

GRAVITY (INDIA) LIMITED



24th Annual Report 2010-2011

Regd. Office : Gala No.131, Sanjay Bldg. No. 5-B, Mittal Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059. India
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GRAVITY (INDIA) LIMITED

TWENTY FOURTH ANNUAL REPORT 2010-2011

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ANNUAL GENERAL MEETING

On Friday, 30th September, 2011 at Gala No.131,
Sanjay Bldg. No.5-B, Mittal Ind. Estate,
Andheri Kurla Road, Andheri (East),
Mumbai - 400 059 at 3.00 p.m.

As a measure of economy, copies of the Annual Report
will not be distributed at the Annual General Meeting.
Shareholders are requested to kindly bring their copies
to the meeting.

COMPANY'S REGISTRARS AND TRANSFER AGENTS

UNIVERSAL CAPITAL SECURITIES PVT. LTD.

(Formerly known as Mondkar Computers Pvt. Ltd.)

(Unit: GRAVITY (INDIA) LIMITED)

21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai – 400 093.

BOARD OF DIRECTORS

Shri Rasiklal D. Thakkar
(Chairman/Managing Director)
Smt. Dakshaben R. Thakkar
Mrs. Prabhavati Shetty
Mr. Vipul Kumar N. Prajapati

COMPANY SECRETARY

Shri. Navin Choudhary

AUDITORS

J. C. Kabra & Associates
Chartered Accountants
Mumbai

BANKERS

Bank of Baroda

REGISTERED OFFICE

Gala No.131, Sanjay Bldg. No. 5-B,
Mittal Industrial Estate, Andheri-Kurla Road,
Andheri (East), Mumbai - 400 059. India.

MANUFACTURING FACILITIES

- i) Survey No.10/1, Village Khutali,
Khanvel, Dudhani Road, Silvassa,
Union Territory of Dadra and Nagar Haveli.
- ii) Plot No: 42, Govt. Industrial Estate,
Masat, Silvassa,
Union Territory of Dadra and Nagar Haveli.

NOTICE is hereby given that the **Twenty Fourth** Annual General Meeting of Gravity (India) Limited will be held at the Registered Office of the Company situated at Unit No: 131, 1st Floor, Sanjay Building No.5-B, Mittal Industrial Estate, Sir Mathuradas VasANJI Road, Andheri (East), Mumbai – 400 059, India, on Friday, 30th September, 2011 at 3.00 p.m to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2011, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Prabhavati Shetty, who retires by rotation, and being eligible, offers herself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution: ALTERATION IN THE ARTICLES OF ASSOCIATION**

“**RESOLVED THAT**, pursuant to the provisions of Section 31 of the Companies Act, 1956 read with the Section 53 of the Companies Act, 1956 in consonance with Section 2, 4, 5 and 81 of the Information Technology Act, 2000 and the Circular No. 17/2011 and 18/2011 issued by the Ministry of Corporate Affairs and other provisions of Sections, Rules, Regulations issued by any Statutory Authority, thereof, the Article No. 148 of the Articles of Association of the Company, be and is hereby altered to insert the following clause 148 (3) after the existing Clause 148 (2) in the Articles of Association:

148 (3): Where the Circulars, Notifications, Rules issued by the Ministry of Corporate Affairs and the provisions of the Companies Act, 1956 read with the Information Technology Act, 2000 provide for the company to issue and serve notices, including copies of the Balance Sheet, Auditors Report, Notice and Directors Report under Section 219 and any other document through the electronic mode, subject to the terms and conditions as specified by the Ministry of Corporate Affairs or any Statutory Authority in this regard, the Company shall have the option of sending the documents/ notices by e-mail by giving the members the advance opportunity to register their e-mail address and the changes therein with the company from time to time.

FURTHER RESOLVED THAT, the Board of Directors, be and are hereby authorized to make the necessary alterations in the Articles of Association, and set up such facility and mechanism for registering the email address with the Company or with the Registrar & Transfer Agent, as may be necessary, for the purpose of compliance with the relevant circulars and notifications issued by the Ministry of Corporate Affairs, in this regard and to delegate this authority to such other person or persons as may be deemed necessary for the successful implementation of the electronic mode of service of documents and to ensure the necessary compliance.”

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and a proxy need not be a member of the Company. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The Explanatory Statement as required u/s Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of the notice.
3. The Register of Members and Transfer Books of the Company will be closed from Friday, the 23rd September, 2011 to Friday, the 30th September, 2011 (both days inclusive).
4. Members are requested to send their queries, if any, at least seven days in advance of the Meeting so that the information can be made available at the Meeting.
5. Members/proxies should bring with them the Attendance Card, which may be submitted at the entrance, duly signed.
6. Members are requested to immediately notify any change in their addresses to the Company's Registrars and Share Transfer Agents:

UNIVERSAL CAPITAL SECURITIES PVT. LTD.

(Formerly known as Mondkar Computers Pvt. Ltd.)

(Unit: **GRAVITY (INDIA) LIMITED**)

21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai – 400 093.

Tel. : 28207201

7. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Registrar and Share Transfer Agents of the Company enclosing their Share Certificates to enable them to consolidate their share holding in one folio.
8. Securities and Exchange Board of India (SEBI) has mandated that delivery of shares of your Company shall be compulsorily in the de-materialized form for all investors with effect from 28th August 2000. The ISIN No. is INE995A01013.
9. At the ensuing Annual General Meeting, Mrs. Prabhavati Shetty retires by rotation and being eligible, offers herself for re-appointment. Pursuant to clause 49 (VI) (A) of the Listing Agreement the particulars of Mrs. Prabhavati Shetty is given below:

By Order of the Board of Directors
For GRAVITY (INDIA) LIMITED

Mr. Navin Chudhari
Company Secretary

Place: Mumbai
Date: 18th August, 2011

**Details of the Directors seeking re-appointment at the 24th Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement)**

Name of the Director	Mrs. Prabhavati Shetty
Date of Birth	24/03/1975
Date of Appointment	5/7/2004
Qualifications	B. Com.
Expertise	Finance
Directorship in other Companies	Nil
Committee Positions in Gravity (India) Limited	Audit Committee – Chairperson Remuneration Committee – Chairperson
Committee Positions in other Public Limited Companies	Nil
Relation between Directors	None
Number of Shares held in Gravity (India) Limited	Nil

By Order of the Board of Directors
For GRAVITY (INDIA) LIMITED

Place: Mumbai
Date: 18th August, 2011

Mr. Navin Choudhary
Company Secretary

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

ITEM NO. 4: ALTERATION IN ARTICLES OF ASSOCIATION:

The Ministry of Corporate Affairs (MCA) has recently adopted a green initiative in corporate governance. Pursuant to the provisions of Sections 2, 4, 5 and 81 of the Information Technology Act, 2000 along with the discontinuation of the "Certificate of Posting" by the Department of Posts, the MCA has vide it's Circular No. 17/2011 and 18/2011 permitted all companies to issue notices/ serve documents to its Members in the electronic mode on the e-mail addresses of the Members, as registered with the company.

The MCA states the following conditions to be fulfilled by the Company, in order to validate the service of notice/ documents in the electronic mode:

- Grant of advance opportunity to members to register and change their e-mail id with the company from time to time;
- Complete display of documents on company website and the advertisement of such to be issued in Advertisement;
- In case any member has not registered his mail id, procedure specified u/s 53 to be followed for sending documents;
- Physical copies to be made available to members insisting for the same.

As a good Corporate Governance and Environment friendly method, your company has decided to initiate the procedure for issuing Reports/ Notices and servicing of other documents to its Members through electronic mode.

Members are requested to follow the procedure stated in the "Green Initiative in Corporate Governance- Save paper" stated at the end of the Annual Report circulated to them and send the same to the Company/ Registrar and Transfer Agent for the purpose of availing this facility.

The said resolution is recommended by the Board of Directors of the company for the approval of the members as a Special resolution.

None of the Directors of the Company are interested in the resolution.

