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CHAIRMAN'S MESSAGE



2009 was another great year for Gravita. Across the business, our people, processes, operations and projects delivered extraordinary results on all fronts.

It is my privilege to present the 18th annual report 2009-10 to reveal the success story of Gravita India Limited continues as we bring another set of excellent results. The 2009-2010 financial year began with developed markets trying to come over from recession, commodity prices and industrial demand was subdued. Emerging markets-

especially India and China proved more resilient to the economic downturn, with continued economic and metals consumption growth. Large and coordinated stimulus from government has helped in greater stability in financial markets and a return to economic growth. Commodity prices and industrial demand recovered and we entered the FY 2010-2011 with much greater optimism compared to 2009-2010. Excellent liquidity, strong cash flow and low cost operations ensured long term sustainability and enhanced shareholder value.

Financial Performance

We achieved excellent results in FY 2009-2010, backed by increased volumes, stable costs, operational efficiencies and improved LME prices. Net Sales rose by 42.90% to Rs. 15,876.47 lacs and PBDT rose by 135.28% to Rs. 1,861.32 lacs compared to the previous year. Profit after Tax (PAT) rose to 157.81% to Rs. 1,398.23 lacs. Over the year, we have consistently generated strong free cash flow.

Expansion of our reserves and resources is a part of our sustainable growth strategy. I have great pleasure in reporting that our ongoing efforts have yielded significant success with an increase of reserves & resources which rose by 156% to Rs. 1929.17 lacs as at 31 March 2010. We continue to leverage our expertise in project expansion, skills in production and financial management for increasing our exposure to high potential prospects domestically and internationally.

People

We believe our people play a vital role in helping the organization create value and grow with confidence. We have undergone a great transformation in improvement-oriented work culture of our people. We believe in recruiting the best of talent, providing them with quality training, support and international opportunities to flourish professionally and personally. On behalf of the Board, I am thankful to all of them for all their hard work and efforts. We continue to

offer exciting growth opportunities to all our employees. We remain committed to providing a safe and supportive work environment for all.

Sustainability

Sustainable development is an integral part of our business philosophy and represents core commitment of our management and employees. We believe that businesses play an important role in tracking and driving sustainability and climate change challenges. We have been continuously prioritizing and emphasizing the need to ensure compliance and improve our social and environmental performance.

Awards and Recognitions

- Rastriya Vikas Ratan Award
- Udyog Bharti Award
- Business Leadership Award
- All Indian Achievers Award

Our efforts and actions continue to be acknowledged by intellectuals and rating agencies. During the year, we won awards in the areas of operational excellence. The company has it in its treasure, the status of **"Star Export House"** for excellence in the field of exports, awarded by the Government of India. We have been conferred **"Udyog Bharti Award"** for achievements in the field of Corporate Social Responsibility by the Indian Achievers Forum, New Delhi. The **"Rashtriya Vikas Ratan Award"** for achievement in the field of industrial development by the Indian Society for Industry & Intellectual Development (ISIID), New Delhi. The institute of Economic Studies has awarded **"Business Leadership Award"** for innovative business practices. More such awards are in the pipe line in the days to come.



Outlook

The recovery in demand and commodity prices appears well-founded and the medium and long-term outlook for our commodities remains strong. We are well placed to benefit from a sustained recovery given our structurally low cost position, presence in growing economies and the planned growth programme. We remain focused on reducing our cost of production, delivering our best product on time at benchmark low capital cost and generating free cash flows. We have diversified our activities in different sector and formed new companies viz Floret Tradelink Private Limited , Gravita Infra Private Limited & Gravita Energy Limited. In the last three years we have been instrumental in shaping the future of the group by commissioning new plants overseas by expansion of our business at Honduras and in CIS countries to create strong values and business ethics.

Acknowledgement

To conclude, I acknowledge that all these achievements have been possible only due to relentless and dedicated efforts made by the employees of the company. On behalf of the shareholders and management, I thank all the stakeholders for providing us continued support, trust & guidance enabling us to give a consistent performance.

Dr. Mahaveer Prasad Agarwal
Chairman

"Our goal is to make Gravita one of the most coveted business groups in the world and to achieve growth in revenues and profits by implementing ethical practices."



“Over the years we have built a strong reputation with clients, governments and partners which has helped us grow and monetise our resources and deliver value for all stakeholders.

A fully integrated approach to business with tireless team work, innovative technology and enterprising culture enables us to deliver extraordinary results from our manufacturing, appraisal and marketing team.”

Rajat Agrawal
Managing Director

“We work as a team, in sync with each other striving for development and working coherently towards organizational growth.

GRAVITA continues to nurture a business that creates value through combining manufacturing with risk appraisal and growing production; underpinned by a well funded capital structure.”

Dr. Mahaveer Prasad Agarwal
Chairman



OBJECTIVES

Managing a global workforce and setting global Benchmarks is primarily about managing diversity. The ability to maximise business opportunities, meet challenges and include contribution of each and every person to the blueprint for the future is our constant endeavour.

One of the key requisites for successfully managing diversity is to have a shared vision. The vision for Gravita Group was co- created by its people across its various locations from Jaipur in India , to its various overseas units be it in Africa, Georgia or Srilanka. It is driven as much by its commitment to society as by its operational performance and profits. The vision aspires Gravita to make itself a global industrial benchmark for both value creation and corporate citizenship.

The key drivers of the Gravita Vision will manifest themselves in the goals and objectives the group sets for itself in the coming years. This shared vision is a call to action for Gravita people; to work together for a future that holds promises for tremendous growth.



GOALS

GOAL 1



Value Creation

- To increase profitability from current operations.
- To create niche in the market place.
- To achieve synergies across all business units.
- To achieve strategic growth through continuous improvement and capacity expansion.
- To enhance Research, Development and Innovation.
- To achieve excellence in the area of Lead recycling.
- To be responsible for new products development.
- To have proactive role in global Lead market.

GOAL 2



Safety

- To focus on safe handling of hazards at work place.
- To increase occupational safety.
- To focus on overall health of employees.

GOAL 3



Environment

- To strive for continuous process improvements to save environment.
- To have technology breakthroughs in eco-care.
- To ensure employee Engagement at all levels.

GOAL 4



Employer of Choice

- To embed a performance driven culture.
- To build leadership capabilities.
- To nurture talent.
- To build and enhance technical capability.

VISION

“We aspire to set global benchmark in Lead industry for value creation, employee satisfaction and corporate citizenship”

We make the difference through :

Our People by fostering, motivation, team work, nurturing talent,enhancing leadership capabilities and acting with pace,pride and passion.

Our Offer by becoming the supplier of choice, delivering premium products and services and creating value for our customers.

Our Approach to deliver quality product ,proven technology, low cost, and recyclability.

Our Conduct for providing a safe working place, respecting the enviornment, caring for our community and demonstrating high ehical standards.



Our technology is Indigenous and ever improving with a dedicated R & D team
Lead Battery Recycling Plant

ENVIRONMENT REPORT

We, as a Group, are committed to sustainable development, to meet the needs of the present without in any way jeopardizing the welfare of future generations. Our business strategies consciously focus on environment conservation as a major principle. The Company is continuously looking for new ways to serve the environment and manage resources responsibly.

The Company's plants adopt clean technologies and processes that combine both economic progress and sustainable environment. Among these is the integrated remelted & refined Lead facility at "Saurabh", Chittora Road, Harsulia Mod, Diggi- Malpura, Tehsil Phagi, Jaipur.

Most of the Company's plants are, ISO 9001:2000 and 14001:2004 certified. We are also affiliated as a member with Federation of Indian Export Organization (FIEO), the Institute of Scrap Recycling Industries Inc., and FICCI

A detailed environmental monitoring is conducted by government approved auditors for checking quality air, water and solid waste. After exhaustive monitoring and verification of various documents, auditors confirm the compliance of various statutory norms by the unit. Gravita does not just operate well within the regulatory standards and norms, but strives to go far beyond the same.

As part of its efforts for the development of new environment improvement projects on a sustainable basic, Gravita has taken a number of initiatives. These include capacity addition in old plants within the existing land, reduction in water requirement by upgrading processes, treating wastewater efficiently and recycling/reusing of treated streams, improvement in energy utilization and conservation through more efficient combustion of fuels, technology up gradation and applying best practices across production circuits.

Our Company utilizes all solid wastes in an environment friendly manner such as dry disposal and stacking of Ash/Residue, recycling of spent, and further resale to related parties.



"Gravita Believes there is always a better way to think about waste. The very nature of our work demonstrates our commitment to the environment."

*“Manufacturer & Exporter of Lead
Metal and Lead Products.”*



Eco Friendly Recycling



Being Contributors to Preservation of Mother Nature

INDUSTRY OVERVIEW

Do you know what keeps the modern world on the move?

It is non other than lead. The lead acid battery is the vital component of the millions of vechiles running world wide. Lead acid battery is the only product which can work economically for performing the task of starting the engine and operating electrical systems. More than 80% of Lead produced worldwide is used in manufacturing of batteries.

Lead is 4th most widely used non ferrous metal after alluminium, copper & zinc. Due to high density it gives protection from radiation shielding & protects people working in medical field & in nuclear installations.

Lead base stablizers are used in PVC to improve its durability while lead oxides are used in making glasses of television/monitor to protect human being fron U.V. radiations.

The lead metal protects the underwater cables for power transmission or communication.

Consumption of Lead

The global demand of lead is increasing due to continuous growth in automobile, telecom, power & infrastructure sector. The cousmption during 2009-10 is approx 8.80 million tonnes.

Over 80% of total demand comes from storage battery sector. Apart from Automobile Lead acid batteries act as vital back-up for emergency power supply in hospitals, homes, emergency services, telephone exchanges, UPS, Railway Coaches, Mobile Phones, Networks & Public buildings. The lead acid storage batteries are also at the forefront for green energy i.e. solar cells and wind turbines. The use of E-bikes, Electric/hybrid cars offers great opportunity for use of this metal.

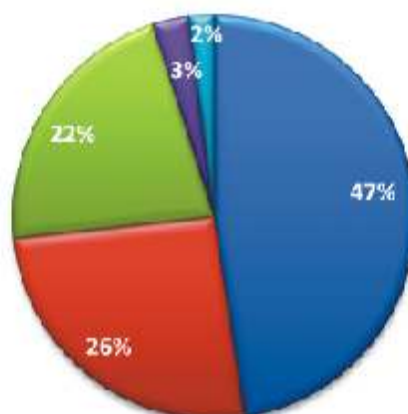
Production & Market Foreces

About 35% lead produced worldwide is derived from primary route i.e. from mined lead ore, the secondary production of lead (from scrap) is over 65% and even higher in western world. As lead acid batteries are major application of lead hence the old used lead acid batteries are main sources of lead scrap and their environment friendly recycling is challange for the industry/governments.

Global lead consumption expected to be increased by 3.8%, while China & India will be on driver seat to have double digit growth.

World Lead Production

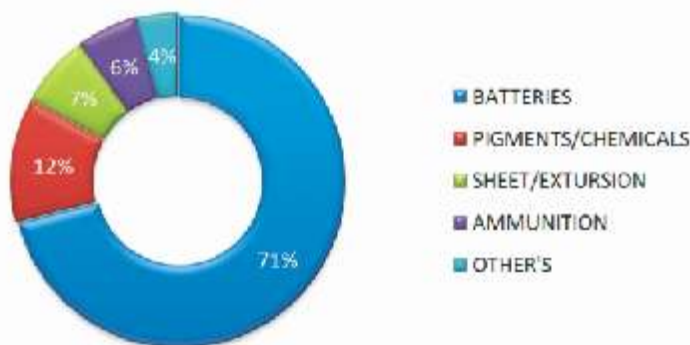
■ ASIA ■ AMERICA ■ EUROPE ■ OCEANIA ■ AFRICA



OVERVIEW OF INDIAN INDUSTRY

One third of the Lead production in India comes from primary sources like mining and the balance from the secondary sources i.e re-cycling. India lacks Lead ore reserves and hence it necessitates large scale import and secondary sources such as recycling . Lead is the most recycled non ferrous metal. The main input for Lead recycling comes from Lead acid battery scrap which is hazardous material. The only primary Lead smelter is Hindustan Zinc of the Vedanta Group which contribute to 16% of the total supply in the country while the secondary smelter contribute 22%of the Lead supply. Approximately 30% of supply is contributed by the unorganized sector and the balance is met by imports. The estimated demand of Lead in india is 500,000 tonnes. The demand is expected to grow at a rate of 6% which is being driven due to demand for automobile batteries, invertors and UPS applications.

Industrial Consumption of Lead Metal



SYNERGIES

Manufacturing

Greater productivity leading to increased output and enhanced market size.

Procurement

Economies of scale leading to cost reduction through bulk buying and mass production.

Research and Development

Cross fertilization of Research and Development capabilities and operational best practices, leading to greater innovation and operational efficiencies.

Finance and Corporate

Restructuring of organization and refinancing.



NOTICE

NOTICE is hereby given that 18th Annual General Meeting of the members of GRAVITA INDIA LIMITED will be held on Wednesday 15th September, 2010 at 11.00 A.M at the Registered Office of the Company at "Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur ,to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010, Profit and Loss Account of the Company for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajeev Surana who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dinesh Kumar Govil who retires by rotation, and being eligible offers himself for re-appointment.
4. To re-appoint M/s. Rajvanshi & Associates, Chartered Accountants, Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise Board to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Yogesh Mohan Kharbanda, who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956 on the date of this meeting and in respect of whom the company has received a notice from a member under section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company liable to retire by rotation".

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company. Proxy Form duly completed should be deposited at the Registered Office of the Company not less than 48 hours before the scheduled time of the Meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed herewith.
3. The Copy of profit & loss account for the period ended 31st March 2010 and balance sheet as on date together with Directors & Auditors Report there on are enclosed herewith.

By Order of the Board of Directors

Sd/-
Rajat Agrawal
Managing Director

Date: 04.08.2010
Place: Jaipur

Explanatory Statement Pursuant To Section 173(2) Of the Companies Act, 1956**ITEM NO. 5**

The Board of Directors of the Company appointed Mr. Yogesh Mohan Kharbanda as an Additional Director in its meeting held on 01/02/2010. The aforesaid appointment was made as per the provisions of Section 260 of the Companies Act, 1956 read with Articles of Association of the Company. He holds office up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member signifying his intention to propose Mr. Yogesh Mohan Kharbanda as a Director of the Company in terms of Section 257 of the Companies Act, 1956. If appointed, he will act as a Non- Executive Director liable to retire by rotation.

Your Directors recommend the resolution for approval of the shareholders.

Necessary details regarding Mr. Yogesh Mohan Kharbanda and his brief resume has been given in the Annexure attached.

Mr. Yogesh Mohan Kharbanda is concerned or interested in the above Resolution to the extent of his appointment as a Director. No other Director of the Company is concerned /interested in the proposed resolution.

By Order of the Board of Directors

Sd/-
Rajat Agrawal
Managing Director

Date: 04.08.2010
Place: Jaipur

Annexure to the Notice

Details of Directors seeking appointment/ re-appointment in the Annual General Meeting to be held on 15th September, 2010.

