

Gravity (India) Limited



29th

Annual Report
2015-16

www.gravityindia.net

Route Maps : Gravity (India) Limited to Andheri Railway Station

Drive 3.0 km, 11 min



GRAVITY (INDIA) LIMITED

TWENTY NINTH ANNUAL REPORT 2015-16
CIN NO. L17110MH1987PLC042899

BOARD OF DIRECTORS

Mr. Rasiklal D. Thakkar
Chairman & Managing Director
(DIN :00575776)

Mrs. Dakshaben R Thakkar
Director
(DIN: 00576846)

Mrs. Prabhavati Shetty
Independent Director
(DIN : 01883922)

Mr. Vipul Prajapati
Independent Director
(DIN : 02122209)

CFO

VARUN THAKKAR

COMPANY SECRETARY

SUJATA NADGAUDA

BANKERS

BANK OF BARODA

PLANT LOCATION :

Survey No 10/1, Village Khutali, Khavnvel,
Dhudhani Road, Silvassa, Union Territory of
Dadra & Nagar Haveli.

REGISTERED OFFICE :

Gala No. 131, Sanjay Bldg, Andheri-Kurla Road,
Andheri (East), Mumbai- 400 059. India

CONTENTS

1.	AGM Notice	04
2.	Director's Report	14
3.	Secretarial Audit Report	20
4.	Statement of AOC	22
5.	Statement of MGT 9	24
6.	Corporate Governance Report	32
7.	Management Discussion and Analysis Report	46
8.	Independent Auditors Report	48
9.	Balance Sheet	54
10.	Statement of Profit and Loss	55
11.	Statement of Cash Flow	56
12.	Notes Forming Part of Financial Statements	57
13.	Attendance Slip	
14.	Proxy Form	
15.	Postal Ballot Form	

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members 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 2016 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited standalone Balance Sheet as at 31st March, 2016, Statement of Profit and Loss Account for the financial year ended on March 31, 2016, Cash Flow Statement for the financial year ended March 31, 2016 and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Mrs. Dakshaben Rasiklal Thakkar (DIN: 00576846)** who retires by rotation at this Annual General Meeting and being eligible, seeks re-appointment.
3. To ratify the appointment of Statutory Auditors for the Financial Year 2016-2017 and fix their remuneration in this regards.

“RESOLVED THAT pursuant to the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013, read with Rules made there under, the ratification for the appointment of M/s. J. C. Kabra & Associates, Chartered Accountants, Mumbai (Firm Registration No. 115749W) as Statutory Auditors of the Company, as approved by the Members at the Twenty Ninth Annual General Meeting to hold office until the conclusion of Annual General Meeting to be held in the year 2017 and to fix remuneration as decided by the Board of Directors of the Company for the financial year ending 31st March, 2017.

SPECIAL BUSINESS:

4. **Appointment of Mr. Varun Thakkar (DIN: 00894145), as a Managing Director, liable to retire by rotation and to fix his remuneration**

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

“RESOLVED THAT pursuant to the provisions of sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, and pursuant to the approval of the Nomination and Remuneration Committee and the Audit Committee, the approval of the Company be accorded for appointment of **Mr. Varun Thakkar (DIN: 00894145)**, with effect from 2 October, 2016 for a period of 5 years as a Managing Director liable to retire by rotation on such terms and conditions as stated herein and in respect of whom the Company has received a Notice U/s 160 of the Companies Act, 2013”

FURTHER RESOLVED THAT in pursuance to the provisions of Section 197 and Schedule V of the Act the remuneration of Mr. Varun Thakkar (DIN: 00894145), Managing Director of the Company be paid Rs. 8,40,000 (Rupees Eight Lakhs Forty thousand) per annum for a period of one year with effect from 2 October, 2016 with other terms and conditions remaining unchanged as per the agreement entered into between him and the Company and with the power to the Board of Directors to alter and modify the same, in consonance with the provisions of the Act.

FURTHER RESOLVED THAT the approval of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as ‘Board’ which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to revise the basic salary payable to Mr. Varun Thakkar, Managing Director (hereinafter referred to as “the appointee”) within the limits specified in Schedule V to the Companies Act, 2013.

FURTHER RESOLVED THAT the remuneration payable to the appointee (including the salary, commission, perquisites, benefits and amenities) shall not exceed the limits laid down in section 197 of the Act including any statutory modification(s) or re-enactment thereof.

FURTHER RESOLVED THAT subject to the provisions of the Companies Act, 2013, in the event of loss or inadequacy of profits, the remuneration payable to Mr. Varun Thakkar will be as per the applicable Schedule V of the Companies Act, 2013.

FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Board be authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

**By Order of the Board
Gravity (India) Limited**

**Mumbai
August 26, 2016**

**Rasiklal Thakkar
Chairman and Managing Director
DIN No.: 00575776**

Gravity (india) Limited

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item No. 4 is set out above are annexed hereto and form a part of this Notice.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF, AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members up to and not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

Proxies, in order to be effective, must be received at the Registered office of the Company at Unit No: 131, 1st Floor, Sanjay Building No.5-B, Mittal Industrial Estate, Sir Mathuradas VasANJI Road, Andheri (East), Mumbai – 400 059, not less than forty-eight hours before the commencement of the AGM.

In case of joint holders attending the meeting, the members whose name appears as the first holder in the order of the names as per the Register of Members of the company will be entitled to vote.

Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Universal Capital Securities Pvt.Ltd.(Formerly known as Mondkar Computer Pvt. Ltd.) (Unit: Gravity (India) Limited) -21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093.
4. The Register of Members and Transfer Books of the Company will be closed from **Saturday, 24th September, 2016 to Friday 30th September, 2016** (both days inclusive).
5. Members are requested to furnish bank details, Email address, change of address etc. to the Company's Registrar and Share Transfer Agents so as to reach them latest, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, Members holding shares in demat mode should update their records at the earliest.
6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
7. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Universal Capital Securities Pvt. Ltd. at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
8. Under the Companies Act, 1956 dividends that are unclaimed/unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government. As there is no unpaid or unclaimed Dividend lying with the Company that need to be transferred to IEPF, there is no information under this head.
9. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer

Agents for payment of dividend through Electronic Clearing Service ("ECS") to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend if any. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.

10. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2015-16 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's Registrar and Transfer Agents, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode. Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with the RTA (in case of Shares held in physical form).
11. Section 20 of the Companies Act, 2013 permits service of documents on members by a company through electronic mode. Accordingly, as a part of the Green Initiative, electronic copy of the Annual Report for FY 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. Members may also note that the Annual Report for FY 2015-16 will also be available on the Company's website www.gravityindia.net for download.
12. The Company has designated an exclusive e-mail id viz. gravityindia27@gmail.com to enable Investors to register their complaints, if any
13. **Members are requested to:**
 - a. intimate to the Company's Registrar and Transfer Agents, Universal Capital Securities Pvt. Ltd. changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
 - b. intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form;
 - c. quote their folio numbers/Client ID/DP ID in all correspondence; and
 - d. consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names
 - e. Bring their copy of the Annual Report to the Annual General Meeting.
14. Members/Proxies/Representatives are requested to bring the Attendance Slip enclosed in the Annual Report for attending the Meeting
15. IMPORTANT – E-Voting Instructions:
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and ,Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015 the Members are provided with the facility to cast their vote electronically, through e-voting services provided by CDSL, on all the resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot form with the Notice. Instructions for Ballot Form are given at the back of the said Form and instructions for e-voting are given here in below. Resolutions passed by the Members through Ballot Forms or remote e-voting and e-voting or polling paper is/are deemed to have been passed as if they have been passed at the AGM.

Gravity (india) Limited

17. Mr. Paras Rajendra Shah has been appointed as the Scrutiniser to scrutinise the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
18. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their votes by remote e-voting or by ballot forms shall be able to exercise their right at the meeting.
19. The members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
20. Members can opt for only one mode of voting i.e. either by ballot or e-voting. In case members cast their votes through both modes, voting done by e-voting shall prevail and votes cast through ballot form shall be treated as invalid.

In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to gravityindia27@gmail.com by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form must reach the Scrutiniser, Mr. Paras Rajendra Shah at the Registered Office of the Company at: Scrutiniser, Gravity (India) Limited, Gala No. 131, Sanjay Bldg No. 5, Mittal Industrial Estate, Andheri-West, Mumbai-400059.

21. The remote e-voting period commences from Tuesday 27th day, of September, 2016 (9:00 a.m.) I.S.T and ends on Thursday 29th day, of September, 2016 (5:00 pm) I.S.T. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 24th September, 2016, may cast their vote by remote e-voting. The remote e-voting schedule shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
22. The process and manner for remote e-voting are as under:

The instructions for shareholders voting electronically are as under:

The voting period begins on Tuesday, 27th September, 2016 (9:00 a.m.) and ends on Thursday, 29th September, 2016 (5:00 p.m.). I.S.T. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23rd September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already cast their vote prior to the meeting date would not be entitled to vote at the meeting venue.

The process and manner of remote e-voting are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.

(vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 digits 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. Eg. 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)	<p>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.</p> <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).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN of the Company Gravity (India) Limited on which you choose to vote.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) 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.

(xvii) 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.

Gravity (India) Limited

- 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 emailed 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.
- (xviii) 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.

The Scrutinizer shall unblock the votes cast to remote evoting in the presence of at least two witness's not in employment of the company.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter not later than 2 days of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against if any, along with the result of remote evoting to the chairman or a person authorised by him in writing, who shall counter sign the same and declare the result of the voting forth with.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.gravityindia.net and on the website of CDSL www.cdslindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Details of the Directors seeking appointment / re-appointment at the 29th Annual General Meeting (In pursuance of Regulation 36 of the SEBI (Listing and Obligations Disclosure Requirements) Regulations, 2015)

Name of the Director	Mrs. Dakshaben Rasiklal Thakkar	Mr. Varun Rasiklal Thakkar.
Date of Birth	04/03/1957	14/10/1984
Date of Appointment	13/03/1987	02/10/2016
Qualifications	S.S.C	B.Com
Expertise	Textiles	Textiles
Directorship in other Companies	Two	Six
Committee Positions in Gravity (India) Limited	Audit Committee – Member Nomination & Remuneration Committee – Member Stakeholder's Relationship Committee – Chairperson	Stakeholder's Relationship Committee – Member
Committee Positions in other Public	NIL	NIL
Limited Companies Relation between Directors	Mother of Mr.Varun Thakkar	Son of Mr. Rasiklal Thakkar, MD and Promoters of the Company
Number of Shares held in Gravity (India) Limited	800169	851227

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

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under item 4 of the accompanying Notice dated August 26, 2016.

Item No. 4

Mr. Varun Thakkar has been is proficient and has been actively in the textile business for several years now. His expertise in the textile business can be tapped to improve and expand the business of the Company.

