

GRAVITY (INDIA) LIMITED



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**13th
Annual
Report
1999 - 2000**

Regd. Office : Gala No. 131, Sanjay Bldg. No. 5-B, Mittal Ind. Estate, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059. India.
Tel. : 0091-22-8595428 / 8596843 / 8524056 **Fax :** 8595429 **E-Mail :** fabrics@bom4.vsnl.net.in **Website :** www.gravity-india.com

Gravity (India) Limited

NOTICE

NOTICE is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING OF GRAVITY (INDIA) LIMITED will be held at the registered office of the Company situated at Gala No : 131, 1st Floor, Sanjay Building No.: 5-B, Mittal Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059, on Wednesday, the 31st May, 2000 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To Consider and adopt the Balance Sheet as at 31st March, 2000, Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2000.
3. To appoint a Director in place of Mr. Samir R. Thakkar, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mrs. Dakshaben R. Thakkar, who retires by rotation, and being eligible, offers herself for reappointment.
5. To appoint Mr. Rajeshkumar Z. Haria as an additional Director.
6. To ratify and confirm the appointment of Mrs. Pinky J. Thakkar as an additional Director.
7. To ratify and confirm the appointment of Mr. Vijaypal Singh as an additional Director.
8. To confirm the resignation of Shri Jay R. Thakkar as a Wholetime Director.
9. To ratify and confirm the resignation of Shri Ravindra A. Gowada as a Director.
10. To appoint Auditors to hold office from the conclusion of the Thirteenth Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

11. To consider, and if thought fit, to pass the following Resolution as an Ordinary Resolution :

"RESOLVED that subject to the provisions of Section 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto, and subject to such approvals, if any, as may be necessary, consent of Company be and is hereby accorded to the re-appointment of Shri Rasiklal Dalpatram Thakkar as Managing Director of the Company for a further period of 5 years with effect from 1st April, 2000 on the same terms and conditions as set out in the agreement for appointment of Managing Director dated 15th April, 1995 subject to the modification that the monthly remuneration shall be increased from Rs.20,000 to Rs.30,000 with effect from 1st April, 2000, and also as set out in the Explanatory Statement attached to this notice and hereby approved, with liberty to the Board of Directors to revise the terms as to remuneration from time to time within the limits provided for in the said Schedule XIII or any amendment thereof for the time being in force".

"RESOLVED further that the Board of Directors of the Company be and are hereby authorised to take such steps as may be necessary to give effect to this Resolution".
12. To consider, and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution :

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the manner and to the extent hereafter set out :

 - I. Insert new definitions after the existing definitions and modify existing definitions in Article 2 under the heading "INTERPRETATION" as under :
 - a. Insert definition of "Beneficial Owner".

"Beneficial Owner" means a person whose name is recorded as such with a depository. "Beneficial Owner"
 - b. Insert definition of "Bye-laws".

"Bye-laws" means bye-laws made by a depository under Section 26 of the Depositories Act, 1996. "Bye-laws"
 - c. Insert definition of "depository".

"Depository" shall mean a depository as defined in Clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996. "Depository"
 - d. Existing definition of "Members" be modified to read as under :

"Members" means the subscribers to the Memorandum of the Company and duly registered holders from time to time of shares of the Company and shall include in case of shares held by a depository, the beneficial owners whose names are recorded as such with a depository. "Members"
 - e. Insert definition of "Regulations" after the present definition of "Proxy".

"Regulations" means the regulations made by the SEBI Board. "Regulations"
 - f. Existing definition of "Share" be modified to read as under :

"Share" means a share in the Share Capital of the Company, whether held in tangible or fungible form "Share"

GRAVITY (INDIA) LIMITED

(Formerly known as "GRAVITY SILK MILLS LIMITED")

THIRTEENTH ANNUAL REPORT 1999-2000

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ANNUAL GENERAL MEETING

On Wednesday, 31st May, 2000, 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

MONDKAR COMPUTERS PVT. LTD.
(Unit : Gravity (India) Ltd.)

