



**34th ANNUAL REPORT**  
**2008 - 2009**

**CRANEX LIMITED**

## BOARD OF DIRECTORS

<b>CHAIRMAN &amp; Mg. DIRECTOR</b>	-	Shri S.C.Agrawal
<b>WHOLE TIME : Executive Director</b>	-	Shri Piyush Agrawal
<b>INDEPENDENT DIRECTORS</b>	-	Shri Anil Kumar Jain
	-	Shri Ashwani Kumar Jindal
	-	Shri M.C.Jain
<b>STATUTORY AUDITORS</b>	-	P.D.Mittal & Co.
	-	Chartered Accountants
	-	70, Daryaganj
	-	New Delhi: 110 002
<b>REGISTERED OFFICE</b>	-	9, DDA market
	-	Katwaria Sarai
	-	New Delhi: 110 016
<b>PLANT &amp; ADM. OFFICE:</b>	-	57/1, Ind. Area Site IV
	-	Sahibabad: 201 010
<b>BANKERS</b>	-	Syndicate Bank
	-	Sahibabad: 201 010

## NOTICE

Notice is hereby given that the 34th Annual General Meeting (AGM) of CRANEX Ltd. will be held on Tuesday the 29th. September 2009, 3 o'clock in the afternoon at 9, DDA Mkt, Katwaria Sarai, NewDelhi 110016, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Balance Sheet of the Company as at March 31<sup>st</sup>. 2009 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. Ashwin Kumar Jindal who retires by rotation and being eligible, offers himself for re-election.
3. To appoint M/s P.D.Mittal & Co., Chartered Accountants and Statutory 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..

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the directives of the Hon'ble BIFR, the Board of Directors of the company, be and are hereby authorised to prepare and submit a Revised Draft Rehabilitation Scheme to IDBI, the Operating Agency now appointed by the Hon'ble BIFR in place of PICUP.

By order of the Board  
For Cranex Limited  
Director

Place : New Delhi  
Dated: 01-09-2009

### 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. 4 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 25th. September 2009 to 29th. September 2009 (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 Ashwin, Kumar Jindal, Director of the company, 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 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 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.

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

##### ITEM No.4.

The Hon'ble BIFR had appointed PICUP as the Operating Agency (OA). However the Hon'ble BIFR during hearing, appointed IDBI as the Operating Agency (OA) replacing PICUP and asked the Company to prepare and submit a revised Draft Rehabilitation Scheme (DRS) to IDBI to enable them consider and submit a fully tied up DRS to the Hon'ble BIFR.

For grant of a Sanctioned Scheme (SS) by the Hon'ble BIFR, a fully tied up revised Draft Rehabilitation Scheme (DRS) has to be prepared in joint consultation with IDBI, the Operating Agency (OA) now appointed by the Hon'ble BIFR.

By Order of the Board  
for **Cranex Ltd.**  
Director

Place: **New Delhi**

Date: 01-09-2009

## DIRECTORS REPORT

### TO THE MEMBERS OF CRANEX LIMITED

Your Directors are happy to present the 34th Annual Report of the Company together with the Audited Accounts for the year ended March 31<sup>st</sup>.2009

#### FINANCIAL RESULTS:

	Current year ended 31 - 03 - 2009 (12 months)	(amount in rupees) Prev. year ended 31 - 03 - 2008 (12 months)
1. Gross Revenue	12,60,91,883	5,64,70,939
2. Profit before interest & depreciation	1,62,62,681	54,16,500
3. Interest (working capital)	6,31,005	2,74,226
4. Interest (Term Loan settlement PICUP)	0.00	56,01,352
5. Profit after Interest but before depreciation	1,56,31,676	(4,59,078)
6. Depreciation	4,84,419	13,19,602
7. Amortization of old P&M	1,16,07,394	0000000
8. Profit/loss after depreciation	35,39,863	(17,78,680)
9. Fringe benefit tax	92,705	74,281
10. Provision for tax	NA	NA
11. Profit/loss after tax	34,47,158	(18,52,961)

#### DIVIDEND:

Keeping in view the present financial position of the company, your Directors do not recommend any dividend for the year ended 31<sup>st</sup>.March 2009.