**By Order of the Board of Directors
For GRAVITY (INDIA) LIMITED**

**Mr. Navin Choudhary
Company Secretary**

Place: Mumbai

Date: 18th August, 2011

DIRECTORS' REPORT

To,
The Members,
GRAVITY (INDIA) LIMITED

Your Directors have pleasure in presenting their Twenty Fourth Report and Audited Accounts of the Company for the year ended 31st March, 2011

1. FINANCIAL RESULTS:

	(Rupees in lakhs)	
FINANCIAL RESULTS	2010-2011	2009-2010
Income from operations and Other Income	3583.87	3651.58
Profit before Interest & Depreciation	69.23	81.48
Less: Interest paid	0.63	2.25
Less: Depreciation	53.84	55.40
Profit after Interest & Depreciation	14.76	23.83
Less: Provision for taxation	5.30	00.51
Profit after taxation	9.46	24.35
Add: Balance brought forward	86.15	66.09
Profit available for appropriation	95.52	90.44
Provision Reversed	(0.40)	4.29
Balance carried forward	96.01	86.14
Total Appropriation	95.52	90.44

2. SHARE CAPITAL

The Authorised Share Capital of the Company is divided into 150 Lacs Equity Shares of Rs.10/- each, aggregating to Rs.15 Crore. The Issued, Subscribed and Paid up Capital is Rs.90,019,500 (Nine Crores Nineteen Thousand Five Hundred only) divided into 9,001,950 Equity Shares of Rs. 10/- each as on 31st March 2011.

3. RESERVES:

Reserves & Surplus were Rs. 292.83 Lacs at the end of the financial year. During the year, the Company has not transferred any amount to General Reserve.

4. OPERATIONS:

During the year under review, the sales turnover of the Company is Rs. 3574.07. The net profit of the company for the year to Rs. 9.46 lacs.

5. DIVIDEND:

As the profits are not adequate, the Company has not declared any dividend for the year under review.

6. DIRECTORS:

Mrs. Prabhavati Shetty retires by rotation and being eligible, offers herself for re-appointment. The Board recommends

the reappointment of Mrs. Prabhavati Shetty as Director of the Company. There were no other changes in the constitution of the Board of Directors during the year under review.

7. FIXED DEPOSITS:

The Company has not accepted any fixed deposits during the financial year.

8. LISTING OF COMPANY'S SHARES:

Your Company's Equity Shares continue to be listed on The Stock Exchange, Mumbai in the Indo Next(S) Group. The annual listing fee for the year 2011-2012 has been paid to The Stock Exchange, Mumbai.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state & confirm that:

i. In preparation of the annual accounts, the applicable accounting standards had been followed, along with a proper explanation relating to material departures.

ii. Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year.

iii. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. Your Directors have prepared the annual accounts on a going concern basis.

10. AUDITORS:

M/s. J C Kabra & Associates, Chartered Accountants, Mumbai who are the Auditors of the Company and hold office until the conclusion of the forthcoming Annual General Meeting, are recommended for re-appointment.

11. AUDITOR'S REPORT

Observations made in the Auditor's Report are self explanatory & therefore do no call for any further comments under Section 217(3) of the Companies Act, 1956.

12. CORPORATE GOVERNANCE:

A separate section on Corporate Governance is included in the Annual Report as Annexure I. and forms a part of this Report

The certificate from the Company's Auditors confirming the compliance of conditions of Corporate Governance as stipulated in the clause 49 of the listing agreement with the Stock Exchanges is annexed thereto.

13. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report as required under the Listing Agreement with the stock exchange is annexed as Annexure II forming part of this report.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

(a) CONSERVATION OF ENERGY:

During the year under review, your Company has taken necessary steps to conserve the energy and improve the efficiency of machines. Your Company has also taken steps like reduction in daily A.C. running time, switching off lights and air conditioning during lunch breaks, to conserve energy.

(b) TECHNOLOGY ABSORPTION:

Your Company has advanced machines like Sulzer and hence no updates were undertaken during the year under review.

(c) FOREIGN EXCHANGE:

As your Company has no offices abroad nor does it have any business activities outside India, there were no foreign exchange earnings or outflow, during the year under review.

15. PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A):

There are no employees whose particulars are required to be shown in terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with and the rules framed there under.

16. EMPLOYEE RELATIONS:

Relations with the employees remained cordial. The Directors wish to place on record their appreciation for the co-operation received from the employees at all levels.

17. ACKNOWLEDGEMENTS:

The Directors wish to express their gratitude to the shareholders, bankers, customers & vendor's for the confidence reposed in the company's management. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

For and on behalf of the Board of Directors

(Rasiklal D. Thakkar)

Chairman & Managing Director

Place: Mumbai

Date: 18th August, 2011

ANNEXURE – I TO THE DIRECTORS' REPORT **CORPORATE GOVERNANCE REPORT**

Corporate Governance is the set of policies, processes and practices by which a company conducts its affairs in pursuit of its business goals. It encompasses everyone connected or affected by the activities of the corporation from the board room to senior management to employees to all other stake holders which includes shareholders, lenders, suppliers and customers. In fact good governance practices or their lack can have an impact on even the environment and community at large.

Corporate Governance, though multi faceted, rests on the following main pillars:

1. Transparency
2. Accountability
3. Fair and equal treatment of all shareholders
4. Compliance with regulations
5. Sustainable value creation for all shareholders
6. Ethical practices

In this background the Board of Directors and the senior management have a special responsibility to ensure that the principles of Corporate Governance such as transparency, accountability, discharge of fiduciary duties, compliance requirements and above all, shareholder interest are always at the centre of the company's activities.

Company's Governance framework is based on the following main principles:

1. Constitution of a Board of Directors of appropriate composition, size and commitment to discharge their responsibilities and duties.
2. Ensuring timely flow of information to the Board and its Committees to enable them discharge their functions effectively.
3. Independent verification and safeguarding integrity of the Company's financial reporting.
4. A sound system of risk management and internal control.
5. Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
6. Transparency and accountability.
7. Compliance with all the rules and regulations.
8. Fair and equitable treatment of all its stakeholders including employees, customers, shareholders and investors.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India (Clause 49) and the best practices followed internationally on corporate governance, the details of governance systems and processes are as under:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your company has complied with all corporate Governance requirements stipulated under clause 49 of the Listing Agreement. The company is committed to the consistent adherence to the said corporate governance code to maintain a greater degree of responsibility & accountability.

Your Company's philosophy on corporate governance envisages the attainment of highest level of transparency in accountability and equity in all facets of its operation and in all its interactions with its shareholders / employees, government and lenders.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value over a sustained period of time.

2. **BOARD OF DIRECTORS:**

The Board of Directors consists of following four Directors.

Mr. Rasiklal D. Thakkar	Chairman & Managing Director, Promoter, Executive
Mrs. Dakshaben R. Thakkar	Promoter, Non-Executive
Mr. Vipul Kumar Narottam Prajapati	Non-executive, Independent
Mrs. Prabhavati Shetty	Non-Executive, Independent

3. **BOARD MEETINGS, COMMITTEE MEETINGS & PROCEDURES:**

A. **Institutional Decision Making Process:**

With a view to institutionalize all corporate affairs & set up systems & procedures for advance planning for matters requiring discussions/decisions by the board, the company has defined guidelines for the meetings of the Board & committees thereof. These guidelines seek to systemize the decision making process at the meetings of the Board/Committee in an informed & efficient manner.

B. **Scheduling & Selection of Agenda items for Board Meetings**

- (i) Minimum board Meetings are held in each year, which are pre-scheduled. Apart from the four pre-scheduled Board meetings, additional notices to address the specific needs of the company are also sent and in case of business exigencies or urgency of matters, resolutions are passed by circulation.
- (ii) The meetings are normally held at the company's registered office at Unit No: 131, 1st Floor, Sanjay Building No. 5-B, Mittal Industrial Estate, Sir Mathuradas VasANJI Road, Andheri (East), Mumbai – 400 059.
- (iii) All departments of the company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions/approval/decision at the Board/committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the board/Committee meetings.
- (iv) The Board is given presentations covering Industry Environment, Project Implementations, Project Financing & Operations of the Company, before taking on record the status of project implementations for the preceding quarter at each of the pre-scheduled Board Meetings.
 - Business plans, Capital Budgets & any updates.
 - Quarterly financial statement & status of project implementation & expected date of commissioning of the project.
 - Minutes of the meetings of the Audit committee & other committees of the Board, as also abstracts of resolutions passed by circulation, if any.
 - Quarterly summary of all long term borrowings made, bank guarantees issued, loans & investments made.
 - Status of business risk exposures, its management & related action plans.
 - Making loans & investments of surplus funds.
 - General notices of interest of Directors.
 - Terms of reference of Board Committee.
- (v) The Chairman of the Board & the Compliance Officer in consultation with other concerned team members of the senior management, finalise the agenda papers for the Board Meetings for the Board Meetings.

