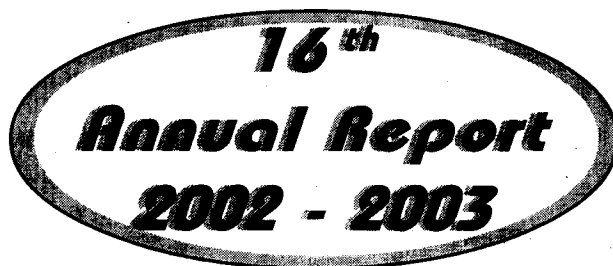


GRAVITY (INDIA) LIMITED



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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.
Fax : 0091-22-28595429 E-Mail : fabrics@bom4.vsnl.net.in Website : www.gravity-india.com

GRAVITY (INDIA) LIMITED

SIXTEENTH ANNUAL REPORT 2002 - 2003

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ANNUAL GENERAL MEETING

On Tuesday, 30th September, 2003, 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.

BOARD OF DIRECTORS

Shri Rasiklal D. Thakkar

(Chairman/Managing Director)

Smt. Dakshaben R. Thakkar

Shri Bharat D. Thakkar

Shri Kishorechandra P. Nagarja (NRI, Kenya)

Shri Vinodray F. Jankhariya (NRI, Kenya)

COMPANY SECRETARY

Shri Ravindra V. Joshi

Company Secretary

AUDITORS

P. S. Pancholi & Co.

Chartered Accountants

BANKERS

Bank of Baroda

Indusind Bank, Vapi

The Kalupur Commercial Co-operative Bank Ltd.

Development Credit Bank Ltd., Silvassa

The Bharat Co-operative Bank (Mumbai) Ltd.

Tamilnad Mercantile Bank Ltd.

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.

NOTICE

NOTICE is hereby given that the SIXTEENTH 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 Tuesday, the 30th September, 2003 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March 2003, 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 2003.
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. Bharat R. Thakkar, who retires by rotation, and being eligible, offers himself for reappointment.
5. To confirm and ratify the resignation of the Director Mr. Samir R. Thakkar from the Board of Directors of the Company.
6. 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

By Order of the Board of Directors

For **GRAVITY (INDIA) LIMITED**

Sd/-

Place : Mumbai

Date : 1st Sept., 2003

(**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 23rd September, 2003 to Tuesday, the 30th September, 2003 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, 2003 to those members whose names shall appear on the Register of Members of the Company on Tuesday, the 30th September, 2003.
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, 2003.

(Rs. in lakhs)

FINANCIAL RESULTS	2002-2003	2001-2002
Income from Operations	1506.22	1601.46
Profit before Interest & Depreciation	120.56	138.74
Interest Paid	20.84	21.30
Depreciation	50.33	56.99
Profit after Interest & Depreciation	49.39	60.45
Provision for taxation	-	-
Profit after taxation	49.39	60.45
Balance brought forward	1.20	0.74
Profit available for appropriation	50.59	61.19
Appropriations :		
Dividend	5.99	5.99
Loss on Sale of Machines	43.19	-
General Reserve	1.00	54.00
Balance Carried forward	0.41	1.20
	50.59	61.19

SHARE CAPITAL :

The authorised capital of the company is divided into 70 lacs Equity Shares of Rs. 10/- each, aggregating to Rs. 7 Crore. The issued and subscribed capital is Rs. 6,00,13,000/-. The paid-up capital is Rs. 5,98,74,625/-.

RESERVES:

Reserve of Rs. 3,25,83,817/- at the end of the year includes a sum of Rs. 2,49,60,375/- being Share Premium amount.

During the year, the Company has transferred Rs.1 lac (previous year Rs. 54 lacs) out of profits to the General Reserve.

OPERATIONS :

The year under reference is the fifth 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 declined to Rs.1,506.22 Lacs from Rs.1,601.46 lacs of the previous year. The turnover includes Export turnover of Rs. 161.55 lacs (Previous Year Rs. 494.54 lacs). The net profit declined to Rs. 49.39 lacs from Rs. 60.45 Lacs of the previous year.

The declined in turnover and profit were mainly due to general slump in the textile industry and over all economy during the year. With signs of recovery noticed in the markets, the performance of the is expected to improve in the current 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.

