



GRAVITA

GRAVITA INDIA LTD.

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CIN : L29308RJ1992PLC006870

3rd May, 2017
GIL/2017-18/25

To,

The BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Fax No.: 022 22722041 Scrip Code - 533282	The Listing Department The National stock Exchange of India Ltd. Exchange Plaza, C-1, Block-G, Bandra - Kurla Complex, Bandra (E) Mumbai- 400 051 Fax No.: 022-26598237/38 Company code-GRAVITA
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Sub: Notice along with Explanatory Statement for obtaining shareholder's consent by Postal Ballot.
Ref: Company Code: 533282

Dear Sir,

Please find enclosed copy of the notice dated 22nd April, 2017 along with the Explanatory Statement seeking the consent of the members by a Postal Ballot for the following items :-

1. To borrow money in excess of paid up capital and free reserve
2. To approve Gravita Stock Appreciation Rights Scheme 2017 for the benefit of employee of the company
3. To approve Gravita Stock Appreciation Right Scheme 2017 for the benefit of the employees of the subsidiary Company(ies) of the company
4. To authorize the Employee welfare Trust for secondary acquisition for implementation of Gravita Stock Appreciation Right Scheme 2017
5. To approve provision of money by the company to the Employee Welfare Trust for purchase of shares of the company for the implementation of Gravita Stock Appreciation Right Scheme 2017
6. Reclassification of promoter and promoter group

A specimen copy of the Postal Ballot Form in respect of the said Ballot is also enclosed for the information of Members.

Yours Faithfully
For **Gravita India Limited**


Nitin Gupta
(Company Secretary)
ACS-31533



Encl: As above

POSTAL BALLOT NOTICE

Notice issued to the members pursuant to Section 110 of Companies Act 2013

Dear Members,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013, ("the Act") read with Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) that the resolutions appended below are proposed to be passed by members as Special Resolutions by way of postal ballot by giving their assent/dissent. The Explanatory Statement to be annexed to Notice under Section 102 (1) of the act setting out the material facts and reasons for the Resolutions is also appended herewith and is being sent to you along with a Postal Ballot Form for your consideration. Mr. Pradeep Pincha, Practicing Company Secretary has been appointed as scrutinizer by the Board of Directors of your Company.

You are requested to carefully read the instructions printed on the Postal Ballot Form and the Notice and return the completed Form in the enclosed self-addressed postage pre-paid envelope (if posted in India), so as to reach the Scrutinizer on or before the close of working hours on Friday, 02nd June, 2017 the last date for receipt of the completed Postal Ballot Forms. The postage on the enclosed self-addressed postage pre-paid envelope shall be borne and paid by the Company.

The resolution passed through the Postal Ballot shall be deemed to be passed in an Extra Ordinary General Meeting of the Company.

E-Voting Option

We are pleased to offer e-voting facility also as an alternate for our Members which would enable you to cast your votes electronically, instead of physical postal ballot form. Please carefully read and follow the instructions on e-voting printed in this notice. The Scrutinizer will submit his report to the Chairman of the Company, upon completion of scrutiny of postal ballots in a fair and transparent manner and the result of the postal ballot will be announced on Saturday, 03rd June, 2017 at 5.00 p.m. at the Corporate Office of the Company. The result of the postal ballot along with scrutinizer's report will be posted on the Company's website www.gravitaindia.com and website of CDSL besides communicating the same to the National Stock Exchange of India Limited and BSE Limited.

SPECIAL BUSINESS:

Item 1:

To borrow money in excess of Paid-up Capital and Free Reserves and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in suppression of the resolution passed in this behalf by the Company at its Annual General Meeting held on 2nd August, 2014, consent of the shareholders of the company be and is hereby accorded pursuant to provisions of Section 180(1)(c) and any other applicable provisions, if any of the Companies Act, 2013 {including any statutory modification(s) or re-enactment(s) thereof and any rules thereunder for the time being in force}, to the Board of Directors of the company to borrow, from time to time at the discretion of the Board for the business purposes of the Company, any sum or sums of money in any form whether secured or unsecured, in Indian or Foreign currency or by way of debentures/bonds or any other Security(ies), from time to time from any Bank(s)/ Financial Institution(s) or any other Institution(s), firms, Body Corporate(s) or other person(s), in India or abroad, apart from temporary loans obtained/to be obtained from the Company's bankers in the ordinary course of the business provided that the sum(s) so borrowed under this resolution and remaining outstanding at any time shall not exceed in the aggregate of Rs.750.00 Crores (Rupees Seven Hundred Fifty Crores only) in excess of and in addition to the paid up capital and free reserves of the Company for the time being."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

