016 not deposited/deposited under protest on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved* (₹ in lacs)	Amount deposited/held (₹ in lacs)
Income tax Act, 1961	Income Tax	Appellate Authority upto Commissioner level	2007-08 to 2012-13	51.53	20.07
Central Excise Act, 1944	Excise Duty	Appellate Authority upto Commissioner level	2009-10	1.68	1.68
The Rajasthan Value Added Tax Act, 2003	Value Added Tax	Appellate Authority upto Commissioner level	2011-12	4.54	-

\* includes interest and penalty, wherever applicable.

### Commitments

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

Tangible assets	13.98	8.54
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### Disclosure related to partnership firms:

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

	As at March 31, 2016	As at March 31, 2015
Assets	2,827.33	3,292.08
Liabilities (excluding capital reserves and surplus)	880.68	1,501.55
Claims not acknowledged as debt		
Income Tax	382.18	60.59
Excise Duty	874.52	874.52

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

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

The Company uses forward contracts to hedge its foreign currency exposure. The Company does not enter into any derivative instruments for trading or speculative purpose. The net value of forward contracts as at March 31, 2016 is ₹ 1499.74 lacs (previous year ₹ Nil lacs).

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

The year-end foreign currency exposures that have been naturally hedged are given below:

(₹ in Lacs)

	As at March 31, 2016		As at March 31, 2015	
	Foreign currency (in lacs)	(₹ in lacs)	Foreign currency (in lacs)	(₹ in lacs)
Payables (including borrowings)	\$ 19.52 € 0.02	1,294.97 1.74	\$ 46.86 € -	2,932.88 -
Receivables (including loans and advances)	\$ 11.88 € 3.80	787.90 285.36	\$ 16.18 € -	1,012.80 -
<b>Unhedged Foreign Currency Exposure</b>	\$ 7.64 € (3.78)	507.07 (283.62)	\$ 30.68 € -	1,920.08 -

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

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Raw material and consumables (including stock-in-transit)	13,109.72	14,584.98
Capital goods	-	-
	<b>13,109.72</b>	<b>14,584.98</b>

### Note 32: Expenditure in Foreign Currency

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Finance costs	134.26	80.37
Travelling and conveyance	21.40	68.63
Others	36.71	32.63
	<b>192.37</b>	<b>181.63</b>

### Note 33: Earnings in Foreign Currency

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Export of goods calculated on FOB basis	21,533.41	17,985.01
Interest Income	13.30	45.58
	<b>21,546.71</b>	<b>18,030.59</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

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

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

(₹ in Lacs)

Name of the party	Relationship	Amount outstanding as at March 31, 2016 #	Maximum balance outstanding during the year #
Gravita Ghana Limited	Subsidiary	- (264.45)	264.45 (488.31)
Gravita Senegal SAU	Subsidiary	- (-)	- (294.49)
Gravita Infotech Limited (Formerly known as M/s Gravita Exim Limited)	Subsidiary	- (-)	- (371.63)
Noble Build Estate Private Limited	Subsidiary	200.00 (200.00)	200.00 (200.00)

# Excluding interest.

### Note 35: Employee Benefits

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

#### Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under: (₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Employer's Contribution to Provident Fund	60.15	58.76

#### Defined Benefit Plan

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

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

(₹ in Lacs)

	Gratuity (Funded)		Compensated absences (Unfunded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Defined Benefit obligation at beginning of year	68.56	57.33	27.54	20.44
Current service cost	11.26	12.02	7.54	8.69
Interest cost	5.32	4.44	2.14	1.58
Actuarial (gain) / loss	(2.92)	(1.50)	1.53	1.72
Benefits paid	(9.30)	(3.73)	(11.58)	(4.89)
Defined Benefit obligation at year end	72.92	68.56	27.17	27.54

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

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

(₹ in Lacs)

	Gratuity (Funded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Fair value of Plan assets at beginning of year	28.66	30.20
Expected return on Plan Assets	2.08	2.19
Actuarial gain / (loss)	(0.24)	-
Employer's contribution	-	-
Benefits paid	(9.30)	(3.73)
Fair value of Plan Assets at year end	21.20	28.66
Actual return on Plan Assets	<b>1.82</b>	<b>2.19</b>

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

(₹ in Lacs)

	Gratuity (Funded)		Compensated absences (Unfunded)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Fair value of Plan Assets	21.20	28.66	-	-
Present value of obligation	72.92	68.56	27.17	27.54
Liability /(Asset) recognised in Balance Sheet	51.72	39.90	27.17*	27.54*

\* Represents long-term and short-term provision for deferred compensated absences and does not include ₹ 6.59 lacs (previous year ₹ 1.69 lacs) payable in cash in the subsequent year.

### (d) Expenses recognised during the year

(₹ in Lacs)

	Gratuity (Funded)		Compensated absences (Unfunded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Current service cost	11.26	12.02	7.54	8.69
Interest cost	5.32	4.44	2.14	1.58
Expected return on Plan Assets	(2.08)	(2.19)	-	-
Actuarial (gain) / loss	(2.68)	(1.50)	1.53	1.72
<b>Net cost in Statement of Profit and Loss</b>	<b>11.82</b>	<b>12.77</b>	<b>11.21</b>	<b>11.99</b>

### (e) Investment details

	% invested	
	As at March 31, 2016	As at March 31, 2015
Insurer-managed funds	100.00	100.00
	<b>100.00</b>	<b>100.00</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

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

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Present value of obligation	72.92	68.56	57.33	17.87
Fair value of plan assets	(21.20)	(28.66)	(30.20)	(31.52)
Funded status [Deficit /(Surplus)]	51.72	39.90	27.13	(13.65)
Experience gain /(loss) adjustments on plan liabilities	(2.92)	(1.50)	(33.49)	17.65
Experience gain /(loss) adjustments on plan assets	0.24	-	(3.59)	0.17

# Figures for the financial year 2011-12 are not readily available.

### (g) Actuarial assumptions

	Gratuity (Funded)		Compensated absences (Unfunded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Mortality table	100% of IALM-2006-08	100% of IALM-2006-08	100% of IALM-2006-08	100% of IALM-2006-08
Discount rate (per annum) #	8.00%	7.75%	8.00%	7.75%
Rate of escalation in salary (per annum) ##	5.25%	5.00%	5.25%	5.00%
Expected rate of return on plan assets (per annum) ###	7.25%	7.25%	N/A	N/A

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

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

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

### Note 36: Details of Borrowing Costs Capitalised

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Borrowing costs capitalised during the year		
as capital work-in-progress	7.38	-
	<b>7.38</b>	<b>-</b>

### Note 37: Segment Reporting

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

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

### Note 38: Related Party Transactions

#### (a) Subsidiaries (including step down subsidiaries)

Name of the Company	Country of incorporation	% of holding as at March 31, 2016	% of holding as at March 31, 2015
Gravita Infotech Limited (Formerly known as M/s Gravita Exim Limited)	India	100.00	100.00
Gravita Ghana Limited	Ghana	100.00	100.00
Gravita Mozambique LDA	Mozambique	100.00	100.00
Noble Build Estate Private Limited	India	100.00	100.00
Gravita Global Pte Limited	Singapore	100.00	100.00
Navam Lanka Limited	Sri Lanka	52.00	52.00
Gravita Netherlands BV	Netherlands	100.00	100.00
Gravita Senegal S.A.U	Senegal	100.00	100.00
Gravita Nicaragua S.A.	Nicaragua	100.00	100.00
Gravita Trinidad & Tobago Limited #	Trinidad & Tobago	-	100.00
Gravita Jamaica Limited	Jamaica	100.00	100.00
Gravita Ventures Limited (incorporated on November 06, 2015)	Tanzania	100.00	-
Gravita Mauritania # (incorporated on May 05, 2015)	Mauritania	-	-
Gravita USA Inc. (incorporated on November 04, 2015)	USA	100.00	-

# Strike off during the year.

#### (b) Associate

Name of the associate	Country of incorporation	% of holding as at March 31, 2016	% of holding as at March 31, 2015
Pearl Landcon Private Limited	India	25.00	25.00

#### (c) Partnership firms

Name of the firm	Country of incorporation	% of holding as at March 31, 2016	% of holding as at March 31, 2015
M/s Gravita Metals	India	95.00	95.00
M/s Gravita Metal Inc	India	95.00	95.00
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)	India	51.00	51.00

Balance portion of share is held by wholly owned subsidiary.

#### (d) Limited liability partnership firm

Name of the firm	Country of incorporation	% of holding as at March 31, 2016	% of holding as at March 31, 2015
M/s Recycling Infotech LLP (incorporated on December 2, 2015)	India	51.00	-

Balance portion of share is held by wholly owned subsidiary.

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

### (e) Key management personnel

Name of the director	Designation
Dr. Mahavir Prasad Agarwal	Chairman and Whole-Time Director
Mr. Rajat Agrawal	Managing Director
Mr. Rajeev Surana (Resigned on March 14, 2016)	Whole-Time Director

### (f) Relatives of key management personnel

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

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

Saurabh Farms Limited  
 Shah Buildcon Private Limited  
 Jalousies (India) Private Limited  
 Devonix Ventures Private Limited  
 Gravita Impex Pvt Ltd.

