

# **30th Annual Report 2004-2005**



## **CRANEX LIMITED**

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**BOARD OF DIRECTORS**

<b>CHAIRMAN</b>	-	Shri S.C. Agrawal
<b>DIRECTORS</b>	-	Mr Anil K. Jain
	-	Mr Naresh K Jindal
	-	Mr M.C. Jain
	-	Mr Ashwini K. Jindal
<b>COMPANY SECRETARY</b>	-	Mr A. Gupta
<b>AUDITORS</b>	-	P.D. Mittal & Co. Chartered Accountant 70, Daryaganj, New Delhi-110002
<b>REGISTERED OFFICE</b>	-	9, DDA MARKET KATWARIA SARAI NEW DELHI-110016
<b>ADMINISTRATIVE OFFICE</b>	-	57/1/19, Industrial Area Site – IV, Sahibabad-201010 (Ghaziabad)U.P.
<b>BANKERS</b>	-	Vijaya Bank Defence Colony, New Delhi – 110024.

## NOTICE

Notice is hereby given that the 30th Annual General Meeting of CRANEX LTD will be held on Tuesday 24th May 2005 at 6 p.m. at DDA Community Hall Recreation Centre, B-XI, Vasant Kunj, New Delhi – 110 070, to transact the following business :

### AS ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the Audited Accounts of the Company for the period (15 months) ended 31st March, 2005 together with the Director's and Auditor's Report thereon.
2. To consider and approve the re-appointment of Mr Ashwini K. Jindal as Director of the Company, who being eligible, offers himself for re-appointment.
3. To reappoint M/s P.D. Mittal & Co, Chartered Accountants, as Auditors to hold office from the conclusion of this AGM until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### AS SPECIAL BUSINESS :

4. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Ashwani K. Jindal a Director of the Company, who retires by rotation and being illegible, offers himself for reappointment, be and is hereby reappointed as Director of the Company.

5. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION :

"RESOLVED THAT Mr. Piyush Agrawal, who was appointed as Additional Director of the Company pursuant to Section 260 of the companies Act 1956 at the Board meeting held on 29.01.2005, 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 AN ORDINARY RESOLUTION:

"RESOLVED THAT resignation of Mr. N. K. Jindal a director of the Co. be and is hereby accepted with a vote of thanks for the services rendered by him to the company.

7. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"RESOLVED THAT the Board be and is hereby authorised to refer the Company to the BIFR as the net worth of the Company as at 31st March 2005, is completely eroded and has become a Sick Company under the provision of the Sick Industrial Companies (Special Provisions) Act 1985 (SICA).

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, the Board or the Committee of the Board, specially constituted by the Board for the purpose or any person (s) whom the Board / the above Committee may nominate, to exercise its powers, including the powers conferred under the Resolutions, be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper and all action taken so far in this connection, be and are hereby ratified.

By order of the Board  
For CRANEX Limited

### Registered Office

9, DDA Market, Katwaria Sarai,  
New Delhi-110016  
21st April 2005

A. Gupta  
Company Secretary

**NOTES :**

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of this notice.
2. The Register of Members and the Share Transfer Books of the Company remained closed from 23rd March 2005 to 25th March 2005 (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. and Bank account details.
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**

Mr. Ashwini K. Jindal, an existing Director of the Company, retires by rotation and being eligible offers himself for re-appointment. The board has appreciated his services and approved his re-appointment. Hence this resolution is commended for your approval to be passed as an Ordinary Resolution.

None of the directors, except Mr. A. K. Jindal, are interested in this Resolution.

**ITEM No . 5**

Mr. Piyush Agrawal was appointed additional Director of the Company U/s 260 of the Companies Act 1956, on 29 January 2005 to hold office unit the date of the 30th Annual General Meeting.

The company has received notices from members of the Company signifying their intention to propose him as a Director of the Company. The Board of Directors have approved the candidature of Mr. Piyush Agrawal.

Hence this Resolution is commended for your approval to be passed as an Ordinary Resolution.

None of the Directors except Mr. Piyush Agrawal are interested in the Resolution.

**ITEM No . 6**

Mr. N. K. Jindal has been absent from the Board meetings frequently and now has tendered his resignation for personal reasons.

While appreciating his services the Board recommends acceptance of his resignation.

The Resolution is commended for your approval to be passed as an Ordinary Resolution.

