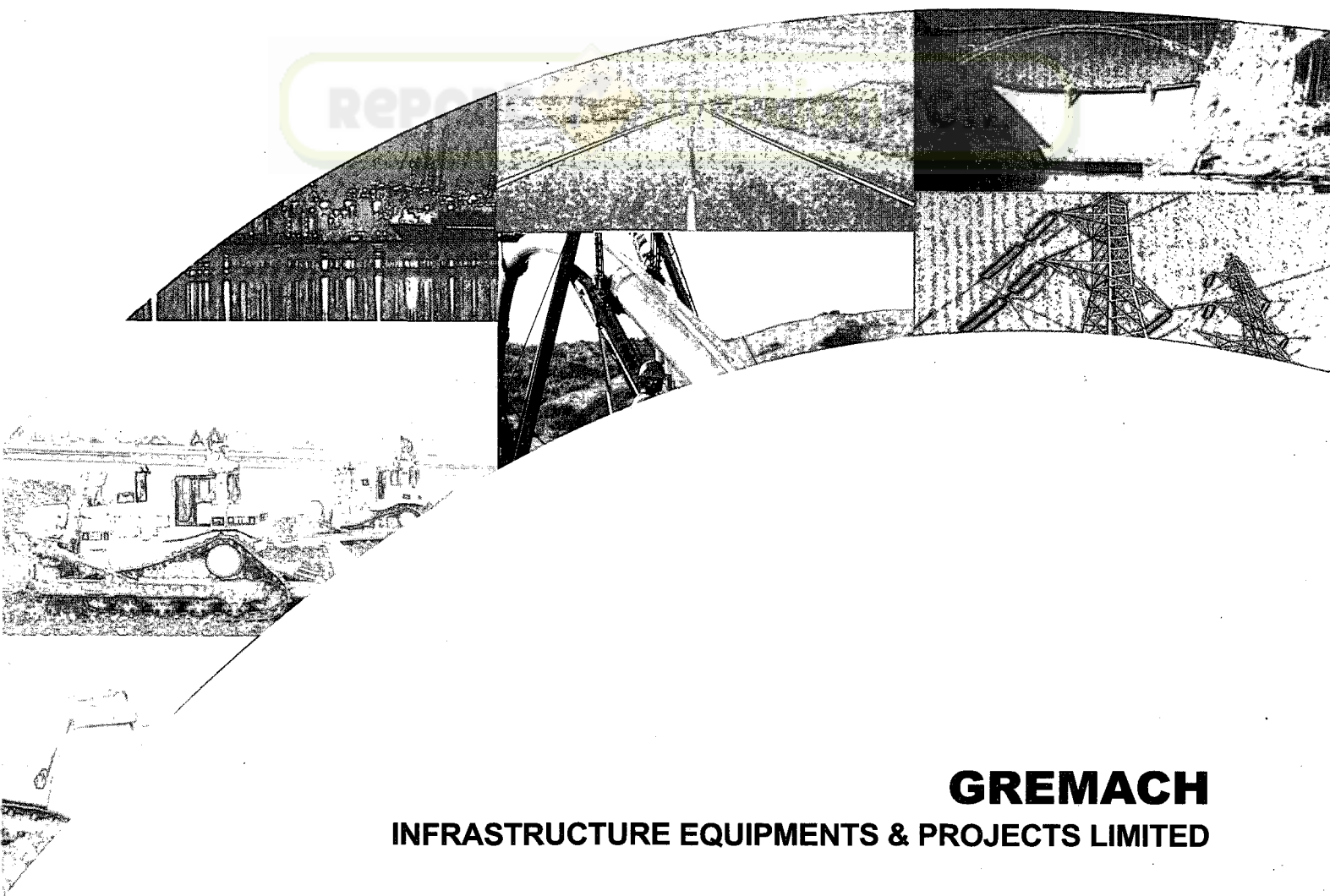


# ANNUAL REPORT

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## 2006-2007



**GREMACH**  
**INFRASTRUCTURE EQUIPMENTS & PROJECTS LIMITED**



## 16<sup>th</sup> Annual Report 2006-07

### GREMACH INFRASTRUCTURE EQUIPMENTS & PROJECTS LTD.

(Formerly known as Gremach Commerce Ltd.)

