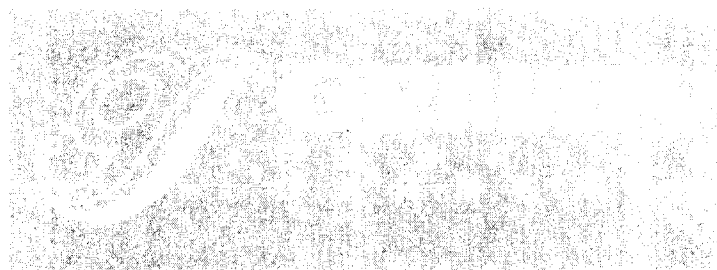


GRAVITY (INDIA) LIMITED



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18th Annual Report 2004 - 2005

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

EIGHTEENTH ANNUAL REPORT 2004 - 2005

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BOARD OF DIRECTORS

Shri Rasiklal D. Thakkar
(Chairman / Managing Director)

Smt. Dakshaben R. Thakkar

Shri Bharat D. Thakkar

Shri Vinodray F. Jankhariya (NRI, Kenya)

Ms. Maheen J. Lampwala

Mrs. Prabhavati Shetty

COMPANY SECRETARY

Shri Sanjay Chandrasen Rane
Company Secretary

AUDITORS

J. C. Kabra & Co.
Chartered Accountants
Mumbai.

BANKERS

Bank of Baroda

ANNUAL GENERAL MEETING

On Friday, 30th September, 2005, 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.

REGISTERED OFFICE

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

MANUFACTURING FACILITIES

- 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.

18th Annual Report 2004 - 2005**NOTICE**

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of **GRAVITY (INDIA) LIMITED** will be held at the **Registered Office** of the Company Unit No.131, 1st floor, Sanjay Building No. 5-B, Mittal Industrial Estate, Sir Mathurdas Vasanji Road, Andheri (East), Mumbai- 400 059, on Friday, September 30, 2005 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2005 and the Profit & Loss Account of the company for the year ended on that date along with the reports of the directors and auditors thereon.
2. To declare dividend for year ended 31st March, 2005.
3. To appoint a director in place of Smt. Dakshaben Thakkar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri. Bharat Thakkar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of the Eighteenth Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and authorized the Board of Directors to fix their remuneration.
6. To declare dividend, if any, for the financial year ended on 31st March, 2005.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to Section 260 of the Companies Act, 1956 read with Article 85 of the Articles of Association of the Company, Mrs. Prabhavati Shetty, who holds office up to the date of Annual General Meeting and being eligible offers herself for re-appointment, in respect of whom the Company has received the notice in writing from a member proposing her candidature for the office of Director under Section 257 of the Companies Act, 1956 be and is hereby appointed as the director of the Company liable to retire by rotation."

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

A) **"RESOLVED THAT** in accordance with the provision of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (the Act) the existing Authorised Share Capital of the Company of Rs. 10,00,00,000 (Rs. Ten Crores only) divided into 1,00,00,000 (One Crores only) Equity shares of Rs.10 (Rs. Ten only) each, be and is hereby increased to Rs. 15,00,00,000 (Rs. Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs only) Equity shares of Rs.10 (Rs. Ten only) each.

RESOLVED FURTHER THAT the existing clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in its place and stead the following as new clause V.

- B) The Authorised Share Capital of the Company is Rs. 15,00,00,000 (Rs. Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs only) Equity shares of Rs.10 (Rs. Ten only) each with a power for the Company to increase or reduce such capital and to issue any parts of its Capital or increased with or without any preference priority or special privilege or subject to postponement of rights or to any condition or restrictions and so that unless the conditions

of issue otherwise expressly declared, any issue of shares whether declared, to be preference or otherwise shall be subject to power herein before contained as may be permitted by the Companies Act, 1956."

9. 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 of the Companies Act, 1956, the Articles of Association of the Company be altered by substituting the following Articles for Article 3 :

Article 3 : The Authorised Share Capital of the Company is Rs. 15,00,00,000 (Rs. Fifteen Crores only) divided into 150,00,000 (One Crore Fifty Lakhs only) Equity shares of Rs. 10 (Rs. Ten only) each. The Company shall have power to increase, consolidate, sub-divide, reduce or otherwise outsets Share Capital, subject to the provisions of the Act."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309,310, 311 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force) and subject to such sanctions as may be necessary, approval is hereby given to the re-appointment of Mr. Rasiklal D. Thakkar as Managing Director of the Company for a period of five years commencing from 01.04.05 on the terms and conditions including those relating to remuneration as set out in the draft agreement entered into by the Company and Mr. Rasiklal D. Thakkar, a copy whereof initialed by the Chairman for the purpose of identification is placed before this meeting and which draft agreement is hereby specifically approved.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to vary or modify any of terms of the appointment and/or to increase or revise remuneration and perquisite at any time(s) as the Board may deem appropriate and in such manner so as not exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto.

