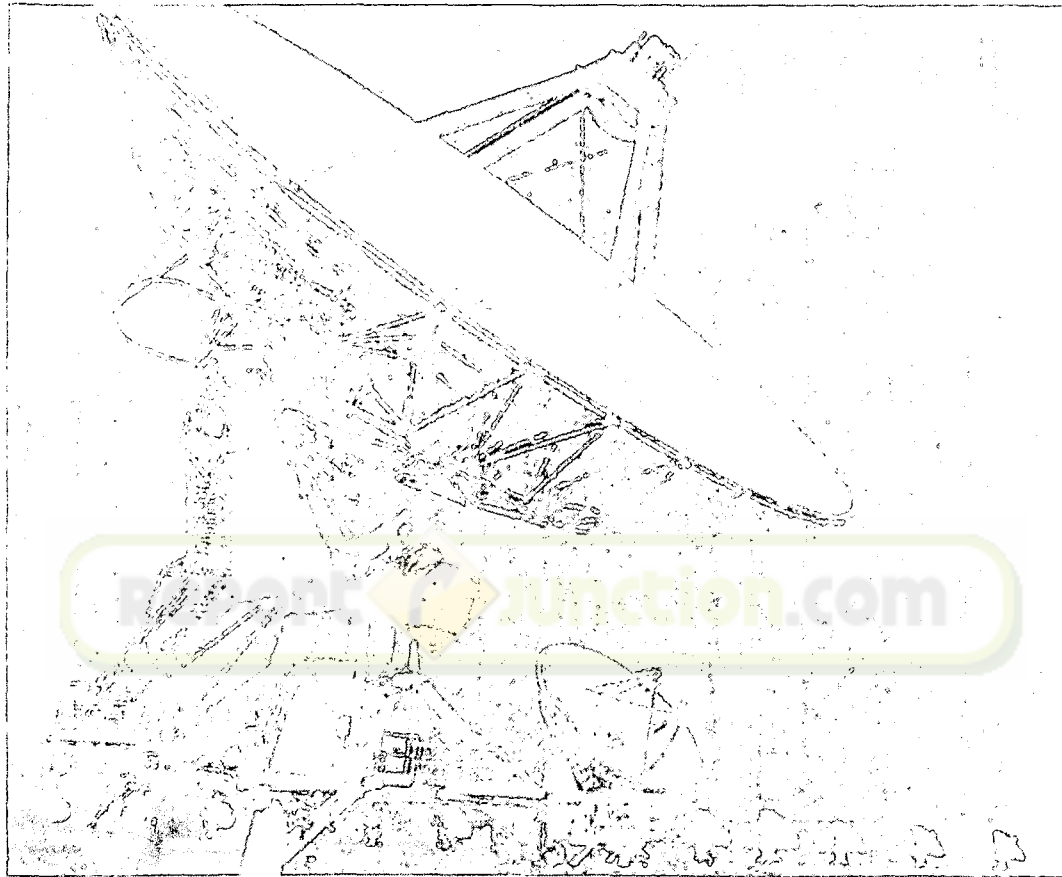
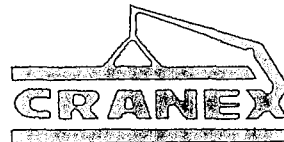


25th Annual Report 1998



TARGETTING GLOBAL MARKETS



| | | | |
|-----|----|-----|----|
| MD | ✓ | BKC | ✓ |
| CS | ✓ | DPY | NA |
| RO | ✓ | DIV | NA |
| TRA | NA | AC | ✓ |
| AGM | ✓ | SHI | ✓ |
| YE | ✓ | | ✓ |

CRANEX LIMITED

CRANEX LIMITED

BOARD OF DIRECTORS

| | | |
|---------------------------------|---|---|
| CHAIRMAN-CUM-MG. DIRECTOR | - | Shri S.C. Agrawal |
| DIRECTORS | - | Mr. Sandeep Singhal |
| | - | Mr. R.N. Vazir |
| COMPANY SECRETARY | - | Mr. A. Gupta |
| AUDITORS | - | P. D. Mittal & Co. Chartered Accountants 70, Daryaganj, New Delhi |
| REGISTERED OFFICE | - | 9 DDA Market Katwaria Sarai New Delhi - 110016 |
| ADMINISTRATIVE OFFICE & FACTORY | - | 57/1, Industrial Area Site-IV, Sahibabad-201010 (Ghaziabad) U.P. Phone : 91-771895, 771146 |
| BANKERS | - | Standard Chartered Bank 17, Parliament Street New Delhi - 110001 |