During the year the company sold 20 Sulzer weaving machines without accessories. The proceeds from the sale of the said machines were fully utilised to repay the term loan of Industrial Development Bank of India (IDBI). The Company expects to install better machines with latest technology to upgrade the production facilities at Silvassa in near future.

During the year, the Company had repaid the balance term loan of IDBI and made full and final settlement with them by obtaining term loan from Bank of Baroda, at a lower interest rate.

DIVIDEND :

Your Directors are pleased to recommend a total dividend @ 1% for the year 2002-2003 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, 2003 subject to deduction of tax at source.

DIRECTORS :

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

- (i) Mr. Bharat D. Thakkar
- (ii) Mrs. Dakshaben R. Thakkar

SUBSIDIARY COMPANY

Statement of Accounts of the subsidiary company together with Statement under Section 212 of the Companies Act, 1956 are annexed herewith.

CORPORATE GOVERNANCE :

A separate section on Corporate Governance is included in the Annual Report. The management discussion and analysis report is enclosed as Annexure II and forms a part of Corporate Governance Report.

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

LISTING OF COMPANY'S SHARES

Your company's equity shares continue to be listed on the Stock Exchange, Mumbai in B-1 Group. The Annual listing fees for the year 2003-2004 has been paid to the Stock Exchange, Mumbai.

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 I forming part of this Report.

For and on behalf of the Board of Directors

Mumbai

30th June, 2003

(Rasiklal D. Thakkar)

Chairman & Managing Director

ANNEXURE - I 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, 2003.

- (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. 8,40,000 /- (Previous year Rs. 4,80,000/-)

- (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

30th June, 2003

(Rasiklal D. Thakkar)

Chairman & Managing Director

GRAVITY (INDIA) LIMITED**ANNEXURE - II****MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

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

OVERVIEW :

The Company was promoted in the year 1988. The Company's principle business comprises of manufacturing and marketing of textiles products. The year under review witnessed poor domestic demand and tuff international market. Domestic market was affected by poor monsoon and the drought in several parts of India. Rising oil prices also put pressure on the cost of production. Despite unfavorable market, the Board considers the overall performance reasonably satisfactory. During the year under review, the Textiles Industry remained recessionary both in fabrics and garments both in domestic and international markets. The industry showed some improvement during the year end.

TEXTILES BUSINESS :**INDUSTRY STRUCTURE & DEVELOPMENTS :**

Textiles is the largest industrial sector in India, generating a turnover of over Rs. 1,50,000 Crores or approx 7% of GDP. It is the largest employer in the manufacturing sector in India. Exports of textiles products at around US\$ 13.5 billion account for over 25% of India's exports.

In terms of global share of trade, India has a share of 3.6%.

OPPORTUNITIES & THREATS :

Textile Sector continues to be grip of stagnant domestic demand and falling price in the international market.

In the international market, we clearly see the opportunity to expand our market share in the post 2004 period, particularly in the EEC and USA markets - where internal manufacturing is progressively shrinking.

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

SEGMENT - WISE PERFORMANCE :

The business segments of the company is textile, Segment-wise performance together with discussion on financial performance with reference to operational performance has been dealt with in the Directors' Report which should be treated as forming part of this Management Discussion and Analysis.

FUTURE OUTLOOK :

In the last budget, the Government has made efforts to reduce the disparity between the Organised Sector and the Decentralised Sector, mainly by extending the cenvat benefit to cover all activities covering textile goods manufacturing and sales. This is expected to give a fillip to the Organised Sector.

The multi fibre agreement will be completely phased out by April 2004, thereby, ending the quota restrictions and opening the world market for the Textile Industry and at the same time intensify competition. Textile Industry needs extensive modernization. Capital is costly and scarce in the country. Realising the above facts Government introduced the "Textile up-gradation funds". The use of modern technology, effective costs, strong marketing and economical size of operations will be the key to success in future. Signs of improvement are visible now and in the perception of the Management the current year market situation would be better compared to last year.

The future of Textile Industry as a whole looks bright. Textile unit with low financial costs and low 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 any unit.

HUMAN RESOURCES DEVELOPMENT :

The Company continues to have cordial relations with its employees. It recognizes the potential and performance of its employees, provides challenges and opportunities. It endeavour to upgrade knowledge, attitude and skill of the employees. The labour welfare activities organised by the company as an on going process. The Company has a man power strength of approximately 100 employees.

