



36th ANNUAL REPORT

2010 - 2011



BOARD OF DIRECTORS

CHAIRMAN & Mg. DIRECTOR

- Shri S.C.Agrawal

WHOLE TIME : Executive Director

- Shri Piyush Agrawal

INDEPENDENT DIRECTORS

- Shri Anil Kumar Jain
- Shri Ashwani Kumar Jindal
- Shri M.C.Jain

STATUTORY AUDITORS

- P.D.Mittal & Co.
Chartered Accountants
70, Daryaganj
New Delhi: 110 002

REGISTERED OFFICE

- 9, DDA Market
Katwaria Sarai
New Delhi - 110 016

PLANT & ADMINISTRATIVE OFFICE:

- 57/1, Industrial Area Site IV
Sahibabad: 201 010

BANKERS

- Syndicate Bank
Sahibabad - 201 010

NOTICE

Notice is hereby given that the 36th Annual General Meeting of CRANEX Ltd. will be held on Friday the 30th September 2010, at 3 PM at DDA Community Hall Recreation Centre, B-XI, Vasant Kunj, New Delhi 110 070, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Directors' Report, the Audited Financial Statements including Profit & Loss Account for the year ended 31st March 2011 and the Balance Sheet as at that date and the Auditors Report thereon.
2. To elect a Director in place of Mr. Ashwini Kumar Jindal who retires by rotation, and being eligible, offers himself for reappointment.
3. To reappoint Statutory Auditors, P.D. Mittal & Co, who being eligible offer themselves for reappointment, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. Appointment of Managing Director:

To consider and, if thought fit, to pass the following Resolutions, with or without modifications, as

ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 198, 269, 310, 311 and Schedule XIII and other applicable provisions of the Companies Act, 1956, consent be and is hereby granted to the appointment of **Shri Piyush Agrawal** as the Managing Director and CEO of the Company for a period of 5 years with effect from 1st October 2011 on the terms and conditions as to remuneration as set out in the appointment letter dated 20 May 2011 issued to Shri Piyush Agrawal subject to the approval of the Members, and placed before this meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner as the Board in its absolute discretion deems fit and acceptable to Shri Piyush Agrawal within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments, modifications, re-enactments, made thereof from time to time in this behalf.

5. Appointment of Whole Time Executive Director:

RESOLVED THAT pursuant to provisions of Sections 198, 269, 310, 311 and Schedule XIII and other applicable provisions of the Companies Act, 1956, consent be and is hereby accorded to the appointment of **Shri Chaitanya Agrawal** as a Whole Time Executive Director whose period of office is liable to determination by retirement of directors by rotation with effect from 1st October, 2011 on the terms and conditions as to remuneration as set out in the appointment letter dated 20 May 2011 issued to Shri Chaitanya Agrawal, subject to the approval of the Members, and placed before this meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner as the Board in its absolute discretion deems fit and acceptable to Shri Chaitanya Agrawal within the limits specified in Schedule XIII of the Companies Act, 1956 or amendments, modifications, re-enactments, made thereof from time to time in this behalf.

By order of the Board
For **Cranex Limited**,
Director

NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and on a poll, to vote instead of himself/herself and a proxy need not be a Member of the Company. The instrument appointing the Proxy to be valid, shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the Meeting.
2. Explanatory Statement of material facts pursuant to Section 173 of the Companies Act, 1956, for item no. 5 of the Notice is annexed hereto and forms part of the Notice.
3. Members/Proxies are requested to bring the attendance slip sent with the Annual Report duly filled-in for attending the Meeting. Members who hold shares in the dematerialised form are requested to indicate their DP ID & Client ID Numbers in the Attendance slip.
4. The register of Director's Shareholding maintained u/s 307 of the Companies Act, 1956, would be available for inspection by the members at the AGM.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 28th September 2010 to 30th September 2010 (both days inclusive)
6. For shares held in physical form, any change in address may be intimated immediately to the Company's share transfer division by quoting the Folio number(s).
However, for shares held in demat form, change in address, nomination, power of attorney etc. may be intimated directly to the member's DP.
7. Members seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
8. Shri Ashwini Kumar Jindal, Director, retires by rotation and being eligible offers himself for re-appointment.
9. The Information pursuant to Corporate Governance clause 49 of the Listing Agreement(s) is furnished in the statement of Corporate Governance and is a part of this Annual Report.
10. The statutory auditors of the company M/s P.D.Mittal & Co. have expressed their willingness for re-appointment as the company's statutory auditors and are eligible for the same.
11. Members are requested to consolidate multiple share certificate/multiple folios into one share certificate/one folio to save on the cost of dematerialising their share holdings.
12. Members are hereby informed that the copies of the Annual Report will NOT be distributed at the venue of the AGM and hence they are advised to bring their copies of the Annual Report, which are mailed by the Company to them at their registered address.