Item 2:

To approve the Gravita Stock Appreciation Rights Scheme 2017 for the benefit of the employees of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 67 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force ("Act"); the Memorandum and Articles of Association of the Company; the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended ("SBEB Regulations"); and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board, including Compensation Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution):

- a. the approval of the Members of the Company be and is hereby accorded to the Gravita Stock Appreciation Rights Scheme 2017 (“Scheme”), salient features of which are detailed in the explanatory statement to this Notice and to the Board to grant Stock Appreciation Rights (“SARs”) to the employees of the Company, existing and future, working in India or outside India, including Directors whether Whole-time Directors or not (but excluding an employee who is a Promoter or belonging to the Promoter Group, an Independent Director and a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company) and to such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of the applicable laws and regulations in force (all such persons are hereinafter collectively referred to as “Employees”) as may be decided by the Board under the Scheme;
- b. the Scheme be implemented through the Employee Welfare Trust set-up by the Company on such terms and conditions as may be determined by the Board in accordance with the provisions of the Scheme, SBEB Regulations and in accordance with other applicable laws and regulations in force;
- c. subject to the provisions of the applicable laws and regulations in force including the SBEB Regulations, the Board be and is hereby authorized to:
 - i. administer, implement and superintend the Scheme through an Employee Welfare Trust set-up by the Company;
 - ii. decide all other matters that must be determined in connection with a SARs under the Scheme;
 - iii. make fair and reasonable adjustment to the number of SARs in case of Corporate Actions;
 - iv. formulate, approve, decide upon and bring into effect the Scheme subject to SBEB Regulations for the purpose of grant of SARs to the Employees;
 - v. do all such acts, deeds, matters and things as it may in its absolute discretion deem expedient and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further approval of the Members and the Board be and is hereby further authorized to nominate one or more representatives of the Company to execute such further deeds, documents and writings that may be considered necessary and to carry out any or all activities that the Board is empowered to do for the purpose of giving effect to this resolution.”

Item 3:

To approve the Gravita Stock Appreciation Rights Scheme 2017 for the benefit of the employees of the Subsidiary Company(ies) of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 67 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force (“Act”); the Memorandum and Articles of Association of the Company; the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended (“SBEB Regulations”); and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee of the Board, including Compensation Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution):

- a. the approval of the Members of the Company be and is hereby accorded to the Gravita Stock Appreciation Rights Scheme 2017 (“Scheme”), salient features of which are detailed in the explanatory statement to this Notice and to the Board to grant Stock Appreciation Rights (“SARs”) to the employees of the Subsidiary Company(ies), existing and future, working in India or outside India, including Directors whether Whole-time Directors or not of the Subsidiary Company(ies) (but excluding an employee who is a Promoter or belonging to the Promoter Group, an Independent Director and a Director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company) and to such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of the applicable laws and regulations in force (all such persons are hereinafter collectively referred to as “Employees”) as may be decided by the Board under the Scheme;
- b. the Scheme be implemented through the Employee Welfare Trust set-up by the Company on such terms and conditions as may be determined by the Board in accordance with the provisions of the Scheme, SBEB Regulations and in accordance with other applicable laws and regulations in force;
- c. subject to the provisions of the applicable laws and regulations in force including the SBEB Regulations, the Board be and is hereby authorized to:
 - i. administer, implement and superintend the Scheme through an Employee Welfare Trust set-up by the Company;
 - ii. decide all other matters that must be determined in connection with a SARs under the Scheme;
 - iii. make fair and reasonable adjustment to the number of SARs in case of Corporate Actions;
 - iv. formulate, approve, decide upon and bring into effect the Scheme subject to SBEB Regulations for the purpose of grant of SARs to the Employees;
 - v. do all such acts, deeds, matters and things as it may in its absolute discretion deem expedient and to settle any questions, difficulties or doubts that may arise with respect to the above matter without requiring the Board to secure any further approval of the Members and the Board be and is hereby further authorized to nominate one or more representatives of the Company to execute such further deeds, documents and writings that may be considered

necessary and to carry out any or all activities that the Board is empowered to do for the purpose of giving effect to this resolution.”