### (h) Details of related party transactions during the year ended March 31, 2016

(₹ in Lacs)

(i) Sale /purchase of goods and services	Sale of goods	Purchase of goods	Amount receivable as at March 31, 2016	Amount payable/ (advance) as at March 31, 2016
<b>Subsidiaries</b>				
Gravita Senegal S.A.U	64.52 (42.13)	2,471.33 (2,287.81)	67.42 (0.27)	(333.23) (82.14)
Gravita Ghana Limited	96.85 (49.13)	3,540.34 (1,853.78)	0.49 (9.93)	(652.81) (-208.21)
Gravita Infotech Limited (Formerly known as M/s Gravita Exim Limited)	- (-)	0.64 (20.38)	- -	- -
Navam Lanka Limited	71.12 (50.23)	- (239.23)	3.03 (1.32)	- -
Gravita Mozambique LDA	63.98 (30.45)	3,345.82 (2,111.87)	44.33 (-)	279.41 (19.98)
Gravita Global Pte Limited	- (842.90)	16.21 (-)	- (-)	- (-)
Gravita Nicaragua S.A.	- (-)	716.41 (766.54)	- (-)	(12.74) (-90.21)
Gravita Trinidad & Tobago Limited	- (-)	- (189.57)	- (-)	- (-7.82)



## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

<b>Partnership firms</b>				
M/s Gravita Metal Inc	281.20	-	287.55	-
	(-)	(7.05)	(32.21)	(-)
M/s Gravita Metals	-	45.30	-	-
	(4,865.11)	(-)	(-)	(-)
M/s Gravita Infotech (formerly known as M/s Gravita Technomech)	-	13.84	-	-
	(-)	(22.70)	(-)	(-)
	<b>577.67</b>	<b>10,149.89</b>	<b>402.82</b>	<b>-719.37</b>
	<b>(5,879.95)</b>	<b>(7,498.93)</b>	<b>(43.73)</b>	<b>(-204.12)</b>

(₹ in Lacs)

<b>(ii) Loans given and repayment thereof (including interest)</b>	<b>Loan given</b>	<b>Repayment (including interest)</b>	<b>Interest income during the year</b>	<b>Amount receivable as at March 31, 2016 (including interest)</b>
<b>Subsidiaries</b>				
Gravita Ghana Limited	-	306.22	13.30	0.34
	(-)	(223.46)	(32.03)	(294.32)
Gravita Senegal S.A.U	-	-	-	-
	(-)	(310.62)	(13.65)	(-)
Gravita Infotech Limited (Formerly known as M/s Gravita Exim Limited)	-	-	-	-
	(-)	(425.54)	(19.23)	(-)
Noble Build Estate Private Limited	-	-	20.06	263.04
	(-)	(-)	(20.04)	(244.99)
	-	<b>306.22</b>	<b>33.36</b>	<b>263.38</b>
	<b>(-)</b>	<b>(959.62)</b>	<b>(84.95)</b>	<b>(539.31)</b>

(₹ in Lacs)

<b>(iii) Investment and disinvestment</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
<b>Investment made in partnership firms</b>		
M/s Gravita Infotech (formerly known as M/s Gravita Technomech) (purchase from Rajat Agrawal)	-	0.98
M/s Recycling Infotech LLP	1.02	-
<b>Disinvestment made in Subsidiaries</b>		
Gravita Mozambique LDA ( sold to Gravita Netherlands BV)	124.06	-
Profit on sale of Investment of Gravita Mozambique LDA to Gravita Netherlands BV)	252.98	-
<b>Amount written off in Subsidiaries</b>		
Gravita Energy Limited	-	4.95
Gravita Infra Private Limited	-	0.60
	<b>378.06</b>	<b>6.53</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

(₹ in Lacs)

(iv) Remuneration #	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Key management personnel</b>		
Mr. Rajat Agrawal	78.00	60.00
Dr. Mahavir Prasad Agarwal	42.00	42.00
Mr. Rajeev Surana (Resigned on March 14, 2016)	28.63	30.00
	<b>148.63</b>	<b>132.00</b>

# Does not include provisions for incremental gratuity and leave encashment liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

(₹ in Lacs)

(v) Other transactions (nature of each transaction is mentioned in brackets)	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Subsidiaries</b>		
Gravita Infotech Limited (Formerly known as M/s Gravita Exim Limited) (Rent paid)	8.40	8.40
Gravita Ghana Limited (Recovery from subsidiaries on non-fulfillment of contractual obligations)	-	88.05
Gravita Mozambique LDA (Recovery from subsidiaries on non-fulfillment of contractual obligations)	-	89.56
Gravita Senegal SAU (Recovery from subsidiaries on non-fulfillment of contractual obligations)	-	206.83
Gravita Energy Limited (Loans and advances written off)	-	2.39
Gravita Infra Private Limited (Loans and advances written off)	-	2.52
<b>Key management personnel</b>		
Mr. Rajat Agrawal (Rent Paid)	30.43	29.70
<b>Relatives of key management personnel</b>		
Mrs. Anchal Agrawal (Rent paid)	4.90	2.78
<b>Enterprises having common key management personnel and/or their relatives</b>		
Saurabh Farms Limited (Rent paid)	12.83	6.54
Shah Buildcon Private Limited (Rent paid)	2.26	2.06
Jalousies (India) Private Limited (Rent paid)	25.67	6.30
	<b>84.49</b>	<b>445.13</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

(₹ in Lacs)

<b>(vi) Amount recoverable at year end (others)</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Subsidiaries</b>		
Navam Lanka Limited	-	5.79
Gravita Ghana Limited	0.33	21.89
Gravita Senegal S.A.U.	24.76	5.60
Noble Build Estate Private Limited	5.37	3.47
Gravita Global Pte Limited	-	0.51
Gravita Netherlands BV	-	0.19
Gravita Nicaragua S.A.	1.17	1.09
Gravita USA Inc	0.50	-
Gravita Infotech Limited (Formerly Known as M/s Gravita Exim Limited)	203.10	-
<b>Partnership firms</b>		
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)	-	4.71
M/s Recycling Infotech LLP	100.12	-
	<b>335.35</b>	<b>43.25</b>

(₹ in Lacs)

<b>(vii) Amount payable at year end (others)</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Subsidiaries</b>		
Gravita Infotech Limited (Formerly known as M/s Gravita Exim Limited)	-	0.71
Shah Buildcon Pvt Ltd	0.09	-
	<b>0.09</b>	<b>0.71</b>

(₹ in Lacs)

<b>(viii) Guarantees and collateral outstanding at year end</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Subsidiaries</b>		
Gravita Global Pte Limited	-	312.95
<b>Partnership firms</b>		
M/s Gravita Metals	-	2,275.00
M/s Gravita Metal Inc	600.00	500.00
	<b>600.00</b>	<b>3,087.95</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

(₹ in Lacs)

(ix) Investment balances at year end	As at March 31, 2016	As at March 31, 2015
Gravita Infotech Limited (Formerly known as M/s Gravita Exim Limited)	26.09	26.09
Gravita Ghana Limited	123.66	123.66
Gravita Mozambique LDA	-	124.06
Gravita Global Pte Limited	728.60	728.60
M/s Gravita Metals (fixed and current investments)	997.04	526.08
M/s Gravita Metal Inc (fixed and current investments)	719.94	1,122.90
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech) (fixed and current investments)	47.47	13.71
M/s Recycling Infotech LLP (fixed and current investments)	1.02	-
Noble Build Estate Private Limited	74.96	74.96
	<b>2,718.78</b>	<b>2,740.06</b>

(₹ in Lacs)

(x) Loans and advances given and repayment thereof	Loan and advances given	Repayment	Amount receivable as at Mar 31, 2016
<b>Subsidiaries</b>			
Gravita Infotech Limited (Formerly Known as M/s Gravita Exim Limited)	1,223.49	1,020.39	203.10
	(22.52)	(23.23)	(-0.71)
<b>Partnership firms</b>			
M/s Recycling Infotech LLP	100.12	-	100.12
	(-)	(-)	(-)
	<b>1,323.61</b>	<b>1,020.39</b>	<b>303.22</b>
	<b>(22.52)</b>	<b>(23.23)</b>	<b>(-0.71)</b>

Note:-

Figures in brackets are related to financial year 2014-15.

Year end balances include foreign currency reinstatement, wherever applicable.

### Note 39: Leases

The Company has entered into operating lease arrangements for certain facilities and office premises for a period upto 11 months with the renewal/ termination clauses. Lease payments recognised in the Statement of Profit and Loss for the year are ₹ 109.44 lacs (previous year ₹ 77.64 lacs). Details of future minimum lease payments are provided below:

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
Not later than one year	59.51	62.87
	<b>59.51</b>	<b>62.87</b>

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

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

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
Net profit after tax as per Statement of Profit and Loss attributable to equity shareholders (₹ in Lacs) (a)	326.56	511.22
Weighted average number of equity shares outstanding during the year (in numbers) (b)	68,311,763	68,214,245
Basic earnings per share of face value ₹ 2 each (in ₹) (a)/ (b)	0.48	0.75
Effect of potential dilutive equity shares on employee stock options outstanding (in numbers) (c)	664,639	354,024
Weighted average number of equity shares in computing diluted earnings per share (in numbers) [(d) = (b)+(c)]	68,976,402	68,568,269
Diluted earnings per share of face value ₹ 2 each (in ₹) (a) / (d)	0.47	0.75

### Note 41:

In the year 2013-14, the Excise Department, under the provisions of Section 12F of Central Excise Act, 1944, had seized past books and records of the Company upto February 10, 2014. In this regard, no show cause notice has been received by the Company till date. The Management is confident that the matter will get resolved in due course and no material liability would arise on resolution of this matter. The Company is in process to release the books of accounts.

### Note 42:

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation of domestic and international transactions with the associated enterprises during the financial year and expects such records to be in existence latest by November 30, 2016. The Management is of the opinion that its international and domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

### Note 43: Corporate Social Responsibility Expenditure

(a) Gross amount required to be spent by the company during the year	₹ 24.89 lacs
(b) Amount spent during the year on :	
(i) Construction/acquisition of any asset	₹ Nil
(ii) On purposes other than (i) above	₹ 4.45 lacs

### Note 44:

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

### Note 45:

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

### Note 46:

During the year, the Company has sold and realised its investments in a wholly owned subsidiary Gravita Mozambique LDA to a wholly owned subsidiary Gravita Netherlands BV at a profit of ₹ 252.98 lacs.