Name of Director	Mr. Dinesh Kumar Govil	Mr. Rajeev Surana
Date of Birth	13/09/1947	06/09/1969
Date of Appointment	30/06/2009	26/11/2005
Designation	Independent Director	Whole Time Director
Qualifications	Bachelor of Engineering, PMA from IIM, Ahambad	Bachelor of Engineering
Experience	<p>1973-1995 Senior Manager /Chief Manager of branches in UAE and in India of BOB</p> <p>1996-2001 Director on boards of various Gramin Banks sponsored by BOB for the period of 5 years</p> <p>2001-2002 Managing Director for 1 year and 2 months in BOB Housing Finance Ltd.</p> <p>2003-2007 Served in top Executive Cadre with BOB.</p> <p>2008 to 2009 Served as Director Finance and Administration with Calance Software Pvt. Ltd.</p> <p>2009 till date Independent Director in Gravita India Limited and Gravita Exim Limited</p>	<p>1992 to 1993 Trainee Engineer in General Engineering Works, Bharatpur.</p> <p>1993 to 1994 Marketing Engineer with Weldtech Engineers Pvt Ltd, Jaipur.</p> <p>1994 to 1996 Engineer (M & U) in Rajasthan Petro Synthetics Ltd-Udaipur.</p> <p>1996 to 1998 Executive (Mechanical) in SRF Limited (Fluorochemicals Divn) –Bhiwadi.</p> <p>1998 to till date Joined Gravita India Limited as Works Manager.</p> <p>In the year 2005 he entered into the Board of the Company as Non executive director and in the year 2007 he was promoted as Whole Time Director of the Company .</p> <p>2004 till date Director in Gravita Exim Ltd, Jaipur</p> <p>2005 till date Director in Penta Exim Pvt Ltd.</p> <p>2008 till date Director in Gravita Impex Pvt Ltd</p>
Directorship held in other Public Limited companies	2	4**
Membership/Chairmanship of Committees of other public companies	1	1
Shareholding in the company	Nil	.06%

**Details of Directorship are given upto 31st July 2010

Name of Director	Mr. Yogesh Mohan Kharbanda
Date of Birth	10/12/1969
Date of Appointment	01/02/2010
Designation	Additional Director(Independent)
Qualifications	Bachelor of Engineering (Mechanical) Master of Business Administration
Experience	<p>1992-1995 Senior Executive in Norasco Holdings Co. Ltd., Cyprus.</p> <p>1995-1997 Deputy Manager/Asst. Manager-Commercial Vehicles in Eicher International Ltd.,</p> <p>1997-2001 Regional Marketing Manager, in Apollo International Ltd.</p> <p>2001-2007 General Manager-Marketing in one of the India's largest manufacturers of Newspaper Printing Equipment, in its segment.</p> <p>2008 -till date Heading Indian operations as Director for GRAF IMPEX PVT LTD</p>
Directorship held in other Public Limited companies	Nil
Membership/Chairmanship of Committees of other public companies	Nil
Shareholding in the company	Nil

DIRECTOR'S REPORT

To
The Members
GRAVITA INDIA LIMITED

Your Directors have pleasure in presenting their 18th Annual Report on business and operations of the Company together with Statement of Accounts for the year ended March 31, 2010.

Consolidated Financial Performance at a Glance of Gravita India Limited

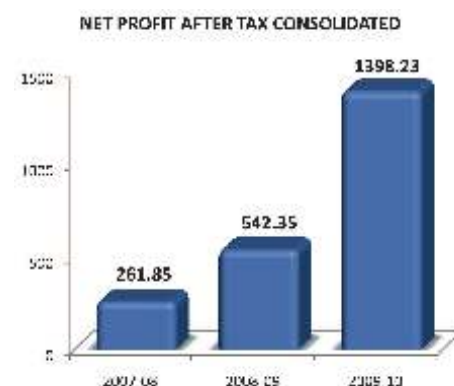
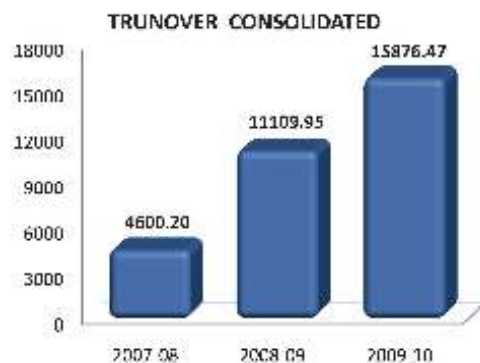
(Rs in Lac)

Particulars	2009-10	2008-09
Net Sales	15,876.47	11109.95
Cost of Sales	14,948.28	10109.84
Profit before Depreciation & Tax	1,861.32	791.10
Depreciation	84.42	67.93
Net profit before taxation	1,664.68	723.18
Provision for taxation	342.19	180.83
Share in Profit of Associate	75.74	-
Net profit after taxation	1,398.23	542.35
Net Worth	2,812.81	963.50
EBITDA (in Rs.)	1,783.17	941.01
Book Value per share	28.07	38.04
Earnings Per Share	28.56	21.41

Operation & Performance Review

Our Company completed another year of consistent growth by turning-around from recession and keeping the pace of improvement from previous year. The year gone by witnessed scaling up new milestones through unprecedented growth of 42.90% in its turnover and 157.81% in Net profit after Tax during the year.

The Profit before Tax of the company for the year ended March 31, 2010 stood at Rs 1,664.68 Lacs (consolidated) as against Rs. 723.18 Lacs (consolidated) for the Year 2008-09, thus registering a robust growth. The Company is able to maintain growth pattern of previous years. The Profit after Tax has increased to Rs. 1,398.23 Lacs against 542.35 lacs during the previous year.



EXPORTS

Our Company's performance on export front is progressing year by year. Its export sales have increased to Rs 4422.25 Lacs in 2009-10 from Rs. 3164.56 Lacs in 2008-09. This is after taking the impact of appreciation of Rupee against US\$ during the year. Our Company has attracted new customers of international repute during the year. The marketing team participated in various national and international trade fairs and presented comprehensive technical papers to promote company's products and image to get best mileage in international as well as domestic markets. Participation in various seminars was also instrumental for us to understand the needs of customers of all categories globally.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS -21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on financial reporting of Interest in Joint Ventures, The audited Consolidated Financial Statements are provided in the Annual report.

DIVIDEND

In view of the ongoing growth, your board recommends to conserve the profits for future expansion and development, your directors do not recommend payment of any dividend for the year ended on 31st March, 2010.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management discussion and analysis report for the year under review is presented in separate section forming part of Annual report.

SUBSIDIARIES

The Company has following Subsidiaries:

1. **GRAVITA EXIM LTD.:** Gravita Exim Ltd. is an engineering and consulting company which provides turnkey solutions for Lead recycling, refining/ alloying and Oxide plants. Gravita Exim Ltd. is known for its cost effective and environmental friendly recycling technology across the globe, and has already supplied 32 projects in 25 countries other than the plants supplied for its own subsidiaries. Recently Gravita Exim Ltd. has entered into a joint venture with an Australian giant in the non ferrous metal smelting field Ausmelt Ltd., Australia to capture the bigger segment and to enhance its own technical expertise. Together it is expected to get huge orders.

Gravita Exim Ltd. has 3 subsidiary companies listed below:

- (i) **Pagrik Ethiopia PLC:** Gravita Exim Ltd. has made investment in Ethiopia in the name of Pagrik Ethiopia PLC at capital Addis Ababa, which is at a strategic location and gateway of East Africa. It is a major hub of United Nations' African operations and is known as one of the safest places with good environment in Africa. The company is into recycling and processing of battery scrap to produce remelted ingots and Poly Propylene Chips and almost entire production is being exported from Ethiopia. The company possesses all kinds of licenses, certificates and registrations required.
 - (ii) **Gravita Zambia Ltd.:** Gravita Zambia Ltd. is situated in capital Lusaka in Zambia. It is again an investment of Gravita Exim Ltd. In Zambia. Zambia is very rich in minerals and known for Lead, Zinc and Copper mining. Recycling plant has been put in Zambia to do the further expansion for Lead Ore and concentrate recycling as well and also to collect the generation of Lead Scrap from KCM (Konkla Copper Mines) in huge quantity and tap the potential.
 - (iii) **Penta Exim Pvt. Ltd.:** Gravita Exim Ltd has major shareholding in Penta Exim Pvt. Ltd., which is a trading and Import- Export Company dealing in Lead, Lead Alloys, Oxides and other kinds of Lead Products. It also deals in Engineering goods and machinery items.
2. **GRAVITA GHANA LTD.:** Gravita India Ltd. ventured out in Ghana (West Africa) as a step to expand its presence in West Africa and to cover the all the neighboring 3-4 countries of West Africa. Tema has a strategic location being a major port of West Africa and all the land locked countries are approaching to this city for exportation of their

material. Raw material availability is very good in Ghana. The location of Ghana is also strategic because it has a number of small countries very close to it. Eco-friendly recycling Plant is manufacturing Lead ingots and Poly Propylene Chips. The company is in free zone with privileges and exports all their goods. So it does not attract any kind of importation duty and other taxes. Gravita Ghana Ltd is the largest company in lead business in Ghana.

3. **GRAVITA SENEGAL S.A.U.:** Gravita Senegal S.A.U. is a wholly owned subsidiary of GIL in Senegal in the extreme West corner of African continent. It enjoys complete access to raw material at competitive prices and also benefits of an export unit. It is a very ambitious project which is set to become the biggest lead recycler in West Africa. It is strategically located in such a way that it has proximity to huge source of lead acid batteries scrap ripe for recycling. It is the only company in 5 countries of West Africa and enjoys full support of the govt. Besides this, the company is working with the United Nations Based Convention Regional Centre, the international lead management centre and the Govt of Senegal for environmentally sound management of Used Lead Acid Batteries.
4. **GRAVITA GEORGIA LIMITED:** The Company is an investment in Georgia which is one of the most mineral rich country in the CIS region. There is sufficient availability of Used Lead Acid Batteries in the CIS region and the plant is capable of processing 8000 MT of battery scrap annually in an environment friendly manner.
5. **GRAVITA MOZAMBIQUE LDA:** Gravita Mozambique LDA is an ambitious investment in Mozambique set up to cover the southern part of Africa. The best part is that 6 countries touch Mozambique and the plant is located in Maputo, which is capital of Mozambique as well as a port city. Nearness to source of raw material and port is an advantage. It is the only company in Mozambique in the field of used battery scrap recycling and enjoys monopoly.
6. **FLORET TRADELINK PRIVATE LIMITED:** Floret Tradelink Private Limited is a trading company which imports Glass and Glass products from China and sells the same in the domestic market. The products are used in construction industry which is growing in leaps and bounds and so the potential is high.
7. **GRAVITA INFRA PRIVATE LIMITED:** With a view to diversify into the infrastructure sector GIL has incorporated on 21.05.2010 subsidiary Gravita Infra Private Limited. It believed that there will be double digit growth in this sector during this year and years to come. We foresee bright future in this direction.
8. **GRAVITA ENERGY LIMITED:** Gravita Energy Limited was incorporated on 29.06.2010 with the objective of encashing the opportunities in the power sector, by producing power through various available sources like wind, solar, thermal, hydro and nuclear. Main emphasis would be to enter the wind and solar power sector which is being encouraged by the govt. being clean and green.

DIRECTORS

There are six Directors on the Board of Directors of the Company

During the year under review Mr. Dinesh Kumar Govil and Mr. Rajeev Surana retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Yogesh Mohan Kharbanda, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 and is liable to hold office upto the ensuing Annual General Meeting.

Your Directors have pleasure in recommending their appointment.

Mr. Rajesh Patni has resigned from the Board of Directors on 01.02.2010, the Directors place on record their sincere appreciation to Mr. Rajesh Patni for his valuable services and contribution rendered to the Company.

During the period under review Dr. Mahaveer Prasad Agarwal a Non Executive Director of the Company has been appointed as a Whole time Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

1. In the preparation of the annual accounts, applicable accounting standards have been followed and that there are no material departures;
2. They have, in the selection of the Accounting Policies, consulted the Statutory Auditors and have 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 and of the profit of the Company for that period;
3. They have taken proper and sufficient care to the best of their knowledge and ability 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;
4. They have prepared the annual accounts on a going concern basis.

CHANGES IN SHARE CAPITAL

During the period under review the Authorised Share capital of the company has been increased to Rs 15,00,00,000 And the Paid up Share Capital has been increased to Rs 1,00,200000

BONUS ISSUE

During the year under review Company has issued 3340000 Bonus Share and the approval of the members was obtained in extraordinary general meeting held on 27.08.2009.

FIXED DEPOSITS

During the year under review, our Company has accepted the deposits amounting Rs 4,900,000/- for a period of six months without invitation and therefore it had issued the Statement in Lieu of Advertisement on 28.05.2009 as per Rule 4A of the Companies (Acceptance of Deposits) Rules, 1975 and repaid the Deposits on the due date, in the terms of the provision of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975

APPOINTMENT OF COMPANY SECRETARY

During the year under review Ms. Priyanka Khandelwal an Associate Member of the Institute of Company Secretaries of India has been appointed as the Company Secretary of the Company.

AUDITORS

The Auditors M/s Rajvanshi & Associates, Chartered Accountants, Jaipur hold office as the Auditors of the Company until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have also furnished a Certificate to the effect that the re-appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

AUDITOR'S REPORT

The observations made in the Auditors report are self explanatory and wherever required they have been suitably clarified in the notes on accounts which are forming an integral part of the annual accounts.

PARTICULARS OF EMPLOYEES

There are no Employees in the Company whose particulars are required to be disclosed under Section 217(2A) of the Companies Act, 1956 read with rules there under.

(Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:)

Particulars of Conservation of Energy, Technology Absorption and Foreign Earning & Outgo are mentioned in the Form A & B of the Report as prescribed by the Companies (Disclosures of Particulars in the Report of Board of directors) Rules, 1988.

(A) Energy Conservation:

The Company has taken appropriate steps and made necessary arrangements to conserve and optimize the use of energy through improved operational methods and other means. Company monitored regularly APFC panel to achieve better power factor & minimizing electricity losses. Dedicated power supply transmission line laid by Company itself also contributed in reducing electricity losses during power transmission.

Form A-Total energy consumption and energy consumption per tones of production:

Particulars	2009-10	2008-09
1. Electricity		
(a) Purchased Units	149646 Unit	80,176 Unit
Total Amount (Rs.)	936,731	4,57,565
Rate/Unit (Rs.)	6.25	5.7
(b) Own Generator:		
Through Diesel Generator		
Units produced	16,308	39,800
Units per Liter of Diesel oil	9.36	5.00
Total Amount (Rs.)	426,303	2,20,890
Rate/Unit (Rs.)	26.15	5.55
2. Coal (Used in Furnace)		
Char Coal for Furnace		
Quantity (tones)	69.173 MT	36.875 MT
Total Amount (Rs.)	264,687	1,26,996
Average Rate	3826.45/MT	Rs. 3,443.95 /MT
3. Furnace Oil		
Quantity (Liters)	168,946	38,693
Total Amount(Rs.)	3,336,035	8,58,292
Average Rate(Rs.)	19.74	22.18
4. Consumption per Tones of Production		
Electricity Units (Unit)	94	45
Furnace Oil (Liters)	28	25
Coal in unrefined Lead (Kg.)	100	100

CORPORATE GOVERNANCE

A separate Report on Corporate Governance forms part of the Annual Report of the Company.