Item 4:

To authorize the Employee Welfare Trust for secondary acquisition for implementation of the Gravita Stock Appreciation Rights Scheme 2017 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013, if any, read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“Act”); the Memorandum and Articles of Association of the Company; the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “SBEB Regulations”); and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee of the Board including Compensation Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution);

- a. the consent of the Members of the Company be and is hereby accorded to the Board to implement Gravita Stock Appreciation Rights Scheme 2017 (“Scheme”) through the Gravita Employee Welfare Trust, an independent trust set up by the Company, and for the Gravita Employee Welfare Trust to the acquire/ purchase equity shares of the Company through secondary market for the purpose of implementation of the Scheme, provided the secondary acquisition by the Trust shall not exceed the limits under Regulation 3(10) and regulation 3(11) of the SBEB Regulations.
- b. the Board be and is hereby authorized on behalf of the Company to nominate one or more representatives of the Company to execute such deeds, documents and writings that may be considered necessary and to carry out any or all activities that the Board is empowered and is hereby further authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

Item 5:

To approve provision of money by the Company to the Employee Welfare Trust for purchase of the shares of the Company for the implementation of Gravita Stock Appreciation Rights Scheme 2017 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 67 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force); the Memorandum and Articles of Association of the Company; the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “SBEB Regulations”);

- I. Subject to the Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force); and
- II. subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee of the Board including Compensation Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution);
 - a. the consent of the Members of the Company be and is hereby accorded to the Board to grant loan(s) in one or more tranches and/or to give guarantee or provide security in connection with loan(s) granted or to be granted to the Gravita Welfare Employee Trust (hereinafter referred to as “Gravita Trust”) set-up by the Company, for enabling Gravita Trust to make secondary acquisition of the shares of the Company for the purpose of Gravita Stock Appreciation Rights Scheme 2017 (“Scheme”), such that total amount of loan outstanding shall not exceed INR 10,00,00,000 (Indian Rupees Ten Crores);
 - b. the Board be and is hereby authorized on behalf of the Company to nominate one or more representatives of the Company to execute such deeds, documents and writings that may be considered necessary and to carry out any or all activities that the Board is empowered and is hereby further authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

Item 6:

RECLASSIFICATION OF PROMOTER AND PROMOTER GROUP:

To consider and if thought fit, to pass the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of regulation 31A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and all other applicable provisions of the companies Act 2013, if any, subject to necessary approval from BSE Ltd. (BSE) & National Stock Exchange of India Limited (NSE), consent of the members be and is hereby accorded for re-classification of Mr. Rajeev Surana, promoter and/or person constituting promoters group of the Company, from Promoter Category to Non-Promoter Category.

“RESOLVED FURTHER THAT the outgoing promoter constituting promoter group i.e. Mr. Rajeev Surana seeking re-classification does not:

- Directly or indirectly, exercise control, over the affairs of the entity.
- Have any special right through formal or informal arrangements along with their promoter group entities and the persons acting in concert.
- Have any share in the share capital of the Company.”

“RESOLVED FURTHER THAT after such re-classification Mr. Rajeev Surana shall cease to be the promoter and/or promoter group of the Company.”

“RESOLVED FURTHER THAT Mr. Rajat Agrawal, Managing Director of the Company and Mr. Nitin Gupta, Company Secretary of the Company be and are hereby severally authorised to make application to BSE & NSE along-with all the required documents and to do all deeds, things and acts as may be necessary and expedient to give effect the resolution in this regard.”

