

GRAVITY (INDIA) LIMITED



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15th
Annual Report
2001 - 2002

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

GRAVITY (INDIA) LIMITED

GRAVITY (INDIA) LIMITED IS PAYING UNINTERRUPTED DIVIDENDS SINCE PAST ELEVEN YEARS.

THE DETAILS OF DIVIDEND DECLARED BY THE COMPANY ARE AS UNDER :

Sr. No.	Year Ended	No. of Equity Shares	Paid-up Value of Shares Rs.	Rate of Dividend	Amount of Dividend Rs.
1.	31-03-1992	1,81,300	18,13,000	6%	1,18,500
2.	31-03-1993	2,97,195	29,71,950	8%	1,72,240
3.	31-03-1994	3,00,695	30,06,950	10%	2,98,173
4.	31-03-1995	10,00,000	1,00,00,000	12%	11,95,177
5.	31-03-1996	23,70,000	2,37,00,000	6%	9,40,348
6.	31-03-1997	60,01,300	4,97,30,875	2.5%	9,91,878
7.	31-03-1998	60,01,300	5,10,21,625	1%	5,10,216
8.	31-03-1999	60,01,300	5,11,63,750	5%	25,58,188
9.	31-03-2000	60,01,300	5,37,22,000	6%	32,10,383
10.	31-03-2001	60,01,300	5,46,58,750	8%	43,72,700
11.	31-03-2002	60,01,300	5,98,74,625	1%	5,98,746



BSE - SCRIIP CODE - 532015



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Andheri (East), Mumbai - 400 059. India.

PROXY FORM

I/We _____ of
_____ being a member/members of **GRAVITY (INDIA) LIMITED**, hereby
appoint _____ of
_____ or failing
him _____ of _____
_____ or failing him _____
of _____ as my/our proxy to vote for me/on our behalf at the
15th Annual General Meeting of the Company to be held on 30th September, 2002, and at any adjournment thereof.

Signed this _____ day of _____ 2002.

Signature of Member

Affix
Re. 1/-
Revenue
Stamp

Note : This Proxy Form duly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.



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

ATTENDANCE SLIP

I hereby record my presence at the 15TH ANNUAL GENERAL MEETING of the Company held at Monday, 30th September, 2002, at 4.00 P.M. at Gala No. 131, Sanjay Bldg. No. 5-B, Mittal Ind. Estate, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059. India.

Full Name

Signature of the
Member / Proxy

(in Block Letter)

(i) Member _____

(ii) Proxy _____

L.F.No. _____

Note

- (1) Please sign this attendance slip and hand it over at the entrance of the office to facilitate registration formalities at the meeting place.
- (2) Members are requested not to bring any unauthorised person at the meeting.

GRAVITY (INDIA) LIMITED

FIFTEENTH ANNUAL REPORT 2001 - 2002

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BOARD OF DIRECTORS

Shri Rasiklal D. Thakkar
(Chairman/Managing Director)
Shri Samir R. Thakkar
Smt. Dakshaben R. Thakkar
Shri Bharat D. Thakkar
Shri Kishorechandra P. Nagaria (NRI, Kenya)
Shri Vinodray F. Jankhariya (NRI, Kenya)

COMPANY SECRETARY

Shri Ravindra V. Joshi
Company Secretary

AUDITORS

P. S. Pancholi & Co.
Chartered Accountants

BANKERS

Tamilnad Mercantile Bank Ltd.
The Bharat Co-operative Bank (Mumbai) Ltd.
Indusind Bank, Vapi
The Kalupur Commercial Co-operative Bank Ltd.
Development Credit Bank Ltd., Silvassa
HDFC Bank Ltd., Silvassa

REGISTERED OFFICE

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

FABRICS DIVISION

- Survey No. 10/1, Village Khutali,
Khanvel Dudhani Road, Silvassa,
Union Territory of Dadra and Nagar Haveli.
- 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, Maharashtra.

ANNUAL GENERAL MEETING

On Monday, 30th September, 2002, at Gala No. 131,
Sanjay Bldg. No. 5-B, Mittal Ind. Estate,
Andheri Kurla Road, Andheri (East),
Mumbai - 400 059. at 4.00 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.

GRAVITY (INDIA) LIMITED**NOTICE**

NOTICE is hereby given that the FIFTEENTH 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, India, on Monday, the 30th September, 2002 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March 2002, 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 2002.
3. To appoint a Director in place of Mrs. Dakshaben R. Thakkar, who retires by rotation, and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr. Samir R. Thakkar, who retires by rotation, and being eligible, offers himself for reappointment.
5. To confirm and ratify the resignation of the Director Mr. Jay R. Thakkar from the Board of Directors of the Company.
6. To confirm and ratify the resignation of the Director Mrs. Pinky J. Thakkar from the Board of Directors of the Company.
7. To appoint Auditors to hold office from the conclusion of the Fifteenth Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and authorize the Board of Directors to fix their remuneration

SPECIAL BUSINESS :

8. To Consider, and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution** :

"RESOLVED THAT the increase in the Remuneration of the Managing Director Shri Rasiklal D. Thakkar from Rs. 40,000 to Rs.70,000 with effect from 1st April, 2002 made and accepted at the meeting of the Board of Directors of the company held on 30th March, 2002 in exercise of the powers vested in the Board to increase the Remuneration of the Managing Director as set out in the Ordinary Resolution passed by the Annual General Meeting of the Company held on 31st May, 2000, be and is hereby approved, confirmed and ratified".

