



ANNUAL REPORT

2007-2008



GREMACH
INFRASTRUCTURE EQUIPMENTS & PROJECTS LIMITED



17th Annual Report 2007-08

GREMACH INFRASTRUCTURE EQUIPMENTS & PROJECTS LTD.

(Formerly known as Gremach Commerce Ltd.)

Board of Directors : Shri Ratanlal Tamakhuwala, Chairman
 Shri Rishi Raj Agarwal, Managing Director
 Shri Anand Agarwal, Director
 Shri Jiwan Raj Khaitan, Director

Company Secretary : Shri Rajesh Mittal

Bankers : State Bank of India
 : Bank of India

Statutory Auditors : M/s. T. N. Datta & Associates

Head Office : Killedar Building No.1, 1st & 2nd Floor,
 Opp. MTNL Office, Nr. 24 Carat Cinema,
 S.V. Road, Jogeshwari (W), Mumbai-400102
 Tel: 022 - 67240000
 Fax: 022 - 67240100
 Email: contact@gremach.com
 Website: www.gremach.com

Registered Office : Diamond Chambers,
 4 Chowringhee Lane,
 Block No.2, 7th Floor, Unit 7-I,
 Kolkata - 700016
 Phone No.-033 22521799

Registrar & Share Transfer Agents : 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: isrl@intimespectrum.com

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Gremach Infrastructure Equipments & Projects Ltd.

NOTICE

NOTICE is hereby given that 17th Annual General Meeting of the Shareholders of Gremach Infrastructure Equipments & Projects Limited will be held on Tuesday 30th September, 2008 at 2.45 pm at **O₂ Hotel & Restaurant, Near Airport, Kaikhali, VIP Road, Kolkata 700 052** to transact the following business: -

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2008 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 a dividend.
3. To appoint a Director in place of Shri Jiwraj Khaitan who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s T.N.Datta & Associates, Chartered Accountants, as Statutory Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS -

5. 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 all other applicable provisions, if any, of the Companies Act, 1956 (including statutory modification(s), amendments or re-enactment(s) thereof and in accordance with the provisions of the Articles of Association of the Company, the Listing Agreement entered into between the Company and the Stock Exchanges, the subsisting guidelines and clarifications issued by the Government of India / Reserve Bank of India (RBI) / Securities and Exchange Board of India (SEBI) or any other relevant authority and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company and/ or a duly authorized Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as "the Board") in its absolute discretion, to offer / issue and allot not more than 1,00,00,000 warrants, convertible, at the option of the warrant holder(s) within an aggregate time period of 18 months from the date of allotment of the warrants, into 1,00,00,000 fully paid Equity shares of Rs. 10/- each at a price determined in accordance with the relevant SEBI Guidelines to the Promoter and Promoter Group who have been identified in the list mentioned in the Explanatory Statement attached to the Notice convening this Meeting, on a preferential basis in one or more tranches as the Board may in its absolute discretion decide and on such terms and conditions, as the Board considers fit, subject to the following:

The Warrants and the equity shares to be offered and allotted upon conversion shall be subject to the provisions of the Memorandum and Articles of Association of the Company in all respects.

The relevant date within the meaning of the Explanation to Clause 13.1.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 for the purpose of determination of applicable price for the issue of above mentioned warrants / equity shares is 31st August, 2008.

The equity shares to be allotted on conversion of the warrants shall rank pari passu with the existing equity shares of the Company in all respects.

Up to 1,00,00,000 warrants to be issued and allotted, in one or more tranches, however subject to the condition that no conversion of warrants issued under the sanction of this resolution shall be permissible after a period of 18 months from the date of allotment.

An amount equal to 10% of the price fixed under Clause 13.1.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 in relation to each of the warrant shall be paid upfront by the persons to whom the allotment is being made, at the time of allotment of the warrant, and the same shall be adjusted against the price payable for the subsequent allotment of equity shares against the warrants. Further, in the event the option of conversion of warrant into equity share is not exercised by the warrant holder, in terms of this resolution the upfront payment of 10% shall stand forfeited.

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalize and execute all documents and writings as any be necessary, proper, desirable or expedient as it may deem fit."