<b>Board of Directors</b>	: Shri Ratan Lal Tamakhuwala, Chairman Shri Rishi Raj Agarwal, Managing Director Shri Kranti Sinha, Director Shri Anand Agarwal, Director Shri Jiiv Raj Khaitan, Director
<b>Company Secretary</b>	: Shri Sanjive Arora
<b>Bankers</b>	: State Bank of India
<b>Statutory Auditors</b>	: M/S T. N. Dutta & Associates
<b>Head Office</b>	: Upvan Building, 1st floor, Behind Indian Oil Nagar, 7/106 D. N. Nagar, Andheri (West), Mumbai 400 053 Tel: 022 - 2630 3451/52/70/71 Fax: 022 - 2630 3493 Email: <a href="mailto:contact@gremach.com">contact@gremach.com</a> Website: <a href="http://www.gremach.com">www.gremach.com</a>
<b>Registered Office</b>	: Diamond Chambers, 4 Chowringhee Lane, Block No.2, 7th Floor, Unit 7-I, Kolkata - 700016 Phone No.-033 64138452
<b>Registrar &amp; Share Transfer Agents</b>	: Intime Spectrum Registry Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078. Phone No.-022 25963838 Fax: 022 - 25946969 Email: <a href="mailto:isrl@intimespectrum.com">isrl@intimespectrum.com</a>

Contents	Page No.
Notice .....	2
Directors Report .....	9
Management Discussion and Analysis .....	12
Report on Corporate Governance .....	18
Auditors' Report .....	25
Balance Sheet .....	28
Profit & Loss Account .....	29
Schedule to Accounts .....	30
Notes to Accounts .....	35
Information under Part IV of Sch. VI .....	38
Cash flow statement .....	39
Certificate by MD & CFO .....	40

## Gremach Infrastructure Equipments & Projects Ltd.

### NOTICE

NOTICE is hereby given that 16th Annual General Meeting of the Shareholders of Gremach Infrastructure Equipments & Projects Limited will be held on Monday 6<sup>th</sup> August, 2007 at 2.45 pm at O<sub>2</sub> Hotel & Restaurant, Near Airport, Kaikhali, VIP Road, Kolkata 700052 to transact the following business: -

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2007 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Ratan Lal Tamakhuwala who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Kranti Sinha, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s Prodip Sarkar & Associates, Chartered Accountants, as Statutory Auditors of the Company instead of the outgoing Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

#### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**  
 "RESOLVED THAT pursuant to the provisions of Section 94 of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs. 22,30,00,000 (Rupees Twenty Two Crores Thirty Lacs) divided into 2,23,00,000 (Two Crores Twenty Three Lacs) Equity Shares of Rs. 10 each to Rs.32,30,00,000 (Rupees Thirty Two Crores Thirty Lacs) divided into 3,23,00,000 (Three Crores Twenty Three Lacs) Equity Shares of Rs. 10/- each.
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**  
 "RESOLVED THAT pursuant to the provisions of Section 16 read with Section 94 of the Companies Act, 1956 consent of the members of the Company be and is hereby accorded to substitute the existing Clause V(5) with new Clause V(6) of the Memorandum of Association of the Company with the following Clause:  
 The Authorized Shares Capital of the Company is Rs. 32,30,00,000 (Rupees Thirty Two Crores Thirty Lacs) only divided into 3,23,00,000 (Three Crores twenty three lacs) shares of Rs. 10 each with powers to increase and decrease the capital of the company and to divide the shares in capital for the time being into several classes and attach thereto respectively such preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of the Company for the time being and to modify or abrogate any such rights, privileges or conditions in such rights, privileges or conditions in such manner as may be permitted by the Act, or provided by the Articles of the Company for the time being."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**  
 RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, existing Clause 5(a) of the Articles of Association of the Company be and is hereby altered by substituting the existing Clause with the following Clause:  
 "The Share Capital of the Company is Rs. 32,30,00,000 (Rupees Thirty Two Crores Thirty Lacs) divided into 3,23,00,000 equity shares of Rs.10 each."  
 RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do such other acts and deeds as may be necessary for giving effect to this resolution.
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
 "RESOLVED THAT in supersession of the Resolution passed in that behalf by the Company at its Extraordinary General Meeting held on 30<sup>th</sup> September 2005 and pursuant to clause (d) of sub-section (1) of section 293 and all other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, the consent be and is hereby accorded to the Board of Directors for borrowing for and on behalf of the Company, from time to time, any sum or sum of moneys, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the



Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate for the time being of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, but so that amount upto which moneys to be so borrowed under the said clause (d) of sub-section (1) of section 293 shall not at any time exceed Rs. 1000/- crores (Rupee One thousand crores)"

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

**"RESOLVED THAT** pursuant to provisions of Section 293(1)(a) and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof) the members of the Company hereby accords their consent to the Board of Directors, including any committee thereof for the time being exercising the powers conferred on them by this resolution, to mortgage and / or charge in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms, as the Board of Directors may determine, on all or any of the movable and / or immovable properties of the Company, both present and future and / or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the company availed/ to be availed by way of loans (in foreign currency and / or in rupee currency) and securities (comprising of fully / partly convertible debentures and / or secured premium notes and / or floating rates notes / bonds or other debt instruments) issued / to be issued by the company from time to time in one or more tranches, upto an aggregate limit of Rs.1000 crores (Rupees One thousand Crores) together with interest at the respective agreed rates, additional interest in case of default, accumulated interest, liquidated damages, commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered / to be entered into between the Company and the lenders / agents / investors and trustees in respect of such loans/ borrowings / debentures and continuing such terms and conditions and covenants in respect enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees."

**"RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to finalize the documents and such other agreements for creation of charge as aforesaid and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution."

**(This resolution is to be passed by Postal Ballot a self addressed envelope attached to this notice bears the address to which duly completed postal ballot form is to be sent)**

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

**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) and subject to such approvals, permissions, consents and other sanctions as may be necessary from the Government of India (GOI) the Reserve Bank of India (RBI) , the provisions of the Foreign Exchange Management Act, 1999 (FEMA) , The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, The Issue of Foreign Currency Convertible Bonds and Ordinary shares (through Depository Receipt Mechanism) Scheme, 1993, and subject to the approval, consent, permission and / or sanction or the Ministry of Finance (Department of Economic Affairs) and Ministry of Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India, the RBI and the Securities and Exchange Board of India (SEBI) and / or any other competent authorities and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the company with the Stock Exchange where the Company's shares are listed and in accordance with the regulations and guidelines issued by the GOI, RBI, SEBI and any competent authorities and clarifications issued thereon from time to time and subject to all other necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which terms shall include any Committee thereof) consent of the shareholders of the Company be and is hereby accorded to create, offer, issue and allot in one or more tranches, whether rupee denominated or denominated in foreign currency, the course of international and / or domestic offering(s) in one or more foreign markets, for a value of upto US Dollars 75 Million, representing such number of Global Depository Receipts (GDRs) American Depository Receipts (ADRs) Foreign Currency Convertible Bonds (FCCBs) and / or Equity Shares through Depository Receipt Mechanism and / or any Other Financial Instruments (OFIs) convertible into or linked to Equity Shares or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, is registered or bearer from (hereinafter collectively referred to as the Securities) or any combination of Securities to any person



## Gremach Infrastructure Equipments & Projects Ltd.

Including foreign / resident investors (whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise, Foreign Institutional Investors, Promoters, Indian and / or Multilateral Financial Institutions, Mutual Funds, Non-Residents Indians, Employees of the Company and / or any other categories of Investors, whether they be holders of shares of the Company or not (collectively called the 'Investors') including allotment in exercise of a green shoe option, if any, by the Company, through private placement(s) at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including security, rate of interest, etc. as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors, to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the Lead Managers, as the Board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT subject to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) approval of the shareholders and the provisions of Chapter XIII A of the SEBI (Disclosure and Investor Protection) Guidelines 2000 ('SEBI DIP Guidelines') and the provisions of the Foreign Exchange Management Act, 2000 (FEMA) Foreign Exchange Management (Transfer of Issue of Security by a Person Resident Outside India) Regulations, 2000, the Board of Directors may at their absolute discretion, issue, offer and allot Equity Shares upto the amount of US Dollars 75 Million or equivalent in Indian and / or any other currency inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the SEBI (DIP) Guidelines, 2000) pursuant to a qualified institutional placement, as provided under Chapter XIII A of the SEBI DIP Guidelines.

