

GRAVITY (INDIA) LIMITED



26th Annual Report 2012-2013

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

TWENTY SIXTH ANNUAL REPORT 2012-2013

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BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Navin Choudhary

AUDITORS

M/s J C Kabra & Associates
Chartered Accountants
Mumbai

BANKERS

Bank of Baroda

REGISTERED OFFICE

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

MANUFACTURING FACILITIES

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

ANNUAL GENERAL MEETING

On Monday, 30th September, 2013 at Gala No. 131,
Sanjay Bldg. No.5-B, Mittal Ind. Estate,
Andheri Kurla Road, Andheri (East),
Mumbai - 400 059 at 3.00 p.m.

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

COMPANY'S REGISTRARS AND TRANSFER AGENTS

UNIVERSAL CAPITAL SECURITIES PVT. LTD.

(Formerly known as Mondkar Computers Pvt. Ltd.)

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

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

NOTICE is hereby given that the **Twenty Sixth** Annual General Meeting of Gravity (India) Limited will be held at the Registered Office of the Company situated at Unit No: 131, 1st Floor, Sanjay Building No.5-B, Mittal Industrial Estate, Sir Mathuradas VasANJI Road, Andheri (East), Mumbai – 400 059, India, on Monday, 30th September 2013 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2013, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vipul Kumar Prajapati, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint M/s. J C Kabra & Associates, Chartered Accountants, Mumbai as the Statutory Auditor of the Company to hold office from the conclusion of the current Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

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

Place: Mumbai
 Date: 30th August, 2013

Navin Choudhary
 Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and a proxy need not be a member of the Company. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
 2. The Register of Members and Transfer Books of the Company will be closed from Tuesday, 24th September, 2013 to Monday, 30th September, 2013 (both the days inclusive.)
 3. Members are requested to send their queries, if any, at least seven days in advance of the Meeting so that the information can be made available at the Meeting.
 4. Members/proxies should bring with them the Attendance Card, which may be submitted at the entrance, duly signed.
 5. Members are requested to immediately notify any change in their addresses to the Company's Registrars and Share Transfer Agents:
- UNIVERSAL CAPITAL SECURITIES PVT. LTD.**
 (Formerly known as Mondkar Computer Pvt. Ltd.)
 (Unit: GRAVITY (INDIA) LIMITED)
 21, Shakil Niwas, Mahakali Caves Road,
 Andheri (East), Mumbai – 400 093.
6. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Registrar and Share Transfer Agents of the Company enclosing their Share Certificates to enable them to consolidate their share holding in one folio.
 7. Securities and Exchange Board of India (SEBI) has mandated that delivery of shares of your Company shall be compulsorily in the de-materialized form for all investors with effect from 28th August 2000. The ISIN No. is INE995A01013.
 8. At the ensuing Annual General Meeting, Mr. Vipul Kumar Prajapati retires by rotation and being eligible, offers himself for re-appointment. Pursuant to clause 49 (VI) (A) of the Listing Agreement the particulars of Mr. Vipul Kumar Prajapati is given below:

GRAVITY (INDIA) LIMITED**Details of Directors seeking re appointment at the 26th Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement)**

Name of the Director	Mr. Vipul Kumar Prajapati
Date of Birth	2nd June 1981
Date of Appointment	24th March 2008
Qualifications	B.Com
Expertise	Accounts
Directorship in other Companies	None
Committee Positions in Gravity (India) Limited	3
Committee Positions in other Public Limited Companies	None
Relation between Directors	None
Number of Shares held in Gravity (India) Limited	25 shares

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

Place: Mumbai
Date: 30th August, 2013

Navin Choudhary
Company Secretary

DIRECTORS' REPORT

To,
The Members,
GRAVITY (INDIA) LIMITED

Your Directors have pleasure in presenting the Twenty Sixth Annual Report and Audited Accounts of the Company for the year ended March 31, 2013

1. FINANCIAL RESULTS: (₹ in lakhs)

FINANCIAL RESULTS	2012 - 2013	2011 - 2012
Income from operations and Other Income	3289.63	3192.54
Profit before Interest and Depreciation	64.47	62.61
Less: Interest paid	0.89	0.65
Less: Depreciation	54.36	53.82
Profit after Interest and Depreciation	9.21	8.14
Less: Provision for taxation	12.03	2.4
Profit after taxation	(2.82)	5.73
Add: Balance brought forward	101.65	95.92
Profit available for appropriation	98.83	101.65
Provision Reversed	0	0
Balance carried forward	98.83	101.65
Total Appropriation	98.83	101.65

2. SHARE CAPITAL

The Authorised Share Capital of the Company is divided into 150 Lakh Equity Shares of ₹ 10/- each, aggregating to ₹ 15 Crore. The Issued, Subscribed and Paid up Capital is ₹90,019,500 (Nine Crores Nineteen Thousand Five Hundred only) divided into 9,001,950 Equity Shares of ₹ 10/- each as on March 31, 2013.

3. RESERVES:

Reserves and Surplus were ₹ 2,95,64,994/- at the end of the financial year. During the year, the Company has not transferred any amount to General Reserve.