## Notes forming part of Financial Statements [contd.]

for the year ended March 31, 2016

### Note 47:

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

#### For and on behalf of the Board of Directors

**Rajat Agrawal**  
(Managing Director)

**Dr. M. P. Agarwal**  
(Chairman)

**Sunil Kansal**  
(Chief Financial Officer)

**Leena Jain**  
(Company Secretary)

Place: Jaipur  
Date: May 14, 2016

## Independent Auditor's Report

To  
The Members of  
**Gravita India Limited**

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GRAVITA INDIA LIMITED (hereinafter referred to as "the Holding Company"), its subsidiaries and partnership firms (the Holding Company, its subsidiaries and partnership firms together referred to as "the Group"), and its associate, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the consolidated financial statements are free from material mis-statement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

- a) We did not audit the financial statements of 12 subsidiaries and 3 partnership firms, whose financial statements reflect total assets of ₹ 8,658.59 lacs as at March 31, 2016, total revenues of ₹ 8,951.53 lacs and net cash flows amounting to ₹ 254.96 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and partnership firms, is based solely on the reports of other auditors.
- b) We did not audit the financial statement of a partnership

firm whose financial statements reflect total assets of ₹ 102.10 lacs as at March 31, 2016, total revenues of ₹ Nil and net cash flows amounting to ₹ 102.10 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 0.22 lac for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these partnership firm and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Company incorporated in India, none of the Directors of the

Group Companies is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary Companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company and subsidiary Companies incorporated in India internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate- Refer Note 27 to the consolidated financial statements;
  - ii. The Group and its associate did not have any long term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 35 to the consolidated financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company -Refer Note 36 to the consolidated financial statements.

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

Sd/-

**Vijay Agarwal**  
(Partner)  
(Membership No. 094468)

Place: Jaipur

Date: May 14, 2016



## Annexure “A” To The Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date).

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **Gravita India Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary Companies which are Companies incorporated in India, as of that date.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary Companies, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary Companies which are Companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material mis-statements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary Companies which are Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary Companies, is based on the corresponding reports of the auditors of such Companies incorporated in India.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 015125N)

Sd/-

**Vijay Agarwal**

(Partner)

(Membership No. 094468)

Place: Jaipur

Date: May 14, 2016

## Consolidated Balance Sheet

as at March 31, 2016

(₹ in Lacs)

	Notes	As at March 31, 2016	As at March 31, 2015
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	1,367.36	1,365.09
Reserves and surplus	3	10,548.77	10,237.12
		<b>11,916.13</b>	<b>11,602.21</b>
<b>Minority Interest</b>			
		498.10	743.76
<b>Non-current liabilities</b>			
Long-term borrowings	4	629.33	146.77
Deferred tax liabilities (net)	5	10.56	10.56
Long-term provisions	6	113.09	98.36
		<b>752.98</b>	<b>255.69</b>
<b>Current liabilities</b>			
Short-term borrowings	7	9,176.15	9,399.91
Trade payables			
Outstanding other than micro and small enterprises	8	818.80	1,304.04
Other current liabilities	9	593.07	1,457.78
Short-term provisions	10	220.75	251.44
		<b>10,808.77</b>	<b>12,413.17</b>
<b>TOTAL</b>		<b>23,975.98</b>	<b>25,014.83</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	11		
Tangible assets		5,232.00	5,241.53
Intangible assets		160.38	146.94
Capital work-in-progress		1,541.91	613.84
		<b>6,934.29</b>	<b>6,002.31</b>
Non-current investments	12	4.39	4.17
Deferred tax assets (net)	5	197.21	197.21
Long-term loans and advances	13	577.05	392.16
Other non-current assets	14	413.89	652.56
		<b>8,126.83</b>	<b>7,248.41</b>
<b>Current assets</b>			
Inventories	15	7,538.66	8,945.75
Trade receivables	16	2,955.91	2,654.58
Cash and cash equivalents	17	859.30	668.01
Short-term loans and advances	18	4,429.83	4,916.06
Other current assets	19	65.45	582.02
		<b>15,849.15</b>	<b>17,766.42</b>
<b>TOTAL</b>		<b>23,975.98</b>	<b>25,014.83</b>
See accompanying notes forming part of the consolidated financial statements	1 – 38		

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Vijay Agarwal**  
Partner

Place: Jaipur  
Date: May 14, 2016

For and on behalf of the Board of Directors

**Rajat Agrawal**  
(Managing Director)

**Sunil Kansal**  
(Chief Financial Officer)

**Dr. M. P. Agarwal**  
(Chairman)

**Leena Jain**  
(Company Secretary)

## Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

(₹ in Lacs)

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Income</b>			
Revenue from operations (gross)	20	45,133.83	52,825.47
Less : Excise duty		2,014.25	2,696.93
Revenue from operations (net)		43,119.58	50,128.54
Other income	21	420.48	463.27
<b>Total revenue (I)</b>		<b>43,540.06</b>	<b>50,591.81</b>
<b>Expenses</b>			
Cost of materials consumed	22	30,952.69	40,068.46
Purchase of stock-in-trade (traded goods)		4,034.54	3,394.84
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	797.27	(944.05)
Employee benefits expenses	24	2,457.51	2,515.10
Finance costs	25	756.86	987.69
Depreciation and amortisation expenses	11	670.91	636.25
Other expenses	26	3,274.61	3,211.08
<b>Total expenses (II)</b>		<b>42,944.39</b>	<b>49,869.37</b>
<b>Profit Before Tax (I-II)</b>		<b>595.67</b>	<b>722.44</b>
<b>Less: Tax expense</b>			
Current tax		51.91	113.24
Excess provision for tax relating to earlier years written back		(4.31)	(36.93)
Net current tax expense		47.60	76.31
Deferred tax benefit		-	(312.34)
Net tax expense		47.60	(236.03)
<b>Profit After Tax Before Share of Profit of Associate and Minority Interest</b>		<b>548.07</b>	<b>958.47</b>
Add: Share in profit of associate		0.22	2.26
Less: Minority interest		111.26	298.87
<b>Profit After Tax</b>		<b>437.03</b>	<b>661.86</b>
<b>Earnings per share of face value of ₹ 2 each</b>			
Basic (in ₹)	33	0.64	0.97
Diluted (in ₹)		0.63	0.96
See accompanying notes forming part of the consolidated financial statements	1 – 38		

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

**Vijay Agarwal**  
Partner

Place: Jaipur  
Date: May 14, 2016

For and on behalf of the Board of Directors

**Rajat Agrawal**  
(Managing Director)

**Dr. M. P. Agarwal**  
(Chairman)

**Sunil Kansal**  
(Chief Financial Officer)

**Leena Jain**  
(Company Secretary)

## Consolidated Cash Flow Statement

for the year ended March 31, 2016

(₹ in Lacs)

	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>A. Cash flow from Operating Activities</b>				
Profit before tax, share of profit of associates and minority interest		595.67		722.44
<b>Adjustments for:</b>				
Depreciation and amortisation expenses	670.91		636.25	
Provision for doubtful trade receivables written back	-		(10.35)	
Written off/ provision for doubtful trade receivables, loans and advances	240.07		102.70	
Provision for loss on sale of fixed asset	52.29		43.04	
Liabilities no longer required written back (advance from customers forfeited)	-		(148.16)	
Profit on sale of assets	(2.10)		(5.45)	
Loss on fixed assets discarded/ sold	64.69		43.00	
Expense on employee stock option (ESOP) scheme	66.31		25.51	
Finance costs	756.86		987.69	
Loans & advances written off	11.74		-	
Foreign currency translation reserve	(22.42)		(74.30)	
Interest income	(68.80)		(94.99)	
		1,769.55		1,504.94
<b>Operating profit before working capital changes</b>				
Changes in working capital				
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Inventories	1,407.09		(2,717.00)	
Trade receivables	(301.33)		1,644.76	
Short-term loans and advances	246.16		(1,714.32)	
Long-term loans and advances	(41.05)		(72.77)	
Other current assets	(15.35)		28.91	
<b>Adjustments for increase / (decrease) in operating liabilities:</b>				
Long-term provisions	14.73		14.03	
Trade payables	(485.24)		506.30	
Other current liabilities	(177.22)		180.16	
Short-term provisions	4.84		9.13	
		652.63		(2,120.80)
<b>Cash generated from operations</b>		<b>3,017.85</b>		<b>106.58</b>
Net income tax paid		128.77		133.69
<b>Net cash flow from operating activities (A)</b>		<b>2,889.08</b>		<b>(27.11)</b>

**Consolidated Cash Flow Statement [contd.]**

for the year ended March 31, 2016

(₹ in Lacs)

	For the year ended March 31, 2016		For the year ended March 31, 2015	
<b>B. Cash flow from Investing Activities</b>				
Capital expenditure on fixed assets, including capital advances	(1,885.00)		(453.20)	
Proceeds from sale of fixed assets	525.43		91.08	
Proceeds from non current fixed deposits	238.67		38.35	
Bank balances not considered as cash and cash equivalents (placed/ matured)	(1.90)		0.03	
Interest income	86.09		86.52	
<b>Net cash flow used in investing activities (B)</b>		<b>(1,036.71)</b>		<b>(237.22)</b>
<b>C. Cash flow from Financing Activities</b>				
Proceeds from issue of equity shares	2.27		1.59	
Proceeds from long-term borrowings	720.50		45.47	
Repayment of long-term borrowings	(886.21)		(637.42)	
Proceeds from short-term borrowings (net)	-		2,713.01	
Repayment of short-term borrowings	(223.76)		-	
Finance costs	(756.47)		(1,005.92)	
Dividend paid (including paid to minority shareholders and tax on dividend)	(519.31)		(537.74)	
<b>Net cash flow (used in)/ from financing activities (C)</b>		<b>(1,662.98)</b>		<b>578.99</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>189.39</b>		<b>314.66</b>
Cash and cash equivalents at the beginning of the year		665.23		350.57
<b>Cash and cash equivalents at the end of the year (refer note 17)</b>		<b>854.62</b>		<b>665.23</b>