HUMAN RESOURCE MANAGEMENT

Human Resources are vital to deliver the superlative financial performance of the Company. The staff strength has increased in larger numbers mainly due to ongoing sustained Growth. The Company's constant endeavor is the strategic alignment of the aspirations of associates (employees) with organizational goals. The Company is adopting various HR initiatives for overall development of associates and to develop sense of belongingness among them. Lot of emphasis on in-house & outside training is given to enable the associates to acquire new knowledge, skills and competencies. Our associates attended domestic and international training programs to enhance and update on latest developments and happenings.

Company has appointed Manager HR (Training) who is exclusively extending various training courses for all levels of staff at corporate office & Factory. Employees are nominated for suitable course to develop their skills and their performance in daily life.

FILLING OF DRAFT RED HERRING PROSPECTUS WITH SEBI

Company proposed to make a public issue of Equity Shares and regarding which the approval has been taken from the shareholders of the Company in an EOGM held on 27.08.2009 and accordingly Company had filed Draft Red Herring Prospectus on 29th September, 2009 with SEBI.

AWARDS & RECOGNITIONS

During the year, the Company has received awards in the areas of operational excellence. To name them, "**Udyog Bharti Award**" for achievement in the field of Corporate Social Responsibility, "**Rashtriya Vikas Ratan Award**" by the Indian Society for Industry & Intellectual Development (ISIID), "**Business Leadership Award**" by Institute of Economic Studies and "**Indian Achievers Award**" for Industrial Development.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the assistance and co-operation received from the Banks, various Central & State Government Departments, Customers, and Suppliers during the year under review. Your Directors acknowledges the contribution made by all employees (associates) of the Company for their relentless and dedicated efforts

For and on behalf of the Board of Directors

Date 04.08.2010
Place: JAIPUR

Sd/-
Rajat Agrawal
Managing Director

Sd/-
Rajeev Surana
Whole Time Director

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is about promoting corporate fairness, transparency, accountability, and integrity of the management. It also aims to align, as nearly as possible, the interests of individuals, corporations and society and thereby enhancing the stakeholders' value. Good corporate governance practices have always been an integral part of your Company's philosophy.

2. BOARD OF DIRECTORS

The Board of Directors provides strategic direction and thrust to the operations of the Company, thereby enhancing the value of the stakeholders.

COMPOSITION

The Board has an optimum combination of Executive and Non-Executive Directors and is in conformity with clause 49 of the Listing Agreement. The composition of the Board is as under:

- Promoter & Executive Director
- Executive Director.
- Non-Executive & Independent Directors

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.

Details of meeting Held

The Board met 37 times on the following dates during the period starting from 1st April, 2009-31st March 2010:

01.04.2009	30.06.2009	17.08.2009	21.10.2009	25.11.2009	15.01.2010	18.03.2010
02.04.2009	16.07.2009	05.09.2009	02.11.2009	05.12.2009	18.01.2010	
22.05.2009	29.07.2009	07.09.2009	13.11.2009	08.12.2009	01.02.2010	
28.05.2009	08.08.2009	15.09.2009	16.11.2009	14.12.2009	03.02.2010	
16.06.2009	11.08.2009	29.09.2009	19.11.2009	16.12.2009	17.02.2010	
20.06.2009	14.08.2009	03.10.2009	24.11.2009	31.12.2009	08.03.2010	

Category and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at Board Meetings held till 31st March 2010 and at the last Annual General Meeting (AGM), as also the number of Directorships and Committee positions held by them in other Public Limited Companies till 31st March 2010 are as follows:

Name of Directors	Status	Board Meetings attended during the year	Attendance at last AGM	Number of Directorship Held in other Public companies	Board Committee Membership/ Chairmanship held in other Public companies
Mr. Rajat Agrawal	Managing Director (Executive)	36	Yes	3	Nil
Dr. Mahaveer Prasad Agarwal	Non Executive Director	37	Yes	2	Nil
Mr. Rajeev Surana	Whole Time Director (Executive)	37	Yes	2	1
Mr. Rajesh Patni (upto 01.02.2010)	Non Executive & Independent	12	No	Nil	Nil
Mr. Dinesh Kumar Govil (w.e.f 30.06.2009)	Non Executive & Independent	19	Yes	1	1
Mr. Arun Kumar Gupta (w.e.f.11.08.2009)	Non Executive & Independent	19	No	Nil	Nil
Mr. Yogesh Mohan Kharbanda (w.e.f 01.02.2010)	Non Executive & Independent	1	N.A.	Nil	Nil

**Dr. Mahaveer Prasad Agarwal was appointed as Whole Time Director on 01.04.2010.

CODE OF CONDUCT

The Board has laid down a code of conduct for all the Board members and senior management of the Company, which is been circulated to all the members of board and senior management. The Compliance of same has been affirmed by them. The declaration signed by the Managing Director affirming compliance with the Code of conduct by the Director's and senior management personnel, for the financial year 2009-10 is annexed and forms part of Corporate Governance Report.

3. AUDIT COMMITTEE

The Audit Committee presently comprise of 3 Non Executive Directors viz.: Mr Arun Kumar Gupta, Mr. Dinesh Kumar Govil and Mr. Yogesh Mohan Kharbanda (w.e.f 01.02.2010).

Mr. Rajesh Patni ceased to be the members of the Committee consequent to the resignation from the Board of Directors of the Company (w.e.f 01.02.2010).

Powers of Audit Committee

The audit committee shall have powers, which should include the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the audit committee shall include the following:

- Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by Management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition:

Name	Designation
Mr. Dinesh Kumar Govil	Chairman
Mr. Arun Kumar Gupta	Member
Mr. Yogesh Mohan Kharbanda	Member

All the member of the Committee has financial management Expertise. The constitution and terms of reference of the Committee are in compliance with the requirements of section 292 A of the Companies Act, 1956 and clause 49 of the listing Agreement.

Ms. Priyanka Khandelwal is the Secretary to the Committee.

Meetings held:

During the Financial year 2009-10 four meetings were held on 14th August, 2009, 21st October, 2009, 24th November ,2009 and 17th February 2010.

Category and Attendance of members:

The names and categories of the members of the Committee, their attendance at the Meetings:

S No.	Name	Category	Attendance
1	Mr. Dinesh Kumar Govil	Non-Executive & Independent Director	4
2	Mr. Rajesh Patni(from 14.08.2009-01.02.2010)	Non-Executive & Independent Director	3
3	Mr. Arun Kumar Gupta	Non-Executive & Independent Director	4
4	Mr. Yogesh Mohan Kharbanda (w.e.f 01.02.2010)	Non-Executive & Independent Director	0

The Chairman of Audit Committee was present at the last Annual General Meeting.

4. REMUNERATION COMMITTEE

The Remuneration Committee presently Comprises of 3 Non-Executive Directors viz: Mr Arun Kumar Gupta, Mr. Dinesh Kumar Govil, Mr. Yogesh Mohan Kharbanda (w.e.f 01.02.2010).

Mr. Rajesh Patni ceased to be the members of the Committee consequent to the resignation from the Board of Directors of the Company (w.e.f 01.02.2010).

The terms of reference of the Remuneration Committee:

- Recommending board about the compensation terms of the executive directors.

- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

Remuneration Policy and details of remunerations:

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

1. Details of remuneration paid to Mr. Rajat Agrawal, Managing Director of the Company for the financial year 2009-2010:

Salary	: Rs 1650000/-	
	1 st April 2009-31 st August 2009	Rs 250000/-
	1 st September 2009-31 st March 2010	Rs 1400000/-
Perquisites	: NIL	

2. Details of remuneration paid to Mr. Rajeev Surana Whole Time Director of the Company for the financial year 2009-10:

Salary	: Rs 950000/-	
	1 st April 2009-31 st August 2009	Rs 250000/-
	1 st September 2009-31 st March 2010	Rs 700000/-
Perquisites	: NIL	

3. Sitting Fee and commission paid to the Non Executive / Independent Directors of the Company

Name of the Non Executive Director /Independent Director	Sitting fees	Commission
Dr. Mahaveer Prasad Agarwal (Non Executive Director)	-	450000/-
Mr. Dinesh Kumar Govil (Independent Director)	19000/-	-
Mr. Arun Kumar Gupta (Independent Director)	19000/-	-
Mr Rajesh Patni (Independent Director)	12000/-	-
Mr. Yogesh Mohan Kharbanda (Independent Director)	1000/-	-

Composition:

Name	Designation
Mr. Arun Kumar Gupta	Chairman
Mr. Dinesh Kumar Govil	Member
Mr. Yogesh Mohan Kharbanda	Member

Meetings held:

First Meeting was held on 14th August, 2009

Category and Attendance of members:

The names and categories of the Directors on the Committee, their attendance at the Meeting

S No.	Name	Category	Attendance
1	Mr. Arun Kumar Gupta	Non-Executive & Independent Director	1
2	Mr. Rajesh Patni(from 14.08.2009-01.02.2010)	Non-Executive & Independent Director	1
3	Mr. Dinesh Kumar Govil	Non-Executive & Independent Director	1
4	Mr. Yogesh Mohan Kharbanda (w.e.f 01.02.2010)	Non-Executive & Independent Director	N.A

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Shareholders / Investors Grievance committee presently Comprises of 3 Non-Executive Directors viz : Mr. Arun Kumar Gupta, Mr. Dinesh Kumar Govil, Mr. Yogesh Mohan Kharbanda (w.e.f 01.02.2010).

Mr. Rajesh Patni ceased to be the members of the Committee consequent to the resignation from the Board of Directors of the Company w.e.f. 01.02.2010.

Scope and functions of the Committee:

- To consider and review shareholders' / investors' grievances and complaints and ensure that all shareholders' / investors' grievances and correspondence are attended to expeditiously and satisfactorily unless constrained by incomplete documentation and / or legal impediments.
- To approve and register transfers and transmission of Equity Shares.
- To Sub Divide, Consolidate and / or replace any share Certificate of the Company.
- To authorize affixation of Common Seal of the Company to share certificates.
- To do all other acts and deeds as may be necessary or incidental to the above.

Composition:

Name	Designation
Mr. Yogesh Mohan Kharbanda	Chairman
Mr. Arun Kumar Gupta	Member
Mr. Dinesh Kumar Govil	Member

Meetings held

1 meeting was held on 14th August, 2009

Category and Attendance of members

The names and categories of the Directors on the Committee, their attendance at the Meeting.

S. No.	Name	Category	Attendance
1	Mr. Rajesh Patni	Non-Executive & Independent Director	1
2	Mr. Arun Kumar Gupta	Non-Executive & Independent Director	1
3	Mr. Dinesh Kumar Govil	Non-Executive & Independent Director	1
4.	Mr. Yogesh Mohan Kharbanda (w.e.f. 01.02.2010)	Non-Executive & Independent Director	N.A

Compliance Officer

Ms. Priyanka Khandelwal , Company Secretary , is the Compliance officer of the Company.

Status of Investor Complaints

Based on the report received from the Company's Register, the status of investor complaints as on March 31, 2010 are as under:

Complaints as on April 01, 2009	:	NIL
Received during the year	:	NIL
Resolved during the year	:	NIL
Pending as on March 31, 2010	:	NIL

6. GENERAL BODY MEETINGS

The details of Annual General Meetings held in the last three years are given below:

S. No	AGM/EOGM	Date	Time	Venue	No. of special resolution passed
1	EOGM	24.03.2007	10.00 A.M	"Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur	1
2	AGM	26.09.2007	11.00 A.M	"Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur	Nil
3	EOGM	15.10.2007	11.00 A.M	"Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur	Nil
4	EOGM	20.02.2008	10.00 A.M	"Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur	Nil
5	EOGM	31.03.2008	10.00 A.M	"Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur	1
6	EOGM	01.09.2008	11.00 A.M.	"Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur	1
7	AGM	30.09.2008	11.30 A.M.	"Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur	Nil
8	EOGM	20.02.2009	11.00 A.M.	"Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur	Nil
9	EOGM	27.02.2009	10.00 A.M	"Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur	2
10	EOGM	22.07.2009	11:00 A.M	402,Rajputana Tower,A-27 B, Shanti Path, Tilak Nagar, Jaipur	2
11	EOGM	27.08.2009	11.00 A.M	402,Rajputana Tower,A-27 B, Shanti Path, Tilak Nagar, Jaipur	6
12	AGM	11.09.2009	11.00 A.M.	"Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur	3

No Postal Ballot was conducted during the year to seek the approval of the shareholders in the financial year under review.

7. DISCLOSURES

1. Disclosure on materially significant related party transaction i.e. transactions of the Company of material nature with its Promoters, Directors and the management, their relatives or subsidiaries etc. That may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in notes on accounts forming part of the Annual report.

The Company major related party transactions are generally with its subsidiaries and Associates. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialization and the Company's long term strategy for sectoral investments optimization of market share, profitability, legal requirements, liquidity, and capital resources of subsidiaries and associates.

All related party transactions are negotiated on Arm length basis and are intended to further the interest of the Company.

2. The financial Statements have been prepared in accordance with the Accounting Standards and policies generally accepted in India.
3. In addition to the mandatory requirements of Clause 49 of the listing Agreement, The board has also adopted a non Mandatory requirements viz. Whistle Blower Policy. The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal and unethical behavior

8. MEANS OF COMMUNICATION

Not Applicable

9. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

- a. Annual General Meeting of the Company will be held on Wednesday, 15th September, 2010 at 11.00 A.M at the Registered Office of the Company at "Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur.
- b. No special resolution is proposed to be passed by Postal Ballot at the aforesaid Annual General Meeting.

b. Financial year

Company's Financial year is 1st April to 31st March

c. Book Closure Date

As Board of Directors do not recommend any dividend, hence the Book Closure is not compulsory.

d. Dividend

No dividend being recommended by the Board during the year.

e. Listing of Equity Shares in Stock Exchange

Company is not a listed company.

f. Demat ISIN exchange number in NSDL & CDSL for equity shares

NSDL:- ISIN-INE024L01019***

CDSL:- ISIN-INE024L01019***

***The said numbers has been allotted to the Company but till date all the shares are in physical form.

g. Stock Code

N.A, As Company is not a listed company

h. Market Price Data

N.A, As Company is not a listed company

i. Registrar & Share Transfer Agent

Karvy computer Share Private Limited
Karvy House,46, Avenue 4, Street No.1,
Banjara Hills, Hyderabad-500034.

j. Share Transfer System

With a view to expedite the process of share transfers, the Board of Directors of the Company has delegated the power of share transfer to Shareholders' & Investor Grievances Committee.

k. Distribution of Shareholding as on 31st March, 2010

Range of Equity Share Held	No. of shareholders	Percent of Shareholder	Total No. of shares held	Percent of Share held
1-5000	1	14.29%	2,850	0.03%
5001-10000	2	28.57%	12000	0.12%
10001-20000	-	-	-	-
20001-30000	-	-	-	-
30001-40000	-	-	-	-
40001-50000	-	-	-	-
50001-100000	-	-	-	-
100001 and above	4	57.14%	10005150	99.85%
TOTAL	7	100%	10020000	100%

l. Share Holding Pattern as on 31st March, 2010

Category	No. of Shares held	Percentage of Shareholding
A. Promoters' Holding (Promoter and Promoter Group Holding)	10014000	99.94%
B. Non Promoter Holding		
Institutional Investors		
• Mutual Fund and UTI		
• Banks , Financial Institutions		
• Insurance Companies		
• Foreign Institutional Investors(FIIs)		
Others		
• Private corporate bodies		
• Indian Public		
• NRIs/OCBs	6000	00.06%
• Any other		
TOTAL	10020000	100%

m. Dematerialization of Shares

All the shares are in a Physical form.

n. Outstanding GDRs/Warrants and Convertible Instruments

The Company has not issued any GDRs/Warrants or any other instrument which is convertible into Equity Shares of the Company

o. Plant Locations

"SAURABH" Farms Harsulia Mod, Diggi Malpura Road, Tehsil Phagi, Jaipur 303904

p. Address for correspondence

402, Rajputana Tower,
A-27-B, Shanti Path, Tilak Nagar,
Jaipur-302004, Rajasthan
Phone: +91-141-2623266, 2622697
Fax: +91-141-2621491
Email: info@gravitaindia.com , companysecretary@gravitaindia.com
Website: www.gravitaindia.com

10. Secretarial Audit

Not Applicable

11. Corporate Identity Number

The Corporate Identity Number ("CIN") of the Company as allotted by Ministry of Company Affairs is:
U29308RJ1992PLC006870.