By order of Board of Directors

Sd/-

Nitin Gupta

Company Secretary

Date: 22nd April, 2017

Place: Jaipur

Notes:

1. An explanatory statement pursuant to section 102(1) of the Companies Act 2013 in respect of the proposed special businesses is annexed hereto.
2. As part of the Green initiative, the Notice is being sent to the shareholders who have registered their Email IDs with the Company / RTA through email and to all other shareholders through post along with the Postal Ballot Form. Members have option to vote either through e-voting or through Postal Ballot Form.
3. The Notice is being sent to all the Members whose names appear in the Register of Members/Record of Depositories as on Friday, 28th April, 2017 i.e. on cut-off date. A person who is not a Member as on the record date should treat this Notice for information purposes only.
4. The Notice is being published in Nafa Nuksan (Hindi) and The Mint (English) newspaper and will also be available on the website of the Company <http://www.gravitaindia.com>.
5. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. Shareholders who have not received the Postal Ballot Form may apply to the Company and obtain a duplicate thereof.
6. The scrutinizer will submit his report after completion of the scrutiny of ballot forms and the result of the voting by Postal Ballot will be announced in accordance with the provisions of Section 110 and other applicable provisions (if any) of the Companies Act 2013 on Saturday, 03rd June, 2017.
7. Postal Ballot Forms received after Friday, 02nd June, 2017 will be considered as invalid.
8. Copy of documents referred to in this notice and the accompanying Explanatory statement are open for inspection at the Corporate Office of the Company on any working day between 10.00 a.m. to 06.00 p.m. upto Friday, 02nd June 2017
9. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the company for receipt of duly completed postal ballot forms or e-voting i.e. Friday, 2nd June, 2017.
10. Members requiring having any grievances may contact Mr. Nitin Gupta, Company Secretary at the Corporate Office of the Company situated at Gravita Tower, A-27B, Shanti Path, Tilak Nagar, Jaipur - 302004, Tel. Phone : 0141-4057810 or through e-mail at companysecretary@gravitaindia.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item 1:

Taking into account the future finance requirements for growth plans and expansion programmes being contemplated and undertaken by the Company and to cater to the working capital needs, a fresh resolution is proposed providing that, in addition to the Company's existing borrowings, the Directors may, for and on behalf of and for the purpose of the Company, borrow further sums of money amounting in the aggregate to a sum not exceeding Rs. 750.00 Crores (Rupees Seven Hundred Fifty Crores only). In terms of provisions of Section 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in a general meeting, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and its free reserves. The members at their Annual General Meeting held on 2nd August, 2014 had accorded their consent under Section 180(1)(c) of the Companies Act, 2013 as applicable, to the Directors for borrowing moneys up to a limit of Rs. 200 Crores (Rupees Two Hundred Crores only) (apart from temporary loans obtained from the Company's bankers in the ordinary course of business). Hence the members are requested to accord their approval for revising the borrowing power limit of the Board from Rs. 200.00 Crores to Rs. 750.00 Crores.

The Directors, recommend passing of the relevant Special Resolution as mentioned at Item no. 1 of the Notice.

None of the Directors, Key Managerial Persons of the Company and their relatives may be deemed concerned or interested in the resolution.

Items 2 to 5

In today's competitive world, employees are Company's most important resource and asset. Company fully recognizes the above fact and wants its employees to participate and share the fruits of growth and prosperity along with the Company. Your Company

believes in rewarding its employees, employees of the Subsidiary Company(ies) of the Company including Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) of the Company for their continuous hard work, dedication and support, which has led the Company on the growth path.

The Company has already implemented Gravita Employee Stock Option Scheme 2011. Now the Company intends to implement new scheme i.e. Gravita Stock Appreciation Rights Scheme 2017 ("Scheme" with a view to attract and retain key talents working with the Company, Subsidiary Company(ies) of the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

The objectives of the Scheme are

- a. To incentivise and motivate the employees (as defined in the Scheme) in a manner that will enable providing certain benefits on the happening of certain definitive events; and
- b. To provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company.

The Scheme is a cash-settled incentive scheme. The incentive is linked to the appreciation in the market price of the equity shares of the Company over the tenure of the scheme. The Scheme involves secondary acquisition of equity shares of the Company by an independent Trust set-up by the Company. The Company will grant loans to the Trust to make secondary acquisition for the purpose of the Scheme. The Scheme will be regulated, implemented and administered by the Board of Directors and its Committees including the Company's Compensation Committee.