RESOLVED FURTHER THAT in the event that securities convertible into Equity Shares are issued under Chapter XIII A of the SEBI DIP Guidelines, the relevant date for the purpose of pricing of the securities shall be 7th July, 2007, the 30th day prior to the date of this Annual General Meeting for obtaining the approval of the shareholders in terms of Section 81(1A) of the Companies Act, 1956 in relation to the proposed issue of Securities on preferential basis is concerned.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combinations of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion, in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

RESOLVED FURTHER THAT:

- (i) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and
- (ii) the underlying Equity Shares shall rank *pari passu* with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the issue of Equity Shares underlying the Securities to the holders of the Securities shall, inter alia, be subject to the following terms and conditions:

- (a) in the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of shares to be allotted shall stand augmented in the same proportion in which the Equity Shares Capital increased as a consequence of such bonus issue and the premium, if any, shall stand reduced *pro tanto*;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares shall stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and
- (c) in the event of any merger, amalgamation, takeover or any other re-organization, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Advisors and all such Agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and



also to enter into and execute all such arrangements, agreements, memorandum, documents, etc, with such agencies and also to seek the listing of such Securities on one or more national and international Stock Exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue or allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form, terms and timing of the Issue (s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranches, issue price, face value, premium amount on issue / conversion of Securities / exercise of warrants / redemption of Securities, rate of interest, redemption period, listing on one of more stock exchanges in India and / or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and / or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s) .

RESOLVED FURTHER THAT the preliminary as well as the final offer document for the aforesaid issue be finalized and approved by the Board and signed singly by any one of the Directors of the Company for an on behalf of the Company with authority to amend, vary, modify the same as may be considered desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents, authorities as may be required from time to time".

By Order of the Board of Directors

Place : Mumbai

Date: 23<sup>rd</sup> June, 2007

Sanjive Arora  
Company Secretary

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING. A PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The instrument(s) appointing the proxy, if any, shall be deposited at the Registered office of the company at Diamond Chambers, 4 Chowringhee Lane, Block No. 2, 7<sup>th</sup> Floor, Unit No. 7 I, Kolkata 700 016.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting is attached.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 1.8.2007 to 6.8.2007 (both days inclusive).
5. Members (those holding shares in the physical form only) are requested to inform the changes if any, in their registered address to the Company's Share Transfer Agent, M/s Intime Spectrum Registry Ltd.
6. In order to provide protection against fraudulent encashment of Dividend Warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information which will be used by the Company for Dividend payments:
  - i) Name of Sole / first joint holder and Folio No.
  - ii) Particulars of Bank Account viz:
    - Name of the Bank
    - Name of Branch
    - Complete address of the Bank with Pin Code Number.
    - Account type, whether Savings Bank (SB) or Current Account (CA)
    - Bank Account number allotted by the Bank

In case of Shareholders holding shares in Electronic form, Bank account detail provided by the Depository Participants (DPs) will be used by the Company for printing on dividend warrants. Shareholders who wish to change such bank accounts may advise their DPs about such change with complete details of Bank Account including MICR Code

## Gremach Infrastructure Equipments & Projects Ltd.

7. For the convenience of the Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
8. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready & replies will be provided at the meeting.
9. Members who hold shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares singly are advised to avail of the nomination facility by filling Form 2B in their own interest. Blank forms will be supplied by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### Item No. 5

Company's present Auditor M/s T. N. Dutta & Associates, Chartered Accountants, have expressed his unwillingness to continue as Statutory Auditors of the Company on the conclusion of this Annual General Meeting due to advancing age. The company has received a special notice from the members to propose the name of M/s Prodip Sarkar & Associates, Chartered Accountants, as the Statutory Auditor of the company instead of M/s T. N. Dutta & Associates, the outgoing auditor, subject to shareholders approval at the Annual General Meeting.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution.