4. OPERATIONS:

During the year under review, the sales turnover of the Company increased from ₹ 3185.22 Lakhs in the previous year to ₹ 3282.78 Lakhs. The Profit of the Company before Taxation has marginally increased from 8.13 Lakhs to ₹ 9.21 Lakhs however after Tax expenses there was a Net Loss of ₹ 2.82 Lakhs.

5. DIVIDEND:

On account of the ongoing global recession and the need to increase the reserves of the Company, the Board has not recommended any dividend for the year under review.

6. DIRECTORS:

Mr. Vipul Kumar Prajapati retires by rotation and being eligible, offers himself for re-appointment. The Board

recommends the reappointment of Mr. Vipul Kumar Prajapati as Director of the Company. There were no other changes in the constitution of the Board of Directors during the year under review. There are no other changes in the composition of the Board of Directors of the Company.

7. FIXED DEPOSITS:

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

8. LISTING OF COMPANY'S SHARES:

Your Company's Equity Shares continue to be listed on The Stock Exchange, Mumbai in the Indo Next(S) Group. The annual listing fee for the year 2013-2014 has been paid to The Stock Exchange, Mumbai.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. In preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards had been followed, along with a proper explanation relating to material departures, if any.
- ii. Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and loss of the company after making Taxation expenses for the year ended March 31, 2013.
- iii. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- iv. Your Directors have prepared the annual accounts for the year ended March 31, 2013 on a going concern basis.

10. AUDITORS:

M/s J C Kabra & Associates, Chartered Accountants, Mumbai who are the Auditors of the Company and hold office until the conclusion of the forthcoming Annual General Meeting, are recommended for re-appointment. As required under the provision to Section 224 (1) of the Act, the company has obtained written confirmation from J C Kabra & Associates that their appointment, if made, would be in conformity with the limits specified in Section 224 (1B) of the Act.

11. AUDITOR'S REPORT

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

12. CORPORATE GOVERNANCE:

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

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

13. MANAGEMENT DISCUSSION and ANALYSIS REPORT

The Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchange is annexed as Annexure II forming part of this report.

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

(a) CONSERVATION OF ENERGY:

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

(b) TECHNOLOGY ABSORPTION:

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

(c) FOREIGN EXCHANGE:

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

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

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

16. EMPLOYEE RELATIONS:

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

17. ACKNOWLEDGMENTS:

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 30 August, 2013

(Rasiklal D. Thakkar)
Chairman and Managing Director

ANNEXURE I TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

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

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

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

2. BOARD OF DIRECTORS:

The Board of Directors consists of following four Directors.

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

3. BOARD MEETINGS, COMMITTEE MEETINGS AND PROCEDURES:**A. Institutional Decision Making Process**

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

B. Scheduling and Selection of Agenda items for Board Meetings

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

(C) Board Material distributed in advance

- (a) Agenda and notes on Agenda are circulated to the Directors, in advance, in the defined Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the Agenda.
- (b) In Special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive

subject matters may be discussed at the meeting without written material being circulated in advance.

(D) Recording minutes of proceedings at Board and Committee Meetings

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

(E) Post Meeting follow-up Mechanism

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

(F) Compliance

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

4. COMPOSITION AND CATEGORY OF DIRECTORS:

The particulars of Directors their attendance at the Board Meetings, Annual General Meeting during the financial year 2012-2013 and also other directorships as at 31st March, 2013 are as under:

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

During the year 2012 - 2013 the Board met six times on the following dates:
30th April 2012, 31st July 2012, 21st August 2012, 5th September 2012, 31st October 2012 and 31st January 2013.

The Last Annual General Meeting was held on 29th September, 2012.

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

Name of the Director	No. of meetings		Attended last AGM
	Held	Attended	
Mr. Rasiklal D. Thakkar	6	6	Yes
Mrs. Dakshaben R. Thakkar	6	6	Yes
Mrs. Prabhavati Shetty	6	6	Yes
Mr. Vipul Kumar Prajapati	6	6	Yes

5. AUDIT COMMITTEE:

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

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

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

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of the audit fees.
- Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 1. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 2. Changes, if any, in accounting policies and practices and reasons for the same.
 3. Major accounting entries involving estimates based on the exercise of judgment by the management.
 4. Significant adjustments made in the financial statements arising out of audit findings.
 5. Compliance with listing and other legal requirements relating to financial statements.
 6. Disclosure of related party transactions, if any. Qualifications in the draft audit report.
 7. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 8. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
 9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audits.
 10. Discussion with internal auditors regarding any significant findings and follow up thereon.
 11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 12. Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
 13. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 14. To reviews the functioning of the Whistle Blower mechanism, if and when introduced.
 15. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and / or other Committee(s) of Directors of the Company.

C. Information for Review:

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as may be defined by the audit committee), submitted by management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors.
4. Appointment, removal and terms of remuneration of the Chief Internal Auditor.

5. The Annexure and Proforma of the Cost Audit Reports before submission to the Board the 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 and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor, fixation and audit fee and also approval for payment for any other services.

Composition of Audit Committee

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

Attendance during the year

The Committee meetings were held during the year on 30th April 2012, 31st July 2012, 21st August 2012, 5th September 2012, 31st October 2012 and 31st January 2013.