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

**Vijay Agarwal**  
Partner

For and on behalf of the Board of Directors

**Rajat Agrawal**  
(Managing Director)**Dr. M. P. Agarwal**  
(Chairman)**Sunil Kansal**  
(Chief Financial Officer)**Leena Jain**  
(Company Secretary)Place: Jaipur  
Date: May 14, 2016

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2016

### Corporate information

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

### Note 1: Significant Accounting Policies

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

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

#### b) Principles of Consolidation

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

- (i) The financial statements of the subsidiary companies and associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2016. These have been consolidated based on latest available financial statements.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) The Consolidated Financial Statements include the share of profit / loss of the associate company which have been accounted for using equity method as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- (iv) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the Consolidated Financial Statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.
- (v) Goodwill arising on the acquisition of a foreign entity is translated at the closing rate in case of non-integral operations and by using the exchange rate at the date of the investment in case of integral operations. Capital reserve is translated at the exchange rate on the date of investment and should not be restated as at the year end, even if the operations are non-integral.
- (vi) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- (vii) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the Consolidated Financial Statements as Goodwill or Capital reserve as the case may be.
- (viii) Goodwill arising on consolidation is not amortised but tested for impairment.
- (ix) Following subsidiary companies and associate have been considered in the preparation of the Consolidated Financial Statements:

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

S. No.	Name of the subsidiary	% of holding as at March 31, 2016	% of holding as at March 31, 2015
1	Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	100.00	100.00
2	Gravita Ghana Limited	100.00	100.00
3	Gravita Mozambique LDA	100.00	100.00
4	Noble Build Estate Private Limited	100.00	100.00
5	Gravita Global Pte Limited	100.00	100.00
6	Navam Lanka Limited	52.00	52.00
7	Gravita Netherlands BV	100.00	100.00
8	Gravita Senegal S.A.U	100.00	100.00
9	Gravita Nicaragua S.A.	100.00	100.00
10	Gravita Trinidad & Tobago Limited (Struck off during the year)	-	100.00
11	M/s Gravita Metals	100.00	100.00
12	M/s Gravita Metal Inc	100.00	100.00
13	M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)	100.00	51.00
14	Recycling Infotech LLP (Incorporated on December 2, 2015)	100.00	-
15	Gravita Jamaica (Investment made in the current year)	100.00	-
16	Gravita USA Inc (Incorporated on November 4, 2015)	100.00	-
17	Gravita Ventures Limited (Incorporated on November 6, 2015)	100.00	-

S. No.	Name of the associate	% of holding as at March 31, 2016	% of holding as at March 31, 2015
1	Pearl Landcon Private Limited	25.00	25.00

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

### c) Use of Estimates

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

### d) Inventories

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

### e) Cash Flow Statement

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

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

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



## Notes forming part of the Consolidated Financial Statements [contd.] for the year ended March 31, 2016

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

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

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

#### Capital work-in-progress:

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

### h) Depreciation and Amortisation

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

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

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

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

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

### i) Revenue Recognition

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

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

#### **Other Income:**

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

## Notes forming part of the Consolidated Financial Statements [contd.] for the year ended March 31, 2016

### j) Foreign Currency Transactions and Translations

#### Initial Recognition:

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

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

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

#### Translations:

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

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

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

#### Treatment of Exchange Differences:

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

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

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

### k) Investments

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

### l) Employee Benefits

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

#### Defined Contribution Plans

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

#### Defined Benefit Plans

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

## Notes forming part of the Consolidated Financial Statements [contd.] for the year ended March 31, 2016

### Short-Term Employee Benefits

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

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

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

### Long-Term Employee Benefits

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

### m) Leases

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

### n) Earnings Per Share

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

### o) Employee Share Based Payments

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

### p) Borrowing Costs

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

### q) Segment Reporting

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue,

## Notes forming part of the Consolidated Financial Statements [contd.]

### for the year ended March 31, 2016

segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

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

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

#### r) Taxes on Income

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

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

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

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

#### s) Impairment of Assets

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

#### t) Provisions and Contingencies

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

#### u) Derivatives and Commodity Hedging Transactions

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

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

#### v) Operating Cycle

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

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

### Note 2: Share Capital

(₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
<b>Authorised share capital</b>		
75,000,000 (Previous year 75,000,000) equity shares of ₹ 2 each	1,500.00	1,500.00
<b>Issued, subscribed and paid up capital</b>		
68,368,099 (Previous year 68,254,578) equity shares of ₹ 2 each fully paid up	1,367.36	1,365.09
	<b>1,367.36</b>	<b>1,365.09</b>

#### Notes:

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

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	Number of shares	(₹ in Lacs)	Number of shares	(₹ in Lacs)
<b>At the beginning of the year</b>	68,254,578	1,365.09	68,175,166	1,363.50
Add: Issued during the year - ESOP	113,521	2.27	79,412	1.59
<b>Outstanding at the end of the year</b>	<b>68,368,099</b>	<b>1,367.36</b>	<b>68,254,578</b>	<b>1,365.09</b>

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

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

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

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

Name of the shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of shares held	% holding	No. of shares held	% holding
Mr. Rajat Agrawal	32,677,725	47.80	32,677,725	47.88
Dr. M. P. Agarwal	13,673,325	20.00	13,673,325	20.03
Smt. Shashi Agarwal	3,674,700	5.37	3,674,700	5.38

#### d) Shares reserved for issuance under options

The members of the Company at its Annual General Meeting held on July 27, 2011 had approved the issue of Stock Options to eligible employees/Directors of the Company and its subsidiaries. Accordingly, the Board at their meeting held on August 10, 2011 approved the "Gravita ESOP 2011" Scheme. A Compensation Committee was formed to govern the Gravita ESOP 2011 Scheme which has approved first, second, third and fourth grant of options on September 23, 2011, July 5, 2012, July 1, 2013 and April 1, 2015 respectively. Details are as follows:

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

	First grant	Second grant	Third grant	Fourth grant
Grant Date	September 23, 2011	July 5, 2012	July 1, 2013	April 1, 2015
Grant effective from	October 1, 2011	July 5, 2012	July 1, 2013	April 1, 2015
Exercisable period	5 years	5 years	5 years	5 years
Option Granted	400,380	31,000	368,500	500,000
Exercise price	₹ 2 per share	₹ 2 per share	₹ 2 per share	₹ 2 per share

### Movement in stock options:

	First grant	Second grant	Third grant	Fourth grant
Options outstanding at the beginning of the year	<b>56,972</b>	<b>19,250</b>	<b>298,325</b>	-
	(137,229)	(24,750)	(353,500)	(-)
New options issued during the year	-	-	-	500,000
	(-)	(-)	(-)	(-)
Options exercised during the year	73,421	8,250	31,850	-
	(56,737)	(5,500)	(17,175)	(-)
Lapsed/ forfeited during the year	(17,389)	-	6,800	47,500
	(23,520)	(-)	(38,000)	(-)
Options outstanding at the end of the year	<b>940</b>	<b>11,000</b>	<b>259,675</b>	<b>452,500</b>
	(56,972)	(19,250)	(298,325)	(-)

### Note: 3 Reserves and Surplus

(₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
<b>Securities premium account</b>		
Opening balance	3,992.98	3,937.53
Add: Premium on shares issued during the year	75.59	55.45
<b>Closing balance</b>	<b>4,068.57</b>	<b>3,992.98</b>
<b>Share options outstanding account</b>		
Opening balance	91.33	121.27
Add: Amounts recorded on grants /cancellations during the year	66.31	25.51
Less: Transferred to securities premium account on exercise	75.59	55.45
<b>Closing balance</b>	<b>82.05</b>	<b>91.33</b>
<b>General reserve</b>		
Opening balance	517.90	517.90
Add: Amount transferred from surplus in Statement of Profit and Loss	-	-
<b>Closing balance</b>	<b>517.90</b>	<b>517.90</b>
<b>Foreign currency translation reserve (FCTR)</b>		
Opening balance	5.55	79.85
Add/ (less): Effect of foreign exchange rate variations during the year	(22.42)	(74.30)
<b>Closing balance</b>	<b>(16.87)</b>	<b>5.55</b>

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

(₹ in Lacs)

<b>Capital reserve on consolidation</b>		
Opening balance	302.71	302.71
Add/ (less): Effect of changes in Group's interest	-	-
<b>Closing balance</b>	<b>302.71</b>	<b>302.71</b>
<b>Surplus in the statement of Profit and Loss</b>		
Opening balance	5,326.65	4,851.65
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	-	22.93
Add: Profit for the year	437.03	661.86
Less: Appropriations		
Proposed final dividend (Amount per share ₹ 0.20 (previous year ₹ 0.20))	136.83	136.51
Income tax on proposed final dividend	32.44	27.42
<b>Closing balance</b>	<b>5,594.41</b>	<b>5,326.65</b>
	<b>10,548.77</b>	<b>10,237.12</b>

### Note 4: Long-Term Borrowings

(₹ in Lacs)

	Non-current portion		Current Maturities	
	As At March 31, 2016	As At March 31, 2015	As At March 31, 2016	As At March 31, 2015
<b>Secured</b>				
Term loans				
Vehicles Loans from Banks #	39.59	24.56	22.29	28.60
Corporate Loan (I and II) ##	589.74	-	71.63	-
Foreign currency loans ###	-	122.21	-	713.59
	<b>629.33</b>	<b>146.77</b>	<b>93.92</b>	<b>742.19</b>
Less: Amount transferred to other current liabilities (refer note 9)	-	-	93.92	742.19
	<b>629.33</b>	<b>146.77</b>	-	-

#### Notes:

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

## Corporate loan-I of ₹ 372.08 lacs (Previous Year Nil) with currency swing option @ 6months @ LIBOR +3.25% p.a. on fully hedged basis, repayable in 23 quarterly instalments commencing from 31.03.2016 and ending on 30.09.2021. The Company has opted for the currency swing option for ₹ 380 Lacs only and has converted into loan of equivalent to USD 575,000.