None of the Directors except Mr. N. K. Jindal is interested in this Resolution.

**ITEM No . 7**

The Board of Directors AT THEIR MEETING HELD ON 21st April 2005, while approving the audited financial results of the Co. for the period ended 31st March 2005 (15 months) presented by their statutory auditors M/s P.D. Mittal & Co. have formed the opinion that the net worth of the Company is completely eroded and that as it is mandatory that the company makes a reference to the BIFR as required under the provisions of the Sick Industrial Companies (Special Provisions) Act 1985 (SICA) within the stipulated period, have made a reference to BIFR on the prescribed format.

The Audited financial results as on 31st March 2005 are to be the basis for this Reference.

The Resolution is commended for your approval to be passed as an ordinary Resolution.

None of the Directors of this Company are interested in the resolution except to the extent of their shareholding.

By order of the Board  
For CRANEX Limited

**Registered Office**

9, DDA Market, Katwaria Sarai,  
New Delhi-110016  
21st April 2005

**A. Gupta**  
Company Secretary



## DIRECTORS' REPORT

To  
The Members,  
CRANEX LIMITED, NEW DELHI

Your Directors have pleasure in presenting this 30th Annual Report and Audited Accounts for the period ended 31st March, 2005 (15 months).

### FINANCIAL RESULTS

	(Rs. in Lakh)	
	Current Year Ended (15 months) 31.03.2005	Previous Year (15 months) 31.12.2003
Gross Revenue	252.46	259.55
Profit before Interest & Depreciation	(-) 85.02	104.82
Interest	0.64	10.13
Profit after interest but before depreciation	(-) 85.66	94.69
Less Depreciation	25.21	12.86
Profit / Loss after Depreciation	(-) 110.87	81.83
Provision for Tax	NA	NA
Profit / Loss after Tax	(-) 110.87	81.83

### DIVIDEND

Keeping in view the present position of the company, your Directors do not recommend any dividend for the period ended on 31st March, 2005.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm:-

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
2. That the Directors 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 as on 31st March 2005 and of the Profit & loss account of the Company for the period ended on that date.
3. That the Directors 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.
4. That the Directors have prepared the annual accounts on a going concern basis.

### CORPORATE GOVERNANCE

report on Corporate Governance along with management Discussion and analysis as prescribed by theisting Agreement forms a part of the Annual Report -2003. A certificate from the auditors of the company is annexed to this report.

### DEPOSITS

The Company has not accepted any deposit pursuant to Sec. 58A of the Companies Act, 1956.

### PERSONNEL

During the year, the Company enjoyed cordial relations with the employees at all locations.

### RECTORS

in accordance with the requirements of the Companies Act, 1956 and the Company's Articles of Association, Mr. Aswini Kumar Jindal retires by rotation and being eligible offers himself for reappointment.

The Company has received notices from the members of the Company signifying their intention to propose Mr. Rishabh Agrawal as Director of the Company.



## AUDITORS

The Auditors, M/s P.D. Mittal & Co., Chartered Accountant, retire and being eligible, offer themselves for reappointment.

## ACKNOWLEDGEMENT

The Board acknowledges the understanding and support shown by all its employees, various Financial Institutions, Banks, Distributors, Customers, Suppliers and other business associates towards the conduct of the efficient operations of the Company.

For and on behalf of the Board of Directors

New Delhi, 21st April 2005

S.C. Agrawal  
CHAIRMAN

## ANNEXURE TO THE DIRECTORS' REPORT

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

### DISCLOSURES

#### A. Conservation of Energy

##### i) ENERGY CONSERVATION MEASURES TAKEN

The Company does not utilize Electricity significantly. However to have the uninterrupted flow of production, standby arrangements have been made by way of Gensets.

##### ii) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.

Nil

##### iii) IMPACT OF MEASURES AT (A) & (B) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS.

Due to interrupted supply of power the main power supply connection has not been utilized to the full and still minimum charges has to be paid and to that extent there is some wastage of resources.

##### iv) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION ARE AS FOLLOWS :

Worth	Rs. 6.73 Lakhs	(Rs. 3.94 Lakhs)
Consumption per Unit of Production	N.A.	

#### B. Technology Absorption

Research & Development (R&D)

- Specific areas in which R&D carried by the Company is in High-Tech Cranes and Passenger & Goods Elevator/Lifts.
- Benefits derived as a result of the above R&D.

