



37th ANNUAL REPORT

2011 - 2012



BOARD OF DIRECTORS

CHAIRMAN & DIRECTOR	- Shri S.C.Agrawal
MANAGING DIRECTOR	- Shri Piyush Agrawal
WHOLE TIME : Executive Director	- Shri Chaitanya Agrawal
INDEPENDENT DIRECTORS	- Shri Anil Kumar Jain - Shri Ashwani Kumar Jindal - Shri M.C.Jain
COMPANY SECRETARY	- Shri Birendra Kumar
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 & ADM. OFFICE:	- 57/1, Ind. Area Site IV - Sahibabad: 201 010
BANKERS	- Syndicate Bank - Sahibabad: 201 010

NOTICE

Notice is hereby given that the 37th Annual General Meeting of CRANEX Ltd. will be held on Friday the 28th September 2012, at 12 P.M. at Vasant Vihar Club, Vasant Vihar, New Delhi 110 057, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Balance Sheet of the Company as at March 31st 2012 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To elect a Director in place of Mr. Maman Chand Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s P.D.Mittal & Co. Chartered Accountants Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office:

9, DDA Market, Katwaria Sarai,
New Delhi - 110 016,
Dated: 03rd September, 2012

By order of the Board
For **Cranex Limited**
Company Secretary

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. 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.
3. 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.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 27th September 2012 to 28th September 2012 (both days inclusive).
5. 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.
6. 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.
7. Shri M. C. Jain, Director, retires by rotation and being eligible offers himself for re-appointment.
8. 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.
9. 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.
10. 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.
11. 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.

Place : **New Delhi**
Dated: 03-09-2012

By Order of the Board
For **Cranex Limited**
Company Secretary

DIRECTORS REPORT

TO THE MEMBERS OF CRANEX LIMITED

Your Directors are happy to present the 37th Annual Report of the Company together with the Audited Accounts for the year ended March 31st.2012

FINANCIAL RESULTS

	(Amount in Rupees)
	Current year ended (12 months) 31-03-2012
	Prev. year ended (12 months) 31-03-2011
1. Gross Revenue	2046.55
2. Profit before finance Costs & Depreciation	111.02
3. Finance Costs	35.91
4. Depreciation	18.02
5. Profit/loss after depreciation	57.10
6. Extra ordinary Income	310.13
7. Provision for tax	33.70
8. Profit/loss after tax	333.54

The above figures have been regrouped/reclassified as necessary as per the Revised Schedule VI of the Companies Act, 1956. The financial figures given in the attached Balance Sheet and Profit & Loss A/c have also been regrouped/reclassified as necessary.

DIVIDEND

Keeping in view the present financial position of the Company, your Directors do not recommend any dividend for the year ended 31st March 2012.

PERFORMANCE

Your Company has been able to achieve a higher Turnover of about 10% compared to previous year. The Net Profit has gone up due to an Extraordinary Income of Rs 3.1 Crores realised due to a one-time gain from land development activities. However, there has been greater pressure on operating margins due to increase in input costs and lower selling prices arising from the economic slowdown and higher inflation. The Company reported higher Extraordinary Income arising from non-core business activities.

BIFR

The net worth of the Company had turned positive and the Hon'ble BIR has discharged the Company from the purview of BIFR accordingly.

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.

MANAGEMENT DISCUSSIONS AND ANALYSIS OUTLOOK

In spite of the economic slowdown, infrastructure and industrial growth still requires large number of cranes. Since

your Company is an old established manufacturer of such equipment, we are able to generate sufficient orders.

However, it may be kept in mind that due to the economic slow down in the country and overseas, the capital goods industry, which is the main line of your Company's business, is likely to be seriously affected. Your Company enjoys a special position in the crane industry and your Directors are trying their best to tide over the present downturn in infrastructural projects which are the main customers of capital goods.

SUBSIDIARY

The Company's wholly owned subsidiary Company "Cranex International Inc", in USA has reported a loss in the current year due to the continued severe economic recession in USA and consequent reduction of revenue. The results of the Company for the year ended 31st December 2011 are annexed in 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 2012, the applicable Accounting Standards have 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 2012 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. M. C. Jain, 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 under Section 58A 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 Exchanges 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 informed that the board re-appointed M/s Brajesh Kumar & Associates, practising Company secretary, New Delhi to act as company's Secretarial Auditors.

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

Place : **New Delhi**

Dated: 03-09-2012

Piyush Agrawal
Managing Director

Anil K. Jain
Director

ANNEXURE TO THE DIRECTOR'S 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 Diesel Generator 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. 24,21,333(previous year: Rs.16,53,412)

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. 3,07,095 (previous year Rs. 6,16,922).
2. The Company's foreign exchange outgo during the year has been Rs. 9,61,252 (previous year NIL)

On behalf of the Board of Directors

Place : **New Delhi**
Dated: 03-09-2012

Piyush Agrawal
Managing Director

Anil K. Jain
Director

ANNEXURE-I**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT
(Pursuant to Clause 49(IV) (F) of the Listing Agreement)****OUTLOOK**

In spite of the economic slowdown, infrastructure and industrial growth still requires large number of cranes. Since your Company is an old established manufacturer of such equipment, we are able to generate sufficient orders.

However, it may be kept in mind that due to the economic slow down in the country and overseas, the capital goods industry, which is the main line of your Company's business, is likely to be seriously affected. Your Company enjoys a special position in the crane industry and your Directors are trying their best to tide over the present downturn in infrastructural projects which are the main customers of capital goods.

CAUTIONARY STATEMENT

The statement forming part of the Directors' Report and "Management Discussion and Analysis" describing the Company's objectives, estimates, expectations, or projections may be "Forward Looking" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations, include Government regulations, patent laws, tax regime, economic developments within India and countries in which the Company conducts business, litigation and other allied factors.

On behalf of the Board of Directors

Place : **New Delhi**
Dated: 03-09-2012

Piyush Agrawal
Managing Director