Accordingly, the Nomination and Remuneration Committee has reviewed and recommended the appointment of Mr. Varun Thakkar as a Managing Director of the Company, for the period of 5 years with effect from 2nd October, 2016 on the terms and conditions and remunerations as stated herein. The Company has received a Notice U/s 160 of the Companies Act, 2013 along with the deposit thereof proposing the appointment.

Considering the profile and the scope of work handled by Mr. Varun Thakkar and the prevalent standards in the industry for payment of professional Directors of such experience, the Board, on the recommendation of the Nomination and Remuneration Committee proposes the remuneration of Mr. Varun Thakkar at Rs.8,40,000/- Per Annum (Rupees Eight Lakhs and Forty Thousand Only) for a period of 5 years from 2nd October, 2016. The said remuneration, if approved would be within the limits set out under Section 197 read with the Schedule V to the Act for the time being in force.

Pursuant to sections 196, 197 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Act, the remuneration payable to Mr. Varun Thakkar is now being placed before the Members at the Annual General Meeting for their approval by way of Special Resolution.

Your Directors recommend passing of the Resolutions at Item No. 4 of the Notice as a Special Resolution.

A draft of the Agreement proposed to be entered into with Mr. Varun Thakkar for his appointment will be available for the inspection of the members at the Registered Office of the Company between 11:00 am to 1:00 pm on all working days, except Saturday and Sunday till the date of AGM.

Apart from Mr. Varun Thakkar, who would be interested in his appointment and remuneration, along with Mr. Jay Thakkar CFO of the Company and Mrs. Dakshaben Thakkar Non-Executive Director of the Company none of the other Directors, Key Managerial Personnel ("KMP") of the Company are, in any way, concerned or interested, financially or otherwise, in these items of businesses, except to the extent of their shareholding interest, if any, in the Company.

The statement of additional information required to be disclosed as per Schedule V of the Act is attached at the end of this Explanatory Statement.

**By Order of the Board
Gravity (India) Limited**

**Mumbai
August 26, 2016**

**Rasiklal Thakkar
Chairman and Managing Director
DIN No.: 00575776**

Gravity (india) Limited

STATEMENT OF ADDITIONAL INFORMATION TO BE ATTACHED TO THE NOTICE OF THE 29th AGM AS PER SCHEDULE V TO THE ACT FOR ITEM NO. 4 AND FORMING A PART OF THE NOTICE AND EXPLANATORY STATEMENT

I. GENERAL INFORMATION											
[1] Nature of Industry	Textiles										
[2] Date or expected date of commencement of commercial production	13/03/1987										
[3] In case of new companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus	NIL										
[4] Financial Performance based on given indicators	As per the audited financial statements as on 31st March 2016 : <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Rupees</th> </tr> </thead> <tbody> <tr> <td>Gross Turnover & Other Income</td> <td style="text-align: right;">20,13,11,770</td> </tr> <tr> <td>Net Profit as per Profit & (Loss) Statement (After Tax)</td> <td style="text-align: right;">(53,22,412)</td> </tr> <tr> <td>Net Worth</td> <td style="text-align: right;">10,81,28,449</td> </tr> <tr> <td>Book Value Per Share</td> <td style="text-align: right;">N.A.</td> </tr> </tbody> </table>	Particulars	Rupees	Gross Turnover & Other Income	20,13,11,770	Net Profit as per Profit & (Loss) Statement (After Tax)	(53,22,412)	Net Worth	10,81,28,449	Book Value Per Share	N.A.
Particulars	Rupees										
Gross Turnover & Other Income	20,13,11,770										
Net Profit as per Profit & (Loss) Statement (After Tax)	(53,22,412)										
Net Worth	10,81,28,449										
Book Value Per Share	N.A.										
[5] Foreign Investments or collaborations, if any	Nil										

Mr. Varun Thakkar	
[1] Background Details	He is Core Person of the company having 10 years experience in textiles and related activities.
[2] Past Remuneration	N.A
[3] Recognition or awards	N.A
[4] Job Profile & his suitability	Managing Director. Taking into consideration his qualifications and expertise in relevant fields, the Executive Director is best suited for the responsibilities currently assigned to him by the Board of Directors.
[5] Remuneration proposed	Rs. 8,40,000/- per annum
[6] Comparative Remuneration Profile w.r.t. industry, size of company, profile of the position & person	Taking into consideration the size of the Company, the profile of Mr. Varun Thakkar, the responsibilities shouldered by him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies
[7] Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Besides the remuneration proposed to be paid to him, the Executive Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

I. OTHER INFORMATION	
Reasons for loss or inadequate profits	The Company has posted a net loss after tax of Rs.53,22,412 during the year ended 31st March, 2016.
Steps taken or proposed to be taken for improvement	We have taken necessary step to minimise our cost of production
Expected increase in productivity and profits in measurable terms	As company has occurred loss during the year ended 31st March, 2016, the management is undertaking necessary measures for better productivity.

III. DISCLOSURES:

The information and Disclosures of the remuneration package of the Managing Director have been mentioned in the Annual Report in the Corporate Governance Report Section under the heading "Remuneration Paid/ Payable to the Managing Director for the year ended 31st March 2016.

Mr. Varun Thakkar satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act and are not disqualified to act as Directors in terms of Section 164 of the Act.

Other details as required to be reported in terms of Regulations 36 of SEBI (Listing and Obligations Disclosure Requirements) Regulation 25015 attached to this Notice and forms a part of the Annual Report.

Gravity (india) Limited

DIRECTOR'S REPORT

To

The Members,

Your Directors have pleasure in presenting Annual Report on the business and operations of the Company and the accounts for the financial year ended on 31st March, 2016.

Financial Results:-

Particulars	2016	2015
Turnover	197,199,785	279,822,344
Total Revenue	201,311,770	2 81,134,767
Less: Total Expenditure	207,370,073	2 87,812,200
Profit/loss before exceptional items, Extraordinary item and tax	(6,058,303)	(6,677,433)
Exceptional items	-	-
Profit /(loss) before tax	(6,058,303)	(6,677,433)
Less : Provision for tax/deferred tax	(7,35,891)	(3,21,548)
Net Profit after tax	(5,322,412)	(6,355,886)
Balance brought forward from previous year	23,431,361	29,787,247
Balance available for appropriation	18,108,949	23,431,361

Share Capital

The Authorised Share Capital of the Company is divided into 150 lakhs Equity Shares of Rs.10 /-each, aggregating to Rs. 15 crores. The issued, Subscribed and Paid up Capital is Rs. 90019500(Nine Crore Nineteen thousand five hundred only) divided into 9,001,950 Equity shares of Rs. 10/- each as on 31st March,2016.

Reserves:-

Reserve & Surplus were Rs. 18,108,949/-at the end of the financial year. During the year, the company has not transferred any amount to General Reserve.

Dividend:-

On account of the ongoing global recession & net loss to the Company the board has not recommended any dividend for the year under review.

Operations:-

During the year under review, the Sales turnover of the company decreased from Rs.279,822,344 in the previous year to Rs. 197,199,785. The net loss of the Company for the year is Rs.5,322,412 as against a net loss of Rs.6,355,886 in previous year.

Material changes occurred between the end of the Financial Year to which the financial statements relate and the date of the Report.

The Company had filed an application for condonation of delay with the Regional Director, Mumbai for delayed filing of satisfaction of charges with the Registrar of Companies, Mumbai, and the matter was resolved after payment of requisite penalty, and the necessary e-Forms were duly filed in this regard.

Board of Directors and Composition:-

The Board of Directors comprise of eminent, experienced and reputed Individuals of the Industry. During the year, the non-executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Pursuant to the provisions of section 203 of the Act, following are the changes in the Board of Directors Director and key managerial personnel of the Company.

Name of the Director/ Key Managerial Personnel	DIN/PAN	Designation	Date of Appointment/Resignation
Mr. Jay Thakkar	AABPT7260N	CFO	8th August, 2016 Appointment
Mr. Varun Thakkar	ACSPT9144Q	CFO	5th August, 2016 Resignation
Mr. Rasiklal Thakkar	00575776	MD/ Chairman	1st October, 2016 Resignation
Mr. Varun Thakkar	00894145	MD/ Chairman	2nd October, 2016 Appointment

The current compositions of the Board of Directors of the Company are as follows

Name of the Director	DIN	Designation
Rasiklal Dalpatram Thakkar	00575776	Managing Director
Dakshaben Rasiklal Thakkar	00576846	Non-executive Director
Prabhavati Venugopal Shetty	01883922	Independent Director
Vipul Prajapati	02122209	Independent Director

Details of the Key Managerial Personnel of the Company

Name	Designation
VARUN RASIKLAL THAKKAR	CFO
SUJATA DEEPAK NADGOUDA	CS

Mrs. Dakshaben Rasiklal Thakkar, Director of the Company who retires by rotation at the ensuring Annual General Meeting and being eligible have offered herself for re- appointment.

The disclosures pertaining to the equity shares held and the remuneration received by the Directors and Key Managerial Personnel during the Financial Year are disclosed in MGT-9 which forms a part of this Report.

Composition of Mandatory Committee.

Also pursuant to the provisions stipulated in 18, 19 and 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Also as stipulated under Clause 49 of the erstwhile Listing Agreement) the Company shall mandatorily form the below mentioned Committees which shall be duly constituted.

Name of Committee	Current Constitution of the Committee
Audit Committee	Mrs. Prabhavati Shetty
	Mrs. Dakshaben Thakkar
	Mr. Vipul Prajapati
Nomination and Remuneration Committee	Mrs. Prabhavati Shetty
	Mrs. Dakshaben Thakkar
	Mr. Vipul Prajapati
Stakeholders Grievances Committee	Mrs. Dakshaben Thakkar
	Mr. Rasiklal Thakkar
	Mr. Vipul Prajapati
Independent Directors	Mrs. Prabhavati Shetty
	Mr. Vipul Prajapati

Public Deposits:-

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

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 2015-16 has been paid to The Stock Exchange, Mumbai.

Gravity (india) Limited

Director's Responsibility Statement:-

In terms of Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company hereby state & Confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed and that no material departures have been made from the same;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors, have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board Evaluation:-

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Director pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the nomination and remuneration committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive Directors and non-executive Directors. The same was discussed in the Board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed. Performance evaluation of independent Directors was done by the entire Board, excluding the independent Director being evaluated.

Auditors:-

M/s J.C Kabra & Associates, Chartered Accountant, were appointed in the 27th Annual General Meeting (AGM) as the Statutory Auditors of the Company for a period of four years i.e. till the conclusion of the AGM to be held in the year 2017, subject to ratification of the members in every AGM

Accounting Standards and Accounting Policies:

The financial statements of the Company has prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India, which forms part of the Annual Report.

Auditor's Report:-

The notes on accounts referred to in the Auditors Report are self explanatory and do not require any further comments.

Secretarial Auditors:-

Pursuant to Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed CS Riddhi Patel, Practicing Company Secretary, to undertake the Secretarial Audit for the year under review. The Secretarial Audit Report is annexed to this report.