C Board Material distributed in advance

- (a) Agenda & notes on Agenda are circulated to the Directors, in advance, in the defined Agenda papers for facilitating meaningful & focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the Agenda.
- (b) In Special & exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance.

D Recording minutes of proceedings at Board & Committee Meetings

The Company Secretary records the minutes of the proceedings of each Board & committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The finalised minutes of proceedings of a meeting are entered in the minutes book within 30 days from the conclusion of that meeting.

E Post Meeting follow-up Mechanism

The guidelines for Board & Committee meetings facilitate an effective post meeting follow-up, review & reporting process for the decisions taken by the Board & Committees thereof. Action taken report on the decisions / minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board /Committee for noting by the Board/Committee.

F Compliance:

The Compliance Officer while preparing the agenda, notes on agenda, minutes etc. of the meeting(s), is responsible for & is required to ensure adherence to all the applicable laws & regulations including the companies act, 1956 read with the rules issued there under & to the extent feasible, the secretarial standards recommended by the Institute of Company Secretaries of India, New Delhi.

4. COMPOSITION AND CATEGORY OF DIRECTORS:

The particulars of Directors their attendance at the Board Meetings, Annual General Meeting during the financial year 2010-2011 and also other directorships. as at 31st March, 2011 are as under:

Name of Director	Category	No. of other directorship and Committee Membership/Chairmanship			
		Public Co.	private Co.	Committee Chairmanship	Committee Membership
Mr. Rasiklal D. Thakkar	Promoter Executive	1	2	1	1
Mrs. Dakshaben R. Thakkar	Promoter Non Executive	1	2	1	3
Mrs. Prabhavati Shetty	Non-Executive Independent	--	--	2	-
Mr. Vipul Kumar Prajapati	Non-Executive Independent	--	--	--	3

During the year 2010-2011 the Board met five times on the following dates:
30/04/2010, 30/07/2010, 18/08/2010, 29/10/2010 and 31/01/2011

The Last Annual General Meeting was held on 24th September, 2010.

The attendance of the Directors of the Company at the Board meetings & Annual General Meeting are as follows:

Name of the Director	No. of meeting		Attended last AGM
	Held	Attended	
Mr. Rasiklal D. Thakkar	5	5	Yes
Mrs. Dakshaben R. Thakkar	5	5	Yes
Mrs. Prabhavati Shetty	5	5	No
Mr. Vipul Kumar Prajapati	5	5	Yes

5. AUDIT COMMITTEE:

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The terms of reference/powers of the Audit Committee has been specified by the Board of Directors as under:

A. The Audit Committee shall have the following powers:-

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. The role of the Audit Committee shall include the following:

- 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 auditors and the fixation of the audit fees.
- Approval of payment to the 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:
 1. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 2. Changes, if any, in accounting policies and practices and reasons for the same.
 3. Major accounting entries involving estimates based on the exercise of judgment by the management.
 4. Significant adjustments made in the financial statements arising out of audit findings.
 5. Compliance with listing and other legal requirements relating to financial statements.
 6. Disclosure of related party transactions, if any. Qualifications in the draft audit report.
 7. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 8. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.

9. 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 audits.
10. Discussion with internal auditors regarding any significant findings and follow up thereon.
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
12. Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
13. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
14. To reviews the functioning of the Whistle Blower mechanism, if and when introduced.
15. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and / or other Committee(s) of Directors of the Company.

C. Information for Review:

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as may be defined by the audit committee), submitted by management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. Appointment, removal and terms of remuneration of the Chief Internal Auditor.
6. Uses / application of funds raised through public issues, rights issues, preferential issues, etc.
7. The Annexure and Proforma of the Cost Audit Reports before submission to the Board for approval

Terms of reference

The terms of reference of this committee are in line with the norms specified under the listing agreement with the Stock Exchange.

- a) Overseeing the company's financial reporting process & the disclosure of its financial information to ensure that the financial statement is correct, sufficient & credible.
- b) Recommending the appointment & removal of external auditor, fixation & audit fee & also approval for payment for any other services.

Composition of Audit Committee

The Committee comprises of three Directors. Mrs. Prabhavati Shetty, Independent and Non Executive Director, is the Chairperson. of the Committee. The other two members are Mrs. Dakshaben R. Thakkar, Promoter and Non Executive Director and Mr. Vipul Kumar Prajapati, Independent and Non Executive Director.

Attendance during the year

The Committee meetings were held during the year on 30/04/2010, 30/07/2010, 18/08/2010, 29/10/2010 and 31/01/2011.

The attendance of each member of the Committee is given below:

Director	Number of Audit Committee Meetings	
	Held	Attended
Mrs. Prabhavati Shetty	5	5
Mrs. Dakshaben R. Thakkar	5	5
Mr. Vipul Kumar Narottam Prajapati	5	5

6. REMUNERATION COMMITTEE:**A) Terms of reference**

The Remuneration Committee determines the company's policy on specific remuneration packages for Whole-time Directors/Managing Directors including pension rights & any other compensation related matters & issues within the framework of the provisions & enactments governing the same.

B) Composition of the Remuneration Committee

The Committee consists of three members. Mrs. Prabhavati Shetty, Independent and Non Executive Director, is the Chairperson of the Committee. The other two members are Mrs. Dakshaben R. Thakkar, Promoter and Non Executive Director and Mr. Vipul Kumar Prajapati, Independent and Non Executive Director.

C) Attendance during the year:

One meeting of the Remuneration Committee was held during the year under review on 18/08/2010. The attendance of each member of the Committee is as follows –

Director	Number of Remuneration Committee Meetings	
	Held	Attended
Mrs. Prabhavati Shetty	1	1
Mrs. Dakshaben R. Thakkar	1	1
Mr. Vipul Kumar Narottam Prajapati	1	1

D) Remuneration Policy and details of remuneration paid to the Directors during the year under review:**Executive Director:**

The aggregate value of salary and perquisite paid for the year ended 31st March, 2011 to the Chairman & Managing Director are within the limits prescribed under the Companies Act, 1956. No sitting fees are paid for attending the Board Meetings of the Company. Mr. Rasiklal Thakkar, the Chairman and Managing Director of the Company is paid a consolidated amount of Rs. 70,000/- p.m. He was reappointed as Managing Director w.e.f. 1st April 2010 for a period of five years.

Non-Executive Directors:

No. salary/commission is paid to Non Executive Directors for the financial year 2010-2011. Independent Non-Executive directors are paid sitting fees of Rs. 2000/- for every Board Meeting attended. Sitting fees paid to the Independent Non Executive Directors for the year under review are listed as below:

Name of Independent Non Executive Director	Sitting fees paid (Rs.) for attending Board meetings
Mrs. Prabhavati Shetty	10,000/-
Mr. Vipul Kumar Narottam Prajapati	10,000/-

7. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

Pursuant to clause 49 of the Listing Agreement the Board has constituted a Shareholders' / Investors' Grievance Committee comprising of three members. Mrs. Dakshaben R. Thakkar is the Chairperson of the Committee. The other two members are Shri Rasiklal D. Thakkar and Mr. Vipul Kumar Prajapati.:

Attendance during the year

The Committee meetings were held during the year on 30/04/2010, 30/07/2010, 18/08/2010, 29/10/2010 and 31/01/2011

Director	Number of Shareholders'/Investors Grievance Committee Meetings	
	Held	Attended
Smt. Dakshaben R. Thakkar	5	5
Shri. Rasiklal D. Thakkar	5	5
Mr. Vipul Kumar Prajapati	5	5

8. SHARE TRANSFERS:

Mr. Rasiklal D. Thakkar, Chairman & Managing Director of the Company has been delegated the powers to approve share transfers. As on 31st March, 2011 no cases of transfers were pending.

During the year there were no complaints received from the shareholders of the Company.