The Scheme of the Company will be governed by SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") (including any circulars, notifications, clarifications issued thereunder) and the provisions of the Companies Act, 2013 and the Rules made thereunder ("Act"). The Compensation Committee of the Board of Directors will act for the purpose of implementation, administration and superintendence of the Scheme. The Compensation Committee and the Board of Directors of the Company approved the Scheme on Saturday, 22nd April, 2017. Your Directors therefore seek approval of the Members for implementation of the Scheme and allied matters as set out in the notice convening the Extra-ordinary General Meeting.

The salient features of the Scheme and various disclosures in terms of the Act and SBEB Regulations and the Circular issued in relation thereto are as follows:

1. Maximum number of SARs to be granted:

The maximum aggregate number of equity shares that may be acquired from the secondary market by the Trust in a financial year and thereby the Units that may be Granted in a financial year under the Scheme shall not exceed the limit as specified under Regulation 3(10) of the SBEB Regulations. Further, the Trust shall at no time hold Shares (acquired from the secondary market) more than the limit as specified under Regulation 3(11) of the SEBI (SBEB) Regulations.

The Compensation Committee shall determine the grant of SARs in its absolute discretion.

2. Identification of classes of employees entitled to participate in Scheme:

- a. a permanent employee of the Company working in India or outside India; or
- b. a Director whether a whole time director or not but excluding an Independent Director; or
- c. an employee as defined in clauses (a) or (b) of a Subsidiary, in India or outside India, or of a Holding Company of the Company.

But does not include

- d. an employee who is a Promoter or a person belonging to the Promoter Group; or
- e. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

3. Transferability of SARs:

The SARs cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Unit Holder. Any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted herein shall be void and unenforceable against the Company.

4. Requirements of vesting and period of vesting:

The Vesting Period shall be a minimum period of 1 (one) year between the Grant of Units and Vesting of Units. Vesting of Units will happen on retirement of the Unit Holder in accordance with the terms of employment or in case of any other event which may be communicated in the Letter of Grant.

In the event of the death or the Permanent Disability of a Unit Holder prior to the retirement in accordance with the terms of employment, the Units will Vest on the Unit Holder on the date of the death or the Permanent Disability as the case may be.

The Compensation Committee shall be empowered to amend the Vesting criteria as it may deem fit, subject to relevant rules and regulations, and duly notify the Unit Holder regarding such amended Vesting criteria.

5. Maximum period within which the SARs shall be vested:

The Vesting Period shall be a minimum period of 1 (one) year between the Grant of Units and Vesting of Units. Vesting of Units will happen on retirement of the Unit Holder or on death or Permanent Disability of the Unit Holder whichever is earlier.

6. SAR price or pricing formula:

SAR Price means the product of the number of Shares bought by the Trust and the price of each Share divided by the total number of Shares bought by the Trust. It is clarified herein that the price of each Share while arriving the SAR Price, shall take into account all the costs relating to the acquisition of Shares, including but not limited to the applicable securities transaction tax, brokerage and other incidental administrative expenses.

7. Exercise period and the process of Exercise:

The Units shall automatically stand exercised upon vesting.

8. Appraisal process for determining the eligibility of employees under the Scheme:

- a. The Scheme shall be applicable to the Employees and hence the Units may be granted to the Employees of the Company, its Subsidiaries, and its Holding Company, as determined by the Compensation Committee at its sole discretion, which decision shall be final and binding on all concerned.
- b. All Employees to whom the Compensation Committee decides to Grant the Units would be informed about the same by way of a written communication through the Letter of Grant duly signed by the authorized signatory of the Company.
- c. Each financial year, the Units granted to an Eligible Employee shall be subject to upward or downward adjustment depending upon the achievement of Performance Metrics. The Compensation Committee shall have the power to adjust the Units regardless of the Performance Metrics by duly notifying the Unit Holder.

9. Maximum number of SARs to be issued per employee and in aggregate:

The number of SARs that may be granted per employee of the Company under the Scheme, in any financial year and in aggregate shall be as determined by the Compensation Committee.

10. Details about the exercise of voting rights in respect of shares acquired pursuant to the Scheme:

Neither the Trustees nor the employees are entitled to vote in respect of the equity shares held by the Trust. Thus, no person shall be entitled to exercise the voting rights in respect of the shares purchased under the Scheme.