12. CEO Certificate

Chief Executive Officer (CEO) had issued necessary certificate pursuant to the provisions of clause 49 of the Listing Agreement and the same is annexed and forms the part of the Annual report

13. Auditor certificate on Compliance of Conditions of Corporate Governance

Certificate from the Auditor is enclosed along with this report.

For and on behalf of the Board of Directors

sd/-
Rajat Agrawal
Managing Director

Date: 04.08.2010
Place: Jaipur

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business Overview

We are the flagship Company of Gravita Group which was established in the year 1992 and has manufacturing facility at Jaipur. We are engaged in the business of manufacturing of Lead Metal & other Lead metals by Recycling. Our company has a subsidiary Gravita Exim Ltd., a company specializing in providing turnkey solutions and consultancy services on engineering and design for the secondary lead recycling plants. Gravita India Ltd. and Gravita Exim Ltd, together provide a complete solution right from setting up of plants to providing value added lead products in the market. We are an ISO 9001:2000 and 14001:2009 certified company and a certified Star Export House. We are also affiliated as a member with Federation of Indian Export Organization (FIEO), Institute of Scrap Recycling Industries Inc. (ISRI) and FICCI. Our company has shown consistent growth in past 3 years which proves our market credibility.

General Economic and Business Conditions:

As a company operating in India, we are affected by the general economic conditions in the country. The Indian economy has grown steadily over the past several years. This improved performance was propelled by the growth in industrial activity and robust service sector. Overall economic growth therefore, impacts the results of our operations. The growth prospects of the business of the company and its ability to implement the strategies will be influenced by macroeconomic factors.

The global economy witnessed an unprecedented turmoil in 2008-2009 which extended to some period of 2009-2010. What started as a subprime crisis in the US, soon spread across the global financial system with several venerated banking institutions failing in a short span of less than 6 months. The ensuing Credit crisis and liquidity trap took its toll on the global stock markets. This was followed by the crash in the commodity prices.

The base metal prices which were in their all time highs in mid 2009 collapsed by over 50% in less than 6 months. The speed of this fall caught everyone unaware. Indeed this was a troubling year for the company as well but the company once again proved its mettle and delivered creditable financial performance under extremely challenging circumstances.

The second half of the year witnessed unprecedented demand destruction in the global markets. The US and the European economies went into recession, while the growth slowdown was drastic in the emerging markets. The adverse impact of lower Tc/Rc was largely offset through improved operating efficiencies, higher by product contribution and better working capital management leading to delivery of robust performance and improvement in cash flows.

Competitive Strengths:

Gravita is an established manufacturer of a wide range of lead products. Our Competitive strengths are; besides having manufacturing facility in India, the Company has successfully established subsidiaries and interests in different locations in Africa, Sri Lanka & Latin America. Global presence helps to cater to multi location demand and creates brand awareness in different countries. Global presence with an established base in different parts of the world gives the Company access to the local raw material in the respective countries at competitive freight costs. We have a wide spectrum of products in the lead metal industry such as pure lead, lead alloy, red lead, lead sub oxide, powder, sheets etc. Our manufacturing operations conform to ISO 9001:2000 and ISO 14001:2009. We have also built a strong brand name of the quality products through our quality products & marketing presence in different parts of the world. Our products are widely accepted and conform to all technical specifications prevailing in the International market.

Internal Controls:

Our Company has proper and adequate system of internal controls. The Internal Audit team conducts both System and Financial Audit which are carried out in two phases in our factory, Regional and Corporate offices. The audit findings are reviewed by the Audit Committee of Directors and corrective action, as deemed necessary is taken. The company also has laid down procedures and authority levels with suitable checks and balances encompassing the entire operations of the company. Our Company has identified various business risks and has laid down the procedure for mitigation of the same. The Risk Management & Mitigation Systems are reviewed by the Audit Committee of Directors from time to time.

Business Strategy:

Our Company is continuously investing in acquiring new technology and know-how, capacity expansion and up gradation of the manufacturing facilities. The in-house R&D Department has not only been consistently developing quality products for existing as well as new applications but has also been successful in reducing costs. The Company intends to improve its market position in Lead Metal sector in which it operates, by pursuing the following business strategies:

- Establishing state of the art environment friendly new manufacturing facility in Maharashtra to carry out refining and export value added products and cater to Indian customers of South West region.
- Establishing new overseas plants to produce Lead by making use of cost benefits of locally available cheapest raw materials. Major emphasis will be given to establishing facilities for Lead Processing with proven and environment friendly technology.
- Our Company is committed to provide a safe, clean and healthy environment. The Company continuously strives to minimize the generation of waste water, air emission & solid waste by adopting suitable technology. The Company will continue to comply with all national & international environmental laws and regulations, at all the times.

Import and Exports:

In India exports and imports fluctuate every year due to change in custom duties and government policies. The domestic recycling industry is not able to cope up with the demand. Imports are indispensible and essential to meet the rising demand of local industry. We also import and export.

Mapping and Managing Uncertainties:

Risk represents uncertainties and adversities that could have a material impact on the performance and prospectus of the company. A responsible corporate identifies, assesses and takes proactive measures to minimize or eradicate the potential loss arising from exposure to particular risks and maximize returns. Our company comprehensive risk management model encompasses a culture of strict norms, reporting and control for effective implementation. The Risk Mitigation Policy is attuned to the Company strategic direction.

Risk related to Corporate Level :

We believe in protecting our capital & safeguarding the health of our balance sheet at all times. We practice an analytically driven approach to assessing, measuring and managing risk. It is this culture of risk awareness and respecting risk that has enabled us to build businesses on strong foundation and manage the volatility across fluctuating cycles. After the volatility and the downturn observed in FY 2008-09, where the focus had shifted to controlling costs and risks, the year FY 2009-10 has seen growth coming back. We continue to build upon our commitment to prudent risk management while scaling up our business.

A significant amount of time and effort is spent in establishing the risk context for our products, functions or asset class exposures, with the expansion of our new ventures.

Business & Operational Excellence:

In keeping with its vision to provide credible value addition and being recognized as a responsible corporate citizen the company has implemented an exhaustive quality management system. Our operations and activities are ISO certified.

ISO (International Organization for Standardization) is the world's pioneer organization which develops standards and makes a positive difference, not just to engineers and manufacturers for whom they solve basic problems in production and distribution, but to society as a whole. The International Standards which ISO develops are very useful. They are useful to industrial and business organizations of all types, to governments and other regulatory bodies, to trade officials, to conformity assessment professionals, to suppliers and customers of products and services in both public and private sectors, and ultimately, to people in general in their roles as consumers and end users.



CODE OF CONDUCT CERTIFICATION

This is to confirm that the Company has adopted a code of conduct for its Board members and the senior management personnel.

I confirm that the Company has in respect of the financial year ended March 31, 2010, received from the members of the Board, a declaration of compliance with the code of conduct as applicable to them.

For Gravita India Limited

Sd/-
Rajat Agrawal
Managing Director

Date: 04.08.2010
Place: Jaipur

Corporate Governance Certificate

To

The Members

Gravita India Limited

We have examined the compliance of the conditions of Corporate Governance by Gravita India Limited for the year ended 31st March 2010, as stipulated in clause 49 of the Listing Agreements of the said Company.

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

In our opinion and to 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 clause 49 of the Listing Agreement.

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

For Rajvanshi & Associates
Chartered Accountants

Sd/-
Vikas Rajvanshi
Partner

Date: 04.08.2010
Place: Jaipur

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO)

I, **Rajat Agrawal** Chief Executive Officer of Gravita India Limited certify:

That I had reviewed the financial statements and the cash flow statement for the year ended 31st March, 2010 and that to the best of my knowledge and belief;

- These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
- These statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

I accept responsibility for establishing and maintaining internal controls for the financial reporting and that i have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I had disclosed to the auditors and the audit committee, deficiencies in the design or operation on internal controls, if any, of which I am aware and the steps that I had taken or propose to take to rectify the identified deficiencies.

That I had informed the auditors and the audit committee that:

- There are no significant changes in internal control during the year;
- There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- There have been no instances of significant fraud of which I had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Gravita India Limited

Sd/-

Rajat Agrawal
Chief Executive Officer

Place: Jaipur
Date: 04.08.2010

AUDITOR'S REPORT

To
THE SHARE HOLDERS
M/S GRAVITA INDIA LIMITED

1. We have audited the attached Balance Sheet of **GRAVITA INDIA LIMITED** as at March 31, 2010, Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) order, 2004 (hereinafter referred to as 'the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows :->
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of the written representation received from the directors, and taken on record by the Board of Directors, as on March 31, 2010, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - ii) in the case of Profit & Loss Account, of the profit of the Company for the year ended of that date and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Rajvanshi & Associates
Chartered Accountants
Sd/-
Vikas Rajvanshi
Partner
Membership No : 073670
Firm Registration No. : 005069C

Place: Jaipur
Date: 04-08-2010

ANNEXURES TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

1. In respect of fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
- b. As explained to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification, as per the explanations provided to us.
- c. In our opinion and according to the information and explanation given to us, there is no substantial disposal of fixed assets during the year.

2. In respect of its inventories:

- a. As explained to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its business.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c. In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories. No discrepancies noticed on verification between the physical stocks and the book records.

3. In respect of loans secured or unsecured, taken or granted by the company to/from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956:

- a. As per information and explanations provided to us, the company has given loan to two of its subsidiaries namely Floret Tradelink Pvt. Ltd. And Gravita Exim Ltd., maximum amount outstanding at any time during the year being Rs. 10,10,830 and Rs. 65,00,000 and balance at the year end being Rs. 10,10,830 and NIL.
- b. According to the information and explanations given to us, the Company has taken unsecured loan of Rs. 80 Lacs from two directors during the year and also repayment was made which is covered in the register maintained under section 301 of the Companies Act, 1956.
- c. In our opinion, the rate of interest, where applicable and other terms & conditions on which loans have been taken from the parties listed in the register maintained u/s 301 of the companies Act, 1956 are not prima facie prejudicial to the interest of the company.

4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

5. In respect of register maintained under section 301 of the companies act, 1956:

- a. Based on the information and explanations given to us, the transactions pertaining to contracts and arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- b. According to information and explanation given to us, there are transactions of purchases and sales entered in the register maintained under section 301 of the Companies Act, 1956 and prices of such are reasonable having regard to prevailing market prices at the relevant time as explained to us. Details of such transactions are as under:

S. No.	Name of Party	Transaction Type	Amount (Rs. in Lacs)
1.	Gravita Exim Limited	Sales	21.91
		Purchases	4.15
		Purchases – DEPB License	0.46
2.	Navam Lanka Limited	Purchase	296.13
3.	Gravita Honduras S.A.	Sales	37.98
4.	Florate Tradelink Private Limited	Sales	21.36
5.	Penta Exim Limited	Sales	73.90
		Sales – DEPB	1.23
		Purchases	338.58

- (i) In our opinion and according to the information and explanations given to us, the Company has accepted deposit from Public and companies. The company has been duly complying with the provision the section 58A and 58AA clause 4(vi) of the Companies Act 1956.
- (ii) In our opinion, the company has internal audit system commensurate with the size of the Company and nature of its business.
- (iii) As informed to us, Company is maintaining the cost records as prescribed under Section 209-(1) (d) of the Companies Act 1956 by the central government for the products of the Company. We have not, however, carried out the detailed examination of the same.
- (iv) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been regular in depositing undisputed statutory dues including Income Tax, TDS, Sales-tax, VAT, Custom Duty, Excise Duty, Educational Cess and any other dues during the year with the appropriate authorities.
- (v) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (vi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and the banks during the year.
- (vii) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (viii) The Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of the clause 4(xiii) of the order, are not applicable to the company.
- (ix) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.
- (x) The Company has given guarantees for loans taken by others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
- (xi) According to the information and explanation given to us, and on an overall examination of the balance sheet of the Company, the company has raised two term loans during the year and has applied for the purpose for which they have been raised.