Corporate Governance:-

A separate section on Corporate Governance pursuant to Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Annual Report as Annexure I and forms a part of this report

Internal Financial Control Systems and their adequacy

The management continuously reviews the internal control systems and procedures for the efficient conduct of the Company's business. The Company adheres to the prescribed guidelines with respect to the transactions, financial reporting and ensures that all its assets are safeguarded and protected against losses. The Internal Auditor of the Company conducts the audit on regular basis and the Audit Committee actively reviews internal audit reports and effectiveness of internal control systems.

Internal Control Systems are implemented to safeguard the Company's assets from loss or damage, to keep constant check on the cost structure, to prevent revenue leakages, to provide adequate financial and accounting controls and implement accounting standards

Management Discussion and Analysis Report:-

In accordance with the Listing Regulations, the Management Discussion and Analysis Report is included in the Annual Report and form part of this report as Annexure II.

Related Party Disclosures:-

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. The details of the transactions are elaborated in Form AOC-2 which form part of this report as Annexure III.

Conservation of energy, technology absorption and foreign exchange earnings:-

Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ending March 31, 2016

1. Conservation of energy:

Your Company consumes minimum energy and strives to reduce energy consumption in the buildings developed by the Company. Your Company is conscious about its responsibility to conserve energy, power and other energy sources wherever possible. We emphasis towards a safe and clean environment and continue to adhere to all regulatory requirements and guidelines. The construction team under the able guidance of expert engineers of the Company continuously strives and devises various means to conserve energy and identify methods for the optimum use of energy.

2. Technological absorption:

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

3. Foreign Exchange Earnings and Outgo:

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.

Code of Conduct:-

The Board of Directors had approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company.

Gravity (india) Limited

The Code lays down the standard procedure of business conduct which is expected to be followed by the Members of the Board and the Senior Managerial Personnel in their business dealings, at workplace, in dealing with various stakeholders etc.

All the Board Members and Senior Managerial Personnel periodically affirm and confirm compliance to the Code of Conduct.

Further the Certificate of Compliance with the Code of Conduct is appended to the Corporate Governance Report.

Adequacy of Internal Financial Controls with reference to the Financial Statements:-

The Company has in place adequate internal financial controls with reference to financial statements to ensure periodic and timely detection of any suspected irregularities or malafide activities.

During the year, such controls were put to test and no reportable material weaknesses in the design or operation were observed.

Vigil Mechanism for Directors and Employees:-

Vigil mechanism is established for Directors and Employees to report their grievance and concerns. The details of the same are mentioned in the Corporate Governance Report.

Particulars of Loans, Guarantees or Investments u/s 186 :-

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The Investments made by the Company in the is given in the Financial Statements

Prevention of Insider Trading:-

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading window is closed. The Board is responsible for implementation of the Code.

All the Directors and Designated employees have confirmed compliance with the Code of Conduct.

Disclosure under the sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act 2013:-

The Company has believed in providing a safe and harassment free environment at workplace for each and every employee of the Company. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. Proper care is being taken by the Company in order to provide a safe and harassment free workplace.

Extract of Annual return:-

An extract of Annual Return for the financial year ended March 31, 2016, is annexed as Annexure-IV (in form MGT-9) to this report.

Corporate Governance Report from Statutory Auditors:-

Certificate from the Statutory Auditor, M/s. J. C. Kabra & Associates confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this Report forming part of the Annual Report as Annexure V.

Particulars of Employees:-

No Employee of the Company draws a salary exceeding Rupees One crore and two lakh per annum or Rupees Eight Lakhs and Fifty thousand per month.

Employee Relations

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

Acknowledgements:-

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Creditors, Banks, Government Authorities, Customers and Shareholders during the year under review.

For and on behalf of the Board of Directors

**Mumbai
August 26, 2016**

**Rasiklal Thakkar
Chairman and Managing Director
DIN No.: 00575776**

SECRETARIAL AUDIT REPORT

To,
The Members,
Gravity (India) Limited
Gala No. 131, Sanjay Building No. 5
Mittal Industrial Estate,
Andheri East
Mumbai 400059.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GRAVITY (INDIA) LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **GRAVITY (INDIA) LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 2015-16, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I.** We have examined the books, papers, minute books, forms and returns filed and other records maintained by **GRAVITY (INDIA) LIMITED** ("the Company") during the financial year ended on 31st March, 2016 according to the provisions of:
- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The SEBI (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- II.** There were no events covered under following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') which are applicable to Listed Companies:-
- (a) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The SEBI (Delisting of Equity Shares) Regulations, 2009;
 - (e) The SEBI (Buyback of Securities) Regulations, 1998;
 - (f) The SEBI (Merchant Bankers) Regulations, 1992.
- III.** We have reviewed the information, documents, records, filings and other certificates or confirmations received from fellow professionals for the period under review and the representations made by the company and its officers for the systems, records and compliances for other laws applicable specifically to the company. The list of specifically applicable laws and acts applicable to the company are stated in Annexure III to this Report.

IV. We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange to the extent of its applicability to the Company for the period under review.

We further report that-

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the period the following events have taken place:-

1. The Company has filed for compounding of delay in filing satisfaction of charges existing in the index of charges maintained by the Registrar of Companies.

For Riddhi M Patel & Co.

Sd/-
Riddhi M Patel
(Proprietor)
ACS No. A23968
C P No.:13577

Place: Mumbai
Date: 31.07.2016

Annexure-1

FORM AOC – I

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures (Prusuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART "A": SUBSIDIARIES

SL.No.	Name of the Subsidiaries	Amount in (Rs)
	None	

PART "B" : ASSOCIATES AND JOINT VENTURES

(Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and joint Ventures)

SL.No.	Name of the Subsidiaries	Amount in (Rs)
	None	

For and on behalf of the Board

Rasiklal Thakkar
Chairman & Managing Director
DIN : 00575776

August 26, 2016

Annexure-2

Particulars of loans, guarantees or investments

(Pursuant to 186 of the Companies Act, 2013 during the year April 1, 2015 to March 31, 2016)

Name of entity	Amount in (Rs.)	Particulars of loan, guarantee	Purpose
None			

For and on behalf of the Board

Rasiklal Thakkar
Chairman & Managing Director
DIN : 00575776

August 26, 2016

Annexure-3

FORM No. AOC – 2

Particulars of contracts/arrangements entered into by the Company with related parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

(Referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto)

name of the related party	nature of relationship	nature of contract / transactions	Duration of the contract/transaction	Amount in (Rs)
Rammaruti Textiles Pvt. Ltd	KMP	Reimbursement of Electricity	On going	2944541/-
Rammaruti Textiles Pvt. Ltd	KMP	Rent	On going	192000/-
Shivani Textiles	KMP	Reimbursement of Electricity	On going	1261946/-
	KMP	Rent	On going	192000/-
Radha Textiles	KMP	Reimbursement of Electricity	On going	978326/-
	KMP	Rent	On going	192000/-

Appropriate approvals have been taken for related party transactions. No amount was paid as advance.

For and on behalf of the Board

Rasiklal Thakkar
Managing Director
DIN : 00575776

August 26, 2016

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L17110MH1987PLC04899
ii	Registration Date	13/3/1987
iii	Name of the Company	Gravity (India) Limited
iv	Category/Sub-category of the Company	Public company Limited by Shares
v	Address of the Registered office & contact details	131-5b, Mittal Ind Estate, Andheri-Kurla Road, andheri [East], Mumbai-400 059.
vi	Whether listed company	Yes
vii	Name , Address & Contact details of the Registrar & Transfer Agent, if any.	Universal Capital Securities Pvt.Ltd. 21, Shakil Niwas, Mahakali Caves Road, Andheri [East],- Mumbai - 400 093. Contact Person : Mr. Jaiprakash Pingulkar

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Synthetic Fabric (Other)	17299	88.72

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES :

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	GRAVITY TEXTILES PVT LTD	U17120MH1987PTC044882	ASSOCIATE	-	-
2	DAKSHALI SYNTHETICS PVT LTD	U17120MH1992PTC065541	ASSOCIATE	-	-

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1,915,390	-	1,915,390		1,926,852	-	1,926,852		
b) Central Govt. or State Govt.	-	-	-						
c) Bodies Corporates	109		109		109	-	109		
d) Bank/FI									
e) Any other									
SUB TOTAL:(A) (1)	1,915,499	-	1,915,499		1,926,961	-	1,926,961		
(2) Foreign									
a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
SUB TOTAL (A) (2)	-	-	-		-	-	-		
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	1,915,499	-	1,915,499		1,926,961	-	1,926,961		
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central govt									
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
SUB TOTAL (B)(1):	-	-	-		-	-	-		
(2) Non Institutions									
a) Bodies corporates	284,040	6,750	290,790		356,594	6,750	363,344		
i) Indian									
ii) Overseas	282,505	122,850	405,355		278,107	122,850	400,957		
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	3,481,613	67,966	3,549,579		3,541,961	67,966	3,609,927		
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	2,759,411	-	2,759,411		2,663,614		2,663,614		
c) Others (specify)	81,316	-	81,316			37,147	37,147		
SUB TOTAL (B)(2):	6,888,885	197,566	7,086,451		6,840,276	234,713	7,074,989		
Total Public Shareholding (B)= (B)(1)+(B)(2)	6,888,885	197,566	7,086,451		6,840,276	234,713	7,074,989		
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	8,804,384	197,566	9,001,950		8,767,237	234,713	9,001,950		

Gravity (india) Limited

(II) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Dakshaben Rasiklal Thakkar	788707	8.76	-	800169	8.89	-	0.13
2	Gravity Synthetics Pvt Ltd	109	0.00	-	109	0.00	-	0.00
3	Jay Rasiklal Thakkar	22500	0.25	-	22500	0.25	-	0.00
4	Rasiklal D Thakkar	5000	0.06	-	5000	0.06	-	0.00
5	Rasiklal Dalpatram Thakkar	59588	0.66	-	59588	0.66	-	0.00
6	Samir Rasiklal Thakkar	188368	2.09	-	188368	2.09	-	0.00
7	Varun Rasiklal Thakkar	851227	9.46	-	851227	9.46	-	0.00
	Total	1915499			1926961			

(III) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	Dakshaben Rasiklal Thakkar				
	At the beginning of the year	1915499	21.28	1915499	21.28
	Date wise increase/decrease in Promoters Share holding during the year :				
	17-04-15	500	0.01	1915999	21.28
	23-04-15	450	0.00	450	0.00
	24-04-15	11	0.00	1916010	21.28
	15-06-15	10000	0.11	10450	0.12
	16-06-15	501	0.01	1916511	21.29
	At the end of the year			1926961	