INTERNAL CONTROL SYSTEM :

The system ensures that it is commensurate with the size and nature of business of the company. This system ensures efficient use and protection of resources, compliance with status, the established Company policies and guidelines.

CAUTIONARY STATEMENT :

Statement in the Management's Discussion and Analysis Report detailing the company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectation of future events, actual results could differ sometimes materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting global and domestic demand-supply conditions, finished goods prices, changes in Government regulations and tax regime, etc. The company assumes no responsibility in respect of forward looking statements which may be revised or modified in future on the basis of subsequent developments, information or events.

For and on behalf of the Board of Directors

Mumbai
30th June, 2003

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

CORPORATE GOVERNANCE DISCLOSURE**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :**

The Clause 49 of the Listing Agreement incorporates certain disclosure requirements related to Corporate Governance with the purpose of enhancing statutory compliances and disclosure related thereto, together with a thrust on a Company's value system.

The mission statement of the Company states **"You rely on us, we rely on our vision and experience"**.

Your Company's philosophy on corporate governance envisage 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 shareholder's value over a sustained period of time.

2. BOARD OF DIRECTORS :

The Board of Directors consist of five Directors.

Composition and Category of Directors :

The particulars of Directors their attendance at the Board meetings, Annual General Meeting during the financial year 2002-2003 and also other directorships.(excluding directorships in private companies and Board committees as at 31st march, 2003 are as under :-

Name of Director	Category	Attendance Particular		No. of other directorship in Limited Companies	Membership of the other Board Committees
		Board Meeting	Last AGM		
Shri Rasiklal D. Thakkar	Promoter	9	Yes	1	2
	Executive				
Smt. Dakshaben R. Thakkar	Promoter	9	Yes	1	2
	Non- Executive				
Shri Bharat D. Thakkar	Non Executive	1	No	-	1
	Independent				
Shri Samir R. Thakkar	Executive	8	Yes	1	1
Shri Vinod F. Jankhariya	Non Executive	-	No	-	-
	Independent				
Shri Kishore P. Nagaria	Non Executive	-	No	-	-
	Independent				

During the year 2002-2003 the Board met 9 (Nine) times on the following dates :-
29/06/2002, 11/07/2002, 31/07/2002, 01/10/2002, 31/10/2002, 05/12/2002, 14/01/2003, 31/01/2003 and 15/03/2003.

3. AUDIT COMMITTEE :

The terms of reference of this committee are in line with the norms specified under the listing agreement with the stock exchange. The committee comprises of three Directors with Shri Samir R. Thakkar as Chairman. Meeting of the committee were held during the year on 28/06/2002, 30/07/2002, 30/11/2002 & 31/01/2003. The attendance of each member of the committee is given below :

<u>Name of Directors</u>	<u>No. of Meeting attended</u>
Shri Samir R. Thakkar, Chairman	4
Smt. Dakshaben R. Thakkar	3
Shri Rasiklal D. Thakkar	4

The broad terms of reference of the Committee are :-

- To hold periodic discussion with statutory auditors and internal auditors concerning the accounts, internal audit system, scope of audit and observations of the auditor/internal auditors.
- To review compliance with internal control system.
- To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.
- To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board.
- To make recommendation to the Board on any matter relating to the financial management of the Company.

4. REMUNERATION COMMITTEE :

The Remuneration Committee is yet to be formed.

Remuneration policy :**Executive Director :**

The aggregate value of salary and perquisite paid for the year ended 31st March, 2003 to the Chairman & Managing Director are within the limits prescribed under the Companies Act, 1956. No sitting fees are paid.

Non - Executive Directors

No remuneration and sitting fees are paid to Non-Executive Directors.

GRAVITY (INDIA) LIMITED**Details of Remuneration paid during the year :-**

Shri Rasiklal Thakkar - Chairman and Managing Director	Rs. 8,40,000/-
Shri Samir R. Thakkar - Director	Rs. 72,000/-

5. SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE :

Pursuant to Clause 49 of the Listing Agreement the Board has constituted a Shareholders / Investors Grievance Committee comprising of following members :-

<u>Name of Directors</u>	<u>No. of Meeting attended</u>
Shri Bharat D. Thakkar, Chairman	2
Smt. Dakshaben R. Thakkar	2
Shri Rasiklal D. Thakkar	2

Two meetings of the committee held during the year on 23/09/2002 and 30/03/2003.