FURTHER RESOLVED THAT for the purpose of giving effect to the resolution the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper."

By order of the Board of Directors
For Gravity (India) Limited

Mumbai
Date: 30th June, 2005

Sanjay Rane
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 with respect to item No. 7-10 of the Notice set out above is annexed hereto.
3. The Register of Members and Transfer Books of the Company will be closed from Friday, 23rd September, 2005 to Friday, 30th September, 2005 (both days inclusive) for payment of dividend subject to the provision of Section 206A of the Companies Act, 1956. In respect of shares held in electronic form the dividend will

GRAVITY (INDIA) LIMITED

be paid on the basis of beneficial ownership as per the details furnished by the depositories for this purpose.

4. Members are requested to send their queries, if any, at least seven days in advance of the Meeting so that information can be made available at the Meeting.
5. Dividend, upon its declaration at the Meeting, will be paid on and from 8th October, 2005 to those Members whose names shall appear on the Registers of Members on Friday, 30th September, 2005.
6. The Memorandum of Association & the Articles of Association of the Company will be available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.30 p.m. upto the date of this Annual General Meeting.
7. Members/Proxies are requested to bring their copies of Annual Report to the Meeting and handover the attendance slip duly signed

at the entrance hall of the Meeting. Members who hold shares in dematerialized form are requested to bring their client ID No. and DP ID No. for easy identification of attendance at the Meeting.

8. Members holding shares in single name are requested to fill in the nomination form and send it to the Register of the Company. The copy of the nomination form is duly perforated at the end of the report for your use.
9. Members are requested to immediately notify any change in their address to the Company's Registrar & Share Transfer Agents :

Mondkar Computers Pvt. Ltd.

(Unit Gravity (India) Limited)

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

DETAILS OF DIRECTORS, PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT, SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING, IS AS FOLLOWS :

Name of the Director	Smt. Dakshaben Thakkar	Shri Bharat Thakkar	Ms. Prabhavati Shetty	Shri. Rasiklal Thakkar
Date of Birth	04.03.1957	11.05.1955	24.03.1975	12.10.1950
Qualifications	Under Graduate	Under Graduate	B.com	Under Graduate
List of other companies in which directorship held as on 31.03.2005	Gravity Textiles Pvt. Ltd. Dakshali Synthetics Pvt. Ltd.	—	—	Gravity Textiles Pvt. Ltd. Dakshali Synthetics Pvt. Ltd.
Chairman / Member of the Committee of the Board of other companies in which he is a Director as on 31.03.2005	Chairperson of Shareholder's Grievance and Share Transfer Committee Member of Audit Committee Remuneration Committee	Member of Shareholder's Grievance and Share Transfer Committee	Member of Audit Committee Remuneration Committee	Member of Shareholder's Grievance and Share Transfer Committee
Nature of expertise in specific functional areas.	20 years experience in the fields of Textiles trade and Industry	15 years experience in the fields of Textiles business	7 years experience in the fields of accounts and administration.	35 years experience in the fields of Textiles Industry

ANNEXURE TO THE NOTICE

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement set out all material facts relating to the business mentioned under item Nos. 7 to 10 of the accompanying notice dated 30th June, 2005.

ITEM NO. 7

Ms. Prabhavati Shetty was appointed as additional director of the Company pursuant to Section 260 of the Companies Act, 1956 at a Meeting of the Board of Directors on 30th June, 2004. The appointment of Mrs. Prabhavati Shetty has been effective from 05.07.2004. Pursuant to section 260 read with Article 85 of the Articles of Association of the Company, Ms. Prabhavati Shetty holds office upto the date of this Annual General Meeting.

A Notice has been received by the Company from a Member, under Section 257 of the Act, alongwith a deposit of Rs. 500/- signifying intention to propose Ms. Prabhavati Shetty as a candidate to hold office of the Director.

Ms. Prabhavati Shetty is an Accountant by profession with a rich experience in accounts and administration. The Board of Directors considers that having regard to the qualification and experience of Ms. Prabhavati Shetty, it would be in the interest of the Company to appoint her as a Director of the Company.