"RESOLVED FURTHER that the Board be and is hereby authorized to delegate all or any of the powers to any Committee of Directors of the Company to give effect to the above resolution."



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

REVISION OF REMUNERATION OF SHRI RISHI RAJ AGARWAL AS MANAGING DIRECTOR OF COMPANY

RESOLVED THAT subject to the provisions of Section 198, 269, 309, 310, 311 Schedule XIII and other applicable provisions of the Companies Act, 1956, and in accordance with the conditions specified in Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the revision of remuneration of Mr. Rishi Raj Agarwal as Managing Director of a Company for remaining period of 5 years commencing w.e.f. 1st April, 2007 on the following terms of remuneration:

- (a) Salary: Per Annum Rs.36,00,000/- including dearness and all other allowances.
- (b) Car for use on the Company's business and telephone/Mobile at Mr. Rishi Raj Agarwal's residence. Personal long distance calls on telephone/mobile to be billed by the Company to Mr. Rishi Raj Agarwal.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year Mr. Rishi Raj Agarwal, Managing Director, shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time.

By Order of the Board of Directors

Place: Mumbai

Date: 2nd September, 008

Ratanlal Tamakhuwala

Chairman

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 AT ITS REGISTERED OFFICE 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, 7th 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 29.09.08 to 30.09.08 (both days inclusive) for the purpose of dividend.
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.

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.

Gremach Infrastructure Equipments & Projects Ltd.

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

Item No.5

Your Company is proposing to offer and issue upto 1,00,00,000 warrants, and each warrant shall be convertible into one equity share of Rs.10/- each fully paid to the Promoter and Promoter Group.

As per regulation 13 (IA) of the SEBI (Disclosure and Investor Protection) Guidelines 2000. The required details are furnished as under:

1) Object of the Issue

With a view to augment the long term financial resources of the Company including capital expenditure for future growth of the Company, to meet long term working capital requirements and for general corporate purposes at the discretion of the Board including acquisitions and investments, your Board proposes to issue warrants convertible into equity shares as per SEBI Guidelines.

2) Pricing

The issue of equity shares arising out of the conversion of warrants shall be at a price of Rs.123/- per share determined in accordance with relevant SEBI Guidelines.

3) Payment and conversion terms

10% of the value of the warrants is to be paid together with application for subscription of the warrants. The balance amount on warrants is payable at the time of their conversion into equity shares at a date not later than 31st March 2010. In case, the options are not exercised as aforesaid, the application money will be forfeited by the Company.

4) Intention of Promoter and Promoter Group

The Promoter and Promoter Group have expressed their intention to subscribe to the warrants proposed to be issued.

5) Relevant Date

"Relevant Date" for the purpose of shares arising out of conversion of warrants is 31st August 2008 being the date, 30 days prior to the date of this annual general meeting.

6) Shareholding Pattern of the Company before and after the issue to Promoter and Promoter Group and Key Management Person

The shareholding pattern before and the one likely to emerge after the proposed allotment and conversion of warrants would be as under:

Category	Pre-Issue		After the conversion of preferential warrants in FY 2009-10	
	No. of Equity Shares held	% of holding	No. of equity shares held	% of holding
Promoter and Promoter Group	84,73,107	55.68	1,84,73,107	73.25
NRI's /OCB's	23,28,747	15.30	23,28,747	9.23
Bodies Corporate	8,93,156	5.87	8,93,156	3.54
General Public	35,22,756	23.15	35,22,756	13.97
Total	1,52,17,766	100.00	2,52,17,766	100.00

7) Proposed time within which the allotment shall be completed

Allotment of the warrants shall be completed within a period of fifteen days from the date of obtaining shareholders approval or within a period of fifteen days from the date of obtaining necessary regulatory approvals as per the SEBI Guidelines, whichever is later.