Annexure to Notice**EXPLANATORY STATEMENT AS REQUIRED BY Section 173(2) OF THE COMPANIES ACT, 1956,**

In Respect of Item No. 4

Information about appointees, Piyush Agrawal:

1. Background details:

Shri Piyush Agrawal, 58 years of age, graduated from Delhi University with Electrical Engineering as his main subject, has more than 30 years of extensive experience in India and abroad of crane design, manufacture and marketing.

2. Past Remuneration:

Ever since Reference was made to BIFR in the year 2000-01, Shri Piyush Agrawal has been devoting his full time to the management of the affairs of the Company but has not drawn a salary except a token pocket allowance of 10,000 per month till 2008 and Rs.15,000 per month there after, in view if the financial constraints of the Company.

Now that he has succeeded in turning around the Company's fortune by making the net worth of the Company positive, Board considers it only reasonable that he be paid his rightful salary.

3. Job Profile and suitability:

Looking at the overall past 10 years performance, and exposure and experience of Shri Piyush Agrawal in diverse areas and responsibility to be shouldered by him, he is suitable for the position.

4. Remuneration proposed: Rs. 1,25,000/- per month

5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of his origin).

Considering the size of the Company, the industry benchmark, experience of the appointee and the responsibilities to be shouldered by him, the proposed remuneration is commensurate with the remuneration paid to similar appointees in other companies.

6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Besides his proposed remuneration, Shri Piyush Agrawal does not have any pecuniary relationship with the Company. He is, however, son of Mr. S.C.Agrawal, Chairman of the Company.

In Respect of Item No. 5

Information about appointees, Chaitanya Agrawal:

1. Background details:

Shri Chaitanya Agrawal, 28 years of age, Commerce graduate, with MBA degree and 3 years experience in financial management, has been holding positions with Financial companies.

2. Job Profile and suitability:

The Company urgently needs a senior level Financial Controller to plan and manage growing needs of the Company. Shri Chaitanya Agrawal, with his exposure and experience is ideally suited to take up the responsibility.

3. Remuneration proposed: Rs. 50,000/- Per month

4. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person** (in case of expatriates, the relevant details would be w.r.t. the country of his origin).

Considering the size of the Company, the industry benchmark, experience of the appointee and the responsibilities to be shouldered by him, the proposed remuneration is commensurate with the remuneration paid to similar appointees in other companies.

6. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:**

Besides his proposed remuneration, Shri Chaitanya Agrawal Agrawal does not have any pecuniary relationship with the Company. He is, however, son of Mr. Piyush Agrawal, Director of the Company.

By order of the Board
For **Cranex Limited**
Director

Place : New Delhi

Dated: 05-09-2011

DIRECTORS REPORT

TO THE MEMBERS OF CRANEX LIMITED

Your Directors are happy to present the 36th Annual Report of the Company together with the Audited Accounts for the year ended March 31st 2011.

FINANCIAL RESULTS:

| | Current year ended (12 months) 31-03-2011 | (Rs in Lakhs) Prev. year ended (12 months) 31-03-2010 |
|--|---|--|
| 1. Gross Revenue | 1910.13 | 1861.32 |
| 2. Profit before interest & depreciation | 138.48 | (9.97) |
| 3. Interest (working capital) | 16.13 | 2.20 |
| 4. Profit after Interest but before depreciation | 122.35 | (12.17) |
| 5. Depreciation | 17.28 | 16.47 |
| 6. Profit/loss after depreciation | 105.07 | (28.64) |
| 7. Provision for tax | 44.33 | 0 |
| 8. Profit/loss after tax | 60.74 | (28.64) |

DIVIDEND:

Keeping in view the present financial position of the company, your Directors do not recommend any dividend for the year ended 31st March 2011.

PERFORMANCE:

Your Company has been able to achieve a higher Income of about 3% compared to previous year, and has been able to report operating profit due to better material cost management and more efficient utilization of resources.

BIFR :

In view of the profit generated during the year, net worth of the Company has become positive and suitable application is being made to BIFR for discharging the Company from the purview of BIFR.

SECRETARIAL AUDITOR:

You are requested to approve appointment of M/s Brajesh Kumar & Associates, practicing Company secretary, to act as company's Secretarial Auditors so that their Secretarial Audit Report could form a part of the company's Annual Report of next AGM.

MANAGEMENT DISCUSSIONS AND ANALYSIS:**OUTLOOK:**

Infrastructural and industrial growth in the country will need large number of EOT cranes, which is the core competence of the Company. Your Company is an old established manufacturer of such equipment and is a well recognized name in the Industry. Hence, the outlook looks very promising.

SUBSIDIARY:

The Company's wholly owned Subsidiary Company "Cranex International Inc.", in USA has reported a drop in profits due to the severe economic recession in USA and consequent reduction of revenue. The results of the Company for the year ended 31st December 2010 are annexed with this Annual Report.