- First pari-passu charge over the entire current assets of the Company including raw material, stock in process, finished goods including stocks in transit and those lying in godowns, ports, etc. and book debts (both present and future), along with other banks.
- Second charge over the entire fixed assets of the Company both present and future (including Equitable Mortgage (EM) of properties disclosed under Note-7) excluding vehicles and entire assets situated at Plot No. P.A. 011-66, Light Engineering Zone, Mahindra World City - Sez, Jaipur and assets of proposed Chittoor plant.

## Notes forming part of the Consolidated Financial Statements [contd.] for the year ended March 31, 2016

## Corporate loan II of ₹ 289.29 lacs (Previous Year Nil) with currency swing option @ 6months @ LIBOR +3.25% p.a. on fully hedged basis. The company do not opted for currency swing as the last disbursement date was 31<sup>st</sup> March, 2016. The Rupee loan carries interest rate 11.95% p.a. The loan is repayable in 23 quarterly instalments commencing from 31.03.2016 and ending on 30.09.2021. The loan is secured by way of following:

- First pari-passu charge along with other member bank over the entire fixed assets of the company both present and future (including Equitable Mortgage (EM) of properties disclosed under Note-7) excluding vehicles and entire assets situated at plot no. P.A. 011-66, Light Engineering Zone, Mahindra World City - Sez, Jaipur and assets of proposed Chittoor plant.
- First pari-passu charge by way of equitable mortgage of flat no. 203, on second floor in Rajputana Tower situated at plot no, A-27-B, Tilak Nagar, Shanti Path, Jaipur of Managing Director Mr. Rajat Agrawal.
- First pari-passu charge by way of equitable mortgage of land and house HIG, SFS Block 3, plot no 90, HIG, Mansarovar, Jaipur of Gravita Impex Private Limited.
- Second charge on the entire current assets of the Company, both present and future.

### The Foreign currency loan in the previous year was secured by way of following:

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

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

(₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
<b>Tax effect of items constituting deferred tax liabilities</b>		
Difference between book balance and tax balance of fixed assets	222.80	210.35
<b>Less: Tax effect of items constituting deferred tax assets</b>		
Accrued expenses deductible on payments	35.27	32.34
Provision for doubtful receivables, loans and advances	61.02	35.94
Unabsorbed depreciation/ Business losses carried forward #	323.72	339.28
	<b>(197.21)</b>	<b>(197.21)</b>
Less:- Deferred tax liability (net) related to Gravita Infotech Limited (formerly known as Gravita Exim Limited)	10.56	10.56
	<b>(186.65)</b>	<b>(186.65)</b>

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



## Notes forming part of the Consolidated Financial Statements [contd.] for the year ended March 31, 2016

### Note 6: Long Term Provisions

(₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
Provision for employee benefits		
Provision for compensated absences	29.85	29.14
Provision for Gratuity (payable to fund)	65.07	50.88
Others (payable to fund)	18.17	18.34
	<b>113.09</b>	<b>98.36</b>

### Note 7: Short Term Borrowings

(₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
<b>Secured</b>		
Loans repayable on demand from banks #		
Cash credit / overdraft	3,617.35	3,339.57
Packing credit	3,206.10	4,663.68
Foreign currency loans - buyers credit	2,352.70	1,396.66
	<b>9,176.15</b>	<b>9,399.91</b>

#### Notes:

# Loans repayable on demand are secured by way of:

- a. First pari-passu charge over the entire current assets of the Company including raw material, stock in process, finished goods including stocks in transit and those lying in godowns, ports, etc. and book debts (both present and future).
- b. First pari-passu charge on the entire fixed assets of the Company both present and future, excluding vehicles and entire assets situated at Plot No. P.A. 011-66, Light Engineering Zone, Mahindra World City - Sez, Jaipur and assets of proposed Chittoor plant, but including the following:
  - i. Flat no. 302, 401, 403 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur.
  - ii. Land and building at Jai Chand ka Bas, Diggi Malpura Road, Phagi, Jaipur.
- c. First pari-passu charge on the following other assets:
  - i. Land and house at 3/90, HIG, Mansarovar, Jaipur of Gravita Impex Private Limited (related party).
  - ii. Flat no. 203 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur of Managing Director Mr. Rajat Agrawal.
- d. Personal guarantee of Managing Director Mr. Rajat Agrawal.
- e. Corporate guarantee of M/s Gravita Impex Private Limited (related party), M/s Gravita Infotech Limited and M/s Gravita India Limited.
- f. Mortgage of lease hold rights of Plot no. 25 & 26, SICOP, Industrial Area, Kathua leased in favour of M/s Gravita Metal Inc.
- g. Hypothecation of plant & machinery and other fixed assets of M/s Gravita Metal Inc (both present and future).
- h. Hypothecation of plant & machinery and other fixed assets of M/s Gravita Metals (both present and future).
- i. Hypothecation of stock, book debts of M/s Gravita Metal Inc.
- j. Extension of charge over mortgage along with furniture fixture of flat no. 102 in Gravita Tower, A-27-B, Tilak Nagar, Shanti Path, Jaipur of Gravita Infotech Limited.
- k. Primary mortgage over stock, debtors and movable machinery of Navam Lanka Limited, plot no. 27 A, Mirigama EPZ, Mirigama, Sri Lanka.
- l. Primary mortgage over lease hold land and immovable machinery of Navam Lanka Limited, plot no. 27 A, Mirigama EPZ, Mirigama, Sri Lanka.

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

### Note 8: Trade Payables

(₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
Trade payables other than micro and small enterprises (other than acceptances) #	818.80	1,304.04
	<b>818.80</b>	<b>1,304.04</b>

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

### Note 9: Other Current Liabilities

(₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
Current maturities of long-term debt (refer note 4)	93.92	742.19
Interest accrued but not due on borrowings	8.91	8.52
Unclaimed equity share application money	2.19	2.19
Unclaimed dividends	2.49	0.59
Other payables		
Statutory remittances #	72.36	60.00
Payables on purchase of fixed assets	11.39	52.90
Advance from customers	197.94	387.49
Others	203.87	203.90
	<b>593.07</b>	<b>1,457.78</b>

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

### Note 10: Short Term Provisions

(₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
Provision for employee benefits		
Provision for compensated absences	10.42	3.83
Others (payable to fund)	10.19	11.94
<b>Other provisions</b>		
Provision for proposed equity dividend	136.83	136.51
Provision for tax on proposed dividend	27.86	23.20
Provision for taxation (net of advance tax)	35.45	75.96
	<b>220.75</b>	<b>251.44</b>

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

### Note 11: Fixed Assets

(₹ in Lacs)

Assets description	Gross block			Accumulated depreciation / amortisation				Net block	
	Balance as at April 1, 2015	Additions	Sold / adjustments	Balance as at April 1, 2015	During the year #	Sold / adjustments	Balance as at March 31, 2016	Balance as at March 31, 2015	
<b>Tangible fixed assets</b>									
Freehold land	250.64 (275.64)	210.61 (-)	- (25.00)	- (-)	- (-)	- (-)	461.25 (250.64)	250.64 (275.64)	
Leasehold land	727.39 (1,261.70)	- (-)	- (534.31)	16.28 (10.47)	7.13 (16.82)	(0.08) (11.01)	703.90 (711.11)	711.11 (1,251.23)	
Buildings	2,034.86 (1,981.55)	146.83 (38.22)	18.16 (-15.09)	325.42 (233.68)	65.04 (83.25)	3.35 (-8.49)	1,776.42 (1,709.44)	1,709.44 (1,747.87)	
Plant and equipments	3,185.67 (2,943.17)	261.75 (172.31)	255.67 (-70.19)	1,282.59 (904.92)	409.62 (380.94)	153.93 (3.27)	1,653.47 (1,903.08)	1,903.08 (2,038.25)	
Office equipments	160.48 (52.95)	10.91 (70.63)	2.79 (-36.90)	39.46 (17.41)	20.62 (23.03)	1.10 (0.98)	109.62 (121.02)	121.02 (35.54)	
Computer and accessories	202.36 (159.80)	4.34 (40.31)	3.29 (-2.25)	114.89 (72.49)	28.82 (39.53)	2.65 (-2.87)	62.35 (87.47)	87.47 (87.31)	
Furniture and fixtures	108.44 (173.67)	18.38 (31.22)	1.64 (96.45)	36.88 (33.43)	10.80 (13.84)	1.06 (10.39)	78.56 (71.56)	71.56 (140.24)	
Vehicles	638.58 (569.41)	97.67 (114.66)	36.08 (45.49)	251.37 (188.65)	92.32 (85.95)	29.95 (23.23)	386.43 (387.21)	387.21 (380.76)	
<b>Subtotal (A)</b>	<b>7,308.42</b>	<b>750.49</b>	<b>317.63</b>	<b>2,066.89</b>	<b>634.35</b>	<b>191.96</b>	<b>5,232.00</b>	<b>5,241.53</b>	
<b>Previous year</b>	<b>(7,417.89)</b>	<b>(467.35)</b>	<b>(576.82)</b>	<b>(1,461.05)</b>	<b>(643.36)</b>	<b>(37.52)</b>	<b>(5,241.53)</b>	<b>(5,956.84)</b>	
<b>Intangible fixed assets</b>									
Computer software	117.64 (49.65)	50.00 (71.41)	- (3.42)	31.85 (18.93)	26.35 (15.80)	- (2.88)	109.44 (85.79)	85.79 (30.72)	
Goodwill	101.89 (101.89)	- (-)	- (-)	40.74 (30.52)	10.21 (10.19)	- (-0.03)	50.94 (61.15)	61.15 (71.37)	
Technical know how	51.18 (51.18)	- (-)	- (-)	51.18 (51.18)	- (-)	- (-)	- (-)	- (-)	
<b>Sub total (B)</b>	<b>270.71</b>	<b>50.00</b>	<b>-</b>	<b>123.77</b>	<b>36.56</b>	<b>-</b>	<b>160.33</b>	<b>146.94</b>	
<b>Previous year</b>	<b>(202.72)</b>	<b>(71.41)</b>	<b>(3.42)</b>	<b>(100.63)</b>	<b>(25.99)</b>	<b>(2.85)</b>	<b>(146.94)</b>	<b>(102.09)</b>	
<b>Capital work-in-progress (C)</b>									
<b>Grand total (A+B+C)</b>	<b>7,579.13</b>	<b>800.49</b>	<b>317.63</b>	<b>2,190.66</b>	<b>670.91</b>	<b>191.96</b>	<b>6,934.29</b>	<b>6,002.31</b>	
Previous year	(7,620.61)	(538.76)	(580.24)	(1,561.68)	(669.35)	(40.37)	(6,002.31)	(6,681.86)	