None of the Directors of the Company except Ms. Prabhavati Shetty is concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

ITEM NO. 8 & 9

The Authorised Share Capital of the Company is at present Rs. 10,00,00,000 (Rs. Ten Crores only) divided into 100,00,000 (One Crore only) equity shares of Rs.10/- (Rs. Ten only) each.

It is proposed to increase the Authorised Share Capital to Rs. 15,00,00,000 (Rs. Fifteen Crores only) Equity Shares of Rs.10/- (Rs. Ten only) each as set out in the Notice in accordance with Section 94 of the Companies Act, 1956. The increase of the Authorised Capital is proposed to enable the Company for further expansion in future.

The alteration of Article 3 of the Articles of Association is purely consequential to the alteration of the Capital clause of the Memorandum of Association of your Company.

None of the Directors of the Company is concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

ITEM NO. 10

The Board of Directors at its Meeting held on 1st April, 2005 re-appointed Mr. Rasiklal D. Thakkar, as managing Director of the Company for fresh term of five years commencing from 1st April, 2005 with retrospective effect. His appointment & remuneration fixed in accordance with Schedule VIII of the Companies Act, 1956, is subject to the approval of the Shareholders for which purpose resolution as set out in notice is proposed.

Mr. Rasiklal D. Thakkar possesses more than 30 years experience in the textile industry.

The Board of Directors has fixed the following remuneration to be paid to Managing Director during the fresh term, but within the ceiling laid down in Schedule XIII to the Companies Act, 1956, or any statutory amendment or relaxation thereof.

1. Salary : Rs. 70,000/- (Rupees Seventy Thousand only) per month with such increase as may be decided by Board from time to time.
2. Perquisite :
 - (i) Company's contribution to the provident fund and super annuation fund to the extent these either singly or put together are not taxable under Income tax Act.
 - (ii) Gratuity at the rate of one month's salary for each completed year of service.
 - (iii) Leave with full pay as per the rules of the Company, encashment of unavailed leave being allowed at the end of the tenure.
 - (iv) Free furnished residential accommodation with gas, electricity, water and furnishing.
 - (v) Reimbursement of medical expenses, incurred for self and family, (consisting of spouses and dependent children and dependent parents) in India or abroad, including hospitalization nursing, home and surgical charges and in case of any medical treatment abroad, the airfare boarding /lodging for patient attendant.
 - (vi) Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place in India and return there from once in a year in respect of himself and family.
 - (vii) Reimbursement of servant's salary, subject to a maximum of two servants on a salary of upto Rs. 2000/- per servant per month.
 - (viii) Reimbursement of membership fee for clubs in India or abroad including any admission/life membership fees.
 - (ix) Personal accident insurance policy in accordance with scheme applicable to senior employees.
 - (x) Cost of insurance cover against the risk of any financial liability or loss because of any error of judgment as Chairman of the Company, as approved by the Board of Directors from time to time.
 - (xi) Reimbursement of entertainment expenses incurred in the course of business of the Company.
 - (xii) Free use of Company's car for Company's work as well as for professional purposes along with driver.

(xiii) Telephone, tele-fax and other communication facilities at residence at Company's cost.

(xiv) Subject to any statutory ceiling/s the Managing Director as may be given any other allowances, perquisites, benefits and facilities as the Board of Directors from time to time may decide.

3. Evaluation of perquisites :

Perquisites / allowances shall be evaluated as per Income tax Rules, wherever applicable, and in absence of any such rules, shall be evaluated at actual cost.

4. Minimum Remuneration :

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the managing director shall be paid salary and prerequisites as set out above, as the minimum remuneration, subject to the approval of Central Government as may be required in accordance with the provision of the Act/ Schedule XIII.

5. Computation of Ceiling :

The following shall not be included in the computation of prerequisite for the purpose of ceiling :

- a) Contribution to provident and super annuation funds referred in para 3(i) above.
- b) Gratuity payable as per para 3 (ii), to the extent of half a month's salary for each completed years of service.
- c) Encashment of leave at the end of the tenure as per para (iii) above.

The Company has prepared a draft agreement with Mr. Rasiklal D. Thakkar laying down, inter alia, the aforesaid terms of remuneration and the powers and authorities delegated to him. A copy of the said draft agreement is available for inspection by the Members during business hours on any working day between 10a.m. to 12 noon at the registered office of the Company upto the date of the meeting.