9. GENERAL BODY MEETINGS:

Date and time for last three Annual General Meetings (AGM) were as follows:

Year	Time	Date	Special Resolution passed
2007-2008	4.00 p.m.	30.09.2008	No
2008-2009	4.00 p.m.	25.09.2009	No
2009-2010	5.00 p.m.	24.09.2010	No

Location for all the above AGMs were: Regd. Office: Gala No. 131, Sanjay Bldg., No. 5-B, Mittal Industrial Estate, Andheri - Kurla Road, Andheri (East), Mumbai –400 059.

10. DISCLOSURES**a.) Disclosure of materially significant related party transaction that may have potential conflict with the interest of Company at large.**

During the period there were no material transaction with any promoters, Directors & their relatives & the management had potential conflict with the interest of the company

b.) Details of non-compliance by the Company, penalties imposed on the Company by Stock Exchange or SEBI on any matter related to capital markets during the last three years.

There were no instances of levy of penalty by the Stock Exchange or SEBI due to non-compliance by the Company.

11. MEANS OF COMMUNICATION:

The Company has regularly published its quarterly, half yearly and annual results in newspapers and submitted to the Stock Exchange in accordance with the Listing Agreement's requirements.

12. GENERAL SHAREHOLDER INFORMATION:**A) Annual General Meeting:**

Date	: 30th September, 2011
Time	: 3.00 p.m.
Place	: Unit No: 131, 1st Floor, Sanjay Building No. 5-B, Mittal Industrial Estate, Sir Mathuradas VasANJI Road, Andheri (East), Mumbai – 400 059.

B) Financial Calendar

Accounting Year	: April to March
First quarter results	: Last week of July
Second quarter results	: Last week of October
Third quarter results	: Last week of January
Fourth quarter results	: Last week of April

C) Book Closure Date	: 23.09.2011 to 30.09.2011 (both days inclusive)
D) Listing on Stock Exchange	: The Stock Exchange, Mumbai (BSE)
E) Stock Code.	: 532015
F) Demat ISIN No	: INE995A01013

G) STOCK EXCHANGE PRICE DATA: HIGH / LOW DURING EACH MONTH IN LAST FINANCIAL YEAR:

(in Rs.)

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Period</u>	<u>High</u>	<u>Low</u>
April 2010	6.67	5.15	Aug 2010	5.17	4.30	Dec 2010	5.98	4.07
May 2010	6.20	4.40	Sep 2010	5.09	4.38	Jan 2011	5.45	3.86
June 2010	5.00	4.16	Oct 2010	5.55	4.38	Feb 2011	4.79	3.32
July 2010	6.29	4.60	Nov 2010	7.00	4.57	Mar 2011	5.02	3.57

H) REGISTRAR AND SHARE TRANSFER AGENTS:

For both physical and Demat (Common Registry)

Universal Capital Securities Pvt. Ltd. (Formerly known as Mondkar Computers Pvt. Ltd.) , 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093.

I) SHARE TRANSFER SYSTEM:

Presently the shares, which are received in physical form, are processed and the share certificates are returned within the period of one month of the date of receipt subject to documents being valid and complete in all respects. The securities of the Company are dematerialised to enable the shareholders to have easy and safe transfer of shares.

J) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011 IS AS UNDER:

<u>No. of shares</u>	<u>No. of Shareholders</u>	<u>% To total Shareholders</u>	<u>Holdings</u>	<u>% To total Holdings</u>
Upto 500	2649	57.574	685936	7.620
501 – 1000	920	19.996	835970	9.287
1001 – 2000	487	10.585	792772	8.807
2001 – 3000	179	3.890	477624	5.306
3001 – 4000	80	1.739	289539	3.216
4001 – 5000	91	1.978	440355	4.892
5001 – 10000	114	2.478	842187	9.356
10001 and above	81	1.760	4637567	51.517
Total	4601	100.000	9001950	100.000

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2011:

<u>Category</u>	<u>No. of Shares of Rs.10/- each</u>	<u>(%) Percentage</u>
Indian Promoters	1603095	17.81
Foreign Promoters	0	-
Persons Acting in Concert	0	-
Mutual Funds and UTI	0	-
Banks / Financial Institutions / Insurance Companies	0	-
Private Corporate Bodies	458527	05.09
Indian Public	6335448	70.37
NRIs / OCBs	452118	5.03
Others	152762	1.70
Total	9001950	100.00

K) DEMATERIALISATION OF EQUITY SHARES AND LIQUIDITY:

As on 31.03.2011 of the total equity shares issued, 97.79% were held in dematerialised form and the balance 2.21 % of shares in physical form.

L) PLANT LOCATIONS:

The Company's Plants are located at Silvassa, Union Territory of Dadra & Nagar Haveli.

M) ADDRESS FOR CORRESPONDENCE:

(I) Investor Correspondence:

For any query relating to the Shares of the Company, held in Physical form or in Demat form.

OR

(ii) For grievance redressal & any query on Annual Report.

Correspondence by the shareholders/Investors should be addressed to the Registered Office of the Company.

13) COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Auditors of the Company, M/s. J. C. Kabra & Associates, Chartered Accountants, confirming compliance of Corporate Governance as stipulated under clause 49, forms part of the Annual Report.

14) WHISTLE BLOWER MECHANISM:

The Company promotes ethical behavior in all its business activities & has put in place mechanism of reporting illegal or unethical behavior. Employees are free to report existing/probable violation of rules, laws, and regulations of unethical conduct to the immediate superior / notified persons. The reports received from any employee are reviewed by the Board. The Directors & senior management are obligated to maintain confidentiality of such reporting violation & ensure that the whistle blowers are not subjected to any discriminatory practices.

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE.

To
The Members of
Gravity (India) Limited

We have examined the compliance of conditions of corporate Governance by Gravity (India) Limited for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of Management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

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

As required by the guidance note issued by the ICAI, we have to state that no investor grievances received during the year ended 31 March 2011, were pending against the company as per records maintained by the company and presented to the investor Grievance Committee.

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

For J C KABRA & ASSOCIATES
Chartered Accountants

(CA J. D. Kabra)
Partner
Membership No. 38525

Place : Mumbai
Date : 18 August, 2011

ANNEXURE – II TO THE DIRECTOR'S REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management of Gravity (India) Limited, is pleased to present its report analyzing the Company's operations in the textile industry segment. The report contains expectations of the Company's business based on the current market environment.

1. OVERVIEW:

The Company was promoted in the year 1988. The Company's principle business comprises of manufacturing and marketing of various textile products. The year under review witnessed turn around of the Indian Textile Industry. The Board considers overall performance reasonably satisfactory and indicative of the future growth of the Company.

TEXTILES' BUSINESS:

INDUSTRY STRUCTURE & DEVELOPMENT

Textile is the largest industrial sector in India, generating a turnover approximately about 1% of GDP. It is the largest employer in manufacturing sector. The Board foresees the huge demand and vast potentiality in the near future.

2. OPPORTUNITIES & THREATS:

In the post 2006 period due to India's Labour, quality of production and raw material advantages, the textile industry has expanded.

There is a very high potential for Indian as well as international opportunities, developments and growth in overall Indian Textile Industry.

However, there is a clear threat from modern textile manufacturing units in China, Pakistan, East Europe and South America. These competitors have an edge over us in manufacturing costs, better productivity and better infrastructure facilities.

3. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE:

The business segment of the Company is Textiles. Segment wise performance together with discussion on financial performance with reference to operational performance has been in the Directors' Report, which should be treated as forming part of this Management Discussions and Analysis.

4. FUTURE OUTLOOK:

The future of the textile industry as a whole looks bright. Textile Units with low financial costs and labour costs with modern machinery will do well. Economy of size and location of the unit will also play a great role in the success of the unit.

5. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has adopted internal control system, commensurate with its size. Through the Audit committee,

your Company ensures its implementation and compliance so that assets and business interests of the Company are adequately safeguarded.

6. HUMAN RESOURCES:

Over the last few years, your Company has brought with it the need for skills and knowledge to successfully meet the requirements of different charters. Also, with the added emphasis placed on the safe operation. The training given not only covers knowledge and technical skills but also lays stress on behavioral areas, like creating a 'safety mindset', and attitude building. The Company also seeks the views of its employees for improving human relations through employee satisfaction surveys. The Company continues to have cordial relations with the employees. It recognizes the potential and performance of its employees, provides challenges and opportunities. It endeavors to upgrade knowledge, attitude and skill of the employees. The labour welfare activities are organized by the Company as an ongoing process. The Company has manpower strength of approximately 100 employees.

7. CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives and expectations may be "forward-looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 18th August, 2011

(Rasiklal D. Thakkar)
Chairman & Managing Director

AUDITORS' REPORT

To

The Members of

Gravity (India) Limited,

1. We have audited the attached Balance, Sheet of Gravity (India) Limited as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor s Report) Order, 2003, as amended by the companies (Auditor s Report) (amended) order, 2004 ("Together the order") (hereinafter referred to as the CARO 2003) issued by the Central Government of India in terms of Sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit,
 - ii) In our opinion, proper books of Account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account.
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. **except Accounting standard 9,13,15 & 16 as referred to in notes no. 3,4,5,6 in notes to accounts of schedule "19" in the absence of the information with the company, the quantum of the same could not be determined.**
 - v) Based on the representation made, the directors of the Company do not prima facie have any disqualification as on 31st March, 2011 from being appointed as a director as referred to in section 274(1)(g) of the companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said

accounts read together with Significant Accounting Policies and Notes on Accounts in Schedule 19 and 20 those appearing elsewhere in the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2011,
- b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For J C KABRA & ASSOCIATES
Chartered Accountants

(CA J.D. Kabra)

Partner

Place : Mumbai

Date : 18th August, 2011

Membership No. 38525

Firm Regi.: 115749-W

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011 OF GRAVITY (INDIA) LIMITED.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that :

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management during the year at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) During the year, there was no disposed of substantial part of fixed assets and hence the going concern of the Company is not effected,
- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has granted loans & advances unsecured, to companies, firm or other parties listed in the register maintained under section 301 of the Act.
- (b) The rate of interest and other terms and conditions of

the loans / advances were prima facie not prejudicial to the interest of the Company.

- (c) The payment of principal amount are as stipulated has been changed on some of the loans and advances.
- (d) The company has not taken any loans, therefore provision of sub clause (e) (f) and (g) of clause 4(iii) of the CARO 2003 are not applicable of the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit, no major weakness has been noticed in these internal controls.
- (v) In respect of transaction covered under section 301 of the Act,
 - (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transaction that need to be entered into the register maintained under section 301 of the Act have been so entered.
 - (b) In our opinion and according to the information and explanation given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rs. 5 Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accept e any deposit from the public.
- (vii) The company has no internal audit system, however, as explained to us the company has an internal check system commensurate with its size and nature of its business.
- (viii) The Company, in our opinion and according to the information and explanations given to us, is not required to maintain accounts and records as prescribed by the central government under section 209(1)(d) of the Companies Act, 1956.
- (ix) In respect of statutory dues, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, , Income-tax, Sales tax, Custom Duty, Excise Duty, Cess and other material Statutory Dues applicable to it (Except see Note 10 in notes to accounts of schedule : 19) There were no arrears at 31st March, 2011 for a period of more than six months from the date they became payable.
- (x) The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses, both, in the financial year under report and the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company (Refer, notes no. 6 in notes to accounts of schedule "19") has not defaulted in repayment of any dues to a financial institution or bank, However secured loan from The Madhavpura

Mercantile Co-operative Bank Ltd., as informed to us, the Company had not provided interest on aforesaid loan in the accounts. In absence of the information with the Company, the quantum of the same could not be determined. The company has at no time issued any debenture.

- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a Nidhi mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the (CARO 2003) are not applicable to the company.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading (except for investments purposes) in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the (CARO 2003) are not applicable to the Company. All the investments are held by the Company in its own name.
- (xv) The Company, according to the information and explanations given to us, has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) On the basis of the records examined by us, and relying on the information complied by the company for co-relating the funds raised to the end use of the term loans, we have to state that, the company has, prima-facie, applied the term loan for the purpose for which (they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except long term working capital.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, the Company has not issued any secured debentures. Accordingly, the provisions of clause 4 (xix) of the (CARO 2003) are not applicable to the Company.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) According to the information and explanation given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the company during the course of our audit.

For J C KABRA & ASSOCIATES
Chartered Accountants

(CA J.D. Kabra)
Partner

Place : Mumbai
Date : 18th August, 2011

Membership No. 38525
Firm Regi.: 115749-W

GRAVITY (INDIA) LIMITEDGRAVITY (INDIA) LIMITED
ABRIDGED BALANCE SHEET AS AT 31ST MARCH 2011

(Amt in Rs.)

PARTICULARS	SCHEDULE	As at 31ST MARCH, 2011		As at 31ST MARCH, 2010	
SOURCES OF FUNDS					
Shareholder's Funds					
Share Capital	1	90,019,500		90,019,500	
Reserve and Surplus	2	29,274,083	119,293,583	28,297,004	118,316,504
Loan Funds					
Secured Loans	3	89,755,605		98,517,811	
			89,755,605		98,517,811
Deferred Tax Liability					
Total			-		803,783
			<u>209,049,188</u>		<u>217,638,098</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	4	127,519,082		127,497,882	
<u>Less</u> : Depreciation		66,938,529		61,554,509	
<u>Add</u> : Capital Work in Progress		2,042,605		-	
Net Block			62,623,158		65,943,373
Investments	5		6,21,003		621,003
Current Assets Loans and Advances					
Inventories	6	12,916,273		10,556,000	
Sundry Debtors	7	237,358,816		146,484,901	
Cash and Bank Balances	8	4,089,835		4,788,371	
Loans and Advances	9	4,479,763		14,407,122	
		258,844,687		176,236,394	
Less :					
Current Liabilities and Provisions					
Liabilities	10	110,286,172		21,677,672	
Provisions	11	2,976,110		3,660,000	
		113,262,282		25,337,672	
Net Current Assets			145,582,405		150,898,722
Deffered Tax Assets			82,622		-
Miscellaneous Expenditure	12		140,000		175,000
(To the extent not written off or adjusted)					
Total			<u>209,049,188</u>		<u>217,638,098</u>
SIGNIFICANT ACCOUNTING POLICIES	18				
NOTES TO THE ACCOUNTS	19				

As per our Attached report of even date
For (J C KABRA & ASSOCIATES)
Chartered Accountants

For Gravity (India) Limited

(CA J. D. Kabra)
Partner
Membership No. 38525(R.D. Thakkar)
Chairman and
Managing Director(D. R.Thakkar)
DirectorMumbai, 18th August, 2011

Company Secretary

ABRIDGED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Amt in Rs.)

Statement containing salient features of Profit & Loss Account as per Section 219(1)(b)(iv) of the Companies Act, 1956

PARTICULARS	SCHEDULE	As at	
		31ST MARCH, 2011	31ST MARCH, 2010
INCOME			
Income from Operations		357,406,834	364,313,910
Other Income	13	980,069	844,044
		358,386,903	365,157,954
EXPENDITURE			
Material Cost	14	331,563,360	339,309,460
Employees' Remuneration & Benefits	15	10,334,394	9,075,820
Dyeing Charges		-	-
Manufacturing & Other Expenses	16	9,539,710	8,589,677
Interest	17	63,355	224,958
Misc. Expenditure Written off		35,000	35,000
Depreciation		5,384,020	5,539,556
		1,467,064	2,383,483
		-	-
PROFIT BEFORE TAX		1,467,064	2,383,483
Less : Provision for Current Taxation		1,416,110	750,000
Add : Deferrred Tax Assets		886,405	801,180
Less : Fringe Benifit Tax		-	-
PROFIT AFTER TAX		937,359	2,434,663
Add:-Balance Brought Forward Previous Year		8,614,847	6,609,516
SURPLUS AVAILABLE FOR APPROPRIATION		9,552,206	9,044,179
APPROPRIATIONS:			
General Reserve		-	-
Provision / Advance Tax Reversed		(39,719)	429,332
Balance Carried to Balance Sheet		9,591,925	8,614,847
		9,552,206	9,044,179
Basic & Diluted Earning per Share Of Rs.10/- Each		0.10	0.27
Aggregate Number of Share used		9,001,950	9,001,950
SIGNIFICANT ACCOUNTING POLICIES	18		
NOTES TO THE ACCOUNTS	19		

As per our Attached report of even date
For J C KABRA & ASSOCIATES
Chartered Accountants