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

Director	Number of Audit Committee Meetings	
	Held	Attended
Mrs. Prabhavati Shetty	6	6
Mrs. Dakshaben R. Thakkar	6	6
Mr. Vipul Kumar Prajapati	6	6

6. REMUNERATION COMMITTEE:

A) Terms of reference

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

B) Composition of the Remuneration Committee

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

C) Attendance during the year:

There was no Remuneration Committee Meeting held during the year.

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

Executive Director:

The aggregate value of salary and perquisite paid for the year ended 31st March, 2013 to the Chairman and Managing Director are within the limits prescribed under the Companies Act, 1956. No sitting fees are paid for attending the Board Meetings of the Company. Mr. Rasiklal Thakkar, the Chairman and Managing Director of the Company is paid a consolidated amount of ₹ 70,000/- p.m. He was reappointed as Managing Director w.e.f. 1st April 2010 for a period of five years.

Non-Executive Directors:

No salary/commission is paid to Non Executive Directors for the financial year 2012-2013. Independent Non-Executive directors are paid sitting fees of ₹ 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 (₹) for attending Board meetings
Mrs. Prabhavati Shetty	12,000 /-
Mr. Vipul Kumar Narottam Prajapati	12,000 /-

7. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

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

Attendance during the year

The Committee meetings were held during the year on 30th April 2012, 31st July 2012, 21st August 2012, 5th September 2012, 31st October 2012 and 31st January 2013

Director	Number of Shareholders'/Investors Grievance Committee Meetings	
	Held	Attended
Smt. Dakshaben R. Thakkar	6	6
Shri. Rasiklal D. Thakkar	6	6
Mr. Vipul Kumar Prajapati	6	6

8. SHARE TRANSFERS:

Mr. Rasiklal D. Thakkar, Chairman and Managing Director of the Company has been delegated the powers to approve share transfers. As on 31st March, 2013 no cases of transfers were pending.

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

9. GENERAL BODY MEETINGS:

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

Year	Time	Date	Special Resolution passed
2009 - 2010	5.00 p.m.	24.09.2010	No
2010 - 2011	3.00 p.m	30.09.2011	Yes
2011 - 2012	11.00 a.m	29.09.2012	No

Location for all the above AGMs 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.

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

During the period there were material transaction with promoters, Directors and their relatives and the management had potential conflict with the interest of the Company. The details of the related party transactions are as follows:

Sr.No	Name of the Person	Nature of Payment	Amount (₹)
1	Shri Rasiklal Thakkar	Remuneration	840000
2	Rammaruti Textiles Pvt Ltd	Purchase	3659232
3	Rammaruti Textiles Pvt Ltd	Rent	192000
4	Shivani Textiles	Rent	192000
5	Radha Textiles	Rent	192000
	Total		5075232

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

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

11. MEANS OF COMMUNICATION:

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

12. GENERAL SHAREHOLDER INFORMATION:

A) Annual General Meeting:

Date : 30th September, 2013
 Time : 3.00 P.M
 Place : Unit No: 131, 1st Floor, Sanjay Building No. 5-B, Mittal Industrial Estate, Sir Mathuradas VasANJI Road, Andheri (East), Mumbai – 400 059.

B) Financial Calendar

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

C) Book Closure Date: 24th September, 2013 to 30th September, 2013

D) Listing on Stock Exchange: Bombay Stock Exchange Limited (BSE)

E) Stock Code.: 532015

F) Demat ISIN No INE995A01013

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

Period	High	Low	Period	High	Low	Period	High	Low
April 2012	6.12	3.65	Aug 2012	5.39	4.13	Dec 2012	5.69	4.67
May 2012	5.39	4.05	Sep 2012	6.08	4.47	Jan 2013	5.19	4.15
June 2012	6.36	4.55	Oct 2012	5.22	4.04	Feb 2013	4.69	3.84
July 2012	5.39	4.70	Nov 2012	6.00	5.02	Mar 2013	4.12	2.64

(in ₹)

H) REGISTRAR AND SHARE TRANSFER AGENTS:

For both physical and Demat (Common Registry)

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

I) SHARE TRANSFER SYSTEM:

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

j) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013

No. of shares	No. of Shareholders	% To total Shareholders	Holdings	% To total Holdings
Upto 500	2416	58.841	612646	6.806
501 – 1000	804	19.581	727681	8.084
1001 – 2000	415	10.108	678623	7.538
2001 – 3000	145	3.531	385495	4.282
3001 – 4000	66	1.607	237761	2.641
4001 – 5000	77	1.875	372864	4.142
5001 – 10000	103	2.509	771077	8.566
10001 and above	80	1.948	5215803	57.941
Total	4106	100%	9001950	100%

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2013:

Category	No. of Shares of ₹10/- each	(%) Percentage
Indian Promoters	1835852	20.39
Foreign Promoters	0	-
Persons Acting in Concert	0	-
Mutual Funds and UTI	0	-
Banks / Financial Institutions / Insurance Companies	0	-
Private Corporate Bodies	511085	5.68
Indian Public	6181114	68.66
NRIs / OCBs	397351	4.42
Others	76548	0.85
Total	9001950	100%

K) DEMATERIALISATION OF EQUITY SHARES AND LIQUIDITY:

As on March 31, 2013 of the total equity shares issued, 97.79% were held in dematerialised form and the balance 2.21 % of shares in physical form.