Except Shri. Rasiklal D. Thakkar the proposed appointee and Smt. Dakshaben Thakkar Director of the Company, no other director is interested in this resolution.

The above may also be deemed to be abstract of the terms of appointment of Managing director and the nature of the concern or interest of director therein, as required by Section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for approval.

By order of the Board of Directors
For Gravity (India) Limited

Mumbai
Date: 30th June, 2005

Sanjay Rane
Company Secretary

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

To the Members of

Gravity (India) Limited

Your Directors have pleasure in presenting this Eighteenth Annual Report and Audited Accounts for the year ended March 31, 2005.

FINANCIAL RESULTS

	(Rs. in lakhs)	
FINANCIAL RESULTS	2004-2005	2003-2004
Income from Operations/Other Income	2145.92	1798.22
Gross Profit before interest & depreciation	127.48	114.09
Less: Interest Paid	12.16	12.76
Depreciation	50.04	50.14
Profit after Interest & Depreciation	65.28	51.19
Less: Prior Period Expenses	12.61	0
Provision for Taxation	5.50	4.00
Profit after tax	47.17	47.19
Add: Balance brought forward	1.45	0.41
Balance available for appropriation	48.62	47.60
Appropriations:		
Dividend	9.00	9.00
General Reserve	35.00	36.00
Income Tax for Prior Period	2.73	0
Tax on dividend	1.18	1.15
Balance carried forward	0.71	1.45
Total Appropriation	48.62	47.60

SHARE CAPITAL

The authorised capital of the company is divided into 100 Lacs Equity Shares of Rs.10/- each, aggregating to Rs. 10 Crore. The issued, subscribed and paid up capital is Rs.9,00,19,500/- as on 31st March 2005.

BONUS ISSUE:

On 15th June, 2004, the Company had allotted 30,00,650 Bonus Equity Shares of Rs.10/- each to its shareholders in the ratio of 1:2 (one equity share for every two equity shares held in the Company). The paid-up Share Capital of the Company post Bonus Issue stands Rs. 9,00,19,500/-.

RESERVES:

Reserves & Surplus were Rs. 97.53 Lacs at the end of the financial year. During the year, the company has transferred Rs.35.00 Lacs (Previous year Rs.36 Lacs) out of profits to the General Reserve.

OPERATIONS

The sales turnover of the Company has increased to Rs.2145.92 Lacs from Rs.1798.22 Lacs. The net profit before tax has increased to Rs.52.67 Lacs from Rs.51.19 Lacs of the previous year. The Company had provided Rs.5.50 Lacs towards the taxation.

DIVIDEND

Your Directors are pleased to recommend a dividend @ 1% for the year 2004-2005 on the capital base of Rs.9,00,01,950/-. The dividend @ 1%, if approved, would result in the payment of Rs.9,00,195/- to those shareholders whose names are registered in the Register of Members of the Company as on 30th September, 2005. The tax on dividend including surcharge shall be paid by the Company. This is the 14th Dividend of the Company.

DIRECTORS

The following directors of the Company retires by rotation and being eligible, offers themselves for re-appointment:

1. Mrs. Dakshaben Thakkar
2. Mr Bharat D. Thakkar

Mrs. Prabhavati Snetty was appointed as Additional Director w.e.f. 05.07.2004. Mrs. Prabhavati Shetty holds office upto the date of Annual General Meeting and being eligible offers herself for re-appointment. The Board of Directors recommends her re-appointment.

LISTING OF SHARES

Your Company's equity shares (including bonus shares issued) continue to be listed on The Stock Exchange, Mumbai in the Indo Next (S) Group. The annual listing fee for the year 2005-2006 has been paid to The Stock Exchange Mumbai.

FIXED DEPOSITS

The company has not accepted or renewed any deposits from public during the year under review.

CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has introduced a comprehensive code on Corporate Governance. The Code is implemented in the year under review. A report is enclosed as Annexure I and forms a part of Corporate Governance Report.

The certificate from the Company's Auditors confirming the compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and for the profit or loss of the Company for the period.
- (iii) The Directors had 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) The Directors had prepared the annual accounts on going concern basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion And Analysis Report as required under the listing agreement with the Stock Exchange is annexed as Annexure II forming part of this report.

AUDITORS

M/s. J.C. Kabra & Co., 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.