- (xii) According to the information and explanation given to us, and on an overall examination of the balance sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that, prima facie, have been used for the long term investment nor the long term loan have been used to finance short term assets except for permanent working capital
- (xiii) During the year the company has allotted equity shares on preferential basis to the parties covered in the register maintained u/s 301 of the Companies Act, 1956 the price at which these equity shares have been issued has been stated by the management not being prejudicial to the company, as per explanations provided.
- (xiv) According to the information and explanation given to us, during the period covered by our audit report, the Company has not issued any debentures. Accordingly, no security/charge has been created in respect of debentures issued.
- (xv) The Company has not raised any money through a public issue during the year.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Rajvanshi & Associates
Chartered Accountants

Sd/-

Vikas Rajvanshi
Partner
Membership No. : 073670
Place : Jaipur
Date : 04.08.10

BALANCE SHEET

(Amount in Lacs)

<u>SOURCES OF FUND</u>	SCHEDULE	AS AT 31-03-2010	AS AT 31-03-2009
SHAREHOLDER'S FUNDS			
Share Capital	1	1,002.00	253.27
Reserve & Surplus	2	713.65	471.11
DEFERRED TAX LIABILITY		51.26	45.63
LOAN FUNDS	3		
Secured Loan		1,970.47	151.95
Unsecured Loans		6.44	75.22
	TOTAL	3,743.82	997.18
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		606.65	477.89
Less: Depreciation		157.53	127.35
Net Block		449.12	350.54
INVESTMENTS	5	618.87	356.90
CURRENT ASSETS, LOANS & ADVANCES	6		
Inventories		1,239.57	554.60
Sundry Debtors		905.27	354.37
Cash & Bank Balances		100.25	169.06
Loans & Advances		872.85	227.95
		3,117.94	1,305.98
Less: CURRENT LIABILITIES & PROVISIONS	7		
Current Liabilities		420.62	927.66
Provisions		61.67	88.58
		482.29	1,016.24
NET CURRENT ASSETS		2,635.65	289.74
Misc. Expenses		40.18	-
	TOTAL	3,743.82	997.18
Significant accounting Policies and notes to Financial Statements	18		

As per our Report of even date attached
For Rajvanshi & Associates
Chartered Accountants
Sd/-
Vikas Rajvanshi
Partner
Membership No.:073670

For and on behalf of the Board

Sd/-
Rajat Agrawal
Managing Director

Sd/-
Rajeev Surana
Whole Time Director

PROFIT & LOSS ACCOUNT

(Amount in Lacs)

INCOME		SCHEDULE	For the year ended on	
			31-03-2010	31-03-2009
Gross Sales & Operating revenue		8	11,082.35	6,204.17
Less: Excise Duty			564.90	286.69
Net Sales & Operating revenue			10,517.45	5,917.48
(Decrease)/Increase in Stock		9	504.82	(3.03)
Other Income		10	144.91	37.60
		TOTAL	11,167.18	5952.05
EXPENDITURE				
Material Cost		11	9,528.49	5,039.33
Consumable Consumed		12	154.87	72.64
Factory Overheads & Manufacturing Expenses		13	89.19	57.06
Administrative Expenses		14	141.14	89.53
Employee Costs		15	161.89	130.90
Financial Expenses		16	89.07	110.88
Selling & Distribution Expenses		17	123.94	68.14
		TOTAL	10,288.59	5,568.48
Profit before Depreciation & Tax			878.58	383.57
Less : Depreciation			30.18	26.48
Add: Depreciation written back (Refer note no.3 of Schedule 18 b)			-	66.23
Net Profit before Tax			848.40	423.32
Less: Provision for Taxes				
Current Tax			266.24	123.89
Deferred Tax			5.62	27.48
Fringe Benefit Tax			-	3.36
Net Profit			576.54	268.59
Profit b/f from Previous Year			457.40	189.10
Less:- Transfer to General Reserve			334.00	-
Less :- Prior Period Expenses			-	0.28
Total Profit c/f to Balance Sheet			699.95	457.41
Amount available for Appropriation			699.95	457.41
Available Surplus carried to Balance Sheet			699.95	457.41
Earnings per Share - Basic & diluted (Rs.)			11.78	10.60
Weighted Average no. of shares			100.20	25.32

As per our Report of even date attached
For Rajvanshi & Associates
Chartered Accountants

Sd/-
Vikas Rajvanshi
Membership No.:073670

For and on behalf of the Board

Sd/-
Rajat Agrawal
Managing Director

Sd/-
Rajeev Surana
Whole Time Director

(Schedules performing Balance Sheet as at 31st March 2010, Standalone)

		(Amount in Lacs)	
		AS AT 31-03-2010	AS AT 31-03-2009
<u>Schedule - 1</u>			
<u>SHARE CAPITAL</u>			
AUTHORISED SHARE CAPITAL			
1,50,00,000 Equity Shares of Rs. 10/- each		1,500.00	500.00
ISSUED SUBSCRIBED AND PAID UP CAPITAL			
1,00,20,000 Equity Shares of Rs. 10/- each fully paid up for cash		1,002.00	253.27
	TOTAL	1,002.00	253.27

<u>Schedule-2</u>			
<u>RESERVES & SURPLUS</u>			
Capital Investment Subsidy		13.70	13.70
Profit & Loss A/c		699.95	457.41
	TOTAL	713.65	471.11

<u>Schedule-3</u>			
<u>LOAN FUNDS</u>			
<u>SECURED LOANS</u>			
<u>Loan from Banks</u>			
1) State Bank of India		-	120.07
(Against pledge of third party's FDR)			
2) Punjab & Sind Bank (Secured against Hypothecation of Vehicles)		16.12	20.13
3) Kotak Mahindra Bank (Secured against Hypothecation of machinery)		-	2.59
4) Axis Bank Ltd. (Secured against Hypothecation of Vehicles)		17.56	7.62
5) Punjab National Bank			
i) C.C. Limit		1,090.02	-
ii) Packing Credit Limit		153.38	-
iii) FOBP Limit		107.69	-
iv) Outward Bill Discount		120.11	-
6) Punjab & Sindh Bank		-	1.54
7) Buyer's Credit		465.59	-
	Sub Total (A)	1,970.47	151.95

(Amount in Lacs)		
	AS AT 31-03-2010	AS AT 31-03-2009
UNSECURED LOAN		
Long term Loan		
Loans from Banks		
Barclays Loan	-	22.69
HDFC Bank	-	8.37

Short Term Loan		
Loans from Banks		
Reliance Capital Limited	-	22.56
ABN Amro	6.44	8.60
Loan from Others		
Loan From Directors	-	13.00
Sub Total (B)	6.44	75.22
TOTAL (A+B)		
	1,976.91	227.17

Schedule-5		
INVESTMENTS		
Long Term Investment (Unquoted)		
(i) Investment in Subsidiary companies		
Investment in Gravita Exim Ltd.	24.91	24.91
Investment in Gravita Ghana Limited	123.66	82.22
Investment in Gravita Mozambique LDA	92.08	92.08
Investment in Gravita Honduras SA	59.94	-
Investment in Gravita Georgia Limited	97.09	-
Investment in Floret Tradelink Pvt. Ltd.	0.51	-
Investment in Gravita Senegal S.A.	41.16	41.15
(ii) Other Investments		
Investment in Navam Lanka Ltd.	170.99	14.61
NSC	0.03	0.03
Gratuity Policy with Bajaj Allianz Life Insurance	6.62	-
Leave Encashment Policy with Bajaj Allianz Life Insurance	1.88	-
Investment in Shrikah Tadweer Al Rasas Li- laada Al Tansee Al Mehdoodah	-	101.90
TOTAL	618.87	356.90

(Amount in Lacs)

Schedule-4**DEPRECIATION CHART AS PER THE COMPANIES ACT, 1956 FOR THE YEAR 2009-10 (SLM)**

S. No.	Name of Asset	Rate of Dep.	Gross Block			
		(In %)	As on 1-04-09	Addition	Deletion	As on 31.03.10
1	Land	0.00	8.11	42.24	-	50.35
2	Building	3.34	77.99	-	-	77.99
3	Plant & Machinery	4.75	287.90	46.95	-	334.85
4	Electric equipments	7.07	7.21	1.41	-	8.62
5	Computer & Accessories	16.21	34.89	13.19	-	48.06
6	Furniture & Fixtures	6.33	9.81	8.29	-	18.10
7	Vehicles	9.50	51.98	16.67	-	68.67
TOTAL			477.89	128.75	-	606.64

Name of Asset	Depreciation				NET BLOCK	
	As on 1-04-09	During the year	Deductions	Up to 31.03.10	AS ON 31-03-09	As on 31.03.10
Land	-	-	-	-	8.11	50.35
Building	16.12	2.61	-	18.72	61.87	59.27
Plant & Machinery	89.16	14.18	-	103.34	198.74	231.51
Electric equipments	1.71	0.59	-	2.29	5.51	6.32
Computer & Accessories	11.90	6.20	-	18.10	22.97	29.96
Furniture & Fixtures	1.89	0.70	-	2.60	7.91	15.51
Vehicles	6.55	5.90	-	12.47	45.43	56.20
	127.33	30.18	-	157.54	350.54	449.12

		(Amount in Lacs)	
		AS AT 31-03-2010	AS AT 31-03-2009
Schedule-6			
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
(A) Current Assets			
(1) Inventories:			
Raw Material	622.16	231.06	
Work in Progress	16.80	4.16	
Finished Goods	541.26	109.93	
Consumables	23.49	9.03	
Stock In Transit	35.86	200.42	
	1,239.57	554.60	
(2) Sundry debtors (Unsecured & Considered good)			
Outstanding for a period exceeding six months	7.06	0.16	
Others	898.21	354.21	
	905.27	354.37	
(3) Cash and Bank Balances			
Cash balance in hand	2.43	4.26	
Cheque in hand	0.24	4.96	
Balances with scheduled banks			
(i) Current Accounts	23.74	84.06	
(ii) Term Deposits	73.83	75.78	
	100.25	169.06	
Sub Total (A)	2,245.09	1,078.03	
(B) Loans and Advances			
Unsecured & Considered good			
Advances recoverable in cash or in kind			
Amount Recoverable Form JV/Subsidiary	75.89	100.78	
Advances against Expenses		16.53	
Advances to suppliers	492.09	29.90	
Prepaid Expenses	4.89	3.08	
Advance to Staff	2.60	-	
Balance with/Receivable from Central Excise/Custom etc.	285.36	71.83	
Deposits	12.02	5.83	
Sub Total (B)	872.85	227.95	
TOTAL (A+B)	3,117.94	1,305.98	

			(Amount in Lacs)	
			AS AT 31-03-2010	AS AT 31-03-2009
Schedule-7				
CURRENT LIABILITIES AND PROVISIONS				
(A) Current liabilities				
(i) Sundry Creditors		306.73		825.61
(ii) Advance Received From Debtors		71.77		49.52
(iii) Other liabilities		42.12		52.53
	Sub Total (A)	420.62		927.66
(B) Provisions				
Taxation (net of advance tax)		-		78.71
Bonus		6.34		1.02
Expense		33.28		0.34
Gratuity		13.38		6.63
Leave Encashment		8.67		1.88
	Sub Total (B)	61.67		88.58
	TOTAL (A+B)	482.29		1,016.24

			For the year ended on	
			31-03-2010	31-3-2009
Schedule-8				
A: SALES				
Sales-Export		4,396.26		3,164.55
Sales-Domestic including Excise Duty		6,660.10		2,991.52
B: OPERATING REVENUE				
Export Incentive Income/Duty Draw Back Income		25.99		48.10
	TOTAL	11,082.35		6,204.17

Schedule-9				
INCREASE (+)/DECREASE(-) IN STOCK				
Closing stock				
Finished Goods		541.26		49.08
Work in Process		16.80		4.16
		558.06		53.24
Less :Opening Stock				
Finished Goods		49.08		55.29
Work in Process		4.16		0.98
NET INCREASE(+)/ DECREASE (-) IN STOCK				
	TOTAL	504.82		(3.03)

(Amount in Lacs)

For the year ended on

31-03-2010

31-3-2009

Schedule-10**OTHER INCOME**

Job Work Charges Income	-	6.98
Interest Received	11.06	5.23
Dividend Income	47.40	3.61
Sundry Balance Write Back	0.009	5.35
Exchange Gain	74.11	16.43
Profit on DEPB License	12.33	0.00
TOTAL	144.91	37.60

Schedule-11**MATERIAL COST**

Opening Stock	492.32	177.50
Add: Purchases	9,248.74	5209.62
Import Expenses	361.42	133.58
Freight inward-import & Local	84.03	10.95
Less: Closing stock of Materials	622.16	291.90
Less: Stock In Transit	35.86	200.42
TOTAL	9528.49	5,039.33

Schedule-12**CONSUMABLE CONSUMED**

Opening stock of consumables	9.04	10.57
Add: Purchase of Consumables	165.46	70.19
Freight Inward	3.86	0.92
Less: Closing Stock of consumable	23.49	9.04
TOTAL	154.87	72.64

Schedule 13**FACTORY OVERHEADS & MANUFACTURING EXPENSES**

Labour & Wages	41.42	31.64
Job Work charges	11.64	9.41
Insurance Charges of Stock & Factory	0.30	0.03
R & D Expenses	4.75	0.42
Testing charges	0.27	0.32
Power, Fuel & Water Exp.	9.37	4.62
Godown Rent	0.13	0.13
Repair & Maintenance		
- Factory building	10.31	2.17
- Factory plant & machinery	11.00	8.32
TOTAL	89.19	57.06

(Amount in Lacs)

For the year ended on

31-03-2010

31-3-2009

Schedule 14**ADMINISTRATIVE EXPENSES**

Payment to Auditors	(0.65)	0.61
Advertisement Exp.	1.41	5.46
Donation	1.51	0.1
Director Remuneration	31.01	13.40
Electricity & Water Charges	3.19	2.82
Insurance Charges	3.92	3.48
IT Software Expenses	0.40	-
Legal & Professional Expenses	29.19	8.32
Interest & Penalty	0.23	0.02
Postage & Courier	3.50	3.65
Printing & Stationary Exp.	2.78	1.86
Office Expenses	1.91	1.09
Office Rent	3.14	2.40
News Paper & Periodicals Expenses	0.08	0.08
Repairs		
- Building	5.44	0.73
- Machinery & Equipments	2.27	1.01
- Vehicle	1.95	8.42
Training & Recruitment Exp.	8.61	0.45
Telephone & Communication Expenses	6.42	4.88
Conveyance, Tour & Travelling Expenses	34.19	30.62
Sundry Balance written off	0.64	0.13
TOTAL	141.14	89.53

Schedule-15**EMPLOYEE COSTS**

Salary & Wages	141.10	117.33
Staff Welfare	6.03	1.87
Leave Encashment Expenses	8.00	5.08
Gratuity Expenses	6.76	6.62
TOTAL	161.89	130.90

Schedule 16**FINANCIAL EXPENSES**

Bank Commission / Hedging Charges	27.99	28.93
Interest Paid	61.08	81.95
TOTAL	89.07	110.88

(Amount in Lacs)

For the year ended on
31-03-2010
31-3-2009
Schedule 17
SELLING & DISTRIBUTION EXPENSES

Freight Outward & Octroi Exp.	70.26	25.37
ECGC Expenses	1.08	3.41
Export Expenses	15.75	27.48
Packing Expenses	2.94	4.74
Commission on Sales	25.39	5.98
Quality Claim/ Discount	4.80	0.00
Insurance charges on sales	0.01	0.66
Business Promotion Expenses	2.31	0.50
Service Tax Expenses	1.40	0.00
TOTAL	123.94	68.14

Schedule 18

Notes Forming Part of Financial Statement for the Period 01-Apr-2009 to 31-Mar-2010

A. Significant Accounting Policies:

I. Basis of preparation of Financial Statement

a) Basis of Accounting:

The Company follows accrual method of accounting and the financial statements have been prepared in accordance with the historical cost conventions which are in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results may differ from these estimates.

II. Valuation of Inventory

- (a) The stock of Work-in-progress and finished goods of the Business has been valued at the lower of cost and net realizable value. The cost has been measured on the standard cost basis and includes cost of materials and cost of conversion to its present location and conditions.
- (b) All other inventories of stores, consumables, raw materials are valued at cost. The stock of waste is valued at realizable value. Cost is measured on actual average for the whole year.

III. Cash Flow Statement

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Figures in bracket represent outflow in cash.
3. Cash & Cash Equivalent includes Rs. 2.43 Lac as Cash in Hand, Rs. 0.24 Lac as cheque in hand & Rs. 23.75 Lac in current account and Rs. 73.83 Lac in term deposit as balance with scheduled banks.

IV. Prior Period Items

Prior period items which arise in the current period as a result of 'errors' or 'omissions' in the financial statements prepared in earlier years effects of changes in estimates of which are not treated as omission or error.