L) PLANT LOCATIONS:

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

M) ADDRESS FOR CORRESPONDENCE:

(i) Investor Correspondence:

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

OR

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

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

13) AUDITORS CERTIFICATE FOR CORPORATE GOVERNANCE

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

14) WHISTLE BLOWER MECHANISM:

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

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

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

1. OVERVIEW:

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

TEXTILES BUSINESS:**INDUSTRY STRUCTURE and DEVELOPMENT**

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

2. OPPORTUNITIES and THREATS:

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

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

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

3. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE:

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

4. FUTURE OUTLOOK:

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

5. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has adopted internal control system, commensurate with its size. Through the Audit committee, your Company ensures its implementation and compliance so that assets and business interests of the Company are adequately safeguarded.

6. HUMAN RESOURCES:

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

7. CAUTIONARY STATEMENT:

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 30th August, 2013

(Rasiklal D. Thakkar)
Chairman and Managing Director

GRAVITY (INDIA) LIMITED

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

To,
The Members of
Gravity (India) Limited

We have examined the compliance of conditions of Corporate governance by Gravity (India) Limited (the Company) for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited in India.

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

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

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

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

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

Place: Mumbai
Date: 30th May, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of
Gravity (India) Limited.

Report on the Financial Statements

1. We have audited the accompanying financial statements of Gravity (India) Limited (the Company) which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and 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

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
6. In our opinion and to the best of our information and according to the explanations given to us, the 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, 2013;
- b) in the case Statement Profit and 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

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act, and
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **J C Kabra & Associates**
Chartered Accountants
Firm Registration No :115749W

Place: Mumbai
Date: 30th May, 2013

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

Annexure to the Independent Auditors Report

The Annexure referred to in paragraph 7 of the Our Report of even date to the members of Gravity (India) Limited ("the Company) on the accounts of the company for the year ended March 31, 2013.

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, no substantial part of fixed asset has been disposed off during the year that would affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of sub clauses b, c, d of the order are not applicable to the Company.
 - (e) According to the information and explanations given to us the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) and (g) are not applicable to the company.
4. In our opinion and according to the information and explanation given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories fixed assets, payment for expenses and for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - b) As per information and explanation given to us and in our opinion, the transaction entered into by the company with parties covered 301 of the Act does not exceeds five lakhs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Wealth Tax, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, sales tax, and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds and other Investments. Accordingly, clause 4(xv) of the order is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **J C Kabra & Associates**
Chartered Accountants
Firm Registration No :115749W

Place: Mumbai
Date: 30th May, 2013

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

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at March 31, 2013 ₹	As at March 31, 2012 ₹
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2	90,019,500.00	90,019,500.00
(b) Reserves and Surplus	3	29,564,994.82	29,847,200.00
Sub Total - (A)		119,584,494.82	119,866,700.00
Non-Current Liabilities			
(a) Long-Term Borrowings	4	80,626,793.00	81,326,792.00
(b) Other Long Term Liabilities	5	49,850,000.00	26,350,000.00
Sub Total - (B)		130,476,793.00	107,676,792.00
Current Liabilities			
(a) Trade Payables	6	43,068,733.87	91,068,677.00
(b) Short-Term Provisions	7	1,724,083.00	1,806,488.00
Sub Total - (C)		44,792,816.87	92,875,165.00
TOTAL	(A+B+C)	294,854,104.69	320,418,657.00
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	53,601,762.83	57,664,537.00
(ii) Capital Work-in-progress	8	50,167,922.00	26,437,344.00
(b) Non-current investments	9	621,003.00	621,003.00
(c) Deferred tax assets (net)	10	1,961,600.00	1,000,789.00
(d) Long term loans and advances	11	1,727,283.00	1,928,646.00
(e) Other non-current assets	12	70,000.00	105,000.00
Sub Total - (D)		108,149,570.83	87,757,319.00
Current Assets			
(a) Inventories	13	9,099,525.00	12,606,423.00
(b) Trade receivables	14	160,161,254.18	212,445,047.00
(c) Cash and Bank Balances	15	16,920,399.88	4,339,745.00
(d) Short-term loans and advances	16	184,856.00	2,002,875.00
(e) Other current assets	17	338,498.80	1,267,248.00
Sub Total - (E)		186,704,533.86	232,661,338.00
TOTAL	(D+E)	294,854,104.69	320,418,657.00

Summary Significant accounting policies

The accompanying notes referred to above form an integral part of the financial statement (1 to 25)

As per our report of even date

For Gravity (India) Limited

For J C Kabra & Associates

Chartered Accountants
Firm registration no. 115749W

(CA J.D.Kabra)