8) The identity of the proposed allottees, their shareholding, pre- issue and post conversion of the warrants is as indicated below

Promoter and Promoter Group	Pre-Issue		After the conversion of preferential warrants in FY 2009-10	
	No. of Equity Shares held	% of holding	No. of equity shares held	% of holding
Anarcon Resources Pvt. Ltd.	10,41,000	6.84	50,41,000	19.99
Shri Hanuman Investments Pvt. Ltd.	13,83,200	9.09	73,83,200	29.28

9) Auditor's Certificate

A certificate, as required under SEBI Guidelines, certifying that the proposed issue is in accordance with the said Guidelines has been obtained from the Auditors of the Company.

10) Lock-in

The Fully Convertible warrants to be allotted on preferential basis and the shares arising out of the same, shall be subject to lock-in as per applicable SEBI Guidelines in this behalf.

11) Change in Management

The issue of equity shares and convertible warrants as aforesaid will not result in any change in the management or control of the Company.

The Company is taking necessary steps to obtain the requisite approvals from regulatory agencies, as may be applicable, for the proposed issue.

As per the provisions of Section 81 of the Companies Act, 1956 and the Listing Agreements entered into by the Company with various Stock Exchanges where the Company's Equity shares are listed. where at any time after the expiry of the two years from the incorporation of a Company or at any time after the expiry of one year from the allotment of shares in that Company made for the first time after its incorporation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the existing shareholders in proportion of their shareholding. However, such further shares may be offered to any persons, whether or not they are included in the existing shareholders, if a special resolution to that effect is passed by the Company in the general meeting.

The Board of Directors of your Company recommends the resolution for approval of the members.

Except Mr.Ratanlal Tamakhuwala And Mr.Rishi Raj Agarwal None of the other Directors of the company are concerned or interested in the said resolution.

Item No.6

Mr. Rishi Raj Agarwal was appointed as Managing Director w.e.f 30th August, 2005 and the Company is performing very well in his dynamic guidance and due to increased in his responsibilities from last years the board has taken decision to increase the remuneration w.e.f. 1st April.2007 for the remaining period subject to approval of share holders in their meeting.

The remuneration committee duly recommended the revision of remuneration of Mr. Rishi Raj Agarwal as Managing Director of a Company for remaining period of 5 years commencing from 1st April, 2007 on the following terms of remuneration:

- (a) Salary: Per Annum Rs.36,00,000/- including dearness and all other allowances.
- (b) Car for use on the Company's business and telephone/Mobile at Mr. Rishi Raj Agarwal's residence. Personal long distance calls on telephone/mobile to be billed by the Company to Mr. Rishi Raj Agarwal.

This may also be treated as an abstract under section 302 of the Act.

The Board of Directors of your Company recommends the resolution for approval of the members.

Except Mr. Ratanlal Tamakhuwala and Mr. Rishi Raj Agarwal, none of the Directors of the company are concerned or interested in the said resolution.

By Order of the Board of Directors

Ratanlal Tamakhuwala
Chairman

Place: Mumbai

Date: 2nd September, 2008

DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE 17TH ANNUAL GENERAL MEETING

Particulars	Mr. Jiwraj Khaitan
Date of birth	04.04.1938
Date of Appointment	30.12.2005
Qualifications	B.COM.
Experience in specific functional area	He has a work experience of about 31 years in the field of logistics handling and at present he is looking after complete operation of coke manufacturing company. He was also secretary to the kolkata coke and coal dealer's associates.
Directorships held in other public companies (excluding foreign and private companies)	NIL
Memberships/ Chairmanships of committees in other public companies	NIL

Gremach Infrastructure Equipments & Projects Ltd.

DIRECTOR'S REPORT

Your Directors are pleased to present herewith 17th Annual Report and the Audited Accounts for the Financial Year ended 31st March 2008.