V. Depreciation

- (a) Depreciation on Fixed Assets is provided, pro rata for the period of use, on Straight Line Method (SLM), as per rates specified in the Schedule XIV to the Companies Act, 1956.
- (b) Individual assets costing less than Rs. 5000/- have been fully depreciated in the year of purchase on pro rata basis.

VI. Revenue Recognition

- (a) Sales and operating income includes sale of products, by-products and waste, income from job work services and foreign exchange differences. Sales are recognized based on passage of title to goods which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Sales are stated net of returns, excise duty and Sales Tax/VAT. Export incentives are accounted on accrual basis at the time of export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.
- (b) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- (c) Revenue from job work services is recognized based on the services rendered in accordance with the terms of contracts.
- (d) Claims receivable on account of Insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.
- (e) Dividend Income is recognized in the year in which it is received.

VII. Fixed Assets

- (a) Fixed assets are stated at their original cost of acquisition less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their location and working condition and includes all expenses incurred up to the date of commercial utilization.

VIII. Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are normally recorded at the exchange rate declared by the custom authorities for the relevant period.
- (b) Monetary Items denominated in foreign currencies at the yearend are restated at year end rates.
- (c) Non-monetary foreign currency items are carried at cost.
- (d) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account except in cases where they relate to acquisition of fixed assets, which are adjusted to the carrying cost of such assets.

IX. Investments

Current investments are carried at lower of cost or quoted/ fair value, computed category wise. Long term investments are stated at cost as reduced by any decline in their value not being of temporary nature.

X. Employees benefit:

- a) Provident Fund of the Regional Provident Fund Commissioner is a defined contribution scheme, and contribution made to Regional Provident Fund Commissioner is charged to profit & loss account.
- b) Gratuity liability is defined benefit obligation and is provided for on the basis of actuarial basis and is being funded every year through policy of approved fund.
- c) Liability of Leave encashment is accounted for on the basis of actuarial valuation and is being funded through policy of approved fund.
- d) Actuarial gains & losses are charged to profit & loss account.

XI. Borrowing Cost

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition/construction of qualifying assets are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss Account.

XII. Earnings Per Share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard - 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

XIII. Taxes:

- (a) Income-Tax expense for the year comprises current tax and deferred tax.
- (b) Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.
- (c) The deferred tax results from "timing difference" between taxable and accounting income is accounted for using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future

XIV. Impairment Of Assets:

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account.

XV. Provisions, Contingent Liabilities And Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of notes. Contingent assets are neither recognized nor disclosed in the financial statements.

XVI. Derivatives & Commodity Hedging Transactions:

- (a) In order to hedge its exposure to foreign exchange, interest rate and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company neither holds nor issues any derivative financial instruments for speculative purposes.
- (b) Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

Notes to Accounts:

These financial statements are prepared for the period 01-Apr-2009 to 31-Mar-2010. Corresponding figures are reported for the year ended on 31-Mar-2009.

1. The Company has issued one fully paid up bonus equity shares for every two fully paid equity shares held in the company as on 06-09-2009 as per the share holder's approval in the extra-ordinary general meeting of the members of the company held on 27-Aug-2009, by capitalizing a sum of Rs.334.00 (in Lacs) out of Company's general reserve as on 07-09-2009.

2. Contingent Liabilities not provided for:

Particulars	(Amount in Lacs)	
	31-Mar-2010	31-Mar-2009
Bank Guarantees to Custom authorities for import of Raw material against Advance Licenses:	20.31	25.95
Bank Guarantees to Excise authorities for CT-1 Bond	-	1.25
Letter of Credit	75.55	0.00

3. Estimated amount of contracts remaining to be executed on Capital Account and not provided for – Rs. NIL.

4. The liability in respect of payment under employees leave encashment and gratuity has been provided on actuarial valuation in line with Accounting Standard 15 (Revised). Since there is not much change in the conditions and circumstances between 31-Mar-2009 and 31-Mar-2010, therefore defined benefit obligations are taken on the basis of last year provisions.

	(Amount in Lacs)			
	Gratuity		Leave Encashment	
	As at 31 st Mar-2009	As at 31 st Mar-2010	As at 31 st Mar-2009	As at 31 st Mar-2010
I. Changes in Present value of obligations				
Mortality Table (LIC)	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Valuation Rate of Interest	7.50%	8.00%	7.50%	8.00%
Salary Inflation Rate	5.50%	5.00%	5.50%	5.00%
Retirement Age	58	58	58	58
II. Change in Benefit Obligation				(In Rs.)
Opening Defined Benefit	3.73	6.62	1.68	1.88
Obligation Service Cost for the year	2.89	6.77	0.20	6.79
Closing defined benefit obligation	6.62	13.38	1.88	8.66

Loans & Advances Include

a. Amount due to Subsidiaries/ Associate Companies as given below:-

Particulars	(Amount in Lacs)			
	31-Mar-2010		31-Mar-2009	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
Gravita Exim Ltd.	2.94	16.50	0	543.96

Amount due from Subsidiaries/ Associate Companies as given below: -

Particulars	(Amount in Lacs)			
	31-Mar-2010		31-Mar-2009	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
Penta Exim Pvt. Ltd.	0	0	0	232.38
Gravita Mozambique LDA	31.98	31.98	0	0
Pagrik Senegal S.A.	10.92	50.83	0	0
Floret Tradelink Pvt Ltd	10.11	10.11	0	0
Gravita Ghana Limited	6.71	28.29	0	0

2. Micro & Small Enterprises Dues:-

The company has not received any intimation from suppliers regarding their status under the micro, small and medium enterprises development Act 2006 and hence disclosures regarding:

- Amount due and outstanding to suppliers as at the end of accounting year.
- Interest paid during the year
- Interest payable at the end of accounting year
- Interest accrued and unpaid at the end of the accounting year, have not been given.

The company is making efforts to get the confirmations from the suppliers as regards their status under the act.

3. Managerial Remuneration:

Particulars	(Amount in Lacs)	
	31-Mar-2010	31-Mar-2009
Shri Rajat Agrawal	16.50	6.00
Dr. Mahaveer Prasad Agarwal	4.50	1.40
Shri Rajeev Surana	9.50	6.00
Dinesh Kumar Govil	0.19	0
Rajesh Patni	0.12	0
Arun Kumar Gupta	0.19	0
Yogesh Mohan Kharbanda	0.01	0
Total	31.01	13.40

Computation of net profit in accordance with section 198 read with section 309(5) and section 349 of the Companies Act, 1956

(Amount in Lacs)		
Particulars	31-Mar-2010	31-Mar-2009
Profit before taxation	848.41	423.32
Add: Depreciation (as per books)	30.19	26.47
Directors Remuneration	31.01	13.40
Less: Depreciation as per section 349	30.19	26.47
Net Profit under section 198 of Companies Act	879.42	436.73

8. Payment to Auditors

(Amount in Lacs)		
Particulars	31-Mar-2010 (Rs.)	31-Mar-2009 (Rs.)
As auditor	0.75	0.50
As advisor	0.50	0.05
In any other manner (VAT Audit & Consolidated of A/c's)	0.84	0.06
Total	2.08	0.61

9. Segment Reporting:

The company is a one-segment company in the business of Lead Smelting & Refining. Hence, no further disclosures are required under AS-17, other than those already provided in the financial statements.

10. Related Party Disclosure
a. Subsidiary/Joint Venture

Gravita Exim Limited
Gravita Ghana Limited
Gravita Mozambique LDA
Gravita Senegal S.A.
Pagrik Ethiopia P.L.C.
Gravita Zambia Limited
Penta Exim Pvt. Limited
Floret Trade link Private Limited
Gravita Georgia Ltd

b. Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise:

Gravita Impex Pvt. Limited
Saurabh Farms Limited
Gravita Honduras S.A.
Pearl Landcon Pvt. Limited
Navam Lanka Limited
Shah Buildcon Pvt. Limited
Jalousies India Pvt. Limited
Surana Professional Services Pvt Limited

c. Key Management Personnel:

Dr. Mahaveer Prasad Agarwal
Shri Rajat Agrawal
Shri Rajeev Surana
Dinesh Kumar Govil
Arun Kumar Gupta
Yogesh Mohan Kharbanda

d. Transactions with related parties are as follows:

(Amount in Lacs)

Nature of Transaction	Description of Relationship	Related Party	31-Mar-2010	31-Mar-2009
Remuneration	Key Management Personnel	Shri Rajat Agrawal	16.50	6.00
		Shri Rajeev Surana	9.50	6.00
		Dr. M.P. Agarwal	4.50	1.40
		Dinesh Kumar Govil	0.19	0.00
		Rajesh Patni	0.12	0.00
		Arun Kumar Gupta	0.19	0.00
		Yogesh Mohan Kharbanda	0.01	0.00
Salary	Relative of Key Management Personnel	Mrs. Shashi Agarwal	5.88	5.88
		Mr. Mayank Raja	0.00	1.60
Purchases	Subsidiary/Joint Venture	Navam Lanka Ltd.	296.13	396.35
		Penta Exim Pvt. Ltd.	338.58	112.77
		Gravita Exim Ltd.	4.15	0.00
Purchase DEPB	Subsidiary/Joint Venture	Gravita Exim Limited	0.46	0.00
Sales	Subsidiary/Joint Venture	Gravita Exim Limited	21.91	0.00
		Penta Exim Pvt. Ltd.	73.90	34.60
		Navam Lanka Ltd.	0.00	19.18
		Floret Trade Link Pvt. Ltd.	21.36	0.00
		Shrikah Tadweer Al Rasas		
		Li- laada Al Tansee Al Mehdoodah	0.00	101.90
		Gravita Honduras S.A.	37.98	0.00
Sales DEPB	Subsidiary/Joint Venture	Penta Exim Pvt. Ltd.	1.23	0.00
Rent	Relative of Key Management Personnel Key Management Personnel Related Parties	Rajeev Surana (HUF)	3.96	3.96
		Shri Rajat Agarwal	2.70	2.40
		Saurabh Farms Ltd	0.13	0.13
Tour & Traveling Exp.	Other Related Parties	Gravita Impex Pvt. Ltd.	0.00	7.95
Dividend Received	Subsidiary/Joint Venture	Navam Lanka Ltd.	47.40	3.61

Investments	Subsidiary/Joint Venture	Gravita Mozambique LDA	0.00	92.08
		Navam Lanka Ltd.	156.38	14.61
		Floret Tradelink Pvt. Ltd.	0.51	0.00
		Shrikah Tadweer Al Rasas		
		Li- laada Al Tansee Al	0.00	101.90
		Mehdoodah		
		Gravita Exim Ltd	0.00	24.91
		Gravita Georgia Ltd	97.09	0.00
		Gravita Ghana Ltd	41.44	82.22
		Pagrik Senegal S.A.	0.00	41.16
		Gravita Honduras S.A.	59.94	0.00
Investments (Disposed)	Subsidiary/Joint Venture	Shrikah Tadweer Al Rasas Li- laada Al Tansee Al Mehdoodah	101.90	0.00
Loan Taken	Key Management Personnel	Dr. M P Agarwal	4.50	25.00
		Shri Rajat Agrawal	75.50	51.00
Loan Paid	Key Management Personnel	Shri Rajat Agrawal	88.50	38.00
		Shri Rajeev Surana	0.00	3.00
		Dr. M P Agarwal	4.50	25.00

E. Outstanding as at year end:

(Amount in Rs.)				
Nature of Transaction	Description of Relationship	Related Party	31-Mar-2010	31-Mar-2009
Remuneration	Key Management Personnel	Rajat Agrawal	1.74	0.98
		Rajeev Surana	0.11	0.28
		Dr. M.P. Agarwal	0.34	0.20
Salary	Relative of Key Management Personnel	Shashi Agarwal	0.49	0.77
Sales	Subsidiary/Joint Venture	Navam Lanka Ltd.	0.00	30.12
Purchases	Subsidiary/Joint Venture	Navam Lanka Ltd.	5.59	9.46
Rent	Relative of Key Management Personnel	Rajeev Surana (HUF)	0.00	0.33
		Key Management Personnel	Shri Rajat Agrawal	0.27
Investments	Subsidiary/Joint Venture	Gravita Mozambique LDA.	92.08	92.08
		Pagrik Senegal S.A.	41.16	41.16
		Navam Lanka Ltd.	170.99	14.61
		Gravita Ghana Limited	123.66	82.22
		Gravita Exim Ltd.	24.91	24.91

		Gravita Georgia Ltd	97.09	0.00
		Floret Trade link Pvt. Ltd	0.51	0.00
		Shrikah Tadweer Al Rasas Li- laada Al Tansee Al Mehdoodah	0.00	101.90
		Gravita Honduras S.A.	59.94	0.00
Loan Taken	Key Management Personnel	Shri Rajat Agrawal	0.00	13.00

11. Earnings per Share (EPS) are calculated as under:

(Amount in Lacs)			
Particulars		31-Mar-2010	31-Mar-2009
Net Profit after Tax	Rs.	576.54	268.59
No. of Issued Equity Shares	Nos.	10,020,000	2,532,750
Weighted Number of Shares	Nos.	4,896,114	2,532,750
Basic Earning per share	Rs.	11.78	10.60
Restated Number of shares	Nos.	7,344,172	3,799,125
Restated Earning per share	Rs.	7.85	7.07

12. Deferred Tax:

In view of the Accounting Standard 22 issued by Institute of Chartered Accountants of India, the significant component and classification of deferred tax liability/asset on account of timing difference comprises of the following:

(Amount in Lacs)		
Particulars	31-Mar-2010	31-Mar-2009
Depreciation	150.80	134.25
Deferred Tax Liability	51.26	45.63

13. CIF Value of Imports:

(Amount in Millions)		
Particulars	31-Mar-2010	31-Mar-2009
Raw Material (including material in transit)	296.02	213.41

14. Transactions in Foreign Currencies:

a. Expenses in foreign currencies:

(Amount in Lacs)		
Particulars	31-Mar-2010	31-Mar-2009
i. Bank charges	5.52	3.06
ii. Tour & Travelling	1.52	35.95
iii. Visa Expenses	0.20	0.00
iii. Subscription & Membership	0.00	0.79
iv. Business Promotion Exp.	0.07	0.10

v. Repair and Maintenance Laboratory	0.39	0.00
vi. Telephone and Communication	0.01	0.00
Total	7.71	39.90

b. Earning in foreign currency:

(Amount in Rs.)		
Particulars	31-Mar-2010	31-Mar-2009
i. Export Sales	4396.26	3164.56
ii. Foreign exchange rate difference	88.63	16.44
iii. Dividend Received	47.40	3.61
iv. Interest Income	0.60	0.00
Total	4532.89	3184.61

15. The Company used forward exchange contracts to hedge against its foreign currency exposure relating to the underlying transaction and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purpose. There are no outstanding foreign currency contracts as on 31-Mar-2010.