CRANEX LIMITED**Notice**

Notice is hereby given that the 25th Annual General Meeting of CRANEX Limited, will be held at IMA House (Indian Medical Association) Near ITO, New Delhi- 110002, on Saturday on Saturday the 29th day of May 1999 at 4.00 P.M. to transact the following business :-

1. To receive and adopt the Director's Report and the Audited Balance Sheet and profit & Loss Account for the year ended 31st December 1998.
2. To appoint Auditors to hold the office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company and to fix their remuneration.

SPECIAL BUSINESS.

3. To pass following resolution with or without modification by way of ordinary Resolution : "RESOLVED THAT Mr. R.N. Vazir who was appointed as Additional Director of the company pursuant to Section 260 of the Companies Act, 1956 fill the Casual Vacancy at the Board Meeting held on 29.6.98 be and is hereby Appointed as a Director of the Company liable to retire by rotation"

4. To pass following resolution with or without modification by way of Ordinary Resolution :

"RESOLVED THAT Mr. Sandeep Singhal who was appointed as Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 to fill the casual vacancy at the Board Meeting held on 30.7.98 be and is hereby Appointed as a Director of the Company liable to retire by rotation."

6. To consider and if though fit, to pass following resolution with or without modification (s) by way of Special Resolution

"RESOLVED THAT in accordance with the provisions of Section 81,81 (1) (A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification of reenactment thereof, for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the Stock Exchanges Where the shares of the company are listed, Security Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any, to the extent necessary and such other approvals 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 permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/ of a duly authorised committee thereof for th time being exercising the power conferred by the board, the consent of the company be and hereby accorded to the Board to Issue/offer Equity Shares on Preferential basis to promoters and their Associates/Collaborators at its sole discretions as the board may at any time or times hereafter decide when issued or allotted would ultimately result in an increase in the paid up equity share capital of the company be an amount not exceeding the authorised share capital of the company i.e. Rs 5,00,00,000 (Rupees Five Crores) at such price or prices or in such manner as the board of committee there of may in its absolute discretion think fit"

"RESOLVED FURTHER That such of these securities to be issued, as are not subscribed may be disposed off by the board/committee thereof, to such persons and in such manner and on such terms as the boardor committee may in its absolute discretion think most beneficial to the company including offering, or placing them with banks/ financial institutions/ investment institutions/ mutual funds/ foreign institutional investors or such other persons or otherwise as the board or committee thereof may in its absolute discretion decide"

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the board /committee be and is hereby authorised 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 utilisation of the proceeds of issue of securities and further to do all such acts, deeds documents and writings as may be necessary, desirable or expedient as it may deem fit"

6. To Pass following resolution with or without modification by way of Special Resolution :

"RESOLVED THAT the consent of the Company be and is hereby granted in terms of section 293 (1) (a) and all other applicable provisions of the Companies Act, 1956 (Including any Statutory modification there of for the time being in force" the board of Directors to sell, dispose off, transfer or by any others mode relinquish/hive off the existing Crane and or any other business of the Company to any suitable buyer/acquirer on the terms and conditions which are most suitable to the Company and to the investors including the option to exchange the Paid Up Share Capital of the existing Company with the proposed buyer/ acquirer Share Capital on the mutual understanding at the time of actual transaction".

"RESOLVED FURTHER that the consent of the members of the Company are also granted Under Section 81, 81(a) and any other provisions of the Companies Act, 1956 to authorise the Board of Directors to make suitable options to the Share Holders for the exchange of existing shares with that of proposed buyer/acquirer on the best suitable terms and conditions most beneficial to the Share Holders".