FINANCIAL HIGHLIGHTS

Particulars	Year Ended 31 st March, 2008 (Rs. in lacs)	Year ended 31 st March, 2007 (Rs.in lacs)
Income from Rental and Hiring	23,562.02	11,344.51
Sales of Goods	2,325.70	-
Other Income	335.33	49.22
Total Income	26,223.05	11,393.73
Operating Expenditure	21,174.28	8,964.69
Profit before depreciation, interest and tax	5,048.77	2,429.04
Interest & Finance Charges	314.91	151.97
Depreciation	762.27	749.96
Profit before Taxes	3,971.58	1,527.11
Provision for Taxes	816.55	516.87
Depreciation written back	562.43	-
Net Profit for the year	3,717.46	1,010.24
Balance Brought Forward from previous year	1,582.95	750.76
Amount available for appropriation	5,300.41	1,761.00
Appropriations :		
Proposed Final Dividend	152.18	152.18
Tax on Dividends	25.87	25.87
Balance carried to Balance Sheet	5,122.37	1,582.95

DIVIDEND

Your Directors are pleased to recommend a dividend @ 10% i.e. Rs. 1/- per equity share of Rs. 10/- each for the financial year ended 31.03.2008.

OPERATIONS

The performance of your company during the year under review has been encouraging. During the year under review, Turnover and Net Profit for the year was Rs. 25,887.72 Lacs and Rs. 3717.46 Lacs as compared to the previous year Rs. 11344.51 Lacs and Rs. 1010.24 Lacs respectively thus recording an increase in Turnover as well as profit by 128.20 % and 267.98% respectively. The increase in the Turnover is due to better capacity utilization, good customer relationship and introduction of new machineries in the business.

DIRECTORS

During the year under review Mr. P. Subba Rao appointed as Director w.e.f.5.12.2007 and resigned w.e.f. 08.03.08 and Mr. Kranti Sinha resigned as Director w.e.f. 23.07.07, the Board of Directors places on record their appreciation of the contribution during their tenure as Directors of the company.

Shri Jiwi Raj Khaitan, Directors, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The proposals regarding their reappointment as Directors are placed for your approval.

FUTURE OUTLOOK

Construction and 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.



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.

The Government of India's focus has resulted in several large infrastructure projects in the country. Provision for the National Highway Development and Indira Awas Yojna has added impetus to this line of business. Also excellent opportunities for the company's business is expected from emphasis made by the government on development of sea ports, airports, oil exploration etc.

The company has planned to enter into the business of renting of oil & gas drilling rigs and in this regard company has signed the MOU with China's biggest Oil & Gas Rig manufacturer and has placed order for design and manufacture of nos. 4, 2000 HP VFD Oil & Gas Drilling Rigs on, BAOJI OILFIELD MACHINERY COMPANY (BOMCO) owned by China National Petroleum Corporation (CNPC).

The Company for its future expansion and diversification plan has acquired land at Gadhinglaj Dist. Kolhapur, Maharashtra. Company intends to expand its activities from equipment rental to manufacturing as well as setting up of Special Economic Zone (SEZ) at the mentioned site. In this regard company has already received formal approval for Metal SEZ at Gadhinglaj for 100 Hectares of Land.

The Company has taken 75% controlling stake in 11 Coal mine licenses in Mozambique having an aggregate 13,520 hectares (appx. 13,52,00,000 sq. mts) of land in prime region of Moatize. This region falls in Karoo basin which is recognized as Prime Hard Coking coal bearing area in Africa. There is a global shortage and crisis of hard coking coal and this will add huge value to the profitability of the Company.

SUBSIDIARIES:

During the year under review, the following wholly owned subsidiaries have been formed:

1. Petrorema Overseas PTE Ltd.
2. Gremach Infrastructure Pvt. Ltd.

The aforesaid companies has not yet commenced business activities and pending finalisation of first accounts, the statement of account of the above said subsidiaries and the consolidated financial statements as required under AS 21 are not annexed.

FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB)

During the year, the Company issued 1.00 per cent Foreign Currency Convertible Bonds (FCCB), aggregating to US\$ 50,000,000 having maturity period of 5 years. Each FCCB is convertible into equity shares of the Company at the price of Rs. 376.36 per equity share with a fixed rate of exchange on conversion of Rs.39.36 equal to US\$ 1.00.

As per the terms and conditions of the Offering Circular issued by the Company for FCCB, the Bonds are convertible by the Bondholders into fully paid equity shares of the Company at any time on or after 27th February 2008 and up to 29th January 2013, unless previously redeemed, converted or repurchased and cancelled.