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	SHRADDHA PAREKHA				
	At the beginning of the year	585,961	6.51	585,961	6.51
	Bought during the year				
	Sold during the year	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	585,961	6.61	585,961	6.51
2	VASANT KADAM				
	At the beginning of the year	398,656	4.43	398,656	4.43
	Bought during the year				
	Sold during the year	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	398,656	4.43	398,656	4.43
3	SANGEETHA S				
	At the beginning of the year	293,380	3.26	293,380	3.26
	Bought during the year				
	Sold during the year	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	293,380	3.26	293,380	3.26
4	SATHYA S				
	At the beginning of the year	156,490	1.74	156,490	1.74
	Bought during the year				
	Sold during the year	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	156,490	1.74	156,490	1.74
5	VINOD FULCHAND JANKHARIYA				
	At the beginning of the year	150,500	1.67	150,500	1.67
	Bought during the year				
	Sold during the year	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	150,500	1.67	150,500	1.67
6	JAGDISH HARNARAYAN GOYAL				
	At the beginning of the year	101,000	1.12	101,000	1.12
	Bought during the year				
	Sold during the year	71,000	0.79	71,000	0.79
		30,000	0.33	30,000	0.33
	At the end of the year (or on the date of separation, if separated during the year)			202,000	-
7	MANOJ KAPOORCHAND JAIN				
	At the beginning of the year	86,800	0.96	86,800	0.96
	Bought during the year				
	Sold during the year	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	86,800	0.96	86,800	0.96
8	PARTH CREDIT & CAPITAL MARKET P L				
	At the beginning of the year	132,735	1.48	132,735	1.48
	Bought during the year	16,550	0.18	16,550	0.18
	Sold During the Year	-	-	132,735	-
	At the end of the year (or on the date of separation, if separated during the year)	149,285	1.66	149,285	1.66

Gravity (india) Limited

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
9	SANJEEV LUNKAD				
	At the beginning of the year	-	-	-	-
	Bought during the year	85,096	0.95	85,096	0.95
	Sold During the Year				
	At the end of the year (or on the date of separation, if separated during the year)	85,096	0.95	85,096	0.95
10	MEGHNA RAJNIKANT KAGDADA				
	At the beginning of the year	81,728	0.91	81,728	0.91
	Bought during the year	-			
	Sold During the Year	71,728	0.80	10,000	0.80
	At the end of the year (or on the date of separation, if separated during the year)	10,000	0.11	10,000	0.11

(v) Shareholding of Directors & KMP

RASIKLAL DALPATRAM THAKKAR

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	59588	0.66	59588	0.66
	Bought during the year	No change	No change		
	Sold during the year				
	At the end of the year			59588	0.66

DAKSHABEN RASIKLAL THAKKAR

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	788707	8.76	788707	8.76
	Bought during the year	11462	0.13		
	Sold during the year				
	At the end of the year	800169	8.89	800169	8.89

VARUN RASIKLAL THAKKAR

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	851227	9.46	851227	9.46
	Bought during the year	No change	No Change		
	Sold during the year				
	At the end of the year	851227	9.46	851227	9.46

V INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	“Secured loans excluding deposits”	“unsecured loans”	Deposits	“Total indebtedness”
Indebtedness at the beginning of the financial year				
i) Principal Amount	80626793			80626793
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	80626793			80626793
Change in Indebtedness during the financial year				
Additions	-			-
Reduction	45447900			45447900
Net Change	45447900			45447900
Indebtedness at the end of the financial year				
i) Principal Amount	35178893			35178893
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	35178893			35178893

Gravity (india) Limited

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, whole time director and/or Manager:

Sl.no	Particulars of Remuneration	Name of the MD/WTD/Manager	Total
		Rasiklal Thakkar	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	840000	840000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option		-
3	Sweat Equity		
4	Commission		-
	as % of profit		
	others (specify)		
5	Others, please specify		-
	Total (A)	840000	0
		0	840000
	Ceiling as per the Act	The remuneration is well within the limits prescribed under the companies act, 2013, read with the notification issued from time to time.	

B. Remuneration to other directors:

Sl.no	particulars of Remuneration	name of the Directors	
1	Independent Directors	Prabhavati Shetty	Vipul Prajapati
	(a) Fee for attending board committee meetings	Rs. 2000/- Per Meeting	Rs. 2000/- Per Meeting
	(b) Commission		
	(c) Others, please specify		
	Total (1)	12000.00	12000.00
2	Other Non Executive Directors	Dakshaben Thakkar	
	"(a) Fee for attending board committee meetings"	None	
	(b) Commission		
	(c) Others, please specify.		
	Total (2)	Nil	
	Total (B)=(1+2)	12000.00	12000.00
	Total Managerial Remuneration	12000.00	12000.00
	Overall Ceiling as per the Act.		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD :

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Rs. 12,000/- P.M	Rs. 25,000/- P.M	Rs. 37000/-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission	-	-	
	as%ofprofit	-	-	
	others, specify	-	-	
5	Others, please specify	-	-	
	Total	Rs.1,44,000/- P.A	Rs. 3,00,000/- P.A	Rs.4,44,000/-

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES (Upto 31st March 2016) : None

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Corporate Governance Report.

Corporate Governance provides a principle process and structure through which the objectives, the means of attaining the objectives and systems of monitoring performance are also set. Corporate Governance is a set of accepted principles by management of the alienable rights of the Shareholders as a true owner of the corporation and of their own role as trustees on behalf of the shareholders. It is about

- 1) Commitment to the values.
- 2) Ethical Business Conduct.
- 3) Transparency.
- 4) Clear distinction between personal and corporate funds in the Management of the Company.
- 5) Compliance with all the regulators.
- 6) Sustainable value creation for all shareholders.

Corporate Governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. 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 center 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 Regulation 34 and Schedule V of the SEBI (Listing and Disclosure Requirements) Regulations, 2015 (LODR) 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 erstwhile Listing Agreement and Part C of Schedule V of LODR as applicable to the Company from time to time. 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:

- a) 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, Non-Independent
Mr. Vipul Prajapati	Non-executive, Independent
Mrs. Prabhavati Shetty	Non-Executive, Independent

- b) The Meeting of Board of Directors during the financial year 2015-16 were held on
- 29th May 2015, 31st July 2015, 21st August 2015, 28th October 2015, 13th January 2016 and on 12th February 2016.**

- c) The Annual General Meeting of the Company for the year ended 31st March, 2015 was held on
- 30th September 2015.**

- d) The attendance of the Directors to the Meetings of the Board of Directors and to the Annual General Meeting of the Company is elaborated in the below mentioned table:

Name of Director	Date	Mr. Rasiklal Thakkar	Mrs. Dakshaben Thakkar	Mr. Vipul Prajapati	Mrs. Prabhavati Shetty
Board Meetings	29.05.2015	✓	✓	✓	✓
	31.07.2015	✓	✓	✓	✓
	21.08.2015	✓	✓	✓	✓
	28.10.2015	✓	✓	✓	✓
	13.01.2016	✓	✓	✓	✓
	12.02.2016	✓	✓	✓	✓
Annual General Meeting	30.09.2015	✓	✓	✓	✓

- e) The Number of Companies and Committees in which the Board Members are a member or chairperson are as follows:

Name of Director	Chairmanship / Membership	Mr. Rasiklal Thakkar	Mrs. Dakshaben Thakkar	Mr. Vipul Prajapati	Mrs. Prabhavati Shetty
Number of Memberships/ Chairmanship in Other Companies	Membership in Board of other Companies	2	2	-	-
	Chairmanship in Board of other Companies	-	-	-	-
Number of Memberships/ Chairmanship in Committees of Other Companies	Membership in Committees of other Companies	-	-	-	-
	Chairmanship in Committees of other Companies	-	-	-	-

Gravity (india) Limited

- f) Disclosure of relationships between the directors inter-
- g) Stake held by Non-executive Directors in the Company are as follows:

Name of Non-Executive Directors	Mrs. Dakshaben Thakkar	Mr. Vipul Prajapati	Mrs. Prabhavati Shetty
Number of shares Number of Convertible Instruments	Not Applicable	Not Applicable	Not Applicable

- h) The familiarization programmes imparted to Independent Directors is displayed on the website of the Company www.gravityindia.net.

Meeting of Independent Directors

During the year under review, the Independent Directors met on 28th March, 2016, inter alia, to:

- 1) Reviewed the performance of Non-Independent Directors and overall performance of the Board as a whole.
- 2) Reviewed the performance of the Chairperson of the Company taking into account the views of executive and non-executive Directors of the Company.
- 3) Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that it is necessary for the Board to effectively and reasonably perform their duties.
- 4) Considered and took note of SEBI(Listing and Disclosure Requirements) Regulations, 2015.

All the independent Directors were present at the meeting.

3) 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.
5. To oversee the Vigil Mechanism of the Company.

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

1. 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.
2. 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.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
4. To ensure the effective and purposeful functioning of the vigil mechanism and whistle blower's policy of the company.

5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required being included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (C) of subsection 3 of Section 134 of the Companies Act, 2013.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by the management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of related party transactions, if any.
 - (g) Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investment;
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
12. 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.
13. Discussion with internal auditors regarding any significant findings and follow up thereon.
14. 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.
15. 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.
16. 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.
17. To reviews the functioning of the Whistle Blower mechanism,
18. 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.

Gravity (india) Limited

6. Uses/application of funds raised through public issues, rights issues, preferential issues, etc.
7. The Annexure and Pro-forma 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.

Recommending the appointment & removal of external auditor, fixation & audit fee & also approval for payment for any other services.

The Composition of the Audit Committee of the Company Pursuant to Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is illustrated in the below mentioned table:

Mrs. Prabhavati Shetty	Chairman, (Non-Executive, Independent Director)
Mrs. Dakshaben R. Thakkar	Member, (Non-Executive, Non-Independent Director)
Mr. Vipul Prajapati	Member, (Non-Executive, Independent Director)

The attendance of the Committee Members to the Meetings of the Audit Committee is elaborated in the below mentioned table:

Name of Director	Mrs. Prabhavati Shetty (Chairperson)	Mrs. Dakshaben Thakkar	Mr. Vipul Prajapati
Date of Audit Committee Meetings held during the year			
29.05.2015	✓	✓	✓
31.07.2015	✓	✓	✓
21.08.2015	✓	✓	✓
28.10.2015	✓	✓	✓
13.01.2016	✓	✓	✓
12.02.2016	✓	✓	✓

4) NOMINATION AND REMUNERATION COMMITTEE:-

Role of Nomination and Remuneration Committee shall, inter-alia, include the following:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Composition of the Nomination and Remuneration Committee of the Company Pursuant to Regulation 19 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015 is illustrated in the below mentioned table:

The attendance of the Committee Members to the Meetings of the Nomination and Remuneration Committee is elaborated in the below mentioned table:

Mrs. Prabhavati Shetty	Chairman, (Non-Executive, Independent Director)
Mrs. Dakshaben R. Thakkar	Member, (Non-Executive, Non-Independent Director)
Mr. Vipul Prajapati	Member, (Non-Executive, Independent Director)

The performance evaluation criteria of the Independent Directors involves the preparation, involvement in the relevant agenda items of the meetings, contribution to the betterment of the Business of the Company, maintenance of high standards of ethics and integrity, etc.