Partner

Membership Number: 38525

Place Mumbai

Date 30th May, 2013

(R.D. Thakkar)
Director

(D.R. Thakkar)
Director

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2013

Particulars	Note No.	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Revenue from operations	18	328,277,822.00	318,521,536.00
Other Income	19	685,288.00	732,856.00
Total Revenue (I +II)		328,963,110.00	319,254,392.00
Expenses:			
a. Cost of materials consumed	20	302,219,650.00	296,717,187.50
b. Changes in inventories	21	3,506,898.00	309,850.00
c. Employee Benefit	22	12,552,676.22	10,647,180.71
d. Financial Costs	23	55,582.00	52,822.00
e. Depreciation and Amortization	8	5,436,985.17	5,417,436.00
f. Other Expenses	24	4,270,077.79	5,296,170.77
Total Expenses (IV)		328,041,869.18	318,440,646.98
Profit before exceptional and extraordinary items and tax	(III - IV)	921,240.82	813,745.02
Profit before extraordinary items and tax	(V)	921,240.82	813,745.02
Profit before tax	(VI)	921,240.82	813,745.02
Tax expense:			
Gross Current tax		1,259,895.00	1,158,796.00
Net Current tax		1,259,895.00	1,158,796.00
Excess / Short Provision for Earlier Years		904,362.00	-
Deferred tax		960,811.00	918,167.00
Total Tax		1,203,446.00	240,629.00
Profit(Loss) from the period	(VII-VIII)	(282,205.18)	573,116.02
Earning per equity share:			
Basic		(0.03)	0.06

Summary Significant accounting policies

The accompanying notes referred to above form an integral part of the financial statement (1 to 25)

As per our report of even date

For J C Kabra & AssociatesChartered Accountants
Firm registration no. 115749W**(CA J.D.Kabra)**

Partner

Membership Number: 38525

Place Mumbai

Date 30th May, 2013**For Gravity (India) Limited****(R.D. Thakkar)** **(D.R. Thakkar)**

Director

Director

NOTE FORMING PART OF THE FINANCIAL STATEMENTS

2 SHARE CAPITAL

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Authorized Capital 15,00,0000 Equity Shares of ₹ 10/- each.	150,000,000.00	150,000,000.00
Issued, Subscribed and Paid Up Capital 90,01,950 Equity Shares of ₹ 10/- each, Fully Paid up	90,019,500.00	90,019,500.00
Total	90,019,500.00	90,019,500.00

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5 % OF EQUITY SHARES

Particulars	Face Value	No. of Shares
DAKSHABEN THAKKAR	₹ 10/-	709,060
VARUN THAKKAR	₹ 10/-	851,227
SHRADDHA THAKKAR	₹ 10/-	585,961

3 RESERVE AND SURPLUS

Particulars	Opening	Addition	Deduction	Closing
Profit and Loss Account	29847200	-	282205.18	29564994.82
Total	29847200	-	282205.18	29564994.82

4 LONG TERM BORROWINGS

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Secured Industrial Hypothecation Loan From (From Madhavpura Mercantile Co-op Bank Ltd) Secured By Second Equitable Mortgage of -Immovable Properties of the company) see Note No. 25	80,626,793.00	81,326,792.00
Total	80,626,793.00	81,326,792.00

5 OTHER LONG TERM LIABILITIES

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Unsecured Atithi Infrastructures Pvt.Ltd	49,850,000.00	26,350,000.00
Total	49,850,000.00	26,350,000.00

6 TRADE PAYABLES

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Small and Medium Enterprises	-	-
Others	43,068,733.87	91,068,677.00
Total	43,068,733.87	91,068,677.00

NOTE FORMING PART OF THE FINANCIAL STATEMENTS

7 SHORT TERM PROVISIONS

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Provision For Employees Benefit:		
P.F.Payable	16,089.00	15,122.00
Others		
Duties and Taxes	26,949.00	29,672.00
Electricity	533,646.00	819,083.00
Salary and Wages	888,373.00	747,547.00
Telephone Payable	10,300.00	387.00
Income Tax	248,726.00	194,677.00
Total	1,724,083.00	1,806,488.00

8 FIXED ASSETS

DESCRIPTION OF ASSETS	Gross Block				Depreciation				Net Block	
	As at 01.04.2012	Addition	Ded.	As at 31.03. 2013	As at 01.04.2012	Addition	Ded.	As at 31.03. 2013	As at 31.03. 2013	As at 31.03. 2012
		During the year				During the year				
Leasehold Land	1,065,936.00	-	-	1,065,936.00	-	-	-	-	1,065,936.00	1,065,936.00
Freehold Land	482,101.00	-	-	482,101.00	-	-	-	-	482,101.00	482,101.00
Building	37,829,792.00	-	-	37,829,792.00	13,656,059.00	1,143,931.00	-	14799990	23,029,802.00	24,173,733.00
Plant and Machinery	83,109,059.00	1,282,981.00	-	84,392,040.00	52,947,257.00	3,823,803.00	-	56,771,060.00	27,620,980.00	30,161,802.00
Furniture and Fixtures	1,283,972.00	-	-	1,283,972.00	1,011,394.00	81,272.00	-	1,092,666.00	191,306.00	272,578.00
Vehicles	4,763,356.00	44,030.00	-	4,807,386.00	3,724,747.14	317,302.00	-	4,042,049.14	765,336.86	1,038,608.86
Office Equipments	1,451,286.00	12,200.00	-	1,463,486.00	981,507.61	35,678.00	-	1,017,185.61	446,300.39	469,778.39
Total	129,985,502.00	1,339,211.00	-	131,324,713.00	72,320,964.75	5,401,986.00	-	77,722,950.75	53,601,762.25	57,664,537.25
Capital - WIP	26,437,344.00	23,730,578.00	-	50,167,922.00	-	-	-	-	50,167,922.00	-
Total for Previous Yr.	127,497,882.00	21,200.00	-	127,519,082.00	61,554,509.00	5,384,020.00	-	66,938,529.00	60,580,553.00	65,943,373.00