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

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

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

	As At March 31, 2016	As At March 31, 2015
<b>Trade</b>		
<b>Investment in associates (unquoted)</b>		
<b>Pearl Landcon Pvt. Ltd.</b>		
(5,000 (previous year 5,000) equity shares of ₹ 10.00 each fully paid up)	4.33	4.11
<b>Other investments (unquoted)</b>		
National saving certificates pledged with Government Authorities	0.06	0.06
<b>Aggregate amount of unquoted investments</b>	<b>4.39</b>	<b>4.17</b>

**Note 13: Long-Term Loans And Advances** (Unsecured, considered good unless otherwise stated) (₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
Security deposits	96.85	66.18
Capital advances	114.92	-
Minimum alternate tax credit entitlement	125.29	125.29
Advance income tax (net of provision for taxation)	173.23	132.57
Duty Paid Under Protest	63.54	63.54
Prepaid expenses	3.22	4.58
	<b>577.05</b>	<b>392.16</b>

**Note 14: Other Non-Current Assets** (₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
Fixed deposits #	413.89	652.56
	<b>413.89</b>	<b>652.56</b>

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

**Note 15 : Inventories** (At lower of cost and net realizable value) (₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
Raw material	1,349.29	1,801.39
Goods in transit	1,602.85	1,811.91
	<b>2,952.14</b>	<b>3,613.30</b>
Work-in-progress	<b>1,883.85</b>	<b>1,717.84</b>
Finished goods (other than those acquired for trading)	1,061.23	2,531.47
Goods in transit	240.93	251.29
	<b>1,302.16</b>	<b>2,782.76</b>
Stock-in-trade (acquired for trading)	392.55	173.00
Goods in transit	400.46	112.17
	<b>793.01</b>	<b>285.17</b>
Stores and spares	<b>412.73</b>	<b>345.38</b>
Consumables	168.24	183.77
Goods in transit	26.53	17.53
	<b>194.77</b>	<b>201.30</b>
	<b>7,538.66</b>	<b>8,945.75</b>

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

### Note 16: Trade Receivables

(₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	184.19	23.48
Doubtful	103.27	103.27
	287.46	126.75
Less: Provision for doubtful trade receivables	103.27	103.27
	<b>184.19</b>	<b>23.48</b>
<b>Other trade receivables</b>		
Unsecured, considered good	2,771.72	2,631.10
	<b>2,771.72</b>	<b>2,631.10</b>
	<b>2,955.91</b>	<b>2,654.58</b>

### Note 17: Cash And Cash Equivalents ##

(₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
Cash in hand	40.04	37.28
Remittance in transit/ cheques in hand	72.32	31.30
Balances with banks:		
in current accounts	742.26	596.65
in earmarked accounts #		
Unclaimed equity share application money	2.19	2.19
Unclaimed dividend account	2.49	0.59
	<b>859.30</b>	<b>668.01</b>

#### Notes:

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

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

854.62

665.23

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

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

	As At March 31, 2016	As At March 31, 2015
Security deposits	176.78	15.52
Advance to vendors		
Unsecured, considered good	2,134.87	2,461.95
Doubtful	124.10	5.44
	<b>2,258.97</b>	<b>2,467.39</b>
Less: Provision for doubtful advances	124.10	5.44
	<b>2,134.87</b>	<b>2,461.95</b>
Prepaid expenses	122.00	123.77
Advance to employees including Imprest	39.61	55.47
Balances with government authorities		
Excise refund receivable	852.86	1,014.70
CENVAT credit receivable	681.37	413.32
VAT credit receivable	203.81	556.33
Service Tax credit receivable	121.30	81.15
Export Incentives receivables	2.35	111.67
Interest subsidy receivables	94.03	82.18
	<b>1,955.72</b>	<b>2,259.35</b>
Others	0.85	-
	<b>4,429.83</b>	<b>4,916.06</b>

### Note 19: Other Current Assets (₹ in Lacs)

	As At March 31, 2016	As At March 31, 2015
Interest accrued but not due on		
Deposits	19.00	36.29
Fixed assets held for sale	11.52	526.15
Others	34.93	19.58
	<b>65.45</b>	<b>582.02</b>

### Note 20: Revenue from Operations (₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Sale of products (inclusive of excise duty) (refer note (i))	44,408.39	51,424.34
Sale of services (Technical consultancy)	79.31	1.29
Other operating revenue (refer note (ii))	646.13	1,399.84
<b>Revenue from operations (Gross)</b>	<b>45,133.83</b>	<b>52,825.47</b>
Less: Excise duty	2,014.25	2,696.93
<b>Revenue from operations (Net)</b>	<b>43,119.58</b>	<b>50,128.54</b>

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

<b>Notes:</b>		
<b>(i) Sale of products comprises</b>		
Manufactured goods	39,690.89	47,425.46
Traded goods	4,717.50	3,998.88
	<b>44,408.39</b>	<b>51,424.34</b>
<b>(ii) Other operating revenue comprises</b>		
Export incentives	80.93	32.98
Excise incentives (refund)	535.87	1,343.77
Job work income	26.57	16.08
Others	2.76	7.01
	<b>646.13</b>	<b>1,399.84</b>

### Note 21: Other Income

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest income on:		
Bank deposits	58.68	60.09
Income tax refunds	0.01	18.79
Others	10.11	16.11
Profit on sale of fixed assets	2.10	5.45
Liabilities no longer required written back (advance from customers forfeited)	-	148.16
Provision for doubtful trade receivables written back	-	10.35
Net gain on foreign currency transactions and translations	263.60	195.73
Others	85.98	8.59
	<b>420.48</b>	<b>463.27</b>

### Note 22: Cost of Materials Consumed

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Raw materials</b>		
Opening stock	3,613.30	1,857.31
Add: Exchange Rate Variation	(2.45)	0.96
	<b>3,610.85</b>	<b>1,858.27</b>
Add: Purchases	28,513.52	39,815.23
Less: Closing stock	1,349.29	1,801.39
Less: Stock-in-transit	1,602.85	1,811.91
	<b>29,172.23</b>	<b>38,060.20</b>
<b>Consumables (including stores and spares)</b>		
Opening stock	546.68	534.24
Add: Exchange rate variation	(2.06)	0.56
	<b>544.62</b>	<b>534.80</b>
Add: Purchases	1,843.34	2,020.14
Less: Closing stock	580.97	529.15
Less: Stock-in-transit	26.53	17.53
	<b>1,780.46</b>	<b>2,008.26</b>
	<b>30,952.69</b>	<b>40,068.46</b>

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

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

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Inventories at the end of the year (I)</b>		
Finished goods	1,302.16	2,782.76
Work-in-progress	1,883.85	1,717.84
Stock-in-trade (traded goods)	793.01	285.17
	<b>3,979.02</b>	<b>4,785.77</b>
<b>Inventories at the beginning of the year (II)</b>		
Finished goods	2,782.76	2,187.60
Work-in-process	1,717.84	890.52
Stock-in-trade (traded goods)	285.17	759.08
	<b>4,785.77</b>	<b>3,837.20</b>
<b>Add: Exchange rate variation (III)</b>	<b>(9.48)</b>	<b>4.52</b>
<b>Decrease/ (increase) ((II) - (I) + (III))</b>	<b>797.27</b>	<b>(944.05)</b>

### Note 24: Employee Benefits Expenses

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries and wages	2,095.40	2,178.74
Contribution to provident fund (refer Note 28)	92.45	87.57
Expense on employee stock option (ESOP) scheme (refer Note 2 (d))	66.31	25.51
Staff welfare expenses	203.35	223.28
	<b>2,457.51</b>	<b>2,515.10</b>

