

CRANEX LIMITED

Regd. Off. :

9 DDA MARKET, KATWARIA SARAI,
NEW DELHI-110016.

Phone : 914-771146 Fax : 914-771982



26th Annual Report 2000

BOARD OF DIRECTORS

CHAIRMAN-CUM-MG.DIRECTOR - Shri S.C. Agrawal

DIRECTORS

- Dr. Sudhir Kaicker PhD
- Mr. R.N. Vazir
- Mr. Anil K Jain.

COMPANY SECRETARY - Mr. A. Gupta

AUDITORS - P.D. Mittal & Co.
Chartered Accountant
70, Daryaganj, New Delhi.

REGISTERED OFFICE 9, DDA MARKET
KATWARIA SARAI
NEW DELHI - 110 016

ADMINISTRATIVE OFFICE 57/1, Industrial Area
Site-IV, Sahibabad-201 010
(Ghaziabad) U.P.
Phone : 91-4771146

BANKERS Standard Chartered Bank
17, Parliament Street
New Delhi-110 001

China Trust Commercial Bank
Janpath, New Delhi - 110 001.

Syndicate Bank
Sahibabad - 201 010.



NOTICE

Notice is hereby given that the 26th Annual General Meeting of CRANEX LIMITED, will be held at IMA House (Indian Medical Association), Near ITO, New Delhi - 110002, on Thursday the 3rd day of August 2000 at 4 P.M. to transact the following business:-

1. To consider and adopt the Director's Report, Profit & Loss A/C and the Audited Balance Sheet for the Year ended 31st March 2000 & Auditor's Report thereon.
2. To consider and approve the re-appointment of Mr. R.N. Vazir, being eligible, offers himself for re-appointment.
3. 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 :

4. TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATIONS, BY WAY OF ORDINARY RESOLUTION :

"RESOLVED THAT Dr. Sudhir Kaicker, who was appointed as an Additional Director of the Company, pursuant to section 260 of the Companies Act 1956, at the Board Meeting held on 29.6.2000 be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATIONS, BY WAY OF ORDINARY RESOLUTION :

"RESOLVED THAT Mr. Anil Kumar Jain who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act 1956 at the Board Meeting held on 29.6.2000 be and is hereby appointed as a Director of the Company."

6. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of section 81/81A and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or enactment thereof, for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges where shares of Company are listed and subject to such approvals, consents, permissions, and/or sanctions as may be required from the Securities and Exchange Board of India (SEBI) and from any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "concerned authorities" and subject to such conditions, if any, as may be stipulated by the concerned authorities from time to time in granting any such approvals, consents, permissions, or sanctions, the Board of Directors of the Company, (hereinafter referred to as the "Board") which term shall be deemed to include and/or a duly authorized Committee thereof for the time being exercising the powers conferred on the Board), be and is hereby authorised and empowered and they shall always be deemed to have been so authorised and empowered on behalf of the Company to create, offer, issued and allot equity shares with or without detachable or non detachable warrants and/or any securities convertible into equity shares whether optionally or otherwise and/or securities linked to equity shares fully/partly convertible debentures or any other securities as may be permitted to be issued under law for the time being in force or any amendments thereto from time to time (hereinafter referred to as "securities") for cash and or for payments due to be made by the company in cash for goods purchased and/or services received or in any kind whatsoever as may be decided by the Board upto an aggregate amount not exceeding Rs.50 Crores (Rupees Fifty Crores) (Inclusive of such premium, as may be fixed on such securities), to all or any of or more combinations of members/shareholders, promoters, Directors, Development Financial Institutions, Banks Indian Mutual Funds, Foreign Institutional Investors whether registered with SEBI or not (Including Non Resident Indians, Foreign Nationals and Overseas Corporate Bodies) permanent employees and or workers of the Company (Including Indian Working Directors) Indian Public, Creditors of the Company and or any other categories or persons, institutions, authorities or sections or otherwise, whether or not such investors are members of the Company, through a prospectus and /or letter of offer and/or on a Private Placement Basis, and/or by way of Preferential Allotment, and at such time or times and at such price or prices and in such manner and in such number as deemed proper and expedient and conditions, including as to security, rate of interest, payment of dividend conversion and other matters, rights and privileges as may be decided by the Board in its absolute discretion and in the best interest of the Company at the time of such offer, issued or allotment.