9 NON CURRENT INVESTMENT

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Unquoted Shares	621,003.00	621,003.00
Total	621,003.00	621,003.00

DETAILS OF DEFERRED TAX ASSETS / LIABILITY

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Depreciation as per Companies Act, 1956 (a)	5,401,985.17	5,382,436.00
Depreciation as per Income Tax Act, 1961 (b)	2,327,571.00	2,434,051.00
Timing Difference (a-b)	3,074,414.17	2,948,385.00
Disallowed as per I.Tax Act - Preliminary Exp	35,000.00	35,000.00
Current Year Deferred tax provision @ 30.90%	3,109,414.17	2,983,385.00
	960,811.00	918,167.00
Opening Balance of Deffered Tax Asset	1,000,789.00	82,622.00
Total	1,961,600.00	1,000,789.00

NOTE FORMING PART OF THE FINANCIAL STATEMENTS

11 LONG TERM LOANS AND ADVANCES

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Security Deposit		
Staff Quarter Deposit	183,050.00	183,050.00
Electricity Deposit	28,263.00	28,263.00
P.W.P. Deposits	3,430.00	3,430.00
Courier Deposits	10,400.00	10,400.00
Telephone Deposit	14,500.00	14,500.00
Ankit Securities and Fin. Co.Pvt.Ltd	500.00	500.00
Mumbai High Court	50,000.00	50,000.00
Khanvel Resort Deposit	30,030.00	31,393.00
Silvassa High Court	1,318,156.00	1,318,156.00
Steerling Holiday Resort	88,954.00	88,954.00
Mumbai Municipal Corporation	-	2,00,000.00
Total	1,727,283.00	1,928,646.00

12 OTHER NON CURRENT ASSETS

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Preliminary Expenses	70,000	105,000.00
Total	70,000	105,000.00

13 INVENTORIES

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Stock-in-Trade	9,099,525.00	12,606,423.00
Total	9,099,525.00	12,606,423.00

14 TRADE RECEIVABLES

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Small and Medium Enterprises	-	-
Others	160,161,254.18	212,445,047.00
Total	160,161,254.18	212,445,047.00

15 CASH AND BANK BALANCES

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Cash-in-Hand:-		
Cash Balance	527,470.86	430,172.00
Sub Total (A)	527,470.86	430,172.00
Bank Balance:-		
Balance with Current Account	11,915,951.02	8,780.00
Balance with Fixed Deposits	4,476,978.00	3,900,793.00
Sub Total (B)	16,392,929.02	3,909,573.00
Total [A + B]	16,920,399.88	4,339,745.00

NOTE FORMING PART OF THE FINANCIAL STATEMENTS**16 SHORT TERMS LOANS AND ADVANCES**

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Advance Recoverable in cash or in kind or for value to be considered good		
Prepaid Insurance	72,046.00	85,795.00
Advance to Employee	80,310.00	182,310.00
Loan to Employees	32,500.00	30,000.00
Others	-	1,704,770.00
Total	184,856.00	2,002,875.00

17 OTHER CURRENT ASSETS

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Income Tax	210,496.80	1,086,255.80
Central Excise Duty	128,002.00	128,002.00
Insurance	-	52,990.00
Total	338,498.80	1,267,247.80

NOTE : 18 REVENUE FROM OPERATIONS

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Sales	328,277,822.00	318,521,536.00
Total	328,277,822.00	318,521,536.00

19 OTHER INCOME

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Interest Recd on Bank Deposites	84,613.00	60,889.00
Interest Recd on others	24,675.00	95,967.00
	109,288.00	156,856.00
Others : -		
Rent Premises	576,000.00	576,000.00
Total	685,288.00	732,856.00

20 COST OF MATERIAL CONSUMED

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
a) PURCHASES OF RAW MATERIALS		
Raw Materials	297,407,777.00	291,575,184.00
Sub-total (a)	297,407,777.00	291,575,184.00
b) DIRECT / PRODUCTIONS EXPENSES		
Consumable Stores and Spares	787,788.00	1,465,128.50
Beam Drawing and Knotting	424,240.00	634,400.00
Mending	474,857.00	431,592.00
Conning and Dropping and Folding	28,878.00	93,200.00
Fuel and Electricity	3,096,110.00	2,517,683.00
Sub-total (b)	4,811,873.00	5,142,003.50
Total	302,219,650.00	296,717,187.50

NOTE FORMING PART OF THE FINANCIAL STATEMENTS**21 CHANGE IN INVENTORIES**

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Opening Stock	12,606,423.00	12,916,273.00
Closing Stock	9,099,525.00	12,606,423.00
Total	3,506,898.00	309,850.00