AUDIT COMMITTEE

The terms of reference of these Audit Committee are in line with the norms specified under the listing agreement with the stock exchange. The Audit committee of the Board comprises of 3 Non-Executive Directors is as under :

Name of the Member	Status
Ms. Maheen J. Lampwala	Chairperson
Mrs. Prabhavati R. Shetty	Member
Smt. Dakshaben Thakkar	Member

AUDITORS' REPORT

Observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars as required under section 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 or Outgo are given in the Schedule 18 to the Account.

PARTICULARS OF EMPLOYEES

None of the employees of the company are in receipt of remuneration in excess of limits prescribed under Section 217 (2A) of the Companies Act, 1956.

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.

ACKNOWLEDGEMENTS

The Directors wish to express their gratitude to the shareholders Bankers, Customers and vendor's 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

Mumbai
Date 30.06.2005

(Rasiklal D. Thakkar)
Chairman & Managing Director

GRAVITY (INDIA) LIMITED**ANNEXURE I TO THE DIRECTORS' REPORT****CORPORATE GOVERNANCE REPORT****1. Company's Philosophy on Corporate Governance Code**

Your Company has complied with all the 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.

The mission statement of the Company state 'You rely on us, we rely on our vision and experience'.

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 following Directors were on the Board during the year ended March 31, 2005.

Composition and category of Directors :

Composition, Category of Directors and other Directorship details are as follows :

Name of Director	Category	No. of other directorship and Committee Membership / Chairmanship			
		Public Co.	Private Co.	Committee Chairmanship	Committee Membership
Shri. Rasiklal D. Thakkar	Promoter Executive	1	2	—	1
Smt. Dakshaben R. Thakkar	Promoter	1	2	1	3
Shri. Bharat D. Thakkar	Non-Executive Independent	—	—	—	1
Shri. Vinod F. Jankhariya	Non-Executive Independent	—	—	—	—
Ms. Maheen J. Lampwala	Non-executive Independent	—	—	—	3
Mrs. Prabhavati Shetty	Non-executive Independent	—	—	—	1

During the year, the Board met 8 times on 31.05.2004, 15.06.2004, 30.06.2004, 31.07.2004, 01.10.2004, 30.10.2004, 25.01.2005, 31.03.2005.

The last Annual General Meeting was held on 30th September, 2004.

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	
Shri. Rasiklal D. Thakkar	8	8	Yes
Smt. Dakshaben Thakkar	8	8	Yes
Shri. Bharat D. Thakkar	8	1	Yes
Shri. Vinod F. Jhankhariya	8	0	No
Ms. Maheen Lampwala	8	8	Yes
Mrs. Prabhavati Shetty	8	2	Yes

3. Audit Committee**A) Terms of Reference**

The terms of reference of this committee is in line with the norms specified under listing agreement with 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 of audit fee and also approval for payment for any other services.

B) Composition of Audit Committee (As on March 31, 2005)

The Audit Committee comprises of the following Directors namely:

1. Ms. Maheen Lampwala	– Independent & Non Executive Director	Chairman
2. Shri. Bharat D. Thakkar	– Independent & Non Executive Director	Member (upto 31.07.04)
3. Smt. Dakshaben Thakkar	– Promoter & Non Executive Director	Member
4. Mrs. Prabhavati Shetty	– Independent & Non Executive Director	Member(w.e.f. 31.07.04)

The Committee met 4 times, i.e. on 30.06.04, 31.07.04, 30.10.04, 25.01.05 and the attendance of the members of the Committee were as follows :

Director	No. of Meetings	
	Held	Attended
Ms. Maheen Lampwala	4	4
Shri. Bharat D. Thakkar	4	1
Smt. Dakshaben Thakkar	4	4
Mrs. Prabhavati Shetty	4	2

4. 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 Committee (As on 31st March 2005)

The remuneration Committee comprises of the following Directors namely :

- 1) Ms. Maheen Lampwala – Independent & Non-Executive Director- Chairman
- 2) Mrs. Prabhavati Shetty –Independent & Non-Executive Director
- 3) Smt. Dakshaben Thakkar – Promoter & Non-Executive Director

C) Attendance during the year

The Committee met once during the financial year 2004-2005 and the attendance of the members of the Committee were as follows:

Director	No. of Meetings	
	Held	Attended
Ms. Maheen Lampwala	1	1
Mrs. Prabhavati Shetty	1	1
Smt. Dakshaben Thakkar	1	1

D) Remuneration Policy

The Remuneration Committee of the Board constituted in compliance with the SEBI guidelines has framed the compensation structure for the working Directors and the Committee reviews the same from time to time based on certain performance parameters, growth in business as well as profitability and in line with the best practices prevailing in the industry.