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

**REGISTRAR FOR 'CONNECTIVITY' IN A
DEPOSITORY MODE WITH NSDL**

INTIME SPECTRUM REGISTRY PVT. LTD.

260-A, Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (W), Mumbai - 400 080.

BOARD OF DIRECTORS

Shri Rasiklal D. Thakkar

(Chairman/Managing Director)

Shri Jay R. Thakkar

(Wholetime Director)

Smt. Dakshaben R. Thakkar

Smt. Pinky J. Thakkar

Shri Samir R. Thakkar

Shri Bharat D. Thakkar

Shri Kishorechandra P. Nagaria (NRI, Kenya)

Shri Vinodray F. Jankharia (NRI, Kenya)

Shri Vijaypal S. Singh

AUDITORS

P.S. Pancholi & Co.

Chartered Accountants

BANKERS

The Madhavpura Mercantile Co-operative Bank Ltd.

The Kalupur Commercial Co-operative Bank Ltd.

State Bank of India, Nariman Point, Mumbai.

Times Bank, Silvassa.

Janata Sahakari Bank Ltd. Pune, Girgaon Br., Mumbai

REGISTERED OFFICE

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

FABRICS DIVISION

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.

INFOTECH DIVISION

Gala No. 202, Bldg. No. A3, Sector 3,
Millennium Business Park,
TTC Indl. Estate, Mahape,
Navi Mumbai.

and includes stock except where a distinction between stock and shares is expressed or implied.

g. Insert definition of "SEBI Board".

"SEBI Board" means the Securities and Exchange Board of India.

"SEBI Board"

h. Insert definition of "Security".

"Security" means such security as may be specified by the SEBI Board.

"Security"

II. The following new Article 12 be substituted in place of present Article 12.

"12. The Company may purchase its own shares or other specified securities in accordance with the provisions of the Act for the time being in force.

"Purchase by the
Company
of its own
shares"

The expression "Specified Securities" includes employees stock option or other securities as may be notified by the Central Government from time to time".

III. The following new Article 42 A & 42 B be inserted after the present Article 42.

"42A. (i) Every holder of Shares in, or holders of Debentures of the Company may, at any time nominate, in the prescribed manner under Section 109 A of the Act, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.

"Nomination of
Shares"

(ii) Where the Shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner under Section 109 A of the Act, a person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or other wise, in respect of such shares in, or debentures of the Company, where a nomination made in the prescribed manner under Section 109 A of the Act, purports to confer on any person the right to vest the shares in, or debentures of the Company, the nominee shall, on the death of the Shareholder or holder of Debentures of the company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Shares or Debentures of the Company or, as the case may be, all the joint holders, in relation to such Shares in, or Debentures of the company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under Section 109 A of the Act.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the Shares, or holder of Debentures, to make the nomination to appoint, in the prescribed manner under Section 109 A of the Act, any person to become entitled to shares in, or debentures of the Company, in the event of his death, during the minority".

"42 B (i) Any person who becomes a nominee by virtue of the provisions of the Section 109 A of the Act, upon the production of such evidence as may be required by the Board and subject to as hereinafter provided, elect, either :

(a) to be registered himself as holder of the Shares or Debentures, as the case may be; or

(b) to make such transfer of the Share or Debenture, as the case may be, as the deceased Shareholder or Debenture holder, as the case may be, could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased Shareholder or Debenture holder, as the case may be had transferred the Shares or Debentures, as the case may be, before his death.

(iii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Shares or Debentures, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder or Debenture holder, as the case may be.

(iv) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that Shareholder or Debenture holder, as the case may be.

(v) A person, being a nominee, becoming entitled to a Share or Debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be

Gravity (India) Limited

registered himself or to transfer the share or debenture, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share or Debenture, until the requirements of the notice have been complied with".