22 EMPLOYMENT BENEFIT EXPENSES

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Wages	9,335,492.00	8,359,104.00
Salary	681,284.00	615,230.00
Bonus to Staff	831,010.00	31,165.00
Director Remuneration	840,000.00	840,000.00
Provident Fund	90,376.00	112,846.00
Director Sitting Fees	24,000.00	20,000.00
Gratuity	224,630.00	250,905.00
Leave Encashment	30,885.00	31,165.00
Canteen	153,645.00	133,607.71
Key Man Insurance	323,538.00	238,407.00
Staff Welfare	17,816.22	14,751.00
Total	12,552,676.22	10,647,180.71

23 FINANCIAL COST

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Bank Interest	55,582.00	52,822.00
Total	55,582.00	52,822.00

24 OTHER EXPENSES

Particulars	As at 31.3. 2013 ₹	As at 31.3. 2012 ₹
Electricity	70,070.00	46,980.00
Insurance	221,791.43	218,917.31
Sample Development	75,981.97	203,336.00
Advertisement	48,598.00	58,636.00
Commission	287,316.00	328,677.00
Factory Expenses	114,339.00	60,554.00
Telephone and communication	105,298.00	174,539.00
Listing and Depository Fees	68,764.00	68,059.00
Donation	56,825.00	6,900.00
Professional fees	327,756.00	325,342.00
Auditor's Remuneration	123,596.00	80,000.00
Motor Vehicle Expenses	945,347.34	423,342.01
Postage and Courier	64,157.83	69,968.64
Printing and Stationery	78,247.00	83,055.00
Other Misc. Expenses	100,567.22	861,425.81
Repair and Maintenance	1,581,423.00	2,286,439.00
Total	4,270,077.79	5,296,170.77

NOTE FORMING PART OF THE FINANCIAL STATEMENTS**Note No. 1****SIGNIFICANT ACCOUNTING POLICIES****a. Basis of preparation of financial statements**

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

b. Use of estimates

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

c. Revenue Recognition

- i. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- ii. Revenue from sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer under the terms of contract. Sales are after deducting sales return, claims etc.
- iii. Revenue from services is recognized on accrual basis over the period of services. iv. Interest income is accrued at applicable interest rates.

d. Fixed Assets and Depreciation

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

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

e. Impairment of Assets:

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

f. Investment:

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

g. Valuation if Inventories:

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

NOTE FORMING PART OF THE FINANCIAL STATEMENTS**h. Miscellaneous Expenditure:**

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

i. Income from Investments:

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

j. Provisions, Contingent Liabilities and Contingent Assets:

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

k. Employee Benefits:

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

l. Earning Per Share:

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

m. Tax on Income:

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

• Deferred Tax:

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

Note No. 25:**NOTES ON ACCOUNTS:**

1. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. Adequate provision 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 co-operative bank Ltd, (presently defunct bank).
4. As per AS 13, no provision have been made for the losses due to decline in the present value of investments. The Company in which investment made have been delisted.
5. No provision has been made for gratuity for employees, as per As 15. The management has informed that the same shall be claimed at the time of making the payment.
6. During the year the company has made payment against an old disputed Industrial Hypothecation Loan granted by The Madhavpura Mercantile co-operative bank Ltd, (presently a defunct bank). The company has not made any provisions nor has provided any interest on the said loan. The matter is pending before Court .

NOTE FORMING PART OF THE FINANCIAL STATEMENTS

7. The work in progress under fixed assets is the payment for premises allotment for running as MRP at Kondivita-Andheri.

8. Auditors Remuneration:

₹

Auditors Remuneration	Year ended 31-03-2013	Year ended 31-03-2012
Statutory Audit Fees	80000	80000
Income Tax Audit Fees	20000	20000
Income Tax Matters	10000	10000
	110000	110000

9. Income tax assessment has been completed up to assessment year 2009-2010. However, a tax demand of ₹ 424350/- have been determined for assessment year 2009-10. A rectification application has been filed against the said demand.

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, 2013. 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 198 and 309 of the Companies Act, 1956 and schedule XIII to the said Act.

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 u/s 80I of the Income tax Act.

13. Segment Reporting:

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

14. Related Party Disclosure:

a. The control of the Company exists with Shri Rasiklal D. Thakkar - Chairman and Managing Director of the company, who is also key management personnel.

b. 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 and Rammaruti Textiles Pvt. Ltd the associate companies and where relative of key personnel are proprietor.

c. Summary of the transaction with the above related parties

₹

Nature of Transaction	Volume of Transaction	
	Current Year	Previous Year
Rashiklal Thakkar –Remuneration	840000	840000
Rammaruti Textiles Pvt Ltd.-Purchase	3659232	3563719
Rammaruti Textiles Pvt Ltd.-Rent	192000	192000
Shivani Textiles - Rent	192000	192000
Radha Textiles – Rent	192000	192000

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

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

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

NOTE FORMING PART OF THE FINANCIAL STATEMENTS

ii. Quantitative Information

Particulars	Unit	Current Year Quantity	Previous Year Quantity
A. Fabrics Manufactured/purchased	Mtrs	3020238.310	2776349.710
B. Sales of Fabrics	Mtrs	3049183.350	2778230.260
Shrinkage / shortage	Mtrs	1975.000	1900.000