11. Accounting and Disclosure Policies:

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

12. Method of valuation of SARs:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the SARs granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the SARs and the impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors' report.

13. Administration and implementation of the Scheme by an Independent Trust:

The Scheme will be administered and implemented by the Compensation Committee through an Independent Trust viz. Gravita Employee Welfare Trust set up by the Company. The Scheme involves secondary acquisitions by Gravita Employee Welfare Trust. Thus, Gravita Employee Welfare Trust is responsible for purchase of the equity shares in respect of the SARs granted to the eligible employees and selling them upon vesting so as to confer the Appreciation Value to the eligible employees.

SBEB Regulations require a separate approval of shareholders through Special Resolution for implementation of an employee benefit scheme through a Trust and also if such employee benefit scheme involves secondary acquisition.

Accordingly, consent of the Members is sought for approving the Special Resolution set out at Item No. 4 to authorise Gravita Employee Welfare Trust to implement the Scheme and make secondary acquisition for the same.

14. Particulars of the Trustees:

The equity shares of the Company shall be registered in the name of the Trustees i.e. Mr. Dinesh Jaga, Mr. Yagyadatt Sharma and Mrs. Nisha Jain. The name, address, occupation and nationality of trustees are as under

Name of Trustee	Address	Occupation	Nationality
Mr. Dinesh Kumar Jaga	Vill. Hirawala, PO. RoopWasti via CRPF Camp Lalwash, JamwaRamgarh Road, Jaipur	Service	Indian
Mr. Yagyadatt Sharma	Ward No.28, 92 JashodaKunj, Railway Station ke pas, KrishanVatika, Lachhanmangarh, Sikar-302311	Service	Indian
Mrs. Nisha Jain	8/18, Kishanganj, Beawar, Ajmer-305901	Self-Employed	Indian

The Trustees are neither Promoters or Directors nor Key Managerial Personnel ("KMP") of the Company nor are they related to the Promoters, Directors or KMP in their personal capacity.

15. Interest of the Promoters, Directors and Key Managerial Personnel in the Scheme or Trust and the effect thereof:

The Directors and KMP are interested to the extent of their eligibility to receive SARs under the Scheme. None of the Independent Directors or the Promoters are entitled to any benefit under the Scheme.

16. The amount of loan to be provided by the Company to the Trust, its tenure, utilization, repayment terms, etc.

The Company proposes to provide financial assistance to Gravita Employee Welfare Trust for secondary acquisition of

equity shares of the Company for the purpose of implementation of the Scheme. The terms of such loans shall inter alia include the following:

- a. **Amount of loan:** The maximum amount of the loan to be given by the Company and outstanding at any point of time shall not exceed INR 10,00,00,000 (Indian Rupees Ten Crores).
- b. **Tenure of Loan/Repayment terms:** The tenure of the loan will be 10 (ten) years from the date of disbursement which may be extended by a further period of 10 (ten) years by the Compensation Committee, in the best interest of the Trust and the Company. The repayment terms shall be mutually determined between the Compensation Committee and the Trustee(s)
- c. **Utilisation:** The loan can be utilised by the Trust for acquisition of shares of the Company for the purpose of implementation and administration of the Scheme.
- d. **Interest on loan:** The interest rates shall be as agreed between the Company and the Trust on an annual basis for every financial year within 3 months of end of the previous financial year provided that such Interest Rate shall be equal to the average interest rate incurred, if any, by the Company in the relevant previous financial year.

In terms of Section 67 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, permit companies to provide monies to a trust for purchase of shares of the company for the benefit of the employees of the Company. Accordingly, consent of the Members is sought for approving the Special Resolution set out at Item No. 5 of the Notice for provision of monies to Gravita Employee Welfare Trust for secondary acquisition of equity shares of the Company for the implementation of the Scheme.

17. Secondary acquisition by the Trust for the purpose of implementation of the Scheme and ceiling limits thereof:

Under the Scheme, Gravita Employee Welfare Trust shall acquire/purchase equity shares of the Company subject to limits specified in Regulation 3(10) and 3(11) of the SBEB Regulations.

The Board of Directors of the Company recommend these Resolutions for the approval of the Members of the Company

None of the Directors, KMP of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Scheme.