### Note 25: Finance Costs

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest expense on:		
Borrowings	564.53	883.55
Others #	1.71	3.55
Other borrowing costs	84.58	79.59
Net loss on foreign currency transactions and translation (considered as finance costs)	106.04	21.00
	<b>756.86</b>	<b>987.69</b>

# includes interest on delayed payment of income tax ₹ Nil (previous year ₹ 0.67 lac).



## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

### Note 26: Others Expenses

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Power and fuel	371.16	317.14
Rent	311.94	260.86
(Decrease)/Increase of excise duty on inventory	(13.11)	34.11
Rates and taxes	5.66	5.49
Repairs and maintenance		
Plant and machinery	338.96	322.13
Buildings	39.85	65.90
Others	91.09	47.13
Insurance	17.77	18.28
Freight and forwarding	852.77	924.49
Travelling and conveyance	237.96	293.57
Subcontracting /Job Work	-	18.16
Legal and professional	145.89	166.16
Rebate and discount	93.36	48.96
Sales commission	46.90	39.24
Advertising and sales promotion	56.73	41.39
Communication	45.60	53.82
Training and recruitment	8.44	10.85
Printing and stationery	8.60	11.54
Donation	15.85	7.69
Payment to auditors#:		
To statutory auditors		
For audit	18.12	15.96
For limited reviews	9.75	9.75
For other services	-	0.45
Reimbursement of expenses	0.30	0.30
To cost auditors		
For audit	0.50	0.50
Written off/ provision for doubtful trade receivables, loans and advances	240.07	102.70
Provision for loss on sale of fixed asset	52.29	43.04
Loss on fixed assets discarded/ sold	64.69	43.00
Loans & advances written off	11.74	5.95
Expenditures on Corporate Social Responsibility	4.49	4.79
Bank charges	121.51	63.57
Miscellaneous expenses	75.73	234.16
	<b>3,274.61</b>	<b>3,211.08</b>

# includes payment to auditors of subsidiaries companies.

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

### Note 27: Contingent Liabilities and Commitments

(₹ in Lacs)

	As at March 31, 2016	As at March 31, 2015
<b>Contingent liabilities</b>		
Claims against the group not acknowledged as debt #		
Income Tax	453.82	84.30
Excise Duty/Customs Duty/Service Tax	935.83	941.25
Value Added Tax/Central Sales Tax	4.54	4.54

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

### Commitments

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

Tangible assets	13.98	8.54
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### Note 28: Employee Benefits

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

### Defined Contribution Plans

Contribution to Defined Contribution Plans, recognized as expense for the year is as under: (₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Employer's Contribution to Provident Fund	92.45	87.57

### Defined Benefit Plan

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

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

	Gratuity (Funded)		Compensatory absences (Unfunded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Defined Benefit obligation at beginning of year	79.54	62.47	31.28	23.73
Current service cost	13.40	13.42	10.04	9.72
Interest cost	5.38	4.80	2.17	1.85
Actuarial (gain) / loss	(2.75)	2.58	2.09	1.26
Benefits paid	(9.30)	(3.73)	(11.90)	(5.28)
Defined Benefit obligation at year end	<b>86.27</b>	<b>79.54</b>	<b>33.68</b>	<b>31.28</b>

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

(b) **Reconciliation of opening and closing balances of fair value of Plan Assets** (₹ in Lacs)

	Gratuity (Funded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Fair value of Plan assets at beginning of year	28.66	39.71
Expected return on Plan Assets	2.08	2.98
Actuarial gain / (loss)	(0.24)	-
Amount withdrawn	-	(10.30)
Benefits paid	(9.30)	(3.73)
<b>Fair value of Plan Assets at year end</b>	<b>21.20</b>	<b>28.66</b>
<b>Actual return on Plan Assets</b>	<b>1.82</b>	<b>2.19</b>

(c) **Reconciliation of fair value of assets and obligations** (₹ in Lacs)

	Gratuity (Funded)		Compensatory absences (Unfunded)	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Fair value of Plan Assets	21.20	28.66	-	-
Present value of obligation	86.27	79.54	33.68	31.28
Liability /(Asset) recognised in Balance Sheet	65.07	50.88	33.68*	31.28*

\*Represents long-term and short-term provision for deferred compensated absences and does not include ₹ 6.59 lacs (previous year ₹ 1.69 lacs) payable in cash in the subsequent year.

(d) **Expenses recognized during the year** (₹ in Lacs)

	Gratuity (Funded)		Compensatory absences (Unfunded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Current service cost	13.40	13.42	10.04	9.39
Interest cost	5.38	4.80	2.17	1.85
Expected return on Plan Assets	(2.08)	(2.98)	-	-
Actuarial (gain) / loss	(2.51)	2.58	2.09	1.26
<b>Net cost in Statement of Profit and Loss</b>	<b>14.19</b>	<b>17.82</b>	<b>14.30</b>	<b>12.50</b>

(e) **Investment details**

	% invested	
	As at March 31, 2016	As at March 31, 2015
Insurer-managed funds	100.00	100.00
Others	-	-
	<b>100.00</b>	<b>100.00</b>

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

### (f) Experience adjustments (Gratuity (Funded)) # (₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Present value of obligation	86.27	79.54	62.47	28.76
Fair value of plan assets	(21.20)	(28.66)	(39.71)	(40.30)
Funded status [Deficit /(Surplus)]	65.07	50.88	22.76	(11.54)
Experience gain /(loss) adjustments on plan liabilities	(2.75)	2.58	(41.65)	19.54
Experience gain /(loss) adjustments on plan assets (* represents ₹ 267)	0.24	*	3.56	0.22

# Figures for the financial year 2011-12 are not readily available.

### (g) Actuarial assumption

	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Mortality table	100% of IALM-2006-08	100% of IALM-2006-08	100% of IALM-2006-08	100% of IALM-2006-08
Discount rate (per annum) #	8.00%	7.75%	8.00%	7.75%
Rate of escalation in salary (per annum) ##	5.25%	5.00%	5.25%	5.00%
Expected rate of return on plan assets (per annum) ###	7.25%	7.25%	7.25%	NA

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

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

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

### Note 29: Details of Borrowing Costs Capitalized

(₹ in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
Borrowing costs capitalized during the year as capital work-in-progress	7.38	-
	<b>7.38</b>	<b>-</b>

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

### Note 30 : Segment Reporting

(a) **Primary Segment Information** (₹ in Lacs)

	For the Year ended 31st March, 2016				For the Year ended 31st March, 2015					
	Lead	Turnkey Projects	Aluminium	Others	Total	Lead	Turnkey Projects	Aluminium	Others	Total
<b>Business segment:</b>										
Segment Revenue (Net sale/ income form each segment)	38,434.94	632.13	3,329.04	723.47	43,119.58	48,894.90	416.46	741.28	75.90	50,128.54
<b>Total Revenue</b>	<b>38,434.94</b>	<b>632.13</b>	<b>3,329.04</b>	<b>723.47</b>	<b>43,119.58</b>	<b>48,894.90</b>	<b>416.46</b>	<b>741.28</b>	<b>75.90</b>	<b>50,128.54</b>
Segment Profit before tax and interest from each segment	985.82	138.69	(21.35)	(171.11)	932.05	1,608.21	100.02	(9.59)	(107.89)	1,590.75
<b>Operating Profit</b>	<b>985.82</b>	<b>138.69</b>	<b>(21.35)</b>	<b>(171.11)</b>	<b>932.05</b>	<b>1,608.21</b>	<b>100.02</b>	<b>(9.59)</b>	<b>(107.89)</b>	<b>1,590.75</b>
Finance cost	-	-	-	-	(756.86)	-	-	-	-	(987.69)
Other Income	-	-	-	-	420.48	-	-	-	-	119.38
Profit on sale of investments	-	-	-	-	-	-	-	-	-	-
Income tax (expenses)/ benefits	-	-	-	-	(47.60)	-	-	-	-	236.03
Prior period adjustments	-	-	-	-	-	-	-	-	-	-
<b>Profit after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>548.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>958.47</b>
Segment assets	20,516.26	1,600.97	1,008.02	850.73	23,975.98	21,917.57	1,865.19	729.84	502.23	25,014.83
Unallocated assets	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,975.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,014.83</b>
Segment Liabilities	11,054.97	245.68	70.70	65.67	11,437.02	3,466.36	59.38	243.02	55.90	3,824.66
Unallocated liabilities	-	-	-	-	124.73	-	-	-	-	8,844.20
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,561.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,668.86</b>
Capital Expenditure	1,705.92	6.65	-	15.99	1,728.56	432.93	44.24	7.00	45.50	529.67
Unallocated Capital expenditure	-	-	-	-	-	-	-	-	-	-
<b>Total capital expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,728.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>529.67</b>
Depreciation and amortisation expense	610.32	31.79	0.22	28.58	670.91	569.12	31.02	0.06	36.05	636.25
Loss on fixed assets discarded/sold	64.69	-	-	-	64.69	43.00	-	-	-	43.00

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

### (b) Secondary segment information

(₹ in Lacs)

Geographical segment:	For the Year ended 31st March, 2016			For the Year ended 31st March, 2015		
	India	Others	Total	India	Others	Total
Segment revenue (Net sales/ income from each segment)	18,312.15	24,807.43	43,119.58	22,403.90	27,724.64	50,128.54
Segment assets	16,643.87	7,332.11	23,975.98	18,943.58	6,071.25	25,014.83
Capital expenditures	1,410.64	317.92	1,728.56	509.56	20.11	529.67

### Note 31: Related Party Transactions

#### a) Associates

Name of the associate	Country of incorporation	% of holding as at March 31, 2016	% of holding as at March 31, 2015
Pearl Landcon Private Limited	India	25.00	25.00

#### b) Key management personnel

Name of the director	Designation
Dr. Mahavir Prasad Agarwal	Chairman and Whole-Time Director
Mr. Rajat Agrawal	Managing Director
Mr. Rajeev Surana*	Whole-Time Director*
Mr. Vijendra Singh Tanwar	Director
Mr. Yogesh Malhotra	Director

\* Resigned on March 14, 2016 as Whole Time Director of Gravita India Limited.