(CA J. D. Kabra)
Partner
Membership No. 38525

Mumbai, 18th August, 2011

For Gravity (India) Limited

(R.D. Thakkar)
Chairman and
Managing Director

(D. R.Thakkar)
Director

Company Secretary

GRAVITY (INDIA) LIMITED**GRAVITY (INDIA) LIMITED
SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011****(Amt in Rs.)**

PARTICULARS	As at 31ST MARCH, 2011	As at 31ST MARCH, 2010
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
1,50,00,000 Equity shares of Rs. 10/- each	<u>150,000,000</u>	<u>150,000,000</u>
ISSUED,SUBSCRIBED AND PAID-UP		
90,01,950 Equity Shares of Rs.10/-each fully paid-up (Previous Year : 9001950 Equity Shares) of the above :-	<u>90,019,500</u>	<u>90,019,500</u>
(I) 1,18,500 Equity Shares of Rs. 10/- each issued as fully paid up for a consideration otherwise in cash		
(ii) 8,81,500 Equity Shares of Rs. 10/- each issued for for cash at par.		
(iii)50,01,300 Equity Shares of Rs. 10/- each issued for cash at premium of Rs. 5/- per share.		
(iv)30,00,650 Equity Shares of Rs. 10/- each issued as Bonus Shares.		
SCHEDULE 2 : RESERVES AND SURPLUS		
GENERAL RESERVE		
As per last balance sheet	19,682,158	19,682,158
Add : Transfer from Profit & Loss Account	- 19,682,158	- 19,682,158
PROFIT AND LOSS ACCOUNT BALANCE	<u>9,591,925</u>	<u>8,614,846</u>
Total	<u>29,274,083</u>	<u>28,297,004</u>
SCHEDULE 3 : SECURED LOANS		
A. Industrial Hypothecation Loan From :-	89,726,793	98,126,793
The Madhavpura Mercantile Co-op. Bank Ltd., Mumbai, under Industrial Hypothecation Limit for Working capital and other requirements of the company. Secured by second equitable Mortgage of immovable properties of the company and second charge on Stocks and Book Debts of the Company. [See note no: 6 . Schedule "19 "]		
B. Vechicle Loans From ; -	28,812	391,018
(I) HDFC Bank Ltd. (Secured by Motor Vehicles)		
Total	<u>89,755,605</u>	<u>98,517,811</u>

PARTICULARS

**As at
31ST MARCH ,2011**

**As at
31ST MARCH, 2010**

SCHEDULE 4 : FIXED ASSETS

(Amt in Rs.)

Description of Assets	Gross Block			Depreciation			Net Block			
	as at 31/3/10	Additions During the Year	Deduction	as at 31/3/11	as on 31/3/10	Additions During the Year	Deduction	as on 31/3/11	as at 31/3/11	as at 31/3/10
Leasehold Land	1,065,936	-	-	1,065,936	-	-	-	-	1,065,936	1,065,936
Freehold Land	482,101	-	-	482,101	-	-	-	-	482,101	482,101
Building	35,787,187	-	-	35,787,187	11,403,871	1,091,189	-	12,495,060	23,292,127	24,383,316
Plant & Machinery	82,844,960	-	-	82,844,960	45,398,846	3,772,203	-	49,171,049	33,673,911	37,446,114
Furniture & Fixtures	1,283,972	-	-	1,283,972	848,736	81,272	-	930,008	353,964	435,236
Vehicles	4,763,356	-	-	4,763,356	3,016,172	392,736	-	3,408,908	1,354,448	1,747,184
Office Equipments	1,270,370	21,200	-	1,291,570	886,884	46,620	-	933,504	358,066	383,486
Total	127,497,882	21,200	-	127,519,082	61,554,509	5,384,020	-	66,938,529	60,580,553	65,943,373
Capital - WIP									2,042,605	
Total for Previous Yr.	126,948,453	1,275,520	726,091	127,497,882	56,741,044	5,539,556	726,091	61,554,509	65,943,373	70,207,409

PARTICULARS

**As at
31ST MARCH, 2011**

**As at
31ST MARCH, 2010**

SCHEDULE 5 : INVESTMENTS

Quoted (At Cost)

50000 Equity Shares of Rs. 10 each in Madhur Food Products Limited

5,00,000

5,00,000

UnQuoted (At Cost)

1210 Equity Shares in Madhavpura Mercantile Co-operative Bank Ltd. of Rs. 100 each Fully paid up.

1,21,003

1,21,003

6,21,003

6,21,003

SCHEDULE 6 : INVENTORIES

(At lower of cost or net realisable value, as taken, valued & certified by the Management)

Finished Goods

12,916,273

12,916,273

10,556,000

10,556,000

SCHEDULE 7 : SUNDRY DEBTORS

(Unsecured Considered good by the Management)

Debt O/s for a period exceeding six month

161,236,497

33,853,961

Others

76,122,319

237,358,816

112,630,940

146,484,901

SCHEDULE 8 : CASH & BANK BALANCES

Cash In Hand

30,324

230,615

Balance with Scheduled Banks in

Current Account

57,861

61,481

Fixed Deposit

3,845,993

3,794,828

Cash Credit Account

155,658

4,089,835

701,448

4,788,372

GRAVITY (INDIA) LIMITED

(Amt in Rs.)

PARTICULARS	As at 31ST MARCH, 2011		As at 31ST MARCH, 2010	
<u>SCHEDULE 9 : LOANS AND ADVANCES</u>				
(Unsecured Considered good by the Management)				
Advances recoverable in cash or kind or for value to be received	927,885		10,137,821	
Income Tax	3,423,876		4,141,299	
Cenvat (Excise)	128,002		128,002	
	-	<u>4,479,763</u>	-	<u>14,407,122</u>
<u>SCHEDULE 10 : CURRENT LIABILITIES</u>				
Sundry Creditors	108,641,682		20,350,791	
Sundry Creditors (Others)	1,644,490	<u>110,286,172</u>	1,326,881	<u>21,677,672</u>
<u>SCHEDULE 11 : PROVISIONS</u>				
Provision for Income Tax	2,976,110		3,660,000	
		<u>2,976,110</u>		<u>3,660,000</u>
<u>SCHEDULE 12 : MISCELLANEOUS EXPENDITURE</u>				
Preliminary Expenses [To the extent not written off or adjusted]	175,000		210,000	
Less:- 1/10 Preliminary Exp.Written off	35,000	<u>140,000</u>	35,000	<u>175,000</u>
<u>SCHEDULE 13 : OTHER INCOME</u>				
Interest on Fixed Deposits	56,851		62,847	
Interest From Others -	63,418		88,414	
[Gross, Incl Of T.D.S. : Rs.5686.00]				
Rent [Inclusive of TDS RS. 57600.00]	576,000		576,000	
Others [Insurance Claim]	283,800	<u>980,069</u>	116,783	<u>844,044</u>
<u>SCHEDULE 14 : MATERIAL COST</u>				
Opening Stock	10,556,000		27,300,150	
Add : Purchase	333,923,633		322,565,310	
	344,479,633		349,865,460	
Less : Closing Stock	12,843,201		10,556,000	
Less : WIP	73,072	<u>331,563,360</u>	-	<u>339,309,460</u>
<u>SCHEDULE 15 : EMPLOYEE'S REMUNERATION AND BENEFITS</u>				
Salaries ,Wages and Bonus	8,948,158		7,573,944	
Remuneration to Directors	840,000		840,000	
Staff Quarter's	-		20,900	
Staff Welfare Expenses	25,171		37,616	
Providend fund	135,080		132,041	
Canteen Expenses	68,109		37,192	
Insurance Charges	317,876	<u>10,334,394</u>	434,127	<u>9,075,820</u>
<u>SCHEDULE 16 : MANUFACTURING & OTHER EXPENSES</u>				
Transport Charges		53,135		125,226
Consumable Stores		<u>2,042,977</u>		<u>1,325,531</u>

(Amt in Rs.)