#### Item No. 6, 7 & 8

The present authorized share capital of the Company is Rs.22,30,00,000 (Rupees Twenty Two Crores Thirty Lacs only) divided into 2,23,00,000 (Two crores twenty three lacs) equity shares of Rs.10.00 each. Keeping in view recommendation of Issue of Shares underlying the proposed private placement of Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs) and / or Equity Shares through Depository Receipt Mechanism and/ or any Other Financial Instruments (OFIs) convertible into or linked to Equity Shares, it is proposed to Increase the authorized share capital of the company to Rs. 32,30,00,000 (Rupees Thirty two crores thirty lacs only) divided into 3,23,00,000 (Three Crores Twenty Three Lacs) Equity Shares of Rs.10/- each

As per the provisions contained in Section 94 of the Companies Act, 1956, the increase in Authorized Share Capital and alterations in Memorandum and Articles of Association of the Company require prior consent of the shareholders. The Board of Directors recommends the same for approval of the shareholders.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution.

#### Item No. 9

Presently the Board of Directors of the Company has been authorized to borrow upto an amount of Rs.50,00,00,000 (Rupees Fifty Crores Only). The business also activities of the Company are expanding substantially. The Company has initiated many projects and some new projects are in the pipeline for which there is a requirement of large quantum of funds. In order to meet the requirements, the Board has to borrow funds from time to time.

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, if the funds borrowed along with the company's existing borrowing exceeding aggregate of its paid-up share capital and free reserves, the approval of members by way of an Ordinary Resolution is necessary.

Accordingly it is proposed to pass an enabling resolution authorizing the board to borrow money upto an amount not exceeding Rs.1000 crores (Rupees One thousand Crores Only).

Therefore the Directors recommend this resolution for your approval by way of an ordinary resolution.

None of the Directors of the Company is any way concerned or interested in the proposed resolution.

#### Item No. 10 (This Resolution is to be passed by Postal Ballot)

The Company is required to create charges over its assets, all or any part of its moveable and immoveable properties by way of hypothecation, mortgage, assignment, lien, pledge, etc. in favour of its lenders for the purpose of securing the loan facilities extended / to be extended by the lenders to the Company. Further, on occurrence of default, under the relevant loan / facility agreement, the lenders would have certain rights in respect of Company's assets, moveable and immoveable properties including rights of sale / disposal thereof.

As per the provisions of Section 192A read with Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 and Section 293(1)(a) of the Companies Act, 1956, the Board recommends passing of this as an Ordinary Resolution in the interests of the Company.



Accordingly it is proposed to pass an enabling resolution authorizing the board to create charge on the assets of the Company for a value not exceeding Rs.1000 crores (Rupees One thousand crores only)

The Board recommends the Resolution for your approval.

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

**This resolution requires the consent of shareholders through Postal Ballot. A self addressed envelope attached to this notice bears the address to which duly completed postal ballot form is to be sent.**

**The Company has appointed Mr. Ajay Goel, Chartered Accountant, as the Scrutinizer for conducting the postal ballot process.**

#### **Item No.11**

The resolution contained in the business of the Notice relates to a proposal by the Company to create, offer, issue and allot Equity Shares, GDRs, ADRs, FCCBs, and such other Securities as stated in the resolution (the 'Securities'). The Company intends to issue Securities for a value of upto USD 75 Million or equivalent in Indian and / or any other currencies.

The Special Resolution also seeks to empower the Board of Directors to undertake a qualified institutional placement with qualified institutional buyers as defined by SEBI DIP Guidelines. The Board of Directors may, in their discretion, adopt the mechanism as prescribed under Chapter XIII A of the SEBI DIP Guidelines for raising the funds for the expansion plans of the Company, without the need to fresh approval from the shareholders. Therefore, the object of the issue is to meet the long term business requirements of the Company, to fund the growth of the Company and to improve the financial leveraging strength of the Company. The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The pricing of the international issue will be free market pricing and may be at a premium or discount to the market price in accordance with international practice, subject to applicable Indian law and guidelines. The same would be the case if the Board of Directors' decide to undertake a qualified institutional placement under Chapter XIII A of the SEBI DIP Guidelines, 2000. As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of Securities or shares to be issued. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalize the terms of the issue. The Securities issued pursuant to the offering(s) would be listed on the Indian stock exchanges and / or internationally recognized stock exchange and may be represented by Securities or other financial Instruments outside India.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranches, at such time or times, of such price or prices and to such person(s) including institutions, incorporated bodies and / or individuals or otherwise as the Board may in its absolute discretion deem fit. The consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchange where the Equity Shares of the Company are listed.