FURTHER RESOLVED THAT the Equity Shares arising out of conversion of the securities issued and allotted as aforesaid shall be subject to the Memorandum and Articles of Association of the Company and they shall rank pari passu in all respects with the existing Equity Shares of the Company except that they shall be entitled to dividend, if any, which may be declared or paid for the financial year in which they are allotted, which will be in proportion to the amount paid up on the Equity Shares and prorata for the period commencing from the date following the date of allotment till the end of the financial year of the Company.

FURTHER RESOLVED THAT in the event of any Equity Shares being issued against the securities, this resolution shall be deemed to have authorised the Board or Committee of Directors in terms of section 81/ 81(A) and other applicable provisions of the Companies Act, 1956 as amended from time to time to offer, issue and allot as many Equity Shares of the Company as are required for the purpose and on such terms as the Board or Committee may in its sole discretion deem proper and expedient.

FURTHER RESOLVED THAT the Board be and is hereby authorised to make on its own accord or to accept such amendments modifications, variations, and alterations, as Securities and Exchange Board of India (SEBI) or Stock Exchanges and or Institutions and or bodies and/or any other authority may stipulate in that behalf and to amend, recalculate, modify, vary or alter all or any of the terms of the issue including its size and timing.

FURTHER RESOLVED THAT the Board be and is hereby authorised to enter into and execute any Agreements/ Arrangements or documents with any Lead Manager, Manager, Underwriter and with any other body with regard to such issue offer of securities and to remunerate them on such issue including by way of payments of commission, brokerage, fees or the like.

FURTHER RESOLVED THAT for the purpose of giving effect to all or any of the forgoing, the Board be and is hereby authorised to in its absolute discretion as the Board deems fit inter alia and from time to time to finalise the form of Prospectus, letter of offer, application forms etc. the price of securities and to make or carry out any alterations or modifications to the above and to accept and give effect to such alterations or modifications of the issue suggested or recommended by any of the concerned authorities or the Lead Manager or agency thereto requiring any further approval of the members and to do all such acts, deeds, matters and things as they may in their absolute discretion, consider necessary, expedient usual or proper or settle any question or remove any difficulty or doubt that may arise with regard to the terms and conditions of the issue including utilisation of the proceeds of the issue and further to do all such acts, deeds, matters and things and to execute all such deeds documents and writings as may be necessary, and desirable by the Board or such committee thereof as the Board may constitute in this behalf.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to execute the necessary documents and take all legal and procedural steps to give effect to the aforesaid decision."

By Order of the Board
For Cranex Limited

Place : New Delhi
Date : 29th June, 2000

A. Gupta
Company Secretary

Notes :

1. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is annexed and forms part of this notice.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 1st August 2000 to 3rd August 2000 (both days inclusive).
3. 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.
4. Members are requested to intimate to the Company change, if any, in their addresses registered with the Company, quoting their Folio Nos.
5. Members are requested to bring their respective copies of the notice and attendance slip to the meeting.
6. All documents referred to in the accompanying notice and the explanatory statement are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays and Holidays between 11.00 A.M. to 1.00 P.M. upto the date of Annual General Meeting.



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

ITEM NO.4 & 5

Mr. Anil Kumar Jain and Dr. Sudhir Kaicker, Ph.D were appointed as additional Directors of the Company on 29.6.2000. 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 Directors of the Company.

Dr. Sudhir Kaicker Ph.D is the head of the department of Computer Science at Jawaharlal Nehru University and is one of the most renowned and respected authorities on Information Technology.