DEMATERIALIZATION OF SHARES:

As the Members are aware, the Company's shares are in the compulsory demat mode facilitated through NSDL and CDSL. Your Directors earnestly appeal to all of you to Demat your shares of the company and derive the benefits of holding the shares in electronic form.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Sec. 217 (2AA) of the Company's Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. That in the preparation of the annual accounts for the year ended 31st March 2011, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
2. That the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that were 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 and of the profit or loss of your Company for the year under review.
3. That the Directors had 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 if, as and when they arise.

4. That the Directors had prepared the accounts for the year ended March 31st 2011 on a "Going Concern" basis.

CORPORATE GOVERNANCE:

Your Company is committed to the standards of Corporate Governance and in this direction has laid down well documented internal policies, procedures including Board and Committee procedures and practices in particular relation with Shareholders, Customers, Suppliers and Employees in order to enhance the long-term Shareholder value and maximize interest of all stakeholders.

Your Company has complied with the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance.

A detailed Report on Corporate Governance and a Certificate from the Auditors of your Company regarding the compliance of conditions of Corporate Governance and a Management Discussion and Analysis report have been attached to form part of the Annual Report.

DIRECTORS:

In accordance with the requirements of the Companies Act, 1956 and the Company's Articles of Association, Mr. Ashwani Kumar Jindal, Director of the Company, retires by rotation and being eligible offers himself for reappointment. Your directors solicit your approval for his reappointment as a director of the company.

PARTICULARS OF EMPLOYEES:

During the period under review, the company had no employee who are covered under section 217(2 A) Companies Act 1956.

FIXED DEPOSIT

During the year under review your company has not invited any deposits from the Public U/s 58 A Act of the Companies Act, 1956.

LISTING

At present the securities of the Company are listed at Bombay Stock Exchange. The company has paid the listing fees to Bombay Stock Exchange for the current year.

AUDIT COMMITTEE

Pursuant to the provisions of clause 49 of the listing agreement, the Company had constituted an Audit Committee of the Board of Directors consisting of three independent Non Executive Directors. Shri Anil K. Jain holds the office as Chairman of the Committee. During the year under review Shri Ashwani K. Jindal and Shri M.C. Jain were also the members of the Audit Committee.

The terms of reference stipulated by the Board to the Audit Committee are, as contained under Clause 49 of the Listing Agreement, i.e

- 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 on exercise of judgement by management, (iii) qualifications 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 i.e. 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 Company at large.

- d. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit functions.
- f. Discussion with internal auditors any significant findings and follow up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h. Discussion with external auditors before the audit commences nature and scope of audit as well as have post - audit discussion to ascertain any area of concern.
- i. Reviewing the Company's financial and risk management policies.

AUDITORS:

M/s P. D. Mittal & Co. Chartered Accountants the company's Auditors retire at the conclusion of this Annual General Meeting and being eligible offer themselves for reappointment which, if made, will be in confirmation with the provisions of Section 224 (1B) of Companies Act, 1956.

SECRETARIAL AUDITOR:

You are requested to approve appointment of M/s Brajesh Kumar & Associates, practising Company secretary, to act as company's Secretarial Auditors so that their Secretarial audit Report could form a part of the company's Annual Report of next AGM.

ACKNOWLEDGEMENT:

Your Directors commend the continuing commitment and dedication of employees at all levels. The Directors would also like to thank all other stakeholder, including bankers and other business associates, who have provided sustained support and encouragement. This has understandably, been critical for all the Company's success The Directors look forward to their continued support in the years to come,

On behalf of the Board of Directors
S.C.Agrawal
Chairman.

New Delhi
05-09-2011

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION PURSUANT TO COMPANIES (Disclosures of Particulars in Report of Board of Directors) Rules, 1988 forming part of the Report of the Directors:

A. Conservation of Energy:

1. The Company's requirement of electricity is not very large.
2. The Company does not utilize power supply from State Electricity Board.
3. To ensure continuous and need based requirements, your Company has, its own, in-house diesel generating sets.
4. To conserve electricity and save cost, different capacity D.G .sets are utilised as per actual load requirements
5. Your company is examining cost and utility of installing solar power units for use during no load requirements.
6. The total cost of power generation during the year has been Rs. 16,53,412 (previous year: Rs.12,91,238)

B. Technology Absorption:

The particulars regarding Technology Absorption are not applicable to Your Company However, your company is constantly improving its technology to match world standards which is reflected in the new orders being received from very quality conscious customers.

C. Foreign Exchange Earnings and Outgo:

1. The Company's Foreign Exchange earning during the year under review has been Rs. 6,16,922 (previous year Rs. 25,91,624).
2. The Company's foreign exchange outgo during the year has been NIL (previous year Rs. 12,600).

On behalf of the Board of Directors

S.C. Agrawal

Chairman

New Delhi

05-09-2011