16. Figures for the previous year have been recast/rearranged wherever considered necessary.

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

As per our attached report of even date

For J C Kabra & Associates

Chartered Accountants

Firm registration no. 115749W

(CA J.D.Kabra)

Partner

Membership Number: 38525

Place Mumbai

Date 30th May, 2013

For Gravity (India) Limited

(R.D. Thakkar) (D.R. Thakkar)

Director Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	31ST MARCH, 2013		31ST MARCH, 2012	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items		921240		813746
Adjustment for :				
Depreciation and Amortisation	5401986		5382436	
Preliminary Exp. Written Off	35000		35000	
Interest Paid	55582		52822	
Interest Received	(109288)	5383280	(156856)	5313402
		6304520		6127148
Operating Profit before working Capital Changes				
Adjustment for :				
Trade and Other Receivable	32273386		21833181	
Inventories	3506898		309850	
Trade Payables and Other provisions	(49790759)	(14010475)	(17605685)	4537346
Cash Generated form Operations		(7705955)		10664494
Interest Paid	(55582)		(52822)	
Direct taxes paid	(1227885)	(1283467)	(1578647)	(1631469)
Cash flow before adjustments for prior years		(8989422)		9033025
Prior year Adjustments		-		-
Net Cash from operating Activities		(8989422)		9033025
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(1339211)		(26861159)
Sale of Fixed Assets		-		-
Sale of Investments		-		-
Interest Received and other Income		109288		156856
Net cash used in Investing Activities		(1229923)		(26704303)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Share Capital		-		-
Increase / decrease lease finance Borrowings	22800000		17921188	
Change in Working Capital Borrowings		-		-
Increase / decrease in unsecured loans		-		-
Increase / decrease from Long Term Borrowings		-		-
Dividends Paid/taxation		-		-
Net cash used in Financing Activities		22800000		17921188
Net increase in cash and cash equivalents	12580655.45		249910.43	
Cash and cash equivalents, beginning of the year	4339744.43		4089834.00	
Cash and cash equivalents, end of the year	16920399.88		4339744.43	

For J C Kabra & Associates

Chartered Accountants
Firm registration no. 115749W

(CA J.D.Kabra)

Partner

Membership Number: 38525

Place Mumbai

Date 30th May, 2013

For and on behalf of the Board

Rasiklal D. Thakkar
Chairman and Managing Director



GRAVITY (INDIA) LIMITED

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

PROXY FORM

I/We of being member(s) of the above named company hereby appoint of or failing him/her of as my/ our proxy in my/our absence to attend and vote for me/us on my / our behalf at 26th ANNUAL GENERAL MEETING of the Company held on Monday 30th September, 2013 at 3.00 p.m, at Unit No: 131, 1st Floor, Sanjay Building No.5-B, Mittal Industrial Estate, Sir Mathuradas VasANJI Road, Andheri (East), Mumbai – 400 059, India.

Signed this day of 2013

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

Affix Re. 1
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Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and the proxy need not be a member. The proxy form duly completed should be deposited at the Registered Office of the Company, not later than 48 hours before the time for holding the meeting.



GRAVITY (INDIA) LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the 26th ANNUAL GENERAL MEETING of the Company held on Monday, 30th September, 2013 at 3.00 p.m, at Unit No: 131, 1st Floor, Sanjay Building No.5-B, Mittal Industrial Estate, Sir Mathuradas VasANJI Road, Andheri (East), Mumbai – 400 059, India.

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

NOTE :

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

GRAVITY (INDIA) LIMITED

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



Dear Shareholder,

Re: Green Initiative in Corporate Governance - Save paper

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

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

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

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

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

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

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

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

For GRAVITY (INDIA) LIMITED

**Sd/-
Navin Choudhary
(COMPANY SECRETARY)**

BOOK POST

GRAVITY (INDIA) LIMITED

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



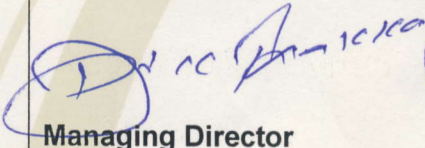
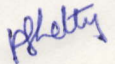
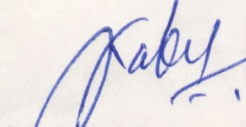
GRAVITY (INDIA) LIMITED



Regd. Office : Gala No. 131, 1st Floor, Sanjay Bldg. No. 5-B, Mittal Estate, Andheri Kurla Road, Andheri (East), Mumbai - 400 059. India • **Phone :** 6694 9715 / 16 • **Fax :** 00-91-22-2859 5429
Email : gravityindia27@yahoo.com • **Website :** www.gravityindia.co.in

FORM A

Format of covering letter of the annual Audit Report to be filed with the stock exchanges

1.	Name of the Company	GRAVITY (INDIA) LIMITED
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un Qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by –	
	Managing Director	For Gravity (India) Limited  Managing Director 
	Audit Committee Chairperson	For Gravity (India) Limited 
	Auditor of the Company	Chairperson For J C KABRA & ASSOCIATES Chartered Accountants FRN : 115749W  CA J D Kabra Membership No. 38525 