The Board has recommended this resolution for approval of the Share Holders as Ordinary Resolution.

None of the Directors except Mr. Anil Kumar Jain & Dr. Sudhir Kaicker are interested in the Resolution.

ITEM NO. 6

The Company has focused its attention and energies on Information Technology. The company proposes to acquire existing Information Technology Companies abroad in USA, Europe and in India and set up Joint Venture/Subsidiaries/Branches abroad and in India, which requires large investments with prospective attractive growing returns.

Several Mutual Funds/FIIs have indicated their interest in acquiring Equity Shares of the Company at a premium if and when offered on Private Placement Basis.

As you may be aware that, the Company has entered into information Technology business which may be requiring expansion of Companies Capital to raise Long Term Funds. As the cost of funds against Capital participation is less than the borrowed Capital, it is proposed to raise the funds by way of Private Placement of Security.

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

To meet the long term requirements of the Company and to finance the Information Technology business of the Company, it is proposed to offer the securities on Private Placement on preferential basis to suitable buyers including financial institutions, mutual funds, private capital funds, banks, promoters, non resident Indians, OBCs, foreign nationals and their associates, friends, relatives, business associates or other persons to the extent of Rs. 50 Crore (Rupees Fifty Crore) inclusive of such premium as may be fixed on such securities either in cash or in kind. The Board of Directors at their meeting held on 29th June, 2000 have approved the proposal subject to the approval of members of the Company in a General Meeting. Therefore, the Board of Directors have recommended the resolution for the approval of members.

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

By Order of the Board
For Cranex Limited

A. Gupta
Company Secretary

Place : New Delhi
Date : 29th June, 2000



DIRECTORS' REPORT

To the Members,

CRANEX LIMITED, NEW DELHI.

Your Directors have pleasure in presenting this 26th Annual Report and Audited Accounts for the year ended 31st March 2000.

Financial Results :

This is in continuation of our effort to achieve the uniform accounting with that of Income Tax and the Companies Act, 1956, the Current Accounts of the Company have been prepared upto 31st March 2000 (Fifteen months). The financial results covering previous fifteen months are as under:-

	Current Period (15 months) 31.03.2000 (Rs. In Lakh)	Previous Year (15 months) 31.12.1998 (Rs. In Lakh)
Gross Revenue	359.28	552.89
Profit after Interest but before depreciation	78.35	72.85
Less Depreciation	37.86	33.50
Profit/Loss after Depreciation	40.49	39.38
Profit/Loss after Tax	40.49	39.38

Dividend

To fund the Information Technology business, which is expected to generate high profits, it is considered expedient to conserve the resources and transfer the profits to General Reserve. Hence your Directors do not recommend any dividend for the period ended on 31st March 2000.

Results of Operation

Due to economic recession in the capital goods industry, restructuring & re-engineering of the Company's various activities and division was taken up.

Software Division of the company which was catering only to the inhouse requirements, was separated out upgraded and made a full profit center.

This started yielding results from August'95 and in every quarter, thereafter the turnover & profitability recorded a substantial increase in turnover, profitability and profitability ratio.

Increase in Equity

During the financial year 1999-2000, to fund the Information Technology Division a sum of Rs.64,00,000 (Rupees Sixty Four Lakhs Only) was raised by private placement of Equity shares as per approval accorded by the share holders at the AGM held on 29th May 1999 which gave a start to the IT division which performed well and showed profit.

Directors

Your directors are happy to report that Dr.S. Kaicker Ph.D, head of the department of Computer Science at the Jawaharlal University - an aminant expert recognized all over the world, has joined the Board and the company will have the benefit of his vast experience & expertise.

Mr. A.K. Jain an experienced businessman has also joined the board and your Company will be benefited by his knowledge.

During the period under review, we wish to place on record that there was no change in the directorship of the Company. Mr. R.N. Vazir have been proposed to be reappointed as director and being eligible offers himself for re-appointment.