The Committee also reviews complaints from shareholders for non receipt of statutory documents required to be given to shareholder, delay in transfer / transmission of shares / issue of duplicate share certificates / consolidation & subdivision of shares.

6. SHARE TRANSFER SUB COMMITTEE :

Shri Rasiklal D. Thakkar, Chairman & Managing Director of the Company has been delegated the powers to approve share transfer.

As on 31/03/2003 no cases of share transfer were pending.

During the year 22 letters/complaints were received from shareholders. All of which were replied/resolved to the full satisfaction of the shareholders.

7. GENERAL BODY MEETINGS :

Date and time for last three Annual General Meeting were

<u>Year</u>	<u>Time</u>	<u>Date</u>
1999-2000	3.00 P. M	31/05/2000
2000-2001	3.00 P. M	20/07/2001
2001-2002	4.00 P. M	30/09/2002

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

No special resolution was passed at the Last Annual General Meeting.

8. a. Disclosure on Materially significant related party transaction that may have potential conflict with the interest of company at large.

None of the transaction with any of the related parties were in conflict with the interest of the company. For particulars of related party please refer Notes to Accounts given by way of annexure to the Accounts.

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.

No instance of levy of penalty by the stock exchange or SEBI due to non compliance by the Company.

9. MEANS OF COMMUNICATION :

The Company has regularly published its quarterly, half yearly & annual results in newspapers & submitted to stock exchange in accordance with the Listing Agreement requirement.

Management Discussion and Analysis Report is enclosed

10. GENERAL SHAREHOLDER INFORMATION :**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

Next Annual General Meeting to be held on 30.09.2003 at Company's Registered Office at 4 .00 p.m.

Book Closure date : 23/09/03 to 30/09/03 (both days inclusive)

Dividend payment date : Dividend declared in the next AGM will be paid within 30 days of the date of declaration to those shareholders whose names appear on the Register of members on the date of AGM.

Listing on Stock Exchange : Mumbai Stock Exchange (BSE)
Stock Code and demat ISIN No. : The Stock Exchange, Mumbai - Code 532015, Demat ISIN - INE995A01013

Stock Exchange Price Data : High / Low during each month in last financial year :

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Period</u>	<u>High</u>	<u>Low</u>
April 2002	18.50	15.05	Aug 2002	17.20	12.40	Dec. 2002	12.15	10.00
May 2002	17.75	14.00	Sept. 2002	15.00	9.55	Jan. 2003	10.90	8.00
June 2002	16.50	14.10	Oct. 2002	13.80	10.25	Feb. 2003	10.55	7.30
July 2002	19.90	14.10	Nov. 2002	14.15	11.00	March 2003	10.50	4.25

Registrar and Share Transfer Agents : For both Physical & Demat (Common Registry) Mondkar Computers Limited, 32, Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai - 400 059.

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 & safe transfer of Shares.

Distribution of shareholding as on 31st March, 2003 is as under :

No. of shares	No. of Shareholders	% of Shareholders
Upto 500	1400	81.919
501 - 1000	116	6.788
1001 - 2000	41	2.399
2001 - 3000	20	1.170
3001 - 4000	32	1.872
4001 - 5000	6	0.351
5001 - 10000	34	1.989
10001 and above	60	3.511
Total	1709	100.000

Categories of shareholders as on 31st March 2003.

Category	No. of Shares of Rs.10/- each.	Percentage %
Indian Promoters	3073732	51.218
Foreign Promoters	Nil	Nil
Persons Acting in Concert	Nil	Nil
Mutual funds & UTI	Nil	Nil
Banks / Financial Institutions / Insurance Companies	Nil	Nil
Private Corporate Bodies	108199	1.803
Indian Public	2419769	40.321
NRI / OCB	399600	6.659
Total	6001300	100.00

Dematerialisation of Equity Shares and liquidity : As on 31.03.2003 of the total equity shares, 64.31% were held in dematerialised form and the balance 35.69% of shares in physical form.

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

Address for correspondence :

Correspondence by the shareholders should be addressed to the registered office of the Company.

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

To
The Members of
Gravity (India) Limited

We have examined the compliance of conditions of Corporate Governance by Gravity (India) Limited for the year ended 31st March 2003, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

For **P. S. Pancholi & Co.**
Chartered Accountants

sd/-

P. S. Pancholi
Proprietor

Place : Mumbai
Date : June 30, 2003