Name of Director	Mrs. Prabhavati Shetty (Chairperson)	Mrs. Dakshaben Thakkar	Mr. Vipul Prajapati
Date of Nomination and Remuneration Committee Meetings held during the year			
04.09.2015	✓	✓	✓

5) REMUNERATION TO DIRECTORS:-

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, 2016 to the Chairman & Managing Director are within the limits prescribed under the Companies Act, 2013. 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. 8,40,000/- per annum. He was re-appointed as Managing Director w.e.f. 1st April 2015 for a period of three years.

Non-Executive Directors:

No salary/commission is paid to Non Executive Directors for the financial year 2015-2016. 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	12,000/-
Mr. Vipul Prajapati	12,000/-

Details of remuneration for the year ended 31st March 2016

Remuneration to Managing Director during 2015-16:

Name of Director	Salary and Allowance (Rs.)
Rasiklal Dalpatram Thakkar Chairman & Managing Director	Rs.8,40,000/- per annum

Name of Director	Sitting Fees paid:
Mrs. Prabhavati Shetty (Independent Director)	Rs. 2000/- Per Meeting
Mr. Vipul Prajapati (Independent Director)	Rs. 2000/- Per Meeting
Mrs. Dakshaben Rasiklal Thakkar	None

The policy for Determination of payment to Non-executive Directors is displayed on the website of the Company

Gravity (india) Limited

www.gravityindia.net.

Additional Disclosures with respect to the Remuneration of Directors of the Company is elaborately mentioned in the following table:-

Name of Director	Mr. Rasiklal Thakkar
Remuneration	Rs. 8,40,000 per annum
Benefits, if any	
Pecuniary value of the abovementioned benefits	
Bonuses, if any	
Pension benefits, if any	
Fixed component of Salary	
Performance Linked incentives, if applicable	
Service Contract, if applicable	
Notice Period, if applicable	
Severance fees, if applicable	
Stock Options, if any	

During the financial year, there was no pecuniary relationship or transaction between the Company and its Non-Executive Directors. The Company has not granted any stock options to any of its Non-Executive Directors. The Directors are not liable to any commission, options or any other benefits over and above the remuneration as stated above, which is fixed and not performance linked compensation.

The contract entered into between the Company and the Managing Directors are as per the terms of the resolution approved by the Shareholders, respectively.

Equity Shares held by Directors as on 31st March 2016

Except as stated below, none of the Directors hold Equity Shares in the Company:

Name of the Director	No. of shares
Rasiklal Dalpatram Thakkar	5000
Dakshaben Rasiklal Thakkar	800169

6) STAKEHOLDER'S RELATIONSHIP COMMITTEE:-

The Stakeholder's Relationship Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Pursuant to Regulation 20 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Board has constituted a Stakeholder's Relationship 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 Prajapati.

No. of meetings and Attendance during the year

There was no Stakeholders Relationships Committee meeting during the year ended 31st March, 2016.

Compliance Officer

The Company Secretary of the Company Mrs. Sujata Deepak Nadgouda is the Compliance Officer for complying with the requirements of SEBI Regulations and the (Listing and Disclosure Requirements) Regulations, 2015 with Stock Exchanges

Redressal of Investor Grievances

The Company's policy is to address all complaints, suggestions and grievances expeditiously and to send/issue replies at earliest except in case of dispute over facts or other legal impediments.

There was no stake holders relationships committee meeting during the year ended 31st March, 2016.

7) GENERAL BODY MEETINGS:-

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

Year	Time	Date	Special Resolution passed
2012 - 2013	3:00 p.m.	30.09.2013	No
2013-2014	3:00 p.m.	30.09.2014	Yes
2014-2015	3:00 p.m.	30.09.2015	Yes

Location for all the above Annual General Meetings were: Regd. Office: Gala No. 131, 1st Floor, Sanjay Bldg., No. 5-B, Mittal Industrial Estate, Sir Mathuradas VasANJI Road, Andheri - Kurla Road, Andheri (East), Mumbai -400 059.

E-voting**In last AGM following resolutions were passed through E-voting:**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2015, Profit and Loss Account and Cash Flow Statement for the year ended on that date and the Reports of Board of Directors and Auditors Report issued thereon.
2. To appoint a Director in place of Mrs. Dakshaben Rasiklal Thakkar (DIN: 00576846), who retires by rotation, and being eligible, offers herself for reappointment.
3. To ratify the appointment of the Statutory Auditors for the Financial Year 2015-2016 and fix their remuneration.
4. To Re-appoint Mr. Rasiklal Thakkar (DIN 00575776), as the Managing Director of the Company and fix his Remuneration.

Extra-Ordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2015.-2016

Postal Ballot:

No Postal Ballot was conducted during the year 2015-2016.

8) MEANS OF COMMUNICATION:-

The Company has regularly published its quarterly, half yearly and annual results in 1 English Newspaper and 1 Marathi Newspaper and submitted to the Stock Exchange in accordance with the requirements stipulated in SEBI (Listing and Disclosure Requirements) Regulations, 2015 and also in accordance to the erstwhile Listing Agreement.

The financial results are normally published in Free Press Journal (English) and Navshakti (Marathi). Also they are uploaded on the Company's website: www.gravityindia.net

Gravity (India) Limited

9) GENERAL SHAREHOLDER INFORMATION:-

A) Annual General Meeting:

Date : 30th September, 2016
 Day : Friday
 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 : 1st April, 2016 to 31st March, 2017
 First quarter results : Last week of July
 Second quarter results : Last week of October
 Third quarter results : First week of February
 Fourth quarter results : Last week of May

C) **Book Closure Date:** 24th September, 2016 to 30th September, 2016

D) **Listing on Stock Exchange:** The Stock Exchange, Mumbai (BSE)

E) The Annual Listing Fees payable to the Stock Exchange is paid vide challan dated.

F) **Stock Code.** : 532015

G) **Demat ISIN No** : INE995A01013

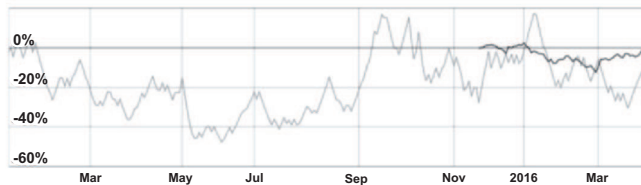
H) **CIN** : L17110MH1987PLC042899

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

(in Rs.)

period	high	Low	period	high	Low	period	high	Low
April 2015	2.35	1.95	Aug 2015	2.45	1.78	Dec 2015	2.80	2.30
May 2015	2.34	1.49	Sep 2015	3.34	2.00	Jan 2016	3.24	2.20
June 2015	2.06	1.44	Oct 2015	3.49	2.07	Feb 2016	2.63	2.18
July 2015	2.14	1.59	Nov 2015	2.70	1.90	Mar 2016	2.59	1.91

J) PERFORMANCE IN COMPARISON TO BSE INDEX:-



K) 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.

L) SHARE TRANSFER SYSTEM:

Presently the shares, which are received in physical form, are processed and the share certificates duly endorsed 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.

M) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016 IS AS UNDER:

No. of shares	No. of Shareholders	% of Shareholders	Holdings	% of Holdings
Upto 500	2366	58.72%	585482	6.51%
501 – 1000	767	19.04%	693493	7.71%
1001 – 2000	419	10.40%	689170	7.66%
2001-3000	143	3.55%	384539	4.27%
3001 – 4000	70	1.74%	252721	2.81%
4001 – 5000	88	2.18%	424083	4.70%
5001 – 10000	103	2.56%	777814	8.64%
10001 and above	73	1.81%	5194648	57.70%
Total	4029	100%	9001950	100%

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2016:

Category	No. of Shares of Rs.10/- each	(%) Percentage
Indian Promoters	1926961	21.41%
Foreign Promoters	-	-
Persons Acting in Concert	-	-
Mutual Funds and UTI	-	-
Banks / Financial Institutions / Insurance Companies	2000	0.02%
Private Corporate Bodies	363344	4.04%
Indian Public	6273541	69.69%
NRIs / OCBs	400957	4.45%
Others	35147	0.39
Total	9001950	100%

N) DEMATERIALISATION OF EQUITY SHARES AND LIQUIDITY:

As on 31.03.2016 of the total equity shares issued, 97.80% were held in dematerialised form and the balance 2.20% of shares in physical form.

O) COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

During the year under review no Commodity Price Risk or Foreign Exchange Risk and Hedging activities.

P) PLANT LOCATIONS:

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

Q) 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.

10) OTHER DISCLOSURES:-

Related Party Transactions:

None of the transactions with any of the related parties were in conflict with the interest of the Company. Details of transactions with related parties are disclosed in notes to the Accounts in the Annual Report. All related party transactions are negotiated at arms' length basis and are only intended to further the interest of the Company.

Compliances

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The Company has also complied with mandatory and non-mandatory applicable rules and regulations prescribed by Stock Exchanges, SEBI or any other statutory authority relating to the capital markets. All returns/reports were filed with Stock Exchanges/ other authorities.

Vigil Mechanism

The Company has established a vigil mechanism:

- (i) to promote ethical behavior in all its business activities
- (ii) to establish mechanism for employees to report any genuine grievances, illegal, unethical behavior, suspected fraud or violation of laws, rules and regulation or conduct

The reportable matters may be disclosed to the Audit Committee of the Board of Directors.

The Policy also provides for adequate protection to the whistle blower against victimization or discriminatory practices.

No Personnel is denied access to the Audit Committee. No Personnel is denied access to the Audit Committee in case they detect any suspected fraud or irregularity in the Company.

The Directors and Senior management are obligated to maintain confidentiality of such reporting violation and ensure that the whistle blowers are not subject to any discriminatory practices.

10) DISCLOSURES WITH RESPECT TO THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED

The Chairperson of the Company is an executive Director of the Company and operates from the Registered Office premises of Company.

No such half-yearly declaration of financial performance including summary of the significant events in last six-months was sent to each household of shareholders, however the mandatory Annual Report is sent to all the shareholders.

Our Company Audit Opinion w.r.to to the financial Statements of the Company for the year under review is an unmodified one.

Our Company has appointed as the Managing Director the Chairperson of the Company.

The Internal Auditor reports to the Audit Committee of the Company.

11) THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT.

The compliances with the Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are complied with to the extent applicable to our Company during the year under review.

Certificate from the Statutory Auditor, M/s. J. C. Kabra & Associates confirming compliance with the conditions of Corporate Governance is annexed to this Report forming part of the Annual Report.

Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management is annexed to this Report forming part of the Annual Report.