PARTICULARS	As at 31ST MARCH, 2011	As at 31ST MARCH, 2010
Electricity & Fuel Charges	2,143,139	2,007,823
Sample Purchase & Development	141,238	114,026
Mending Charges & Beam Drawing Chg	945,434	676,835
Auditor's Remuneration	80,000	65,000
Brokerage	223,348	212,667
Electricity expenses	29,100	76,110
Freight & Delivery Charges	-	74,324
Insurance charges	281,981	288,481
Motor Vehicle expenses	690,715	701,557
Packing & Forwarding	-	4,290
Repairs & Maintenance		
Plant & Machinery	545,943	394,765
Factory Building	475,260	57,910
Electrical Installation	401,690	348,141
Office Equipment	3,890	14,695
Postage & Courier	61,084	75,552
Miscellaneous Expenses	1,420,777	2,026,744
Total	9,539,710	8,589,677
SCHEDULE 17 :		
INTEREST & FINANCE CHARGES		
Interest on		
Cash credit	44,128	80,859
Car Loan	16,524	76,699
Others	2,703	67,400
	63,355	224,958

SCHEDULE 18 :
SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The financial statement have been prepared to comply in all material respect with the mandatory Accounting standards issued by the Institute of Chartered Accountants of India, in accordance with Indian Generally Accepted Accounting Policies and as per the provision of the Companies Act, 1956. The financial statements are prepared as a going concern under the historical cost convention on an accrual basis.

b. Use of estimates

The preparation of financial statements requires management to make estimates and assumption that affect the reported amounts of assets and liabilities on the date of financial statements, the reported amount of revenues and expenses and the disclosures relating to contingent liabilities as on the date of financial statements. Actual results could differ from those of estimates. Any revision in accounting estimates is recognized in accordance with the respective accounting standard.

c. Revenue Recognition

- i. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- ii. Revenue from sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer under the terms of contract. Sales are after deducting sales return, claims etc.

- iii. Revenue from services is recognized on accrual basis over the period of services.
- iv. Interest income is accrued at applicable interest rates.

d. Fixed Assets and Depreciation

Fixed Assets are stated at cost of acquisition/construction less accumulated depreciation. Cost includes direct expenses as well as administrative and other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition and are allocated and capitalized as a part of the cost of the fixed assets.

Fixed Assets are depreciated on a straight-line basis at the rates specified in Schedule XIV of Companies Act, 1956. Proportionate depreciation is charged for addition / deletion during the year. Individual assets of value less than Rs.5000 are written off in the year of purchase.

e. Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date for indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of the assets exceeds its recoverable value. Any such impairment loss is recognised by charging it to the profit and loss account. An impairment loss recognized in prior accounting periods is reversed when it no longer exists and the asset is restated to that effect.

f. Investment:

- i. Investments are valued at cost of acquisition.
- ii. Investments are recorded as Long term investments unless they are expected to be sold within one year. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

g. Valuation of Inventories:

- i. Cost of inventories is inclusive of taxes or duties incurred and is determined on FIFO basis except otherwise stated.
- ii. Raw materials and Work in progress are being valued at cost or net realisable value whichever is lower.
- iii. Packing materials are being valued at cost.
- iv. Finished stocks are being valued at cost or net realisable value whichever is lower.

h. Miscellaneous Expenditure:

Miscellaneous expenditure, such as preliminary expenditure and share issue expenses are amortised over a period of 10 years.

i. Income from Investments:

Income from Investments is taken into revenue in full on declaration or on receipt and tax deducted at source thereon is treated as advance tax.

j. Provisions, Contingent Liabilities and Contingent Assets:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent Assets are neither recognized nor disclosed.

k. Employee Benefits

No provision has been made for gratuity, leave encashment and other employee benefits. They will be accounted for as and when paid. Provident fund contribution is recognized as an expense in the profit & loss account.

l. Earning Per Share:

The earnings considered in ascertaining the Company's Earning Per Share (EPS) comprise the net profit after tax. The number of shares used in computing the basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity share.

m. Tax on Income

Tax expenses comprises of both current as well as deferred tax. Income tax & fringe benefit tax represents the amount of income tax for the period determined in accordance with the Income tax Act, 1961.

- **Deferred Tax**

The company provides for deferred tax using the liability method, based on the timing difference resulting from the recognition of items in the financial statements / and in estimating its current income tax provision. Deferred Tax Assets arising from temporary timing difference are recognized to the extent, there is reasonable certainty that the assets can be realized in future. Deferred tax assets are recognized only if there is a virtual certainty backed by convincing evidence of realization of such assets. Deferred tax assets and liabilities are reviewed as at each balance sheet date and are appropriately adjusted, to the extent considered necessary, to reflect the amount that is reasonably or virtually certain to be realized are appropriately adjusted from the end of tax holiday exempted period, to the extent

SCHEDULE 19 :**NOTES ON ACCOUNTS:**

1. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The Provision for all known liabilities is adequate.
2. Balance due to/from sundry debtors, sundry creditors, loans and advances and other liabilities are subject to confirmation.
3. The Company has not provided interest receivable on fixed deposit with MMCB.
4. The Present value of Investment are not ascertainable as share are not traded in the market and not traded in the market and both the companies have been delisted, no provision has been made for possible losses.
5. No provision has been made for gratuity for employees, as per As 15, as inform to us that the same will be provided as and when paid.
6. The Company has not provided interest on Industrial Hypothecation loan from The Madhavpura Mercantile Co-op. Bank Ltd. Mumbai [MMCB]. The MMCB has closed down its Banking operation. After various representations made to MMCB and in absence of the information the Company had not provided Interest payable on aforesaid loan however the repayment of principal amount has been started during the year The matter is still pending before Arbitration Court.

7. Auditors Remuneration	Year ended 31.03.2011	Year ended 31.03.2010
Statutory Audit Fees	55000	40000
Income Tax Audit Fees	20000	18000
Income Tax Matters	5000	7000
	<hr/> 80000	<hr/> 65000

8. Income tax assessment has been completed up to assessment year 2008-2009

9. **Micro and Medium scale business entities**

There is no Micro, small and medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2011. This information as required to be disclosed under the Micro, small and medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

10. No commission has been paid to the Directors, only the salary & perquisite has been paid to the Directors as per the provision of section 198 & 309 of the Companies Act, 1956 and schedule XIII to the said Act.

11. **Deferred Tax Assets/Liabilities**

As per Accounting standard 22 Deferred Tax Liability/Assets is recognised on timing difference, being the difference between

GRAVITY (INDIA) LIMITED

taxable the ab income and accounting income that originate in one year and are capable of reversal in one or more subsequent years from end of exempted period.

12. Segment Reporting :

At present the Company has one activity namely dealing of Textile Fabrics.

13. Related Party Disclosure :

- The control of the Company exists with Shri Rasiklal D. Thakkar - Chairman & Managing Director of the company, who is also key management personnel.
- The names, along with relation, of the relatives of key management personnel and related parties of the company where control of the company exists and their enterprises, where transaction have taken place are having Shivani Textiles, Radha Textiles, Rasiklal D Thakkar & Rammaruti Textiles Pvt. Ltd. the associate companies, and where relative of key personnel are proprietor.
- Summary of the transaction with the above related parties :

Nature of Transaction	Volume of Transaction	
	2010 - 2011	2009 - 2010
Rasiklal Thakkar - Remuneration	840000	840000
Rammaruti Textiles Pvt.Ltd- Pur	7417905	4526275
Rammaruti Textiles Pvt.Ltd- Rent	192000	192000
Shivani Textiles - Rent	192000	192000
Radha Textiles - Rent	192000	192000

14. Additional information required under schedule VI Part II of the companies Act, 1956.

- Licensed, installed and Actual Capacity for Production. (Figure in Meters)

Name of the Product	Licensed Capacity	Installed Capacity	Capacity Utilised
Synthetic fabrics	65,70,000	40,43,300	31,90,500

- Quantitative Information

Particulars	Unit	Current year Quantity	Previous Year Quantity
A. Fabrics Manufactured / Purchased	Mtrs	3920316.080	4665171.720
B. Sales of Fabrics	Mtrs	3914291.060	4867802.160
Shrinkage / Shortage	Mtrs	0.000	25239.000
C. Purchase of Raw Material (Yarn)	Kgs	0.000	1129.620
Consumption	Kgs	0.000	1084.120
Wastage	Kgs	0.000	45.500

D.	Unit	Current Year Quantity	Current Year Amount Rs.	Previous Year Quantity	Previous Year Amount Rs.
Closing Stock					
Raw Material (Yarn)	Mtrs	NIL	NIL	NIL	NIL
Fabrics	Kgs	128201.22	12843201.12	154867.16	10555999

iii. Expenditure in Foreign Currency :

	(In Rs.)	Current Year	Previous Year
i Travelling		NIL	NIL
ii Membership Fees		NIL	NIL
Total		NIL	NIL

Earning in Foreign Exchange :

i From Export of Fabrics Value rupees		NIL	NIL
---------------------------------------	--	-----	-----

15. Earning per share

		<u>2010 - 2011</u>	<u>2009-2010</u>
Weighted average no. of Shares	Nos.	9001950	9001950
Face Value of Share	Rupee	10	10
Net Profit after tax	Rupee	937359	2434663
Basic & diluted earning per share	Rupee	0.10	0.27

16. Figures for the previous year have been regrouped, rearranged and recasted wherever necessary.

17. Figures in the brackets indicate previous years or negative figures.

As per our Attached report of even date
For **J C KABRA & ASSOCIATES**
Chartered Accountants

(CA J. D. Kabra)
Partner
Membership No. 38525

Mumbai, 18th August, 2011

For Gravity (India) Limited

(**R.D. Thakkar**)
Chairman and
Managing Director

(**D. R. Thakkar**)
Director

Company Secretary

GRAVITY (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2011
(Amt in Rs.)

