



# **CRANES**

**CRANES SOFTWARE INTERNATIONAL LIMITED**

**SIXTH ANNUAL REPORT**

**1999 - 2000**

**CRANES SOFTWARE INTERNATIONAL LIMITED**

**BOARD OF DIRECTORS**

Shri Mukkaram Jan	Chairman
Shri Asif Khader	Vice Chairman & Managing Director
Shri Mueed Khader	Executive Director - Operations
Shri Richard Gall	Director
Shri Rudra Pratap	Director
Shri Nikesh Kumarpal Shah	Director

**BANKERS**

The Jammu & Kashmir Bank Limited  
Infantry Road Branch  
Bangalore

**AUDITORS**

S. Janardhan & Associates  
Apt. No. 104 & 203  
Embassy Centre  
No.11, Crescent Road,  
Bangalore - 560 001.

**REGISTERED OFFICE**

35/1, Allapat Building,  
3rd Floor, Cunningham Road,  
Bangalore - 560 052.

**CRANES SOFTWARE INTERNATIONAL LIMITED****NOTICE**

NOTICE is hereby given that the Sixth Annual General Meeting of the Shareholders of the Company will be held at 5, Airport Road, Service Road, Domlur Layout, Bangalore - 560 071 on Wednesday, the 30th day of August 2000 at 3.00 P.M. to transact the following business:

**ORDINARY BUSINESS:**

01. To receive, consider, approve and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2000 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
02. To appoint a director in place of Mr Mueed Khader who retires by rotation and being eligible, offers himself for reappointment.
03. To appoint auditors and fix their remuneration.

**SPECIAL BUSINESS:**

04. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT Mr. Richard Gall, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 30<sup>th</sup> November 1999, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 have been received from members signifying their intention to propose Mr Richard Gall as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company subject to retirement by rotation."

05. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT Dr Rudra Pratap, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 30<sup>th</sup> November 1999, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 have been received from members signifying their intention to propose Dr Rudra Pratap as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company subject to retirement by rotation."

06. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT Mr Nikesh Kumarpal Shah, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 3rd July 2000, and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 have been received from members signifying their intention to propose Mr Nikesh Kumarpal Shah as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company subject to retirement by rotation."

07. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to Section 372 A and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the necessary approvals of United States & Indian statutory authorities including Reserve Bank of India, if any, the Company do incorporate a fully owned subsidiary in the United States of America with a capital upto USD 10,00,000."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised severally to do all such acts, deeds, matters, things, actions and to sign papers, documents and such other forms as may be necessary for or incidental to incorporate the Overseas Subsidiary including giving instructions to the Authorised Dealers for onward remittances."

08. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT, pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered by deleting the existing Articles of Association of the Company and substituting in its place and stead, a fresh set of Articles of Association of the company."

"RESOLVED THAT the new set of Articles of Association as per the draft placed before the meeting duly initialed by the Chairman, be and is hereby approved and adopted as the Articles of Association of the Company in substitution of the existing Articles of Association."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary steps for giving effect to this resolution."

**BY ORDER OF THE BOARD OF DIRECTORS**

Place : Bangalore  
Dated : 18.07.2000

**MUKKARAM JAN**  
**CHAIRMAN**

**NOTES:**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY AND THE PROXY FORM HAS TO BE DEPOSITED NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business as set out above, are annexed hereto.

**CRANES SOFTWARE INTERNATIONAL LIMITED****EXPLANATORY STATEMENT**

**The following explanatory statement as required under section 173 of the Companies Act, 1956, sets out all material facts relating to the Special Business mentioned in the accompanying notice.**

**Item No.4**

At the meeting of the Board of Directors held on 30.11.99 the Board decided to appoint Mr Richard Gall as additional Director in the Board and being an Additional Director his terms expires at the Annual General Meeting of the company. The company has received a notice under section 257 of the Act from members proposing his candidature for the office of a Director.