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

Place : Mumbai
Date : 1st September, 2002

Sd/-
(RASIKLAL D. THAKKAR)
Chairman & Managing Director

NOTES FOR MEMBERS' ATTENTION :

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, the 24th September, 2002 to Monday, the 30th September, 2002 both 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. Dividend, upon its declaration at the meeting, will be paid on and from Monday, 14th October, 2002 to those members whose names shall appear on the Register of Members of the Company on Monday, the 30th September, 2002.
5. Members/Proxies should bring with them the Attendance Card, which may be submitted at the entrance, duly signed.
6. Members are requested to immediately notify any change in their addresses to the Company's Registrars and Share Transfer Agents :

MONDKAR COMPUTERS PVT. LTD.**(Unit : GRAVITY (INDIA) LIMITED)**

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

7. The Members are requested to provide the details of their Bank Account Numbers, names and address of the Bank Branches to enable the Company to incorporate the said details in the dividend warrants that may be issued in future, quoting their Folio Numbers. The Shareholders would appreciate that the Company will not be responsible for any loss arising out of fraudulent encashment of dividend warrants.
8. 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.
9. Securities and Exchange Board of India (SEBI) has mandated that delivery of shares of your company shall be compulsorily in the de-materialised form for all investors with effect from 28th August 2000. The ISIN No. is INE995A01013.

GRAVITY (INDIA) LIMITED**DIRECTORS' REPORT**

To,

The Members,

Gravity (India) Limited

Your Directors have pleasure in presenting their Report and Audited Accounts of the Company for the year ended 31st March, 2002.

(Rs. in lakhs)

FINANCIAL RESULTS	2001-2002	2000-2001
Income from Operations	1601.46	1258.15
Profit before Interest & Depreciation	138.74	218.72
Interest Paid	21.30	111.13
Depreciation	56.99	55.46
Profit after Interest & Depreciation	60.45	52.13
Provision for taxation	-	-
Profit after taxation	60.45	52.13
Balance brought forward	0.74	0.51
Profit available for appropriation	61.19	52.64
Appropriations :		
Dividend	5.99	43.73
Tax on Dividend	-	4.37
Income Tax for prior period	-	2.30
General Reserve	54.00	1.50
Balance Carried forward	1.20	0.74
	61.19	52.64

SHARE CAPITAL :

Out of call money receivable Rs.53,54,250/- on 7,13,900 Equity Shares at the beginning of the year, the Company has received Rs.52,15,875/-, and the balance amount of Rs.1,38,375/- are still calls in arrears.

RESERVES :

Reserve of Rs.3,24,42,513/- at the end of the year includes a sum of Rs.2,49,60,375/- being Share Premium amount. Out of Share Premium of Rs. 17,84,750/- on 6,95,450 equity shares @ Rs. 2.50 per share receivable at the beginning of the year, the company has received Rs. 17,38,625/- and the balance amount of Rs.46,125/- is still due.

During the year, the Company has transferred Rs.54 lakhs (previous year Rs. 1.5 lakhs) out of profits to the General Reserve.

OPERATIONS :

The year under reference is the fourth year of operations from the New Project at Village Khutali (Union Territory of Dadra and Nagar Haveli). The Company had begun its commercial production from 1st April, 1998.

The sales turnover of the Company has increased to Rs.1,601.46 Lacs from Rs.1,251.13 lacs of the previous year. The turnover includes Export turnover of Rs. 494.54 lacs (Previous Year Rs. 219.26 lacs). The net profit increased to Rs. 60.45 lacs from Rs. 52.13 Lacs of the previous year.

The fabric manufacturing project at Village Khutali is located in the backward area of Union Territory of Dadra and Nagar Haveli, which is entitled to "Tax Holiday Benefit" under the Income Tax Act for Five years from the date of commencement of production i.e. 1st April, 1998. As a result, the entire profits earned by the Company for Five years are Tax Free under the Income Tax Law.

DIVIDEND :

Your Directors are pleased to recommend a total dividend @ 1% for the year 2001-2002 on the Capital base of Rs.5.98 Crores. The dividend @ 1%, if approved, would result in the payment of Rs.5,98,746/- to those shareholders whose names are registered in the Register of Members of the Company as on 30th September, 2002 subject to deduction of tax at source @ 10%.

DIRECTORS :

The following Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment :-

- (i) Mr. Samir R. Thakkar
- (ii) Mrs. Dakshaben R. Thakkar

DIRECTORS' RESPONSIBILITY STATEMENT

Directors hereby state that:

- i. In preparation of the annual accounts, the applicable accounting standards had been followed, along with a proper explanation relating to material departures.
- ii. Your Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year.
- iii. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. None of the Directors of the Company are disqualified from being appointed as Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- v. Your Directors have prepared the annual accounts on a going concern basis.

AUDITORS :

The Company's Auditors M/s P. S. Pancholi & Co., Chartered Accountants retire, and being eligible, offer themselves for reappointment.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :

The requirements u/s 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo during the year are given in schedule 18 to the Accounts.

PERSONNEL :

Information in accordance with the Provisions of Section 217 (2A) of the Companies Act, 1956 read with the Company's (Particulars of Employees) Rules 1975, as amended, is given in the Annexure forming part of this Report.

For and on behalf of the Board of Directors

Mumbai
29th June, 2002

sd/-
(Rasiklal D. Thakkar)
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

Particulars of employees under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2002.

(A) Employed throughout the financial year under review and were in receipt of remuneration for the financial year not less than Rs.3,00,000 :

Shri Rasiklal Thakkar, Chairman and Managing Director
Rs. 4,80,000 /- (Previous year N.A.)

(B) Employed for a part of the year and were in receipt of remuneration at a rate not less than Rs. 25,000 per month RS. NIL (Previous year : NIL)

For and on behalf of the Board of Directors

sd/-

Mumbai
29th June, 2002

(Rasiklal D. Thakkar)
Chairman & Managing Director