On and at any time after 12th February, 2011 and prior to the Maturity Date i.e. 13th February, 2013, the Company may, subject to certain terms and conditions as per the offering memorandum, redeem the bonds in whole and not in part at their early Redemption Amount. These bonds are redeemable at 137.24% of the principal amount on the Maturity Date unless previously converted, redeemed or purchased and cancelled.

During the year, total proceed from FCCB was Rs.199.50 crores. The proceeds of the FCCB have been partly utilized for Rs. 84.04 crores and the balance amount remain unutilized as on 31st March, 2008.

During the year none of the FCCB bonds has been converted by the bond holders into Equity shares.

INTERNAL CONTROLS & ADEQUACY

Your Company has adequate system of internal controls to ensure that all assets are safeguarded, transactions are authorized, optimum utilization of resources, costs are controlled, reporting of financial transactions and compliance with applicable law and regulations.

MANAGEMENT DISCUSSION AND ANALYSIS:

In accordance with the listing agreement, the Management Discussions and analysis report is annexed hereto and forms part of this report.

CORPORATE GOVERNANCE

A report on Corporate Governance, along with a certificate from the Statutory Auditors and a certificate from the Managing Director and the CFO, have been included in the Annual Report, detailing the compliances of corporate governance norms as enumerated in Clause 49 of the Listing Agreement with the stock exchange.

Gremach Infrastructure Equipments & Projects Ltd.

FIXED DEPOSIT

During the year under review, your Company has not accepted any deposit under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

INFORMATION UNDER SECTION 217 (2A) OF THE COMPANIES ACT 1956

In accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 and rules framed thereunder, the names and other particulars of employees are set out in the Annexure to Directors report.

AUDITORS

M/s Prodig Sarkar & Associates, Chartered Accountants, Kolkata, resigned during the year to continue as Statutory Auditors of the Company due to advancing age. The company then called an Extra-Ordinary General meeting to appoint a new Auditor M/s. S. Jaykishan, Chartered Accountant, Kolkata, but they have not accepted due to fees offered to them. Then, to fill up the casual vacancy, the Board in their meeting appointed M/s. T.N. Datta & Associates, Chartered Accountants, Kolkata on the recommendation of Audit Committee to fill the casual vacancy.

M/s T.N. Datta & Associates, Chartered Accountants, as Statutory Auditors of the Company will retire at the forthcoming Annual General Meeting of the company and, being eligible, offer themselves for reappointment.

AUDITOR'S REPORT

Your Directors are of the view that Notes to the Accounts adequately provide the necessary information and answer the observations of the Auditors in their Report.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO.

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is given as per Annexure 'A' and forms part of the Directors' Report.

DIRECTOR'S RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956 (AS AMENDED)

Your Directors state:

- I. That in the preparation of the annual accounts, the applicable accounting standards have been followed;
- II. That we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2007-2008 and the profit of the Company for that year.
- III. That we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- IV. That we have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

The Directors thank the Company's customers, vendors, investors, business associates, bankers for their support to the company. The Directors appreciate and value the contributions made by every member of the "Gremach" family across the country.

For And on behalf of the Board
Ratanlal Tamakhuwala
 Chairman

Place: Mumbai

Date: 02.09.08

ANNEXURE A

INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

Particulars with respect to Conservation of Energy, Technology Absorption as per section 217(1)(e) of the Companies Act, 1956 read with Company's (Disclosure of particulars in the Board of Directors) Rule, 1988 for the year ended 31st March 2008- are annexed to this report.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO.

A. CONSERVATION OF ENERGY

The operation of the company are not energy intensive. However wherever possible the company strives to curtail the consumption of energy on continued basis. Further company has absorbed latest technology which is helpful in conserving energy.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The company over the years through its experience has also developed techniques to create the spares parts which it used to buy from OEMs at a very high rates by getting them produced locally at much economical cost.

The Company over a period of time has developed around hundreds of these critical components which enabled it to save substantial cost and in certain cases, the performance of the in-house developed parts have proved to be better than the parts procured from OEMs.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings or outgo during the year 2007-2008 is as under.

Particulars	2007-08	2006-07
Foreign Exchange Earnings	19950.00	Nil
Foreign Exchange Outgo	2626.55	Nil