Mr Richard Gall is a Bachelor of Science and Master of Engineering from Purdue University, USA and a MBA from St Edward's University, Austin, USA. He commenced his career with Texas Instruments, USA in 1968 in the areas of product design and has thereafter worked in various capacities in the areas of Infrared Systems Design & Production, and had headed the design centre employing more than 3000 engineers. He was the Managing Director of Texas Instruments (India) Limited from 1992-94. Thereafter he was the MidEast Marketing Director, Raytheon Systems Company, USA from 1995-98. From August 1998 to January 2000, he was the Technical Director, Parametric Technology Corporation, Pune where he provided technical and process leadership for software development programs for CAD, Data Management Products and Quality Assurance Department.

The Board recommends the resolution for appointment of Mr Richard Gall as a Director.

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

**Item No.5**

At the meeting of the Board of Directors held on 15.5.99 the Board decided to appoint Dr Rudra Pratap as additional Director in the Board and being an Additional Director his terms expires at the Annual General Meeting of the company. The company has received a notice under section 257 of the Act from members proposing his candidature for the office of a Director.

Dr Rudra Pratap is a B. Tech (Hons) from Indian Institute of Technology, Kharagpur, Master of Science (MS) from Tucson University, Arizona, USA and a Ph D from Cornell University, USA. After completing stints as a faculty in some of the prestigious universities in the USA, he joined the Indian Institute of Science, Bangalore as an Assistant Professor in the Dept. of Mechanical Engineering. He has authored several books and published several research papers in the areas of Structural Vibrations, Non-Linear Dynamics & Applied Dynamical Systems, Micro mechanical Systems, Vibroacoustics and Elastodynamics. Presently he is an Adjunct Assistant Professor (Honorary position) at the Cornell University, USA. He has been awarded the HD Block prize for excellence in teaching by Cornell University

The Board recommends the resolution for appointment of Dr Rudra Pratap as a Director.

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

**Item No. 6**

At the meeting of the Board of Directors held on 03.07.2000 the Board decided to appoint Mr Nikesh Kumarpal Shah as additional Director in the Board and being an Additional Director his terms expires at the Annual General Meeting of the company. The company has received a notice under section 257 of the Act from members proposing his candidature for the office of a Director.

Mr Nikesh Kumarpal Shah is a Chartered Accountant and Company Secretary. He is a head of research and a member of the Board of Directors in Triumph International Finance India Limited, Mumbai. He has vast experience in finance, accounting, capital markets, etc.

The Board recommends the resolution for appointment of Mr Nikesh Kumarpal Shah as a Director.

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

**Item No.7**

The Company intends to enter into potential overseas locations like USA, UK and Germany. To market the company's products/services in those regions it becomes imperative to have an Overseas Subsidiary. It is proposed that the subsidiary be located at USA. The Company proposes to invest an initial amount upto USD 10,00,000. The company expects to bag export orders through this subsidiary, which will act as its marketing arm.

The Board recommends the resolution for approval of the shareholders.

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

**Item No. 8**

The proposed public issue necessitated the approval of the Stock Exchange to approve the Memorandum & Articles of Association of the Company to meet up the requirements of investor protection. The Stock Exchange has broadly indicated the required amendments and the same are being incorporated. Hence the relevant clauses in the Articles are being modified to suit the listing of the shares of the Company on the Stock Exchanges. The Memorandum and Articles of Association are open for inspection of members at the Registered Office of the Company during business hours.

The Board recommends the resolutions for approval of the shareholders.

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

**BY ORDER OF THE BOARD OF DIRECTORS**

Place : Bangalore  
Dated : 18.07.2000

**MUKKARAM JAN**  
**CHAIRMAN**

**CRANES SOFTWARE INTERNATIONAL LIMITED****DIRECTORS' REPORT****The Shareholders,**

Your Directors have pleasure in presenting herewith their report on the working of the Company for the Sixth Financial year ended 31st March, 2000, together with the report of auditor's thereon.

**WORKING RESULTS:**

During the year under reference, the Company has achieved a turnover of Rs. 777.54 Lacs (Previous year Rs.503.51 Lacs) and earned a profit of Rs. 193.12 Lacs (Previous Year Rs.81.31 Lacs) after providing depreciation of Rs. 41.76 Lacs (Previous year Rs.13.88 Lacs).