#### c) Relatives of key management personnel

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

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

Gravita Impex Private Limited  
 Saurabh Farms Limited  
 Shah Buildcon Private Limited  
 Devonic Ventures Pvt. Ltd.  
 Jalousies (India) Private Limited  
 Surana Professional Services Private Limited \*  
 M/s R.Surana & Company \*  
 M/s Surana Associates \*  
 Rajeev Surana HUF \*

\* Mr. Rajeev Surana resigned on March 14, 2016 as Whole Time Director of Gravita India Limited

## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

(iii) **Remuneration #** (₹ in Lacs)

<b>Key management personnel</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
Mr. Rajat Agrawal	78.00	96.00
Dr. Mahavir Prasad Agarwal	42.00	42.00
Mr. Rajeev Surana *	28.63	30.00
Mr. Vijendra Singh Tanwar	16.89	17.67
Mr. Yogesh Malhotra	20.36	20.81
	<b>185.88</b>	<b>206.48</b>

# does not include provisions for incremental gratuity and leave encashment liabilities, since the provisions are based on actuarial valuations for the Company as a whole.

\* Resigned on March 14, 2016 from the Whole Time Director of Gravita India Limited

**Other transactions (nature of each transaction is mentioned in brackets)** (₹ In Lacs)

	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
<b>Key management personnel</b>		
Mr. Rajat Agrawal (Rent Paid)	30.43	29.70
<b>Relatives of key management personnel</b>		
Mrs. Anchal Agrawal (Rent paid)	4.90	4.36
<b>Enterprises having common key management personnel and/or their relatives</b>		
Saurabh Farms Limited (Rent paid)	12.86	6.83
Shah Buildcon Private Limited (Rent Paid)	2.26	2.06
Jalousies (India) Private Limited (Rent paid)	25.67	6.30
<b>Amount Written off in Subsidiaries</b>		
Gravita Energy Limited	-	4.96
Gravita Infra Private Limited	-	0.99
	<b>76.12</b>	<b>55.20</b>

**Amount payable at year end** (₹ In Lacs)

	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Key management personnel</b>		
Mr. Rajat Agrawal	-	2.63
<b>Relatives of key management personnel</b>		
Mrs. Anchal Agrawal	-	0.16
<b>Enterprises having common key management personnel and/or their relatives</b>		
Shah Buildcon Private Limited	0.09	-
	<b>0.09</b>	<b>2.79</b>

## Notes forming part of the Consolidated Financial Statements [contd.]

### for the year ended March 31, 2016

#### Note 32: Leases

The group has entered into operating lease arrangements for certain facilities and office premises for a defined period with a renewal/termination clauses. Lease payments recognised in the Statement of Profit and Loss for the year are ₹ 311.94 lacs (previous year ₹ 260.86 lacs). Details of future minimum lease payments are provided below:

	As at March 31, 2016	As at March 31, 2015
Not later than one Year	300.04	256.02
Later than one year and not later than 5 years	524.75	320.18
Later than 5 years	111.47	179.88
	<b>936.26</b>	<b>756.08</b>

(₹ In Lacs)

#### Note 33: Earning Per Share (EPS)

	As at March 31, 2016	As at March 31, 2015
Net profit after tax as per Statement of Profit and Loss attributable to equity shareholders (₹ in lacs) (a)	437.03	661.86
Weighted average number of equity shares outstanding during the year (in numbers) (b)	68,311,763	68,214,245
Basic earnings per share of face value ₹ 2 each (in ₹) (a)/ (b)	0.64	0.97
Effect of potential dilutive equity shares on employee stock options outstanding (in numbers) (c)	664,639	374,547
Weighted average number of equity shares in computing diluted earnings per share (in numbers) [(d) = (b)+(c)]	68,976,402	68,588,792
Diluted earnings per share of face value ₹ 2 each (in ₹) (a) / (d)	0.63	0.96

(₹ In Lacs)

#### Note 34:

In year 2013-14, the Excise Department, under the provisions of Section 12F of Central Excise Act, 1944, had seized past books and records of the Company upto February 10, 2014. In this regard, no show cause notice has been received by the Company till date. The management is confident that the matter will get resolved in due course and no material liability would arise on resolution of this matter. The Company is in process to release the books of accounts.

#### Note 35:

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

#### Note 36:

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



## Notes forming part of the Consolidated Financial Statements [contd.]

for the year ended March 31, 2016

**Note 37:** Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit/ (loss)	
	As % of consolidated net assets	Amount (₹ in Lacs)	As % of consolidated profit or loss	Amount (₹ in Lacs)
Gravita India Limited (parent company)	36.51%	4,532.89	-90.17%	(494.19)
<b>Subsidiaries</b>				
<b>Indian</b>				
Gravita Infotech Limited (Formerly known as Gravita Exim Limited)	2.19%	271.68	-15.83%	(86.77)
Noble Build Estate Private Limited	1.48%	184.01	-0.47%	(2.60)
M/s Gravita Metals	10.09%	1,252.56	-2.94%	(16.14)
M/s Gravita Metal Inc.	8.48%	1,052.72	126.32%	692.34
M/s Gravita Infotech (Formerly known as M/s Gravita Technomech)	0.47%	58.80	-1.64%	(8.97)
Recycling Infotech LLP	0.82%	102.10	-0.01%	(0.05)
<b>Foreign</b>				
Gravita Ghana Limited	14.77%	1,833.33	-6.95%	(38.07)
Gravita Mozambique LDA	3.99%	495.53	65.40%	358.45
Gravita Global Pte Limited	0.09%	10.57	-1.45%	(7.94)
Navam Lanka Limited	8.32%	1,032.70	42.29%	231.79
Gravita Netherlands BV	0.44%	54.45	-10.54%	(57.76)
Gravita Senegal S.A.U	6.38%	792.59	8.46%	46.37
Gravita Nicaragua S.A.	5.66%	702.14	-12.30%	(67.44)
Gravita Jamaica	0.01%	0.65	0.00%	(0.01)
Gravita USA Inc	0.29%	35.67	-0.17%	(0.91)
Gravita Ventures Limited	0.02%	1.84	0.00%	(0.03)
	<b>100.00%</b>	<b>12,414.23</b>	<b>100.00%</b>	<b>548.07</b>
Minority interests in all subsidiaries		498.10		111.26
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
Pearl Landcon Private Limited			100.00%	0.22
			<b>100.00%</b>	<b>0.22</b>

**Note 38:** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

### For and on behalf of the Board of Directors

**Rajat Agrawal**  
(Managing Director)

**Dr. M. P. Agarwal**  
(Chairman)

Place: Jaipur  
Date: May 14, 2016

**Sunil Kansal**  
(Chief Financial Officer)

**Leena Jain**  
(Company Secretary)

# Corporate Information

## Corporate Identification Number

(CIN) : L29308RJ1992PLC006870

## Board of Directors & KMP

### Dr. Mahavir Prasad Agarwal

Chairman & Whole time Director

### Rajat Agrawal

Managing Director

### Dinesh Kumar Govil

Director

### Yogesh Mohan Kharbanda

Director

### Arun Kumar Gupta

Director

### Chanchal Chadha Phadnis

Director

### Naveen Prakash Sharma

President & CEO

### Sunil Kansal

Chief Financial Officer

### Nitin Gupta

Company Secretary

## Senior Management Personnel

### Vijendra Singh Tanwar

Director (New Business Development)

### Vijay Pareek

Vice President (Sales & Marketing)

### Yogesh Malhotra

Vice President (Operations)

### Sandeep Choudhary

Vice President (Imports)

### Sanjay Singh Baid

Vice President (Procurement)

## Statutory Auditors

### M/S Deloitte Haskins & Sells

7th Floor, Building No.10, Tower B,  
DLF Cyber City Complex, DLF Phase II,  
Gurgaon - 122 022, Haryana, India  
Website: [www.deloitte.com](http://www.deloitte.com)

## Internal Auditors

### Pro Advisory India LLP

15th Floor, Tower A, DLF Building No.5  
DLF Phase III, DLF Cyber City  
Gurgaon - 122002, Haryana, India  
Website: [www.protiviti.in](http://www.protiviti.in)

## Cost Auditors

### M/s K.G. Goyal & Associates

289, Mahveer Nagar-II,  
Maharani Farms, Durgapura  
Jaipur - 302018

## Registrar & Share Transfer Agent

### Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad - 500 032  
Phone No. 040-67162222  
Website: [www.karvy.com](http://www.karvy.com)

## Bankers

State Bank of India  
State Bank of Bikaner & Jaipur  
Punjab National Bank

## Corporate Office

402, Gravita Tower , A-27-B, Shanti Path,  
Tilak Nagar, Jaipur - 302 004, India  
Ph.No.:+91-141-262366  
Fax:+91-141-2621491

## Registered Office and Works

“Saurabh” , Chittora Road, Harsulia Mod,  
Diggli- Malpura Road, Tehsil Phagi, Jaipur - 303 904  
Email: [works@gravitaindia.com](mailto:works@gravitaindia.com)  
[info@gravitaindia.com](mailto:info@gravitaindia.com)

## Other Plant Locations

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

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



**Gravita India Limited**

'Saurabh', Chittora Road, Harsulia Mod, Diggi- Malpura Road,  
Tehsil- Phagi, Jaipur - 303 904, Rajasthan, India  
Tel: 09928070682