#### PERFORMANCE:

Your Company has recorded an increase of +119.49 % in turnover for the year over the previous year. For replacement of old plant and machineries, a sum of Rs.1,16,07,394 has been provided for amortization.



### **BACKGROUND OF REFERENCE TO BIFR**

Your company, manufacturing EOT Cranes was profitable till the year ended 31st March 2000. In the year 1998, it ventured into a new project to manufacture Stainless Steel Wires, at its Sahibabad unit, to manufacture wire ropes required for its marine cranes. This project, however, failed causing very heavy losses. To meet pressing demands of creditors, all unencumbered assets had to be sold

The net worth of the Company became negative and under statutory provisions of SICA, reference was made to the Hon'ble BIFR in January 2002 where it was registered as case No. 112/02 and again next year as case No. 167/03

The Hon'ble BIFR appointed PICUP as the Operating Agency (OA) who were the only Secured Creditors, with directions to prepare a Draft Rehabilitation Scheme (DRS) As the Company paid off PICUP under an OTS, the Hon'ble BIFR appointed IDBI as the Operating Agency (OA) in place of PICUP and directed to prepare a revised DRS.

### **FUTURE OUTLOOK**

The revised DRS, envisages reduction of capital by 90 % adjusting part of the accumulated losses, and issue of fresh new 29,00,000 Equity Shares of Rs. 10/-each and allotment on Preferential basis making up the new Fully Paid up Equity of the Company Rs.350 lacs only, will be submitted to IDBI for their scrutiny and preparation of a Fully tied-up scheme for submission to the Hon'ble BIFR. After the revised scheme is Sanctioned by the Hon'ble BIFR, your company will be out of BIFR and will be able to get need based finance from banks and be able to grow to its full potential

### **SUBSIDIARY**

The Company's Wholly Owned Subsidiary Company "Cranex International, Inc, in Virginia (U.S.A) has been working satisfactorily and has reported good results. However, audited results have not yet been received for the year ended 31<sup>st</sup>. Dec 2008. The provisional details required under Section 212 of the Companies Act, 1956 has been enclosed herewith 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 31<sup>st</sup> March 2009, 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 31<sup>st</sup>.2009 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. Ashwin 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 Exchanges for the current year. Action for de-listing from Delhi Stock Exchange has been taken as approved by you in the last AGM.

## **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.

## **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.

New Delhi  
01-09-2009

On behalf of the Board of Directors

(S.C.Agrawal)  
Chairman.

**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 our 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. 10,03,500  
(previous year: Rs.9,24,300)

**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. 17,04,634 (previous year Rs. 86,54,992).
- 2 The Company's foreign exchange outgo during the year has been Rs. 60,24,251 (previous year Rs. 1,78,266)

New Delhi  
01-09-2009

On behalf of the Board of Directors

(S.C.Agrawal)  
Chairman

## MANAGEMENT DISCUSSIONS & ANALYSIS:

### FUTURE GROWTH PLAN

#### 1. FINANCIAL RE-STRUCTURE

- (a) Subject to orders of the Hon'ble BIFR, the company proposes to de-rate the existing share capital of Rs.600 lacs comprising of 60,00,000 ordinary shares of Rs.10/- each by 90 % bringing down the share capital from Rs.600 lacs to Rs.60 lacs only comprising of 6,00,000 shares of Rs.10/-each by part adjustment of Rs 540 lacs towards accumulated losses
- (b) Issue of fresh capital of Rs.290 lacs and allotment of new shares on Preferential basis, bringing up the Paid-Up capital of the company to Rs.350 lacs only.