Section 81(1A) of the Companies Act, 1956 and the relevant clause of the Listing Agreement with the Stock Exchange where the Equity Shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in Section 81 of the Companies Act, 1956 unless the shareholders in a general meeting decide otherwise. Since the Special Resolution proposed in the business of the Notice results in the issue of share of the Company otherwise than to the members of the Company, consent of the shareholders being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and the Listing Agreement.

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the company. The Board of Directors believes that the issue of Securities to investors who are not shareholders of the Company is in the interest of the Company and, therefore, recommends the resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

By Order of the Board of Directors

Place: Mumbai  
Date: 23<sup>rd</sup> June, 2007

Sanjive Arora  
Company Secretary

Encl: 1. Postal Ballot Form  
2. Self Addressed Envelope



## Gremach Infrastructure Equipments & Projects Ltd.

### DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE 16<sup>TH</sup> ANNUAL GENERAL MEETING

Particulars	Mr. Ratan Lal Tamakhuwala	Mr. Kranti Sinha*
Date of birth	09.12.1944	28.12.1942
Date of Appointment	04.04.1998	22.12.2005
Qualifications	B.A.	M.A.
Experience in specific functional area	Technical experience in managing heavy construction and material handling equipments	Housing Finance, Planning, Insurance and Construction Industry.
Directorships held in other public companies (excluding foreign and private companies)	I. Austral Coke & Projects Ltd II. Anarcon Resources Pvt Ltd III. Shri Hanuman Investments Pvt Ltd IV. Armstrong Infrastructure & Projects Ltd	i. The global Institute for Financial and Education Services (India) P Ltd ii. Larsen & Toubro Ltd iii. India Infoline Ltd iv. Hindustan Motors Ltd v. LICHFL Care Homes Ltd
Memberships/ Chairmanships of committees in other public companies	Memberships 3	Chairmanship 5 Memberships 3

\* Resigned from the Directorship of LICHFL Care Homes Ltd and Larsen & Toubro Ltd since 09.05.2007 and 11.05.2007 respectively.



## DIRECTOR'S REPORT

Your Directors are pleased to present herewith 16th Annual Report and the Audited Accounts for the Financial Year ended 31st March 2007.

### FINANCIAL HIGHLIGHTS

Particulars	Year Ended 31 <sup>st</sup> March, 2007 (Rs. in lacs)	Year ended 31 <sup>st</sup> March, 2006 (Rs. in lacs)
Income from Rental and Hiring	11,344.51	7,585.13
Other Income	49.22	7.14
Total Income	11,393.73	7,592.27
Operating Expenditure	8,964.69	6,506.94
Profit before depreciation, interest and tax	2,429.04	1,085.33
Interest & Finance Charges	151.97	55.67
Depreciation	749.96	421.68
Profit before Taxes	1,527.11	607.98
Provision for Taxes	516.87	206.81
Net Profit for the year	1,010.24	401.17
Balance Brought Forward from previous year	750.76	359.04
Amount available for appropriation	1,761.00	760.21
Appropriations		
Proposed Final Dividend	152.18	8.36
Tax on Dividends	25.87	1.09
Balance carried to Balance Sheet	1,582.95	750.76

### DIVIDEND

Your Directors are pleased to recommend a dividend @ 10% on the paid-up Equity Share Capital of the Company for the financial year 2006-07.

The Register of Members and share transfer books will remain closed from August 1, 2007 to August 6, 2007, both days inclusive. The Annual General Meeting of the Company has been scheduled for August 6, 2007 at Kolkata.

### OPERATIONS:

The performance of your company during the year under review has been encouraging. You will be pleased to note that during the year under review, Turnover and Net Profit for the year is Rs. 11344.51 Lacs and Rs. 1010.24 Lacs as compared to the previous year Rs. 7585.13 Lacs and Rs. 401.17 Lacs respectively thus recording an increase in Turnover as well as profit by 49.56 % and 151.82 % respectively. The increase in the Turnover is due to better capacity utilization, good customer relationship and introduction of new machineries in the business.

### FUTURE OUTLOOK

Construction infrastructure sector is in a "momentum" growth phase and with an excellent business model coupled with strong execution capabilities and thriving order book position the company is expected to have robust growth in income and profitability.

The company is targeting locations witnessing infrastructure boom from private sector.

With the present emphasis on creating physical infrastructure and the massive investment planned during the Tenth Plan. The construction and infrastructure industry would play a crucial role in this regard.