Item 6:

Mr. Rajeev Surana has requested the Company to reclassify him from promoter to non-promoter category and thus removal from promoters group of Gravita (India) Limited ("the Company"), pursuant to the provisions of the Regulation 31A of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015. Under these regulations, the person being not desirous to be classified as the promoter of the company, must submit a request to the company stating the same, which is to be accepted by the company subject to the approval of the shareholders and concerned stock exchanges, where the shares of the Company are listed and continue to be listed.

In reference to above and taking into consideration the request of Mr. Rajeev Surana, the Board decided and accepted his request to re-classify him as non-promoter or removal from promoters group of the Company, as Mr. Surana neither has any share in the shareholding of the Company nor any special rights or control over the business of the Company, and is merely included in promoter group of the Company.

Further, in terms of the provisions of Regulation 31A of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, re-classification of promoters requires the approval of the Members of the Company, therefore, the Board of Directors recommends the special resolution as set-out in the item No. 6 of the Notice for the approval of the members.

None of the Directors, Key Managerial personnel and/or relatives of the Company are interested or concerned in the said resolution except to the extent of their respective shareholding if any in the Company.

By order of Board of Directors

Sd/-

Nitin Gupta

Company Secretary

Date: 22nd April, 2017

Place: Jaipur

INSTRUCTIONS FOR VOTING

Voting through Physical Postal Ballot Form

1. The members are requested to carefully read the instructions printed in the Postal Ballot form and return the Postal Ballot form duly completed with the assent (for) or dissent (against), in the enclosed postage pre-paid self-addressed envelope, so as to reach the Scrutinizer, before Friday, 02nd June, 2017 to be eligible for being considered, failing which, it will strictly be treated as if no reply has been received from the member.
2. The members are requested to exercise their voting rights by using the attached Postal Ballot form only. No other form or photocopy thereof is permitted.
3. Envelopes containing Postal Ballot form if deposited in person or sent by courier at the expense of the registered member will also be accepted.

E-voting Facility

In compliance with provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. Members have option to vote either through e-voting or through the Postal Ballot Form.

If a member has opted for e-voting, then he/she should not vote by Postal Ballot also and vice-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.

The Company has signed an agreement with the Central Depository Services (India) Limited (“CDSL”) for facilitating e-voting.

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on Thursday, 4th May, 2017, at 10.00 am. and ends on Friday, 2nd June, 2017, at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digit of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

After entering these details appropriately, click on “SUBMIT” tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <GRAVITA INDIA LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.



GRAVITA

GRAVITA INDIA LTD.

Corp. Office: 402, Gravita Tower, A-27 B, Shanti Path,
Tilak Nagar, Jaipur – 302 004, Rajasthan (India)

Phone: +91-141-2623266, **Fax:** +91-141-2621491

E-mail: info@gravitaindia.com, **Website:** www.gravitaindia.com

CIN: L29308RJ1992PLC006870

POSTAL BALLOT FORM

Serial No.

1. Name & Registered Address of the first named shareholder
2. Name(s) of the Joint Holder(s), (If any)
3. Registered Folio Number/DP ID No. /Client ID No.* (*Applicable to investors holding Shares in dematerialized form)
4. Number of share(s) held
5. EVSN (E-Voting Sequence Number) 170429001

I/We hereby exercise my/our votes in respect of the Special Resolution set out in the Notice dated 22nd April, 2017 as set out below to be passed by means of Postal Ballot by sending my/our assent or dissent to the said resolutions by placing the (✓) mark at the appropriate box below (tick in both boxes for the same resolution, will render the ballot invalid):

Sr. No.	Description	Type of Resolution	No. of Shares	(For) I/WE assent to the Resolution	(Against) I/WE dissent to the Resolution
(1)	Special Resolution u/s 180 (1) (c) of the Companies Act 2013 for increasing the borrowing limits of the Company upto ₹ 750 Crores.	Special			
(2)	Special Resolution to approve the Gravita Stock Appreciation Rights Scheme 2017 for the benefit of the employees of the Company.	Special			
(3)	Special Resolution to approve the Gravita Stock Appreciation Rights Scheme 2017 for the benefit of the employees of the Subsidiary Company (ies).	Special			
(4)	Special Resolution to authorize the Gravita Employee Welfare Trust for secondary acquisition for implementation of Gravita Stock Appreciation Rights Scheme 2017.	Special			
(5)	Special Resolution to provide funds of Gravita Employee Welfare Trust for purchase of shares of the Company for implementation of Gravita Stock Appreciation Rights Scheme 2017.	Special			
(6)	Special Resolution pursuant to regulation 31A of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for reclassification Mr. Rajeev Surana from Promoter to Public Category	Special			