**REVIEW OF OPERATIONS AND BUSINESS PROSPECTS:**

The Company has increased its turnover by 54% and the profit by 137% during the year. Your Company is continuously progressing in market penetration to increase the turnover.

The Company deals in Scientific Engineering in the areas of Real Time Operating System (RTOS), Digital Signal Processing (DSP), Mathematics & Simulation (M&S) and telecommunications achieving vertical integration between products, training and development.

The Company is a sole authorised distributor in India for the products like MATLAB, NUCLEUS, dPSACE, VERTEL. International Technologies Inc., USA has tied up with your Company for their products in the areas of Civil & Mechanical Engineering. Your company has bagged among other orders, two major orders from M/s. Himachal Futuristic Company Limited for VERTEL products and M/s. GE India Technologies Centre Private Limited for MATLAB product. The Company is concentrating on improving its present marketing set up by appointing additional professional marketing manpower and dealers.

To achieve the desired synergy between high end training and services and solutions your Company has taken over during the year the business of M/s. Cranes Varsity along with all assets and liabilities as a going concern and is continuing with the business so taken over. Cranes Varsity is Resource Centre for Scientific and Engineering Excellence to bridge the gap between Engineering students and requirements of the industry in the areas of RTOS/DSP and Telecommunications, to offer training to existing technical community of Corporates, Educational & Research Institutes, Public Sector Units, establishments to enhance & upgrade their skills, to provide manpower to the industry in the areas of Emerging Technologies. It has state-of-the-art infrastructure equipped with latest software and hardware tools required for training. It is the only authorised training centre in India for Mathematics & Simulation.

The recently set up Services and Solutions Division of your Company offers state-of-the-art solution such as setting up of ODCs, developing customized software and setting up, managing support centres in the specialised field of DSP and Embedded Applications. During the year 2000-01 your Company intends to open an Overseas Subsidiary in USA to market your company's product and services in potential overseas location like USA, UK & Germany.

**DIVIDEND:**

In order to conserve resources, the Board does not propose any dividend.

**SHARE CAPITAL:**

The Company's Paid up and Subscribed Share Capital has increased from Rs.5,21,89,200/- to Rs.7,61,89,200/- in the month of April, 2000.

**PARTICULARS OF EMPLOYEES:**

The particulars of employees drawing an average monthly remuneration of Rs.50,000/-, whose particulars are required to be furnished, under Section 217 (2A) of the Companies Act, 1956 is annexed herewith.

**DIRECTORS:**

To strengthen the Board, Mr. Richard Gall and Dr. P. Rudra Pratap have been appointed as Additional Directors on 30<sup>th</sup> November 1999, Mr. Nikesh Kumarpal Shah has been appointed as Additional Director on 3<sup>rd</sup> July 2000 and their term expires at this Annual General Meeting. The company has received notices under Section 257 of the Companies Act 1956 proposing their appointment as Directors.

Mr. Mueed Khader retires by rotation, and being eligible offers himself for reappointment.

**PARTICULARS REQUIRED TO BE DISCLOSED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:****ENERGY SAVING MEASURES AND TECHNOLOGY ABSORPTION:**

Your Company is not involved in any activities relating to conservation of energy or technology absorption. Hence the additional requirement under this clause is not applicable to the company.

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under reference, the Company has incurred expenditure in Foreign currency of Rs.2,71,64,215/- (Previous year Rs.79,48,140/-) and the Earnings in Foreign Exchange is Rs. NIL (Previous year Rs.1,29,600/-).

**AUDITORS & THEIR COMMENT:**

M/s. S. Janardhan & Associates Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. Referring to para 17 of the Auditor's Report, due to staff turnover in the accounts department, in some cases, payments were delayed. The position has thereafter strengthened.

**ACKNOWLEDGMENT:**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Jammu & Kashmir Bank Limited, Government Authorities and Shareholders during the year under review. Your Directors wish to place on record their deep senses of appreciation for the devoted services of the employees of the Company for its success.

**"By Order of the Board"**  
**For Cranes Software International Limited**

Place : Bangalore  
Date : 18-07-2000

**MUKKARAM JAN**  
**Chairman**