PARTICULARS	As at 31ST MARCH, 2011	As at 31ST MARCH, 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	1467064	2383483
Adjustment for: Depreciation and Amortisation	5419020	5574556
Loss on sale of fixed assets	0	0
Interest paid	63355	224958
Interest Received on Fixed Deposit	(120269)	(62847)
	6829170	8120150
Operating Profit before working Capital Changes		
Adjustment for: Trade and other Receivables	(81663979)	(37234635)
Inventories	(2360273)	16744150
Trade Payable	88608500	19199002
Cash Generated From Operations	11413418	6828667
Interest paid	(63355)	(224958)
Direct taxes paid	(1279440)	(605223)
Cash Flow Before Adjustments For Prior Years	10070624	5998486
Prior year Adjustments	-	-
Net cash from operating Activities	10070624	5998486
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2063805)	(1275520)
Sale of Fixed Assets	-	-
Sale of Investment	-	-
Interest Received & other Income	56851	62847
Net Cash used in investing Activities	(2006954)	(1212673)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share Capita	-	-
Increase /decrease Lease Finance Borrowing	(8762206)	(4142169)
Charge in / Working Capital Borrowing	-	0
Increase /decrease in unsecured loans	-	(591,480)
Increase /decrease from Long Terms Borrowing	-	-
Dividends Paid/Taxation	-	-
Net cash used in Financing Activities	(8762206)	(4733649)
Net Increase in cash and cash equivalents	(698536)	52164
Cash and cash equivalents, beginning of the year	4788371	4736208
Cash and cash equivalents, end of the year	4089835	4788371

For and on behalf of the Board

 Place: Mumbai
 Date: 18th August, 2011

 Rasiklal D. Thakkar
 Chairman & Managing Director

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of Gravity (India) Ltd for the year ended March 31, 2011. The statement has been prepared by the Company in accordance with the requirements of the listing agreement with Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 18th August, 2011 to the members of the Company.

For J C KABRA & ASSOCIATES
 Chartered Accountants

 Place : Mumbai
 Date : 18th August, 2011

 (CA J. D. Kabra)
 Partner
 Membership No. 38525

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No.

State Code

Balance Sheet
Date
Date Month Year

II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

SOURCES OF FUNDS

Paid-up Capital

Secured Loans

Reserves and Surplus

Unsecured Loans

APPLICATION OF FUNDS

Net Fixed Assets

Net Current Assets

Accumulated Losses

Investments

Misc. Expenditure

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

+ - Profit / Loss Before Tax

Total Expenditure

+ - Profit / Loss After Tax

(Please tick Appropriate box + for Profit, - for Loss)

Earning per share in Rs

Dividend @ %

**V. Generic Names of Three Principal Products / Services of Company
(as per monetary terms)**

Item Code No.

(ITC Code)

Product Description

				5	4	0	7	5	1	0	1				
S	Y	N	T	H	E	T	I	C	F	A	B	R	I	C	S

GRAVITY (INDIA) LIMITED

Regd. Office : Gala No. 131, 1st Floor, Sanjay Bldg., No. 5-B, Mittal Estate, Andheri Kurla Road, Andheri (East), Mumbai - 400059. India **Phone :** 6694 9715 /16 **Fax :** 00 91-22-2859 5429
Email : gravityindia27@yahoo.com **Website :** www.gravityindia.net



Dear Shareholder,

Re: Green Initiative in Corporate Governance - Save paper

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars (No. 17/2011 dated 21.4.2011 and No.18/2011 dated 29.4.2011) stating that the service of document by a company can be made through electronic mode.

We trust that you would wholeheartedly support this initiative of the MCA in the conservation of paper and promoting a greener environment. By registering yourself with the Company for e-communication, you will be able to receive Annual Report promptly by electronic mode and without loss in postal transit.

In furtherance of the above mentioned initiative of the MCA, we propose to send the Annual Report containing the documents like the Notice convening the Annual General Meeting, audited financial statements, Directors' report, Auditors' report etc., henceforth in electronic form, to the e-mail address provided by you and made available to us by the Depositories.

In case you desire to receive Notice convening the Annual General Meeting, audited financial statements, Directors' report, Auditors' report etc., in electronic form, please inform us by sending us an e-mail on gravityindia27@yahoo.com with the message "Save paper". Your mail will be considered as an affirmation and accordingly Notice convening the Annual General Meeting, audited financial statements, Directors' report, Auditors' report etc., will be sent to you in electronic form.

In case we do not receive any mail from you, then the Company will send you physical copy of the Annual Report.

The Annual Report will also be displayed on our Company's website www.gravityindia.net in due course of time.

Please note that you will be entitled to be furnished, free of cost, with a copy of the Annual Report upon receipt of a requisition from you, any time, as a member of the Company.

Looking forward to your co-operation in the protection of our environment.

For GRAVITY (INDIA) LIMITED

Sd/-
Navin Choudhary
(COMPANY SECRETARY)



GRAVITY (INDIA) LIMITED

Regd. Office : Gala No. 131, Sanjay Bldg. No. 5-B, Mittal Ind. Estate, Andheri -Kurla Road,
Andheri (East), Mumbai - 400 059. India.

PROXY FORM

I,/We of being member(s) of the above named company hereby
appoint of or failing him/her of
..... as my/our proxy in my/our absence to attend and vote for me / us on my / our behalf at 24th ANNUAL
GENERAL MEETING of the Company held on Friday, 30th September, 2011, at 3.00 P.M.at Gala No. 131, Sanjay Bldg. No. 5-B,
Mittal Ind. Estate, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059. India
Signed this day of 2011

Folio no.	
DP ID No.	
Client ID No.	
NOTE :No. of shares	

Affix Re. 1
revenue
stamp and
sign across
it

Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and the proxy need not be a member. The proxy form duly completed should be deposited at the Registered Office of the Company, not later than 48 hours before the time for holding the meeting.



GRAVITY (INDIA) LIMITED

Regd. Office : Gala No. 131, Sanjay Bldg. No. 5-B, Mittal Ind. Estate, Andheri -Kurla Road,
Andheri (East), Mumbai - 400 059. India.

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the meeting venue)

I hereby record my presence at the 24th ANNUAL GENERAL MEETING of the Company held on Friday, 30th September, 2011,
at 3.00 P.M. at Gala No. 131, Sanjay Bldg. No. 5-B, Mittal Ind. Estate, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059. India.

Folio no.		Signature
DP ID No.		
Client ID No.		
Full Name of Shareholder (in block Letters)		
Full Name of Proxy (in block Letters)		Signature

NOTE :

- Interested Joint Members may obtain Attendance Slips from the Registered/Corporate office of the Company.
- Members/Joint Members/Proxies are requested to bring the Attendance Slip with them. Duplicate Attendance Slip will not be issued at the entrance of meeting room.

BOOK POST

GRAVITY (INDIA) LIMITED

**REGD. OFFICE : GALA NO.131,
SANJAY BLDG. NO. 5-B, MITTAL INDUSTRIAL ESTATE,
ANDHERI-KURLA ROAD, ANDHERI (EAST),
MUMBAI - 400 059. INDIA**