Email ID: _____

Place: _____

Date: _____

Signature of the Member

NOTE:

1. Please read the instructions printed overleaf before exercising your vote.
2. Last day for the receipt of Postal Ballot Forms by the Scrutinizer is Friday, 2nd June, 2017.

Regd. Office: "Saurabh", Chittora Road, Harsulia Mod, Diggi-Malpura, Tehsil Phagi, Jaipur – 303 904

INSTRUCTIONS

1. A member desirous of exercising vote by Postal Ballot should complete the Postal Ballot Form in all respect and send it after signature to the Scrutinizer in the attached self-address postage pre-paid envelope which shall be properly sealed with adhesive tape. However, envelopes containing Postal Ballot Form, if send by courier at the expense of the Member but using the postage pre-paid envelope will also be accepted.
2. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company.
3. The Postal Ballot Form should be signed by the Member as per specimen signature registered with Company/ Depository Participant. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of the member may vote on the Postal Ballot mentioning the registration No. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
4. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (05.00 P.M.) on Friday, 2nd June, 2017. Postal Ballot Forms received after that date will be strictly treated as if the reply from such member has not been received. The members are requested to send the duly completed Postal Ballot Form well before Friday, 2nd June, 2017 providing sufficient time for postal transit.
5. The voting will be reckoned in proportion to Member's shares of the paid up equity share capital of the Company as on Friday, 28th April, 2017.
6. In case of shares held by Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by certified copy of Board Resolution/ Authority and preferably with the attested specimen signature(s) of the duly authorised signatory(s) giving requisite authority to the person on the Postal Ballot Form.
7. Members are requested not to send any paper (other than the resolution /authority as mentioned under item Nos. 3&6 above) along with the postal ballot form in the enclosed self-addressed postage pre-paid envelopes as all such envelopes will be sent to the scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed by the scrutinizer.
8. The exercise of vote by Postal Ballot is not permitted through proxy.
9. There will be one Postal Ballot form for each folio/ client ID irrespective of the number of Joint Member(s).
10. Incomplete, improperly or incorrectly tick marked Postal Ballot Forms will be rejected.
11. Members from whom no postal ballot is received or received after the aforesaid stipulated period shall not be counted for the purpose of passing of the resolution.
12. The scrutinizer's decision on the validity of a Postal Ballot shall be final.
13. The result of the voting on the resolutions will be declared at the Corporate Office of the company on Saturday, 3rd June, 2017 at 5.00 P.M. The results will be informed to the stock exchanges and hosted on the company's website www.gravitaindia.com on the very day itself.
- 14. The Company is pleased to offer e-voting facility as an alternative for all the shareholders of the company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional. The detailed procedure of e-voting is enumerated in the Postal Ballot Notice.**
15. Members can opt for only one mode of voting i.e. either by Postal Ballot or through e-voting. In case you are opting for voting by Postal ballot, then please do not cast your vote by e-voting and vice-versa. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and votes cast through postal ballot form shall be considered invalid.
16. The items of businesses covered by this Postal ballot will not be transacted at any General Meeting even though Members who have not excused their franchisee through Postal Ballot might be present in person or through proxy at the meeting.
17. A Member seeking duplicate Postal Ballot Form or having any query pertaining to the resolutions proposed to be passed by Postal Ballot or the Postal Ballot process can write to The Company Secretary, Gravita India Limited, 402, Gravita Tower, A-27-B, Shanti Path, Tilak Nagar, Jaipur-302004 or to the E-mail ID : companysecretary@gravitaindia.com Tel No. : +91-141-4057800, Fax No. : +91-141-2621491. Duly completed and signed Duplicated Postal Ballot Forms should, however, reach the Scrutinizer not later than the closing of working hours (05.00 P.M.) on Friday, 2nd June, 2017.