For and on behalf of the Board of Directors

**Mumbai
August 26, 2016**

**Rasiklal Thakkar
Chairman and Managing Director
DIN No.: 00575776**

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
GRAVITY (INDIA) LIMITED

We have examined the compliance of the conditions of Corporate Governance by **Gravity (India) Limited** for the year ended on 31st March 2016, as stipulated in Regulation of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

For J. C. Kabra & Associates
Chartered Accountants.
Firm registration No 115749W

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

Mumbai
May 25, 2016

CFO/MD Certificate

To
The Board of Director
Gravity (India) Limited
Mumbai

Dear Sir,

- A. We have reviewed financial statement and the cash flow statement for the year ended 31st march 2016 and that to the best of their knowledge and belief:
- (i) These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - (ii) These statement together present s true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control system of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the audit committee that:
- (i) There were no significant changes in internal control over financial reporting during the year;
 - (ii) There were no changes in accounting policies during the year and that the same been disclosed in the notes to the financial statement ; and
 - (iii) There were no instances of fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Gravity India Limited

Mumbai
May 25, 2016

Varun Thakkar
CFO

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.

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 turnaround of the Indian Textile Industry. The Board considers overall performance reasonably satisfactory and indicative of the future growth of the Company.

TEXTILES' BUSINESS

INDUSTRY PERSPECTIVE

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.

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.

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.

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.

RISK AND CONCERNS

Being an agro-based industry the production of raw material varies from year to year depending on weather conditions, customer demand, price fluctuation etc.

Also the textile industry being a highly fragmented industry leading to high competition and low profit margins is a matter of concern.

Changing export dynamics is also a matter of concern.

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.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has achieved a turnover of Rs. 1972 Lacs during the year. The turnover was reduced mainly due to slack of textile Industry and increase raw material prices. The Company has undertaken relevant steps to improve its operational efficiency and generate greater revenues.

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.

DISCLOSURE OF ACCOUNTING TREATMENT:

During the year under review the Company has been adopted prescribed Accounting Standards issued by the Institute of Chartered Accountants of India as applicable to the Company in the preparation of Financial Statements.

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

Mumbai
August 26, 2016

Rasiklal D. Thakkar
Chairman and Managing Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GRAVITY (INDIA) LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Continuation to Independent Auditors Report J C Kabra & Associates Chartered Accountants

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of the Statement of Profit and Loss, of the Loss 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches which is also audited by us)
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.[and the returns received from the branches which are prepared by us]
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2016, Continuation to Independent Auditors Report J C Kabra & Associates Chartered Accountants taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to adequacy of the internal financial control over reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'
- g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statement-Refer Note
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts

For **J C Kabra & Associates**
Chartered Accountants
FRN: 115749W

Place: Mumbai
Date: May 25, 2016

CA.J. D. Kabra
Partner
Membership no: 038525

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of GRAVITY (INDIA) LIMITED for the year ended 31st March, 2016.

On the basis of the information and explanation given to us during the course of our audit, we report that:

- (i) (a) As informed the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, the company has program for physical verification of fixed Assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and the nature of its business.
(c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
- (ii) (a) As explained to us, Inventories have been physically verified during the year by management at reasonable intervals.
(b) According to information and explanation given to us, the procedure of Physical verification of inventory followed by the management are reasonable and adequate in relation to size of the company and nature of business
(c) In our opinion and on the basis of our examination of the records, the company is generally maintaining proper records of Inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records
- (iii) According to explanation and information given to us and on the basis of our examination of books of account, the company has not granted loans secured or unsecured to companies, firms, Limited Liability or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Therefore the provision of sub clause (a) and (b) of the paragraph (iii) of the order not applicable to the company.
- (iv) In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) As informed to us, the company has not accepted deposits from public during the year.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by central government for maintenance of cost records has not been specified by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Act, are of the opinion that prima facie, the prescribed accounts and records have generally been made and maintained. We have not, however made detailed examination of the records with a view to examination of the records with a view to examine whether they are accurate and complete.
- (vii) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. Continuation to Independent Auditors Report J C Kabra & Associates Chartered Accountants
- (viii) According to the information and explanation given to us, there is no amount payable in respect of income tax, wealth tax, sales tax and excise duty which have not been deposited on account of any dispute.
- (ix) According to information and explanation given to us and on the basis the company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders. Subject to note no. 6 of the notes on accounts .

- (x) The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)
- (xi) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank and other financial institutions.
- (xii) As per information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xiii) Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
- (xiv) As per information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
- (xv) The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xvi) As per information and explanation given to us, the company hasn't entered into any non-cash transactions with directors or persons connected with him.
- (xvii) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **J C Kabra & Associates**
Chartered Accountants
FRN: 115749W

Place: Mumbai
Date: May 25, 2016

CA.J. D. Kabra
Partner
Membership no: 038525

Gravity (india) Limited

ANNEXURE - B TO THE AUDITORS' REPORT

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal Continuation to Independent Auditors Report J C Kabra & Associates(Chartered Accountant)

Chartered Accountants

financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For **J C Kabra & Associates**
Chartered Accountants
FRN: 115749W

Place: Mumbai
Date: May 25, 2016

CA.J. D. Kabra
Partner
Membership no: 038525

Gravity (India) Limited**Balance Sheet as at March 31, 2016**

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.01	90,019,500	90,019,500
(b) Reserves and Surplus	2.02	18,108,949	23,431,361
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	2.03	35,178,893	80,626,793
(3) Current Liabilities			
(a) Trade Payables	2.04	23,686,589	7,180,238
(b) Other Current Liabilities	2.05	15,680,687	1,735,447
(c) Short-Term Provisions	2.06	1,422,672	1,045,539
		184,097,290	204,038,877
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	2.07	38,068,907	44,201,413
(b) Long term Loans and Advances	2.08	3,768,098	4,172,802
(c) Non Current Investment	2.09	621,003	621,003
(d) Deferred Tax Assets (Net)	2.10	5,180,116	3,960,240
(2) Current Assets			
(a) Inventories	2.11	28,245,807	36,657,930
(b) Trade Receivables	2.12	97,714,680	97,968,725
(c) Cash and Bank Balances	2.13	6,839,495	5,618,934
(d) Short-Term Loans and Advances	2.14	35,000	218,002
(e) Other Current Assets	2.15	3,624,182	10,619,827
		184,097,290	204,038,877

Significant Accounting Policies 2.00
The accompanying notes are an integral part of the financial statements (2.00 to 2.22)

As per our report attached
For J C Kabra & Associates
Chartered Accountants
Firm Reg. No.: 115749W

For Gravity (India) Limited

(CA J.D.Kabra)
(Partner)
Membership No. : 38525
Mumbai
May 25, 2016

Rasiklal Thakkar
(Chairman & MD)

Dakshaben Thakkar
(Director)

Sujata Nadgouda
(Company Secretary)

Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenue from Operations	2.16	197,199,785	279,822,344
Other Income	2.17	4,111,985	1,312,423
Total Revenue		201,311,770	281,134,767
Expenses:			
Purchase of Traded Goods	2.18	169,963,582	276,563,740
Changes in Inventories of Traded Goods	2.19	8,412,123	(19,638,825)
Employee Benefit Expense	2.20	14,275,460	14,485,108
Finance Costs	2.21	146,109	186,388
Other Expenses	2.22	9,644,583	11,008,846
Depreciation	2.07	4,928,216	5,206,944
Total Expenses		207,370,073	287,812,200
PROFIT BEFORE TAX		(6,058,303)	(6,677,433)
Tax expense:			
Current tax expense for current year		279,580	-
Deferred tax assets		(1,219,876)	(1,037,720)
Excess/Short provision for prior years		204,405	716,172
PROFIT AFTER TAX		(5,322,412)	(6,355,886)
EARNINGS PER EQUITY SHARE			
Equity shares of par value Rs. 10/- each			
(1) Basic		(0.59)	(0.71)
(2) Diluted		(0.59)	(0.71)

Significant Accounting Policies 2.00
The accompanying notes are an integral part of the financial statements (2.00 to 2.22)

As per our report attached
For J C Kabra & Associates
Chartered Accountants
Firm Reg. No.: 115749W

For Gravity (India) Limited

(CA J.D.Kabra)
(Partner)
Membership No. : 38525
Mumbai
May 25, 2016

Rasiklal Thakkar
(Chairman & MD)

Dakshaben Thakkar
(Director)

Sujata Nadgouda
(Company Secretary)

Gravity (india) Limited

Cash Flow Statement for the year ended March 31, 2016

Particulars	For the year ended 31.03.16	For the year ended 31.03.15
A Cash flow from Operating Activities:		
Net Profit before Tax as per Profit and Loss Account	(6,058,303)	(6,677,433)
Adjustment for:		
Depreciation	4,928,216	5,171,944
Interest Income	(66,666)	(58,191)
Profit on sale of fixed assets	(3,179,497)	-
Preliminary / Share Issue Expenses written off	-	35,000
Bank Interest	146,109	186,388
Operating Profit before Working Capital changes	(4,230,141)	(1,342,292)
Adjustment for change in working capital:		
(Increase) / Decrease in Inventories	8,412,123	(19,638,825)
(Increase) / Decrease in Trade Receivables	254,045	31,397,064
(Increase) / Decrease in Advances & Other Current Assets	7,550,645	(10,484,160)
Increase / (Decrease) in Current Liabilities	30,828,725	(19,438,886)
Cash generated from Operations	42,815,396	(19,507,099)
Direct Taxes (Paid)/Refund	(451,279)	(1,484,835)
Net Cash used in Operating Activities	42,364,117	(20,991,934)
B Cash flow from Investing Activities:		
Purchase of/advance for Fixed Assets	(3,144,213)	(75,858)
Sale of Fixed Assets	7,528,000	20,631,106
Interest Income Received	66,666	58,191
Net Cash used in Investing Activities	4,450,453	20,613,439
C Cash flow from Financing Activities:		
Repayment of Long Term Borrowing	(45,447,900)	-
Increase/(decrease) in Short Term Borrowing	-	-
Bank Interest paid	(146,109)	(186,388)
Net Cash generated from Financing Activities	(45,594,009)	(186,388)
Net increase in Cash and Cash equivalents	1,220,561	(564,883)
Opening balance of Cash and Cash equivalents	5,618,934	6,183,817
Closing balance of Cash and Cash equivalents	6,839,495	5,618,934

As per our report attached
For J C Kabra & Associates
 Chartered Accountants
 Firm Reg. No.: 115749W

For Gravity (India) Limited

(CA J.D.Kabra)
 (Partner)
 Membership No. : 38525
 Mumbai
 May 25, 2016

Rasiklal Thakkar
 (Chairman & MD)

Dakshaben Thakkar
 (Director)

Sujata Nadgouda
 (Company Secretary)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**Significant Accounting Policies****a. Basis of preparation of Financial statements**

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 as applicable. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

b. Use of estimates

The preparation of financial statements, in conformity with the GAAP, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the period. Differences between the actual results and estimates are recognized in the period in which the results are known/ materialize.

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 recognized 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 their cost of acquisition or construction less accumulated depreciation and impairment losses. Costs of acquisition comprise all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use. Cost of construction are composed of those costs that relate directly to specific assets and those that are attributable to the construction activity in general and can be allocated to the specific assets up to the date the assets are put to use.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful lives of the assets estimated by the Management and as prescribed in Schedule II to the Companies Act, 2013.