#### 2. OPORTUNITIES & THREATS

- (a) Crane manufacturing Industry, which is the main business of the Company, is poised for extensive growth. Cranes are required by all industries for new expansion/ and new installations besides replacement of old outdated cranes.
- (b) Your Company, having an excellent track record of past 32 years of producing highest standard of Cranes for Defence and other Govt Projects, got very encouraging response from satisfied customers and has got confirmed orders on hand for the current year's estimated production.
- (c) Subject to sanction of the Revised Rehabilitation Scheme by the Hon'ble BIFR, the Company is poised to focus on its core competence of manufacture of EOT Cranes and has plans for expansion of its product capacity which is expected to substantially increase its turnover and profitability.
- (d) The management has taken several cost cutting measures and the result thereof is expected in the coming years and will enable your company to offer competitive bids and enable it to bag large orders.
- (e) However, the orders are dependant on Govt requirements and expansion plans of industry.

#### 3. FINANCIAL PERFORMANCE

Financial performance is expected to improve by the proposed steps

#### 4. OUTLOOK

The company remains determined in its objective to practice the path of profitable and Sustained growth maximising operational efficiencies and striving to attain the highest standards of quality, safety and productivity to increase share holders value.

#### 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.

For and on behalf of the Board of Directors

New Delhi  
01-09-2009

S.C. Agrawal  
Chairman.



## COMPLIANCE REPORT ON CORPORATE GOVERNANCE

### 1. CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY: Good Corporate Governance refers to a system that entails transparency, fairness, accountability and integrity. The Company is committed to transparency in all its dealings and places uncompromising emphasis on integrity and regulatory compliance. The Company's philosophy on Corporate Governance is proactively meeting its obligations to its Shareholders and creating goodwill with all its stakeholders.

#### Board of Directors

The Board of Directors comprises of two whole time Directors , one being the Managing Director and the other a whole time Executive Director while the other three are Independent Professional Directors. The matters are placed before the Board for their consideration and approval as specified under Annexure 1 of the Listing Agreement.

The composition of the Board of Directors as at 31.3.2009 is as under:

Name	Category
1. Mr. S.C. Agrawal	Chairman & managing Director
2. Mr. Piyush Agrawal	Whole Time Executive Director
3. Mr. Anil K. Jain	Non-Executive, Professional Independent Director
4. Mr. Ashwini K. Jindal	Non-Executive, Professional Independent Director
5. Mr. M.C. Jain	Non-Executive, Professional Independent Director

#### Notes :

- a) None of the Directors of your Company is a Member or Chairman of outside Committees of Companies in which they are Directors.
- b) None of the Directors of your Company is holding position of Directorship of other outside company...
- c) No director is related to any other Director on the Board except Mr. S.C. Agrawal and Mr Piyush Agrawal who are related to each other.

#### BOARD MEETINGS

The Board of Directors met 7 times during the year under review as against the minimum requirement of 4 times. The dates, place and the number of directors present at the meetings therein are mentioned below:

Sl. No.	Date of the Board Meetings	Place of Meeting	No. of Directors	Attendance
1.	28-04-2008	57/1, Site-iv, Industrial Area, Sahibabad	5	5
2.	7-06-2008	-Do-	5	5
3.	31.07-2008	-Do-	5	5
4.	19-08-2008	-Do-	5	5
5.	21-10-2008	-Do-	5	5
6.	28-01-2009	-Do-	5	5
7.	25-02-2009	-Do-	5	5

The Attendance record of the Directors at the Board Meetings held during the year under review and the last Annual General Meeting is as under: Further the Non Executive Directors are paid sitting fees as Rs 5000/- annually instead of each meeting of the Board of Directors. Managing Director and Whole time Directors are not entitled for any sitting fees.

Name of the Directors	Number of Board Meeting held while holding the office	Number of Board Meeting attended while holding the office	Attendance at the last AGM	Seetings fees paid (Rs.)
1. Mr. S.C. Agrawal	7	7	Yes	None
2. Mr. Piyush Agrawal	7	7	Yes	None
3. Mr. Anil K. Jain	7	7	Yes	Yes
4. Mr. Ashwini K. Jindal	7	7	Yes	Yes
5. Mr. M.C. Jain	7	7	Yes	Yes

Apart from sitting fees for attending Board meetings, no other fees/compensation is paid to the Non Executive Directors.