7. To pass following resolution with or without modification by way of Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 17 and all other appli cable provisions of the Companies Act, 1956 (including any Statutory modifications or re - enactment thereof for the time being in force) as may be enacted from time to time and subject to the confirmation by the Company Law Board, if applicable, the Memorandum of Association of the Company be and is Hereby altered and extended by inserting the following clauses as new para immediately after the existing Sub Clause No 3 of Clause A under the Main Object Clause of the Memorandum of Association of the Company".

CRANEX LIMITED

4. To carry on the business of Software Development, Information Technology, Telecommunication, System Integration and render all consultancy and other professional services particularly those requiring the use of sophisticated technology including provision of facilities, independently and/ or as Joint Ventures with any Foreign and or Indian Collaborator.
5. To establish and run computer training centres independently and/or under franchise arrangement for imparting education in the field of information technology related to hardware, software, data processing, research & development and for dissemination of knowledge in the field of computer which may help in promoting employment opportunities for on-site and off-shore project development.
6. To carry on the business of exporters, importers, servicing, consulting, developing, designing, marketing, trading, selling, distributing and licensing computer software and hardware of any description, particularly those used in or in connections with electronic data processing equipment, computers, micro processor based systems data processing and consultancy services, computer time sharing, ECommerce, internet and CAD/CAM services, collecting storing, processing and transmitting data of every kind in India as well as abroad.

8. To pass following resolution with or without modification by way of Special Resolution :

"RESOLVED THAT pursuant to section 149(2A) and all other applicable provisions, if any, of the Companies Act, 1956 approval of the company be and is hereby accorded to the Board of Directors for commencing and undertaking all or any of the business specified in Sub-clause (4) to (6) to Clause A of the Memorandum of Association of the Company, as and when deemed fit by the Board of Directors upon the aforesaid sub-clauses becoming effective."

9. To pass following resolution with or without modification by way of Special Resolution :

"RESOLVED THAT pursuant to Section - 372 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the prior approval of the Central Government and any other approvals as may be necessary, the Company hereby sanctions the investment, by the Board of Directors of a sum not exceeding Rs. 3,00,00,000 (Rupees Three Crores only) by way of subscription by and or purchase or otherwise of equity shares, debentures of any type, stocks, warrants or any other instruments and securities or any combination thereof, issued or guaranteed by any company, Government, State Government, Semi-Government authorities, local authorities, public sector undertaking, mutual fund, financial institutions, public body wholly or partly owned subsidiary and any other person or otherwise in India or abroad, notwithstanding that such investments wholly or partly owned subsidiary, together with the company's existing investments and of its subsidiaries shall be in excess of any or all the percentages prescribed in sub-section (2) of Section 372 and the provision thereto, of the Companies Act, 1956 and the Board of Directors of the Company, be and is hereby authorised to determine the actual sum not exceeding Rs. 3 crores to be invested and all matters arising out of and incidental to the proposed investment."

Registered Office:
9 DDA Market, Katwaria Sarai,
New Delhi - 110016.

(A. Gupta)
Company Secretary

Place: New Delhi
Dated : 7th April, 1999.

NOTES :

1. Relative explanatory statement required under Section 173(2) of the Companies Act 1956 is annexed hereto.
2. 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. Proxies, in order to be effective, must be received by the Company at its Registered Office not less than 48 hours before the meeting. Form of Proxy is enclosed.
3. Members are requested to bring their respective copies of the Annual Report and Attendance Slip to the Meeting.
4. Register of Members and Share Transfer Books of the Company shall remain closed from 27.5.99 to 28.5.99 as already intimated.
5. Members are requested to quote their respective ledger folio number(s) in all correspondence with the company and to notify the company at its Registered Office/ Administrative Office of any change in their Registered Address along with PAN Income Tax Code Number and Mandate giving Banker's Name, address & A/C number.
6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the company during office hours on all working days except Sunday and Holidays between 11.00 A.M to 1.00 P.M upto the date of Annual General Meeting.

Registered Office:
9 DDA Market, Katwaria Sarai,
New Delhi - 110 016.