Plant and Machinery	20-22 years
Office Equipment (Water purifier)	8years
Office Equipment (Fire extinguisher)	3years

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. For the following class of assets, based on the internal assessment, the Management believes that the useful lives as given below best represent the period over which the Management expects to use these assets. Hence the useful lives of these assets are different from the useful lives as prescribed under Schedule II of the Companies Act, 2013.

e. Impairment of Assets

At the end of each year, the Company determines whether the provision is to be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on 'Impairment of Assets'. An impairment loss is charged to the statement of profit and loss in the year in which, an asset is identified as impaired, when the carrying value of the asset in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

f. Investments

- 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.

Gravity (India) Limited

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 realizable value whichever is lower.
- iii. Packing materials are being valued at cost.
- iv. Finished stocks are being valued at cost or net realizable value whichever is lower.

h. Miscellaneous Expenditure

Miscellaneous expenditure, such as preliminary expenditure and share issue expenses are amortized 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 statement of profit and loss.

l. Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on the Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the Cash Flow Statement consists of cash on hand, balance in current accounts and unencumbered demand deposits with banks.

m. Earnings Per Share

The earnings considered in ascertaining the Company's Earnings 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.

n. Tax on Income:

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

o. 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.

Notes to financial statements for the year ended March 31, 2016

2.01 Share Capital

Particulars	31.3.2016	31.03.2015
Authorized		
15,00,00,00 (P.Y.15,00,00,00) Equity Shares of Rs. 10/- each.	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, Subscribed and Paid-Up		
90,01,950 (P.Y. 90,01,950) Equity Shares of Rs. 10/- each, Fully Paid up	90,019,500	90,019,500
Total	90,019,500	90,019,500

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2016 and March 31, 2015 is set out below:-

Particulars	31.3.2016		31.03.2015	
	Numbers	Rs.	Numbers	Rs.
At the beginning of the Period	9,001,950	90,019,500	9,001,950	90,019,500
Add:- Issued During the Period	-	-	-	-
Less: Utilised / transferred during the year	-	-	-	-
Outstanding at the end of the period	9,001,950	90,019,500	9,001,950	90,019,500

The details of shareholder holding more than 5% shares as at March 31, 2016 and March 31, 2015 is set out below :-

Name of the shareholder	31.3.2016		31.03.2015	
	Numbers	Rs.	Numbers	Rs.
Dakshaben Thakkar	800,169	8.89%	788,707	8.76%
Varun Thakkar	851,227	9.46%	851,227	9.46%
Shraddha Thakkar	585,961	6.51%	585,961	6.51%

2.02 Reserve & Surplus

Particulars	31.3.2016	31.03.2015
1) Surplus (Deficit) in the statement of Profit & Loss A/c		
Balance as per last financial statements	23,431,361	29,787,247
Add/Less : Profit for the year	(5,322,413)	(6,355,886)
Closing Balance	18,108,949	23,431,361
Total	18,108,949	23,431,361

Gravity (india) Limited

Notes to financial statements for the year ended March 31, 2016

2.03 Long Term Borrowing

Particulars	31.3.2016	31.03.2015
Secured		
Industrial Hypothecation Loan From Banks		
Madhavpura Mercantile Co-op Bank Ltd	35,178,893	80,626,793
Total	35,178,893	80,626,793

From Madhavpura Mercantile Co-Op Bank Ltd., Secured By Second Equitable Mortgage of - Immovable Properties of the company) The Company has already paid a sum of Rs. 454.48 Lacs during the year 2015-16.

2.04 Trade Payables

Particulars	31.3.2016	31.03.2015
Due to Micro and Small enterprises	18,865,943	7,180,238
Others Payable	4,820,646	-
Total	23,686,589	7,180,238

2.05 Other Current Liabilities

Particulars	31.3.2016	31.03.2015
Other Advance		
Advance from customer	14,880,000	-
Booked OverDraft	-	176,273
Other Payables		
TDS	687	59,174
Deposit	800,000	1,500,000
Total	15,680,687	1,735,447

2.06 Short Term Provision

Particulars	31.3.2016	31.03.2015
Salaries And Wages Payable	768,721	360,359
Audit Fees Payable	114,400	112,596
Other Payables	539,551	572,584
Total	1,422,672	1,045,539

Notes to financial statements for the year ended March 31, 2016

Note:- 2.07**Fixed Assets**

Particulars	Gross Block			Depreciation			Net Block			
	Balance 01.04.2015	Additions	Deduction	Balance 31.03.2016	Depreciation 01.04.2015	Depreciation for the year	Deduction for the year	Depreciation 31.03.2016	Balance 31.03.2016	Balance 31.03.2015
Leasehold Land	1,065,936	-	-	1,065,936	-	-	-	-	1,065,936	1,065,936
Freehold Land	482,101	-	-	482,101	-	-	-	-	482,101	482,101
Factory Building	38,561,622	-	-	38,561,622	17,336,015	1,370,793	-	18,706,808	19,854,814	21,225,607
Plant & machinery Furniture and Fixtures	84,504,240	350,000	25,721,623	59,132,617	64,573,764	3,531,706	21,373,120	46,732,350	12,400,267	19,930,476
Motor Vehicle	822,393	-	-	822,393	810,072	1,458	-	811,530	10,863	12,321
Office Equipment	3,747,943	-	-	3,747,943	3,714,876	5,748	-	3,720,624	27,319	33,067
	1,051,038	-	-	1,051,038	986,962	18,511	-	1,005,473	45,565	64,076
TOTAL	130,235,273	350,000	25,721,623	104,863,650	87,421,689	4,928,216	21,373,120	70,976,785	33,886,865	42,813,584
Capital Work In Process	1,387,829	2,794,213	-	4,182,042	-	-	-	-	4,182,042	1,387,829
TOTAL									38,068,907	44,201,413
Previous Year Figures	152,178,350	14,444,752	35,000,000	131,623,102	81,533,573	5,171,944	(716,172)	87,421,689	44,201,413	70,644,777

Gravity (india) Limited

Notes to financial statements for the year ended March 31, 2016

2.08 Long Term Loans & Advances

Particulars	31.3.2016	31.03.2015
Unsecured, Considered Good :-		
(a) Security Deposit:-		
Rent Deposit	183,050	183,050
Other Deposits	1,694,299	2,194,299
(b) Income tax (Net)	1,890,749	1,795,453
Total	3,768,098	4,172,802

2.09 Non-Current Investment

Non Trade Investment		
Unquoted shares	621,003	621,003
Total	621,003	621,003

2.10 Deferred Tax

Deferred Tax Assets	5,180,116	3,960,240
Total	5,180,116	3,960,240

2.11 Inventories

Finished Goods	28,245,807	36,657,930
Total	28,245,807	36,657,930

2.12 Trade Receivables

Over Six Months		
Considered Good	31,480,086	13,776,781
Others		
Considered Good	66,234,594	84,191,944
Total	97,714,680	97,968,725

2.13 Cash & Bank balance

Cash & Cash Equivalents		
i) Cash-on-Hand	1,766,935	1,376,577
Balance with Bank		
i) In Current Account	570,494	143,229
Other Bank Balances		
i) Balance Held as Margin Money or Bank Guarantees	4,502,066	4,099,128
Total	6,839,495	5,618,934

2.14 Short Term Loans & Advances

Unsecured -Considered Good		
Loan and advance to employees	35,000	90,000
Others	-	128,002
Total	35,000	218,002

Notes to financial statements for the year ended March 31, 2016

2.15 Other Current Assets

Particulars	31.3.2016	31.03.2015
Advance to Suppliers	-	9,426,053
Prepaid Expenses	49,404	46,018
Rent Receivable	-	782,400
Others Receivables	3,574,778	365,356
Total	3,624,182	10,619,827

2.16 Revenue From Operation

Sale	197,315,212	280,778,721
Less: Discount and Deduction	(115,427)	(956,377)
Total	197,199,785	279,822,344

2.17 Other Income

Rent Received	865,822	1,254,232
Interest Received	66,666	58,191
Profit on Sell of Assets	3,179,497	-
Total	4,111,985	1,312,423

2.18 Purchase of Traded Goods

Purchase Of Cloth	169,963,582	276,563,740
Total	169,963,582	276,563,740

2.19 Changes in Inventories of Traded Goods

Closing Stock	(28,245,807)	(36,657,930)
Less:- Opening Stock	36,657,930	17,019,105
Total	8,412,123	(19,638,825)

2.20 Employee Benefit Expenses

Directors Remuneration and sitting fees	864,000	856,000
Bonus and Leave Encashment	1,069,621	943,759
Salaries	1,302,970	948,187
Staff Welfare	61,226	127,434
Gratuity and Provident Fund	359,877	543,900
Wages	10,617,766	11,065,828
Total	14,275,460	14,485,108

2.21 Finance Cost

Interest on :		
Bank charges and Interest	146,109	186,388
Total	146,109	186,388

Gravity (india) Limited

Notes to financial statements for the year ended March 31, 2016

2.22 Other Expenses

Particulars	31.3.2016	31.03.2015
Direct Expenses		
Beam Drawing / Noting Charges	251,475	571,200
Consumable Stores	2,905,306	3,364,504
Dropping and Folding	240,000	341,000
Fuel & Electricity	2,197,665	2,771,224
Mending Expenses	556,574	817,203
Repair & Maintenance - Factory/Office	44,180	252,868
Repairs & Maintenance -Electric	171,482	165,975
Repairs & Maintenance -Machineries	387,161	578,751
Sample and Development	-	22,472
Freight and Delivery	326,686	331,388
Total	7,080,529	9,216,585
Indirect Expenses		
Auditor Remuneration	110,000	110,000
Advertisement Expenses	61,269	66,146
Brokerage & Commission	315,445	299,333
Donation	-	138,856
Electricity Charges	216,820	178,777
Factory Expenses	542,845	253,279
Insurance Premium	122,003	123,918
Listing and Depository Fees	280,384	150,994
Motor Car Expenses	63,696	155,539
Postage & courier	49,027	110,050
Printing & Stationery	111,040	65,097
Telephone Charges	99,680	80,658
Other Miscellaneous Expenses	591,846	59,614
Total	2,564,055	1,792,261
Grand Total	9,644,583	11,008,846

Notes to financial statements for the year ended March 31, 2016**Notes to Accounts**

1. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated that would be realized in the ordinary course of business. Adequate provisions have been made for all known liabilities.
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 The Madhavpura Mercantile cooperative bank Ltd, (presently defunct bank).
4. As per AS 13, no provision has been made for the losses due to decline in the present value of investments although the Company in which investments were made has been delisted.
5. As per AS 15, No provision has been made for gratuity for employees. The management has informed that the same shall be claimed at the time of making the payment.
6. The company has not made any provisions nor has provided any interest on the old disputed Industrial Hypothecation Loan granted by The Madhavpura Mercantile co-operative bank Ltd, (presently a defunct bank). The matter is pending before court. However The Company had entered into one time settlement with the bank under Compromise Settlement Scheme (CSS-2013). The Company has already paid a some of Rs. 454.88 Lacs during the year.
7. The Work in Progress under Fixed assets represents payment made for construction of premises allotted by MCM for building and operating market at Kondvitta-Andheri. The management has sold off a major portion of the premises built by it and as per consistence practice the sale proceeds have been adjusted against the cost of the Asset. Gains if any shall be ascertained once the project is completed.