IV. The following new Article 23A under the heading "DEMATERIALISATION OF SECURITIES" be inserted after the present Article 23.

- 23A (1) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.
- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and/or offer its fresh securities in a dematerialised form pursuant to the Depositories Act and the rules framed hereunder, if any.
- (3) Every person subscribing to or holding securities of the Company shall have the option to receive security certificate or to hold the securities with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the security.
- (4) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.
- (5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
 (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.
 (c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
- (6) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
- (7) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
- (8) Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the regis-

"Dematerialisation of securities"

tered owner in respect of the said securities and shall also inform the Depository accordingly.

- (9) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.

The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company.

The Company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

- (10) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

- (11) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.

- (12) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

- (13) The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be subdivided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

- (14) The Company shall cause to be kept a Register and Index of Members and a Register and index of Debentureholders in accordance with Sections 151 and 152 of the Act respectively, and the Depositories Act, with details of shares and debentures held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be Register and Index of Members and Register and index of Debentureholders, as the case may be, for the purposes of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.

- (15) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

- V. The following new Article 23 B under the heading "ISSUE OF SWEAT EQUITY SHARES" be inserted after the new Article 23 A.

- 23 B. Subject to and in accordance with the provisions of Section 79 A of the Act, the Company shall have the power, by means of a Special Resolution to be passed at a general meeting of the Company, to issue sweat equity shares.

"Issue of sweat Equity Shares"

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

sd/-

(**Rasiklal D. Thakkar**)

Chairman & Managing Director

Mumbai

2nd May, 2000

Gravity (India) Limited**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO.11**

The Board of Director at its meeting held on 2nd May, 2000 reappointed Shri Rasiklal Daipatram Thakkar as Managing Director of the company for a further period of 5 years with effect from 1st April, 2000 on the same terms and conditions as mentioned in the Agreement for Appointment of Managing Director dated 15th April, 1995, and in terms of Sections 198, 269 & 309 of the Companies Act, 1956 read with Schedule XIII thereto. However, the Board has approved the increase in monthly remuneration from Rs.20,000 to Rs.30,000 with effect from 1st April, 2000.

As regards perquisites, it has been agreed upon between the Company and Managing Director that the same shall be allowed in addition to salary, so however, that the perquisites will be restricted to an amount equal to the annual salary. For this purpose, perquisites are classified into 3 categories i.e. "PART A", "PART B" & "PART C" AS FOLLOWS :

PART A**i. Housing :**

- a. The expenditure on the Company by hiring furnished accommodation will be subject to the following ceilings :
60% of the salary, over and above 10% payable by Shri Rasiklal D. Thakkar.
- b. If the Company does not provide accommodation to Shri Rasiklal D. Thakkar, he shall be entitled to House Rent Allowance subject to the ceiling laid down in (a) above.
- c. If accommodation in the Company owned house is provided to Shri Rasiklal D. Thakkar, a deduction of 10% shall be made from his salary.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income tax Rules, 1962. This shall however be subject to a ceiling of 10% of the salary of Shri Rasiklal D. Thakkar.

- ii. **Medical Reimbursement :** Reimbursement of expenses incurred for self and family subject to a ceiling of one months' salary over a period of three years.
- iii. **Leave Travel Concession :** Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.
- iv. **Club Fees :** Fees of the clubs subject to a maximum of two clubs. No admission and life membership fees will be paid.
- v. **Personal Accident Insurance :** Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs.4,000.

Note : For the purpose of perquisites stated hereinabove, 'family' means the spouse, the dependent children and dependent parents of the appointee.

PART B

- i. Contribution to Provident Fund and Super Annuation Fund or Annuity Fund will not be included in the Computation of the ceiling on perquisites to the extent these, either singly or put together are not taxable under the Income tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed years of service.
- ii. **Earned Leave :** On full pay and allowances as per the Rules of the Company but not exceeding one month's leave for every eleven months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

PART C

Provision for car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.