The foreign currency exposure not hedged as at 31-Mar-2010 is as under:

(Amount in Lacs)		
Currency	Payable	Receivable
In Rs.	91.46	734.77
In USD	202,616	1,627,757

16. The Company used forward commodity exchange contracts to hedge against fluctuation in price of commodities relating to business of company. The Company does not enter into any derivative instrument for trading or speculation purpose. There is outstanding forward commodity contracts against **Buyers Credits** as on 31-Mar-2010 is as below mentioned:

(Amount in Lacs)	
Currency	Payable
In Rs.	427.54
In USD	928,672

17. Licensed/Installed Capacity:

(Capacity in Mt)		
Particulars	Installed Capacity (Yearly)	
	31-Mar-2010	31-Mar-2009
i. Refined Lead/Lead Alloy	12,600	12,600
ii. Unrefined Lead Ingots	6,000	6,000

iii. Red Lead	1,800	1,800
iv. Grey Oxide	1,800	1,800
v. Litharge	1,800	1,800

18. Principal Raw Material Consumed:

Particulars	31-Mar-2010		31-Mar-2009	
	Mt.	Rs. In Lacs	Mt.	Rs. In Lacs
i. Remelted Lead				
Indigenous	967.906	832.39	30.832	475.87
Imported	2592.564	2074.15	2,057.399	1810.48
ii. Lead scrap				
Indigenous	25.035	16.37	32.558	34.19
Imported	2120.372	1620.31	635.630	426.10
iii. Refined Lead Ingots				
Indigenous	805.921	686.90	708.363	732.23
Imported	0.000	0.00	0.000	0.00

19. Consumption of Stores, Spares and Consumables:

Particulars	31-Mar-2010		31-Mar-2009	
	%	Value	%	Value
Indigenous (Incl. Freight)	100	154.86	100	72.64
Imported	-	-	-	-
Total	100	154.86	100	72.64

20. Particulars of Principal Finished Products:

Particulars	31-Mar-2010		31-Mar-2009	
	Mt.	Rs.	Mt.	Rs.
Refined Lead Ingots:				
Opening Stock	35.742	28.59	16.824	16.82
Production/Purchase	3248.481	2,776.50	1,967.860	2,084.50
Sales	2653.173	2,457.00	1,228.580	1,356.17
Consumption	491.071	420.78	720.363	741.26
Closing Stock	139.979	144.93	35.742	28.59
Lead Alloy:				
Opening Stock	0.000	0.00	30.000	30.00
Production/Purchase	2061.383	1783.29	590.563	572.39
Sales	1930.198	2,015.76	579.647	588.04
Consumption	77.451	65.54	40.916	43.32
Closing Stock	53.734	51.64	0.000	0.00

Lead Ingots (Unrefined):				
Opening stock	21.125	15.84	0.000	0.00
Production/purchase	963.517	777.22	365.495	312.53
Sales	807.530	687.50	344.320	317.32
Consumption	7.570	5.98	0.050	0.04
Closing stock	169.542	166.03	21.125	15.84

21. The figures of Previous year have been regrouped/reclassified, where necessary, to conform to the current year's classification.

As per our attached report of even date
For Rajvanshi & Associates
Chartered Accountants
Sd/-

Vikas Rajvanshi
Partner
Membership No.:073670

Firm Regn. No. : 005069C

Place : Jaipur

Date : 04th August, 2010

For and on behalf of the Board

Sd/-

Rajat Agrawal
Managing Director

Sd/-

Rajeev Surana
Whole Time Director

Sd/-

Priyanka Khandelwal

Company Secretary

ADDITIONAL INFORMATION'S AS REQUIRED UNDER PART-IV OF SCHEDULE VI OF COMPANIES ACT, 1956:-
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL
BUSINESS PROFILE
I. Registration Details:-

Registration Details	0	0	6	8	7	0	State Code	1	7	
Balance Sheet Date	3	1	.	0	3	.	2	0	1	0
	Date			Month			Year			

II. Capital Raised during the year (Amount in Rs. '000)

Public Issue	N	I	L	Right Issue	N	I	L				
Bonus Issue	3	3	4	0	0	Private Placement	4	1	4	7	2

III. Position of Mobilization and Deployment of Funds

Total Liabilities	3	7	4	3	8	2	Total Assets	(Amount in Rs. '000)				3	7	4	3	8	2
Paid up Capital	1	0	0	2	0	0	Reserves & Surplus	0	7	1	3	6	5				
Secured Loans	1	9	7	0	4	7	Unsecured Loans	0	0	0	6	4	4				
Deferred Tax Liability	0	0	5	1	2	6											
Net Fixed Assets	0	4	4	9	1	2	Investments	0	6	3	7	9	8				
Net Current Assets	2	6	1	6	5	3	Misc. Expenditure	0	0	4	0	1	8				

IV. Performance of Company

Turnover	1	0	5	1	7	4	5	Total Expenditure	(Amount in Rs. '000)				0	9	6	6	9	0	4
+ - Profit/Loss Before Tax	0	0	8	4	8	4	1	+ - Profit/Loss after Tax	0	0	5	7	6	5	4				

(Please tick appropriate box + for profit, - for loss)

Earning Per Share	1	1	.	7	8	Divided rate %	0	0	0
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**V. Generic Names of Three Principal Products/Services of Company
(As per monetary terms)**

Item Code No. (ITC Code)	7	8	0	1	1	0	0	0
Product Description	REFINED LEAD INGOTS							
Item Code No. (ITC Code)	7	8	0	1	9	1	0	0
Product Description	LEAD ALLOY							
Item Code No. (ITC Code)	7	8	0	1	9	9	9	0
Product Description	LEAD INGOT (UNREFINED)							

As per our Report of even date attached
For Rajvanshi & Associates
Chartered Accountants
Sd/-
Vikas Rajvanshi
Partner
Membership No.:073670

Firm Regn. No. : 005069C
Place : Jaipur
Date : 04th August, 2010

For and on behalf of the Board

Sd/-	Sd/-
Rajat Agrawal	Rajeev Surana
Managing Director	Whole Time Director

Sd/-
Priyanka Khandelwal
Company Secretary

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,

The Board of Directors

Gravita India Limited

We have audited the attached Consolidated Balance Sheet of Gravita India Limited (the Company) and its subsidiaries (collectively referred to as "the Group") as at 31st March, 2010, and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. The consolidated financial statements of the group include financial statements of subsidiaries, Floret Tradelink Private Limited for the year ended on 31.03.2010, which have been audited by us.
2. The consolidated financial statements also includes financial statements of subsidiary, Gravita Exim Ltd., Gravita Ghana Ltd., Gravita Senegal SAU, Gravita Mozambique LDA, Gravita Georgia Ltd., Penta Exim Private Ltd., Pagrik Ethiopia PLC, Gravita Zambia Ltd, for the year ended on 31.03.2010 which have been audited by other auditors whose reports have been furnished to us by the management, and our opinion is based solely on the report of other auditors.
3. The financial statements of associates, Navam Lanka Limited & Gravita Honduras SA for the year ended on 31.03.2010, have been audited by other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements , as notified by the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March 2010;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

Yours Faithfully

For Rajvanshi & Associates
Chartered Accountants

Sd/-

Vikas Rajvanshi

Partner

Membership No. : 073670

Firm Registration No. : 005069C

Place

Date

: Jaipur

: 04th August, 2010

CONSOLIDATED BALANCE SHEET AS AT 31-03-2010		
(Rs. in Lacs)		
SOURCES OF FUND	SCHEDULE	
SHAREHOLDER'S FUNDS		
Share Capital	1	1002.00
Reserve & Surplus	2	1929.17
LOAN FUNDS		
Secured Loan	3	2,032.24
Unsecured Loans		89.92
DEFERRED TAX LIABILITY		
		63.10
MINORITY INTEREST		
		156.15
	TOTAL	5,272.58
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	4	1,692.37
Less: Depreciation		275.16
Net Block		1,417.21
INVESTMENTS		
	5	358.07
CURRENT ASSETS, LOANS & ADVANCES		
Inventories	6	2,189.46
Sundry Debtors		1,581.59
Cash & Bank Balances		304.89
Loans & Advances		965.84
		5,041.78
Less: CURRENT LIABILITIES & PROVISIONS		
Current Liabilities & Provisions	7	1662.84
NET CURRENT ASSETS		
		3378.94
Misc. Expenses		118.36
	TOTAL	5,272.58
Significant accounting Policies and notes to Financial Statements	17	

As per our Report of even date attached
For Rajvanshi & Associates
Chartered Accountants
Sd/-
Vikas Rajvanshi
Partner
Membership No. : 073670
Firm Reg. No. : 005069C
Date : 04th August, 2010

For and on behalf of the Board

Sd/-
Rajat Agrawal
Managing Director
Sd/-
Rajeev Surana
Whole Time Director

CONSOLIDATED PROFIT & LOSS A/C FOR THE YEAR ENDED ON 31-03-2010		
		(Rs. in Lacs)
INCOME	SCHEDULE	
Gross Sales & Operating revenue	8	16441.37
Less: Excise Duty		(564.90)
Net Sales & Operating revenue		15876.47
(Decrease)/Increase in Stock	9	645.47
Other Income	10	175.44
	TOTAL	16,697.38
EXPENDITURE		
Material Cost	11	13,105.08
Staff Costs	12	412.93
Factory Overheads & Manufacturing Expenses	13	329.84
Administrative Expenses	14	443.23
Selling & Distribution Expenses	16	504.48
Preliminary Expenses W/o		40.50
	TOTAL	14,836.06
Profit before Depreciation & Tax		1,861.32
Less : Depreciation		84.42
Less: Financial Cost	15	112.22
Net Profit before Tax		1,664.68
Taxes on Income		
Current Tax		338.41
Deferred Tax		3.78
Net Profit before prior period expenses		1322.49
Share in Profit of Associate		75.74
Net Profit for the period before Prior Period Expenses		1,398.23
Adjustments on Account of Prior Period Expenses		0.94
Adjusted Profit		1,397.29
Minority Share in Profit/ (Loss)		164.93
Transfer to Capital Reserve (on consolidation)		11.84
Transfer to Balance Sheet		1220.52

As per our Report of even date attached

For Rajvanshi & Associates

Chartered Accountants

Sd/-

Vikas Rajvanshi

Partner

Membership No. : 073670

Firm Reg. No. : 005069C

Date : 04th August, 2010

For and on behalf of the Board

Sd/-

Rajat Agrawal
Managing Director

Sd/-

Rajeev Surana
Whole Time Director

Statement of Consolidated Cash Flow For the year ended 31-03-2010

(Rs. in Lacs)

Cash Flows from Operating Activities	
Net Profit before Taxation	1,741.02
Adjustments for:	
Depreciation	72.81
Interest Income	(2.24)
Dividend Income	(47.40)
Interest Paid	112.22
Operating Profit before Working Capital Changes	1876.41
Change in Trade and Other Receivables	(1,036.28)
Change in Inventories	(1,058.32)
Change in Loans & Advances	(552.25)
Change in Current Liabilities	(267.34)
Income-taxes paid	(338.41)
Prior Period Expenditure	(0.94)
Net Cash Flow from Operating Activities (A)	(1,377.13)
Cash Flow from Investing Activities	
Purchase of Fixed Assets	(238.68)
Investments Purchased	(240.99)
Dividend Received	47.40
Interest Received	2.24
Adjustment for minority interest in subsidiary & Foreign Exchange	(114.53)
Net Cash Flow used in Investing Activities (B)	(544.56)
Cash Flows from Financing Activities	
Changes in Borrowings	1,719.96
Proceeds from Issuance of Capital	414.72
Miscellaneous Exp incurred	(74.99)
Interest Paid	(112.22)
Net Cash Flow from Financing Activities(C)	1,947.47
Net increase in cash and cash equivalents (A+B+C)	25.78
Cash and Cash Equivalents (Opening Balance)	279.11
Cash and Cash Equivalents (Closing Balance)	304.89

As per our Report of even date attached
For Rajvanshi & Associates
Chartered Accountants

Sd/-
Vikas Rajvanshi
Partner

Membership No. : 073670

Firm Reg. No. : 005069C

Date : 04th August, 2010

For and on behalf of the Board

Sd/-
Rajat Agrawal
Managing Director

Sd/-
Rajeev Surana
Whole Time Director

Schedules forming part of the Consolidated Balance Sheet
AS AT 31-03-2010

(Rs. in Lacs)

Schedule-1	
SHARE CAPITAL	
AUTHORISED SHARE CAPITAL	
1,50,00,000 Equity Shares of Rs. 10/- each	1,500.00
ISSUED SUBSCRIBED AND PAID UP CAPITAL	
1,00,20,000 Equity Shares of Rs. 10/- each fully paid up for cash	1,002.00
TOTAL	1,002.00

Schedule-2	
RESERVES & SURPLUS	
Capital Investment Subsidy	13.70
Capital Reserve on Consolidation	
Opening Balance	211.04
Addition during the year	
(a) From Profit & Loss Account	11.84
(b) Others	268.88
General Reserve	
Opening Balance	570.48
Utilized for Issue of Bonus Shares	(334.00)
Profit & Loss Account	1,220.52
Foreign Currency Translation Reserve	
Opening Balance	(43.06)
Adjustment for the year	9.77
TOTAL	1,929.17

AS AT 31-03-2010

(Rs. In Lacs)

Schedule-3
LOAN FUNDS

(A) SECURED LOANS (From Banks)		
Term Loans		
Secured against Hypothecation of Cars		60.36
Working Capital Loan		
(i) Secured by first charge on all current assets, present and future of the company		
Cash Credit Limit	1,090.01	
Packing Credit Limit	153.38	
FOBP Limit	107.69	
Outward Bill Discount	120.11	
Buyer's Credit	<u>465.59</u>	1936.78
(ii) Secured against Term Deposit		35.10
Sub Total (A)		2,032.24
(B) Unsecured Loan		
Loans from Banks	18.91	
Loan from Others	64.51	
Loan From Directors	<u>6.50</u>	
Sub Total (B)		89.92
TOTAL (A+B)		2,122.16

Schedule-5
INVESTMENTS (AT COST)

Long Term Investment (Unquoted)		
(i) Investment in Associates		
(a) Navam Lanka Limited Equity Shares 358467 of SLR 100 Each		170.99
Add: Reserve and Surplus		112.55
(b) Gravita Honduras SA (shares yet not allotted)		59.94
(c) Investment in Pearl Landcon Pvt. Ltd. (5,000 Equity Shares of Rs. 10 Each)		0.50
(ii) Other Investments		6.62
Gratuity Policy with Bajaj Allianz Life Insurance		7.33
Leave Encashment Policy with Bajaj Allianz Life Insurance		7.33
NSC		0.14
TOTAL		358.07

Schedule -4 DEPRECIATION CHART AS PER THE COMPANIES ACT, 1956 FOR THE YEAR 2009-10							(Rs. in Lacs)
S. No.	Name of Asset	Gross Block					Depreciation
		As on 1-04-09	Addition	Deletion	Exchange Translation Reserve	As on 31.03.10	As on 1-04-09
1	Land	30.12	53.03	-	(5.74)	77.42	-
2	Building	167.62	37.29	-	(19.21)	185.70	22.74
3	Building- Staff	48.38	-	-	-	48.38	0.94
4	Plant & Machinery	822.42	325.15	-	(87.99)	1,059.58	128.18
5	Electric equipments	12.86	1.45	-	(1.44)	12.87	2.15
6	Computer & Accessories	68.17	15.32	-	(1.16)	82.33	21.72
7	Furniture & Fixtures	31.16	11.68	-	(0.62)	42.22	5.52
8	Vehicles	103.97	81.96	-	(2.49)	183.44	21.10
9	Capital Work in Process	168.99	-	(168.99)	-	(0.00)	-
TOTAL		1,453.69	525.88	(168.99)	(118.65)	1,691.94	202.35

Name of Asset	Depreciation		NET BLOCK		AS ON 31-03-09	As on 31.03.10
	During the year	Deductions	Exchange Translation Reserve	Up to 31.03.10		
Land	-	-	-	-	30.12	77.42
Building	5.86	-	(1.96)	26.63	144.88	159.06
Building-staff	0.79	-	-	1.73	47.44	46.65
Plant & Machinery	49.84	-	(8.60)	169.42	694.67	890.59
Electric equipments	0.95	-	(0.15)	2.95	10.71	9.92
Computer & Accessories	11.46	-	(0.28)	32.90	46.46	49.44
Furniture & Fixtures	2.15	-	(0.13)	7.55	25.64	34.67
Vehicles	13.37	-	(0.49)	33.98	82.87	149.46
Capital Work in Process	-	-	-	-	168.55	(0.00)
Total	84.42	-	(11.61)	275.16	1,251.34	1,417.21

AS AT 31-03-2010

(Rs. In Lacs)

Schedule-6**CURRENT ASSETS, LOANS & ADVANCES**

(A) Current Assets

(1) Inventories:

Raw Material

858.63

Work in Progress

199.92

Finished Goods

683.52

By Products

98.72

Consumables

69.59

Stock In Transit

62.85

Traded Stock

216.23

2,189.46

(2) Sundry Debtors (Unsecured & Considered Goods)

Outstanding for a period exceeding six months

1,378.54

Others

203.05

1,581.59

(3) Cash and Bank Balances

Cash balance in hand

40.27

Cheque in hand

0.39

Balances with scheduled banks

(i) Current Accounts

90.66

(ii) Term Deposits (including Accrued Interest thereon)*

(a) Axis Bank Limited

100.22

(b) Punjab National Bank

50.24

Remittances in Transit

23.11

304.89

*Term Deposit with interest pledged with Banker and Govt. Authorities.