The R&D programme is a continuous process and benefit to the Company will be available in the forthcoming years.

#### C. Foreign Exchange Earnings and Out Goings

Company has earned Foreign Exchange of Rs. 5,64,755 as against an outgo of Rs. 4,99,625 during the period under review.



## ANNEXURE TO DIRECTORS' REPORT

Information as per sub section (2A) of section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) rules 1975 your Directors confirm that the Company, had no employee with a salary of Rs. 1,00,000/- or more per month for any part of the year or Rs.12,00,000/- in aggregate if employed throughout the year and hence no separate schedule is attached and forming part of Directors' Report for the year ended 31-03-2005.

### CORPORATE GOVERNANCE REPORT

Your company has been practicing the principal of good Corporate Governance since inception. Good Corporate Governance comprises of all activities that result in the control of the Company in a regulated manner which makes management transparent, accountable and fair.

In accordance with clause 49 of the Listing agreement with the domestic stock exchanges and best practices followed internationally on Corporate Governance, the details of compliance by the Company are as under :

### PHILOSOPHY OF COMPANY ON CODE OF CORPORATE GOVERNANCE

The basic philosophy of the management of your Company has been to achieve excellence in order to augment shareholders' value.

### BOARD OF DIRECTORS

#### Composition

The Company has an Executive Chairman and the number of Independent Directors is more than one-third of the total required number of Directors. The Managing Director being the only Executive Director on the Board of Directors of the Company.

None of the Directors on the Board is a member on more than 10 committees and Chairman of more than 5 committees (as specified in clause 49) across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

The name and category of Directors on the Board, the number of Directorships and committee Memberships held by them, their attendance at the Board meetings held during the year and also at the last Annual General Meeting is given below:-

Name	No. of Board Meetings attended During 2004-05	Whether attended AGM held on 23.03.04	No. of Directorship(s)		No. of outside committee(s)	
			Public	Private	Member	Chairman
<b>Executive</b>						
Mr. S.C. Agrawal	10	Yes	NIL	NIL	NIL	NIL
<b>Non-Executive</b>						
Mr Anil K. Jain	10	Yes	NIL	NIL	NIL	NIL
Mr Naresh K Jindal	2	No	NIL	NIL	NIL	NIL
Mr M.C. Jain	8	Yes	NIL	NIL	NIL	NIL
Mr Ashwini K Jindal	9	Yes	NIL	NIL	NIL	NIL
Mr. Piyush Agrawal*	2	No	NIL	NIL	NIL	NIL

\* appointed with effect from 29th January 2005



**Information in cases of appointment or re-appointment of Directors as required under Listing Agreement is given as under:**

Particulars of the Directors seeking appointment /re-appointment are furnished below:

**Re-appointment :**

Mr. Ashwani kumar Jindal is a sitting member on the Board. He retires by rotation and being eligible, offers for re-appointment .

**New Appointment:**

Mr. Piyush Agrawal is a senior businessman and qualified engineer who joined the Board as Additional Director on 29th January 2005.

**AUDIT COMMITTEE**

The Board of the Company has constituted an Audit Committee on 06th January 2004 comprising of Non-Executive, Independent Directors. The Members of the Committee are well versed in finance & accounts/legal matters and general business practices. The Company Secretary acts as the Secretary of the Audit Committee.

The composition of the Audit Committee and the details of meetings attended by the members thereof are as follows:

Name of the Members	Category	No. of Meetings Attended
Mr. Anil Kumar Jain	Non-Executive Independent	4
Mr. M. C. Jain	Non-Executive Independent	4

During the year, the Committee has met 4 times, as against the minimum requirement of 3 meetings. The dates on which the audit Committee Meetings were held are as follows:

- 15th January 2004
- 28th April 2004
- 28th October 2004
- 29th January 2005

Necessary quorum was present at all these meetings.

The constitution of Audit Committee also meets with the requirements under section 292A of the Companies Act, 1956.

The terms of reference stipulated by the Board to the Audit Committee are as contained under clause 49 of the Listing agreement is as follows:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the Board focussing primarily on i) any changes in accounting policies and practices ii) major accounting entries based or exercise of judgement by management iii) qualification in draft audit report iv) significant adjustments arising out of audit v) the going concern assumption vi) compliance with Accounting standards vii) compliance with Stock Exchange and legal requirements concerning financial statements and viii) any related party transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.