#### Code of Conduct

The Board of Directors of your company have laid down a Code Of Conduct (the code) applicable to all Board and Senior Management personnel of your company. A declaration from the CEO of your company to the effect that all Board Members and Senior Management personnel of your company have affirmed compliance with the code, forms a part of this report. The Code has been posted on the website of your company - [www.cranexltd.com](http://www.cranexltd.com).

#### DECLARATION

As provided under Clause 49 of the listing Agreement with Bombay Stock Exchange, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 2009

New Delhi  
01-09-2009

S.C. Agrawal  
Chairman

#### II. AUDIT COMMITTEE

The Audit Committee comprises of three Independent Non-Executive Directors. During the year Shri Anil Kumar Jain with extensive financial and accounting knowledge, was Chairman of the Audit Committee. The Audit Committee covers all the functions envisaged under section 292A of the Companies Act as well as clause 49 of the Listing Agreement. The meeting of Audit committee were held on 28-01-'08; 21-10-'08; 28-01-'09; 25-02-'09. Company is not paying any sitting fees for attending the meeting of Audit Committee. The terms of reference stipulated by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement are given as apart of Directors report .

The Constitution of the Committee and the attendance of each member of the Committee is given below:

Name of the Member	Number of Meetings	
	Held	Attendeant
Shri Anil J. Jain (Chairman)	4	4
Shri Ashwani K. Jindal	4	4
Shri M.C. Jain	4	4



### III. SUBSIDIARY COMPANIES

Your company has a Wholly Owned Subsidiary Company incorporated in the State of Virginia (USA) as "Cranex International Inc."

However your company does not have any Subsidiary Company in India..

### IV DISCLOSURES

- (A) Basis of related party transaction Company had not entered into any transactions with related parties as defined under Accounting Standard AS-18.
- (B) Disclosure of Accounting treatment Your company has followed relevant Accounting Standards while preparing the financial statements.
- (C) Risk Management Your Company is aware of the risks associated with the business. It analyses the various risks and is taking corrective action for mitigating/ managing the same. The company has also laid down procedures to inform Board members about the risk assessment and minimization procedures.
- (D) Proceeds from public issues, right issues, preferential issues etc. During the year under review, your company did not raise any funds by way of public, rights, preferential issue.
- (E) Remuneration and pecuniary relationship/ transactions of Non –Executive Directors with the company. Apart from sitting fees that are paid to Non Executive Directors for attending Board meeting, no significant material transactions have been made with the non-executive Directors vis-à-vis the company
- (F) Details of Directors shareholding in the Company as on 31.3.2008

Name of the Director	Name of shares
1. Mr. S.C. Agrawal	4,76,500
2. Mr. Piyush Agrawal	4,41,434
3. Mr. Anil K. Jain	Nil
4. Mr. Ashwini K. Jindal	Nil
5. Mr. M.C. Jain	Nil

### G. Management

The Management Discussion and Analysis Report forms part of the Annual Report and is in accordance with the requirements laid out in Clause 49 of the Listing Agreement. No material transactions has been entered into by the company with the Promoters, Directors or the Management etc that may have a potential conflict with interest of your company. Senior Management and the Non-executive Directors had made disclosures to the Board of Director of the company that during the year under review, they had no material financial transactions with the company where there personal interest may conflict with the interest of the company.

### H. Shareholders

In case of appointment of new director or reappointment of director, the shareholders are provided details of Directors along with the Notice convening the ensuing AGM.

### Shareholders'/Investors' Grievance Committee

The Company has constituted a Committee of the Board under the Chairmanship of Ashwini K.Jindal Independent Non Executive Director to specifically look into the redressing of shareholders and investors complaints such as transfer of shares, non-receipt of balance-sheets etc. The above committee attends to the share transfer and demat formalities generally once a month .. During the Year 2007-2008, 4 meetings of the committee was held. The company has also entered into a comprehensive agreement with Share transfer Registrars to attend and coordinate with the Depositories NSDL & CDSL for the purpose of demat of shares of shareholders of the company.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Share Transfer Committee of the Company had been reconstituted as Shareholders' Grievance Committee.