8. Auditors Remuneration

	year ended 31.03.2016	year ended 31.03.2015
Statutory Audit Fees	80,000	80,000
Income Tax Audit Fees	20,000	20,000
Income Tax Matters	10,000	10,000
Total	1,10,000	1,10,000

9. Income tax assessment has been completed up to Assessment year 2014-2015. However, a tax demand of Rs. 4,24,350/- have been determined for assessment year 2009-10. The Management has preferred to file a rectification application against this demand under the Income-tax Act, 1961.

10. Micro and Medium scale business entities

There is no information available for Micro, small and medium Enterprises, to whom the Company owes dues, which are outstanding for more than 180 days as at 31st March, 2016. 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 to the extent of information gathered

11. No commission has been paid to the Directors, only the salary and perquisite has been paid to the Directors as per the provision of section 197 of the Companies Act, 2013.

12. Deferred Tax Assets/Liabilities

As per AS 22 Deferred Tax Liability/Assets is recognized on timing difference, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent year. The management has recognized the deferred tax from the end of the exempt period under section 80I of the Income tax Act, 1961.

Gravity (India) Limited

13. Segment Reporting:

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

14. 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.

15. Summary of the related party disclosure:-

Nature of Transaction	Volume of Transaction	
	Current Year	Previous Year
Reimbursement of Electricity	5184813	5535440
Rent	576000	976000
Director Remuneration	840000	840000

16. Licensed, installed and Actual Capacity for Production.

(Figure in Meters)

Name of the Product	Synthetic fabrics
Licensed Capacity	65,70,000
Installed Capacity	65,70,000
Capacity Utilised	45,00,000

17. Quantitative Information

Particulars	Unit	Current Year	Previous Year
A. Fabrics Manufactured/ Purchased	Mtrs	1404839.000	3429002.000
	Kgs	-	39528
B. Sales of Fabrics	Mtrs	1650958.000	3077178.000
	Kgs	-	39528
C. Shrinkage / Shortage	Mtrs	13845.000	2625.000

18. Figures for the previous year have been recast/ regrouped/ rearranged, wherever considered necessary.

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

For J C Kabra & Associates
Chartered Accountants
Firm Reg. No.: 115749W

(CA J.D.Kabra)
(Partner)
Membership No. : 38525
Mumbai
May 25, 2016

For Gravity (India) Limited

Rasiklal Thakkar
(Chairman & MD)

Dakshaben Thakkar
(Director)

Sujata Nadgouda
(Company Secretary)



GRAVITY (INDIA) LIMITED

CIN – L17110MH1987PLC04899

Register Office:131-5B, Mittal Industrial Estate, Andheri [E], Mumbai: 400 059.
Fax: +91 22 28595429 **E-Mail:** gravityindia27@gmail.com **Website:** gravityindia.net

29TH ANNUAL GENERAL MEETING – FRIDAY, 30TH SEPTEMBER, 2016

ATTENDANCE SLIP

Folio No./Client ID :

DP ID :

No. of Shares:

Name and address of
First/Sole Shareholder

: _____

I Certify that I am a registered shareholder/ proxy for the registered shareholder of the Company..

I, hereby record my presence at the 29th Annual General Meeting of the Company held on Friday, September 30, 2016 at 3.00 p.m. at 131/5B, Mittal Industrial Estate, Andheri [E], Mumbai: 400 059.

Name of the Member/Proxy
(Block Letters)

Signature of the Member/Proxy

NOTES:

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



GRAVITY (INDIA) LIMITED

CIN – L17110MH1987PLC04899

Register Office: 131-5B, Mittal Industrial Estate, Andheri [E], Mumbai: 400 059.
Fax: +91 22 28595429 **E-Mail:** gravityindia27@gmail.com **Website:** gravityindia.net

29th Annual General Meeting – Friday, 30th September, 2016

Proxy Form

(Pursuant to section 105(6) of the Companies act 2013 and rules 19(3) of the companies (Management and Administration) Rules, 2014)

Name of the Members		E-mail ID	
Registered Address		Folio No/Client ID	
		DP ID	

Application for members holding shares in electronics form

I/We being the members holding _____ Shares of Gravity (India) Limited, Hereby Appoint:

1. _____ of _____ having email id _____ of failing him.
2. _____ of _____ having email id _____ of failing him.
3. _____ of _____ having email id _____

CUT HERE

As My/Our Proxy to Attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the company, to be held on Friday, the 30th September, 2016 at 3.00 p.m. or soon after the conclusion of the Annual General Meeting Gravity India Limited Convened on the same day, whichever is later at Unit No: 131, 1st Floor, Sanjay Building No.5-B, Mittal Industrial Estate, Sir MathuradasVasanji Road, Andheri (East), Mumbai-400059, India or at any adjournment thereof. In respect of such resolution as are indicated below:

Sr. No.	Particulars	For	Against
1.	To receive, consider and adopt the Audited standalone Balance Sheet as at 31st March, 2016, Statement of Profit and Loss Account for the financial year ended on March 31, 2016, Cash Flow Statement for the financial year ended March 31, 2016 and the Reports of Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mrs. Dakshaben Rasiklal Thakkar (Din: 00576846) who retires by rotation and being eligible, offers herself for re-appointment.		
3.	To ratify the appoint of Statutory Auditor and to fix their Remuneration in this regard.		
4.	Appointment of Mr. Varun Thakkar (DIN: 00894145), as a Managing Director, liable to retire by rotation and to fix his remuneration.		
5.	To consider and approve the Proposal for Sale of premises of the Company situated on second floor at Kondivita 202, Bldg. No. 2, CTS 468, Kondivita Village, Opp. Saidev Hotel, Andheri East, Mumbai 400059.		

Signed this _____ day of _____ 2016.

Affix
Revenue
Stamp

Signature of shareholder

Note:

- a. Proxy need not be a member of the company.
- b. The proxy form duly filled in and signed by the member(s) across the revenue stamp should reach the Company's Registered Office at least 48 hours before the commencement of the Meeting.
- c. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.

Gravity (india) Limited



GRAVITY (INDIA) LIMITED
CIN – L17110MH1987PLC04899

Register Office: 131-5B, Mittal Industrial Estate, Andheri [E], Mumbai: 400 059.

POSTAL BALLOT FORM

Serial No: _____

Name and Registered Address :
of the sole/first named Shareholder

Name of the Joint Shareholder(s)/ :
Members/Beneficial Owner(s)

Registered folio no./ DP ID No./ :
Client ID No*. (Applicable to
Members holding shares in
dematerialized form)

Number of shares held :

EVSN No : **160824092**

USER ID :

PASSWORD :

I/We here by exercise my/our vote in respect of the following Ordinary/Special resolution to be passed through postal ballot set out in the Notice of the 29th Annual General Meeting of the Company to be held on Friday, 30th September, 2016 by sending my/our assent or dissent to the said Resolution by placing the tick (✓) mark at the appropriate box below.

Sr. No.	Description	No of Shares	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1	To receive, consider and adopt the Audited standalone Balance Sheet as at 31 st March, 2016, Statement of Profit and Loss Account for the financial year ended on March 31, 2016, Cash Flow Statement for the financial year ended March 31, 2016 and the Reports of Board of Directors and Auditors thereon.			
2	To appoint a Director in place of Mrs. Dakshaben Rasiklal Thakkar (Din: 00576846) who retires by rotation and being eligible, offers herself for re-appointment.			
3	To appoint Auditor and fix their Remuneration.			
4	To appoint Mr. Varun Thakkar (DIN: 00894145), as a Managing Director of the Company and to fix his remuneration			

Place: Mumbai
Date: August 26, 2016

(Signature of the Shareholder/Member/Beneficial Owner)

Gravity (india) Limited

INSTRUCTIONS FOR VOTING IN PHYSICAL FORM

GENERAL INSTRUCTIONS

1. This Ballot Form is provided for the benefit of Members who do not have access to remote e-voting facility.
2. A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and ballot shall be treated as invalid.
3. The scrutinizer will collate the votes downloaded from the remote e-voting system and votes received through ballot to declare the final result for each of the resolutions forming part of the Notice of the AGM.
4. The facility of e-voting (including remote e-voting) and voting by ballot is available ONLY to the members of the company who hold shares as on the cut-off date viz 23rd September, 2016. Other members may treat this Form as for information purpose only.
5. The results declared along with Scrutinizer's Report, shall be placed on the Company's website www.gravityindia.com. in and on the website of the Central Depository Services Limited <https://www.cdslindia.com/> within two (2) days of the passing of the Resolutions at the AGM of the Company on 30th September, 2016 and communicated to the BSE Limited, where the shares of the Company are listed.

PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE BY USING THE BALLOT FORM

- a. Voting rights are reckoned on the basis of the shares registered in the names of the Members/Beneficial Owners as on the cut off date viz 23rd September, 2016.
- b. Please complete and sign the Ballot Form and return the form in the self-addressed Business Reply envelope so as to reach the Scrutinizer, Mr. Paras Rajendra Shah, as appointed by the Board of Directors of the Company on or before 29th September, 2016 (5.00 p.m.)
- c. The Form should be signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
- d. In case the shares are held by companies/ bodies corporate, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution together with their specimen signatures authorizing their representative.
- e. A Member may request for a duplicate Ballot Form, if so required, by sending an email to jp@unisec.in or gravityindia27@gmail.com
- f. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. The Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- g. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.

PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE BY REMOTE E-VOTING

The Members are requested to participate in the e-Voting facility provided by the Company in terms of provisions of Section 108 of the Companies Act, 2013 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The e-voting instructions are provided in the Notes to the AGM Notice dated 26th August, 2016. The e-voting instructions are also available on the website of the Company on www.gravityindia.com and on <https://www.cdslindia.com/> Existing users, may login using their existing USERID and passwords. In case of any difficulty or assistance, the members are requested to contact the Company on gravityindia27@gmail.com or the Registrar & Transfer Agent on jp@unisec.in

OTHER INSTRUCTIONS:

Members who cast their vote electronically or through ballot may attend the AGM but shall not be entitled to vote at the AGM.

The votes of the Members whose ballot forms are received after the cut-off date and/or of members who cast their votes electronically after the period of e-voting, shall not be considered. The scrutinisers' decision in all respects stands final.



Regd off. :
Gala No. 131, Sanjay Bldg.,
No. 5-B, Mittal Indl, Estate ,
Andheri Kurla Road, Andheri (East), Mumbai - 59.
Fax : +91 22 28595429 Email : gravityindia27@gmail.com