Sub Total (A)**4,075.94**

(B) Loans and Advances

Unsecured & Considered good

Amount Recoverable

19.12

Advances to suppliers

527.06

Prepaid Expenses

43.29

Advance to Staff

4.46

Balance with/Receivable from Central Excise/Customs etc.

312.55

Advance Income Tax (Net of Provision)

17.03

Consignment in Transit

13.09

Security Deposits with Govt. Deptt. & Others

29.24**Sub Total (B)****965.84****TOTAL (A+B)****5,041.78**

AS AT 31-03-2010

(Rs. In Lacs)

Schedule-7		
CURRENT LIABILITIES AND PROVISIONS		
(A) Current liabilities:		
Sundry Creditors	578.36	
Advance Received From Debtors	853.73	
Other liabilities	87.40	
Statutory Liability	<u>20.19</u>	1,539.68
(B) Provisions:		
Provisions for Bonus/Gratuity/Leave Encashment	53.06	
Other Provisions	<u>70.10</u>	123.16
TOTAL		1,662.84

For the year ended on

31-03-2010

Schedule-8		
SALES		
Export	9,712.21	
Domestic including Excise Duty	<u>6,703.18</u>	16,415.39
OTHER OPERATING REVENUE		
Export Incentives		25.98
TOTAL		16,441.37

Schedule-9		
INCREASE (+)/DECREASE(-) IN STOCK		
Closing stock		
Finished Goods	782.24	
Work in Process	<u>199.92</u>	982.16
Less :Opening Stock		
Finished Goods		222.53
Work in Process		138.70
Exchange Translation Reserve		(24.54)
NET INCREASE(+)/ DECREASE (-) IN STOCK		645.47
TOTAL		645.47

For the year ended on

31-03-2010

(Rs. In Lacs)

Schedule-10

OTHER INCOME

Exchange Gain		83.03
Interest Received		22.24
Dividend Income		47.40
Sundry Balance Write Back		0.01
Royalty Income		4.63
Profit on Sale of DEPB License		14.09
Misc. Income		4.04
TOTAL		175.44

Schedule-11

MATERIAL COST

Raw Materials:		
Opening Stock	785.78	
Exchange Translation Reserve	(1.13)	
Purchases	12,581.97	
Direct Expenses	529.28	
Closing stock	<u>(1,137.72)</u>	12,758.18
Consumables:		
Opening stock of consumables	48.99	
Exchange Translation Reserve	(0.10)	
Purchase of Consumables	357.92	
Freight Inward	9.68	
Closing Stock of consumable	(69.59)	346.90
TOTAL		13,105.08

Schedule 12

EMPLOYEE COST

Labour & Wages		342.96
Staff Welfare		50.73
Leave Encashment		12.99
Gratuity		6.25
TOTAL		412.93

For the year ended on

31-03-2010

Schedule 13		(Amount in Lacs)
FACTORY OVERHEADS & MANUFACTURING EXPENSES		
Labour & Wages		142.63
Job Work Charges		11.64
Insurance Charges of Stock & Factory		0.30
Research and Development		4.75
Testing Charges		0.26
Power, Fuel & Water		31.82
Factory, Lease Land, Godown Rent		95.06
Repair & Maintenance		43.38
TOTAL		329.84

Schedule 14		
ADMINISTRATIVE EXPENSES		
Payment to Auditors		3.07
Advertisement		1.62
Donation		2.53
Director Remuneration		51.65
Electricity & Water Charges		8.34
Insurance Charges		9.12
Legal & Professional		47.19
Interest & Penalty		2.16
Postage & Courier		4.02
Printing & Stationary		4.89
Office Expenses		4.19
Office Rent		34.94
Repairs		
- Building		6.48
- Machinery & Equipments		4.51
- Vehicle		16.38
Training & Recruitment		69.30
Telephone & Communication		25.58
Conveyance, Tour & Travelling		106.57
Security		23.75
Duties, Penalties and VAT Disallowed		9.04
Misc. Expenses		7.90
TOTAL		443.23

Schedule 15		
FINANCIAL EXPENSES		
Bank Commission / Hedging Charges		38.74
Interest Paid		73.48
TOTAL		112.22

For the year ended on

31-03-2010

(Amount in Lacs)

Schedule 16
SELLING & DISTRIBUTION EXPENSES

Freight Outward & Octroi Exp.		289.80
ECGC Expenses		1.08
Export Expenses		131.03
Packing Expenses		3.57
Commission on Sales		57.27
Quality Claim/ Discount		4.80
Insurance charges on sales		0.04
Business Promotion Expenses		16.89
TOTAL		504.48

Schedule-17**SIGNIFICANT ACCOUNTING POLICIES FOR CONSOLIDATED STATEMENTS**

Significant Accounting Policies and Notes on Accounts: -

1. Principles of Consolidation : -

The Consolidated financial Statement (CFS) relate to Gravita India Limited (The Company) and its subsidiaries. The CFS has been prepared in accordance with AS 21 on "Consolidated Financial Statement" (AS 21) and prepared on the following basis:

- i) The financial statement of the company and subsidiaries are combined on a line-by-line basis by having together the book value of the like items of assets, Liabilities , income and expenses, after fully eliminating inter group balances and inter group transactions including profit/losses in period end inventories. The difference between the company's costs of investment in the subsidiaries, over export of equity at the time of acquisition of shares is recognized in consolidated financial statements as goodwill or Capital reserve as case may be. Minority interest's share in net assets of consolidated subsidiaries is present in the consolidated balance sheet separate from liabilities and the equity of company shareholder. Minority interest in the consolidated financial statements is identified and recognized after taking consideration :
 1. The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
 2. The Minorities' share of movement in equity since the date parent – subsidiary relationship came into existence.
 3. The Losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary.
 4. The excess of loss over the minority interest in the equity is adjusted against General Reserve of the Company.
- ii) In case of foreign subsidiaries, being non integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities and equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".
- iii) The CFS are prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the CFS and are presented in the same manner as the company's separate financial statements except otherwise stated elsewhere in this schedule.
- iv) Investments in associates are accounted for using equity method in accordance with AS 23. For this investments are initially recorded at cost, any goodwill/Capital reserve arising at the time of acquisition are identified and carrying amount of investment are adjusted thereafter for the post acquisition share of Profits/Losses.
- v) The stocks held out of the inter-group sale and purchase transaction are stated at the cost to the seller company and the adjustment thereof is stated as stock reserve.
- vi) The fixed assets acquired from group companies are restated at the cost to the company and the depreciation is calculated on the cost to the seller company.
- vii) As the Company is presenting the consolidated financial statements for the first time, the comparative figures of the preceding year have not been presented.

2. The subsidiaries considered in the consolidated financial statements are:-

(a) Direct Subsidiaries

Name of Direct Subsidiary	% of Share holding As on 31st March 2010	Country Name	Date of becoming subsidiary	Consolidated From
Gravita Ghana Limited	100.00	Ghana	31-Mar-08	2007-2008
Gravita Mozambique Lda	95.00	Mozambique	24-Dec-07	2007-2008
Gravita Senegal SAU	50.00	Senegal	5-Aug-07	2007-2008
Gravita Georgia Limited	99.17	Georgia	09-Nov-09	2009-2010
Floret Tradelink (Pvt.) Limited	51.00	India	16-Nov-09	2009-2010
Gravita Exim Limited	99.65	India	27-Mar-09	2008-2009

* Further 39% shares held through Gravita Exim Limited.

(b) Indirect Subsidiaries (Subsidiaries of Gravita Exim Limited)

Name of Indirect Subsidiary	Effective % of Share holding As on 31st March 2010	Actual % of Share Holding As on 31st March 2010	Country Name	Date of becoming subsidiary	Consolidated From
Penta Exim Pvt. Limited	53.85	54.00	India	27-Mar-09	2008-2009
Pagrik Ethiopia PLC	59.79	60.00	Ethiopia	27-Mar-09	2008-2009
Gravita Zambia Limited	98.78	99.13	Zambia	27-Mar-09	2008-2009

3. The Associates considered in the consolidated financial statements following equity method on the basis of principles given in AS 23 Accounting for Investments in Associates in CFS are:-

Name of Associates Companies	% of Share holding As on 31st March 2010	Country Name
Navam Lanka Limited	39.99	Srilanka
Gravita Honduras SA	33.33	Honduras

Notes to the consolidated Financial Statement

1. Contingent Liability:

Details of consolidated contingent liability are as under:

PARTICULARS	As At March 31st ,2010
Bank Guarantees to Custom authorities for import of Raw material against Advance Licenses:	20.31
Bank Guarantees to Excise authorities for CT-1 Bond	3.50
Letter of credit	75.55
TOTAL	99.36

2. Related Party Disclosure

The related parties have been determined on the basis of the requirement of the AS-18 'Related Party Disclosure' and the same have been relied upon by the auditors. The transactions with Related Parties are presented after the consolidation of respective company.

i) Enterprises having same Key Management Personnel and/or their relatives as the reporting enterprise:

- a. Gravita Impex Pvt. Limited
- b. Saurabh Farms Limited
- c. Shah Buildcon Pvt. Ltd.
- d. Jalousies India Pvt. Ltd.
- e. Mrs. Shashi Agarwal
- f. Mr. Mayank Raja
- g. Mr. Rajeev Surana HUF
- h. Ms. Anchal Agrawal
- i. Surana Professional services Pvt. Limited
- j. Pearl Landcon Pvt. Limited

ii) Key Management Personnel:

- a. Dr. Mahaveer Prasad Agarwal
- b. Shri Rajat Agrawal
- c. Shri Rajeev Surana
- d. Shri Suresh Asawa
- e. Shri Dinesh Kumar Govil
- f. Shri Arun Kumar Gupta
- g. Shri Yogesh Mohan Kharbanda

iii) Subsidiary

- a. Gravita Exim Limited
- b. Gravita Ghana Limited
- c. Gravita Mozambique LDA
- d. Gravita Senegal S.A.U
- e. Pagrik Ethiopia P.L.C.
- f. Gravita Zambia Limited
- g. Penta Exim Pvt. Limited
- h. Floret Trade link Private Limited
- i. Gravita Georgia Ltd

iv) Associate Enterprises

- a. Navam Lanka Ltd.
- b. Gravita Honduras SA

Transactions with related parties are as follows:

Nature of Transaction	Description of Relationship	Related Party	For the year ended on 31-03-2010
Remuneration	Key Management Personnel	Shri Rajat Agrawal	16.50
		Shri Rajeev Surana	9.50
		Dr. M.P. Agarwal	4.50
		Shri Dinesh Kumar Govil	0.19
		Shri Rajesh Patni	0.12
		Shri Arun Kumar Gupta	0.19
		Shri Yogesh Mohan Kharbanda	0.01
Salary	Relative of Key Management Personnel	Mrs. Shashi Agarwal	5.88
Purchases	Other Related Parties	Navam Lanka Ltd.	296.13
		Penta Exim Pvt. Ltd.	338.59
		Gravita Exim Ltd.	4.16
Purchase DEPB	Subsidiary	Gravita Exim Limited	4.65
Sales	Associated Enterprise	Gravita Honduras S.A.	37.98
Sales DEPB	Subsidiary	Penta Exim Pvt. Ltd.	1.23
Rent	Rent of Key Management Personal / Related Parties	Shri Rajeev Surana (HUF)	3.96
		Shri Rajat Agrawal	2.70
		Saurabh Farms Ltd	0.13
Dividend Received	Other Related Parties	Navam Lanka Ltd.	47.40
Investments	Associated Enterprise	Navam Lanka Ltd.	156.38
		Gravita Honduras S.A	59.94
Investments (Disposed)	Associated Enterprise	Shrikah Tadweer Al Rasas Li-laada Al Tansee Al Mehdoodah	101.90
Loan Taken	Key Management Personnel	Dr. M P Agarwal	4.50
		Shri Rajat Agrawal	75.50
Loan Given	Key Management Personnel	Shri Rajat Agrawal	88.50
		Dr. M.P. Agrawal	4.50

3. In the opinion of the group management, current assets, loans, advances and deposits are approximately of the value stated, if realized in the ordinary course of business.

PROXY FORM

Gravita India Limited

Registered office: "Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur

I _____ of _____ being a member of Gravita India Limited hereby appoint _____ of _____ or failing him _____ of _____ or failing him _____ of _____ as my/our absence to attend and vote for me /us and on behalf at the 18th Annual General Meeting of the Company to be held on 15th day, of September, 2010 at 11:00 AM at "Saurabh", Farm Harsulia Mod, Diggi-Malpura Road, Tehsil Phagi, Jaipur.

Folio/DP & Client ID No.:

No. of shares:

Name:

Father Name :

Address:

Signed this _____ day of _____ 2010

Affix
Revenue
Stamp

Notes:

- 1) The Proxy in order to be effective must be deposited at the Registered office of the Company duly stamped, completed and signed, not less than 48 hours before the commencement of the Annual General Meeting.
- 2) The Proxy form should be signed across the stamp as per specimen signature registered with the R&T Agent / Depository participant (DP).