The Investors' Grievance Committee shall have the following role, functions and responsibilities:

- (i) To look into and supervise the redressal of shareholders'/Investors' Complaints.
- (ii) To oversee the performance of the Registrars and Share Transfer Agents and recommend measures for overall improvement of the quality of investor services.

- iii) To consider and approve transfer of shares, transmission of shares, dematerialisation of shares, transposition of shares, issuance of duplicate share, deletion of names, splitting and consolidation of shares, etc.

The Committee consists of the following Directors:

- |    |                        |                   |
|----|------------------------|-------------------|
| 1. | Shri. Ashwani K.Jindal | Chairman/Director |
| 2. | Shri Anil K. Jain      | Member/Director   |
| 3. | Shri M.C.Jain          | Member/Director   |

During the year under review company had received 12 letters from the shareholders regarding change of address, non receipt of balance sheet, transfer of shares, loss of share certificates etc. which were duly taken care of by the company and as on 31<sup>st</sup> March there were 6 complaints pending with the Company which related to forged/duplicate physical shares lodged for transfer..

There has been no instances of no non-compliance by the company on any matter related to capital markets during the year under review and hence no penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority .

The company shares are compulsorily traded and delivered in the dematerialised form at Bombay Stock Exchange The equity shares of the company have been admitted with National Securities Depository Limited and Central Depository Services (I) Ltd

#### Management Committee:

- The Management Committee comprises of Mr.Anil K.Jain , who is the Chairman of the Committee and Mr. Ashwani K Jindal. Mr.S.C.Agrawal and Mr. Piyush Agrawal are permanent invitees to the committee apart from such invitees from time to time. Mr. Ajaya Pradhan is the Secretary of the committee.
- The terms of reference of the Committee are laid down by the Board.
- The agenda for each of these meeting cover the Production, Sales, Operation, Finance, HR and corporate affairs of the Company.
- The meeting is held once in three months or more often as and when required.
- The detailed Agenda with notes are circulated well in advance and detailed discussions are held.
- The Committee takes on record the detailed compliance confirmation on the various applicable legislations to the Company placed by the Company Secretary .

#### Adoption of non –mandatory compliance .

- The Statutory financial statements of your company of your company are unqualified.
- Apart from the above, your company has constituted a Remuneration Committee of the Board comprising of Two Independent Non-executive Directors namely, Shri Anil .K.Jain , & Shri Ashwani K.Jindal . Shri. Anil .K.Jain holds the position as Chairman of the committee.

#### The terms of reference of the Remuneration Committee consists of the Following:

- To determine and recommend to Board, compensation payable to Executive Directors, Managing Director & Whole time Directors.
- To formulate & administer the Company's Employee Stock Option Programs from time to time.

Keeping in view the requirements of the Schedule XIII of the Companies Act 1956 as amended and requirements of clause 49 of the listing agreement for appointment and payment of remuneration to Managing Director and Whole Time Directors , it requires the approval of the Remuneration Committee formed by the company for taking the necessary decisions. During the year under review, committee had their meeting on 21.10.2008.

#### Details of remuneration paid during the year ended on 31.3.2008 is as follows:

	Managing Director	Whole time Director
Salary	1,80,000	1,80,000
Benefits(Rents)	----	----
Bonus	----	----
Stock Options	----	----
P.F	nil	nil
Gratuity (Provision)	nil	nil

## V. CEO CERTIFICATION

The Chief Executive Officer have certified to the Board that:

On the basis of the review of the financial statements and the cash flow statement for the financial year, ending 31<sup>st</sup> March, 2009 and to the best of my knowledge and belief that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of his knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2009, which are fraudulent, illegal or violative of the Company's code of conduct.
4. He accepts responsibility for establishing and maintaining internal controls & have evaluated the effectiveness of the internal control systems of the Company and further have disclosed to the auditors and the Audit Committee those deficiencies, of which he was aware, in the design or operation of the internal control systems and that required steps have been taken to rectify these deficiencies.
5. I, further certify that
  - (a) there have been no significant changes in internal control during this year
  - (b) there have been no significant changes in accounting policies during this year
  - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