(A. Gupta)
Company Secretary

Place : New Delhi
Dated : 7th April, 1999

CRANEX LIMITED**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956****ITEM NO.3 & 4.**

Mr. R N Vazir and Mr. Sandeep Singhal were appointed as additional Directors of the Company on 29.6.98 and 30.7.98 respectively to fill the casual vacancy during the year. Company has received a notice under Section 257 of the Companies Act, 1956 from the members of the Company proposing them as Directors of the Company. The approval of the members is required to continue them as Director of the Company. The Directors recommended this resolution for approval of the Share Holders as Ordinary Resolution. None of the Directors except Mr. R.N Vazir and Mr. Sandeep Singhal are interested in the Resolution.

ITEM NO.5.

The Board of Directors of the Company are considering proposal for expansion and diversification. They have considered developing the new line of activities in the growing Information Technology covering the Software development, Hardware/Internet and related activities. Consent of the Share Holders is sought to authorise the Board of Directors for issuing Equity Shares on Preferential basis to the Promoters and their Associates to the extent of unissued Share Capital of the Company on the terms and conditions prevailing and beneficial at the time of exercising the option. This is necessary to provide funds for the diversification in Information Technology and computer related business.

Section 81 of the Companies Act, 1956 and Listing Agreement provides Inter-alia that when it is proposed to increase the issued capital of the Company by allotment of further shares, such shares shall be offered to the existing share holders of the company in the manner laid down in section 81 unless the share holders in General Meeting decide otherwise.

Accordingly consent of the share holders is being sought to the provision of Section 81 and all other applicable provisions of the Companies Act, 1956.

The Directors recommend this resolution for approval of the Share Holders as Special Resolution. None of the Directors except to the extent of their Share Holding are interested in the Resolution.

ITEM NO.6.

Your Directors propose to transfer/sell/dispose off the existing Crane business alongwith its present Orders and Job Works to the suitable buyer/acquirer on the terms and conditions which are most suitable to the Company and its investors according to the best Market opportunity. They have also recommended the exchange of the existing shares with that of the new buyer acquirer on the best market rate available as on the date of transfer.

As required Under Section 293 (1)(a) and other applicable provisions of the Companies Act, 1956 consent of the members of the Company is required to sell/dispose of the undertaking/division of the Company by way of Ordinary Resolution. The Directors recommended this resolution for approval of the Share Holders as Special Resolution.

None of the Directors are interested in the Resolution.

ITEM NO.7.

This item relates to the change in the Main Object clauses of the Memorandum of Association of the Company. Your Directors are actively considering the diversification plans to commence the business of Information Technology covering the Software development, INTERNET, & other related activities. As the existing Main Object Clause does not cover the above activities it is proposed to amend the Main Object Clause A of the Memorandum of Association of the Company by inserting the above clause.

As required Under Section 17 of the Companies Act, 1956 consent of the Members of the Company are required by way of Special Resolution. The Directors recommend this resolution for approval of the Share Holders as Special Resolution. None of the Directors are interested in the Resolution.

ITEM NO.8.

As your Directors have recommended under Item No.7 of the Notice for amendment in the Main Object Clause of the Memorandum of Association, the necessary powers Under Section 149 (2A) of the Companies Act, 1956 are required to commence the business. The Members of the Company are requested to approve the resolution by way of Special Resolution, if Item No.7 of the notice is approved.

None of the Directors are interested in the Resolution.

ITEM NO.9.

The board proposes to invest a sum not exceeding Rs.3,00,00,000/- (Rupees Three Crores Only) by way of subscription and /or purchase or otherwise in the shares/convertible debentures (Fully/Partly Paid) in any body corporate in India or abroad in any existing/newly incorporated company either wholly owned or as joint venture notwithstanding that such investment togetherwith the Company's existing investment in subsidiaries shall be in excess of limits prescribed in Section 372 of the Companies Act, 1956. As the proposed investment by the Company may be in excess of limits prescribed, approval of the Members of the Company is required. The Directors recommend this resolution for approval of the share holders as a special resolution.

None of the Directors are interested in the Resolution.

By order of the Board
For Cranex Limited

(A. Gupta)
Company Secretary

Place : New Delhi
Dated : 7th April, 1999