**S.C.Agrawal**  
(Chief Executive Officer / Managing Director)

## VI General Body Meetings

- 1 Location and time for last three Annual General Meetings were:

Nature of Meeting	Date and Time	Venue
31st AGM (12Mths)	31st August 2006, at 10.30 am	IMA House, ITO, New Delhi
32nd AGM (12Mths)	28th September 2007, at 02.00 pm	9, DDA Mkt. Katwariasarai New Delhi
33rd AGM (12Mths)	30th November 2008, at 11.00 am	9, DDA Mkt. Katwariasarai New Delhi

No Special Resolution was adopted nor any resolution was required to be passed through postal ballot last year.. During the year under review, no Extra-Ordinary General Meeting (EGM) of shareholders was convened.

## VII. Means of Communication

The Company communicates with the shareholders at large through its Annual report and financial results are made available on your company website : - [www.cranexltd.com](http://www.cranexltd.com)

### General Shareholder's Information

#### (a) Annual General Meeting

Date and Time:

Venu

Financial Year of the Company

29th September 2008 at 3 P.M.

9, DDA Mkt. Katwariasarai, New Delhi 110 016

From 1<sup>st</sup> April to 31<sup>st</sup> March

- (b) Financial Calendar (Tentative) – Results for quarter ending**
- Financial reporting for
- |  |                    |
|--|--------------------|
| Quarter ending June 30 <sup>th</sup> , 2009 :    | End of July, 2009  |
| Quarter ending September 30 <sup>th</sup> , 2009 | End of Oct., 2009  |
| Quarter ending December 31 <sup>st</sup> , 2009  | End of Jan., 2010  |
| Year ending March 31, 2010                       | End of April, 2010 |
- (c) Date of Book Closure** 25th Sept' 09 to 29th Sept;09  
(both days Inclusive)
- (d) Registered Office** 9, DDA market, Katwaria Sarai, New Delhi  
110016
- (e) Dividend Declaration** Company has not declared dividend during the year
- (f) Equity Shares of the company are listed on the following stock exchange and the trading code allotted by the stock exchange is given below :**

THE STOCK EXCHANGE MUMBAI  
PHIROZE JEEJEEBHOY TOWERS  
DALAL STREET  
MUMBAI-400 001

BSE Code: 22001

Listing Fees for Bombay Stock exchange Ltd have been paid for the year 2008-2010 as per the Listing Agreement with the Stock Exchange.

- (g) Registrar & Share Transfer Agents**

Share transfer & demat & remat of shares and communication regarding issue of duplicate share certificates, change of address, nominations, splitting of shares et
--

INTIME FINANCIAL & COMPUTER SERVICES (P) LTD
--

- (h) Share Transfer System**  
Share transfer requests received in physical form with Demat requests are registered within an average period of ten days from the date of receipt. Share transfer requests received in physical form without demat request are registered within an average period of fifteen days.
- (I) Distribution of Shareholding**  
Distribution of shareholding as on 31-03-2009

## DISTRIBUTION SCHEDULE

## CRANEX LIMITED

CLOSING DATE : 31/03/2009

BENPOS DATE : 31/03/2009

DATE : 31/03/2009

Shares holding of nominal value of		Share holders		SHARE AMOUNT					
Rs.	Rs.	Number	% to total	Physical (In Rs.)	Nsdl Demat (In Rs.)	Cdslt Demat (In Rs.)	Total (In Rs.)	% to total	
Upto	2,500	1780	44.169	6000	1605880	436340	2048220	3.414	
2,501	5,000	922	22.878		2949670	920720	3870390	6.451	
5,001	10,000	617	15.310	22000	3976640	1541800	5540440	9.234	
10,001	20,000	312	7.742	20000	3399780	1651710	5071490	8.452	
20,001	30,000	139	3.449		2468740	1201960	3670700	6.118	
30,001	40,000	41	1.017		1113390	394550	1507940	2.513	
40,001	50,000	61	1.514		2045500	915010	2960510	4.934	
50,001	1,00,000	82	2.035		4080510	2008040	6088550	10.148	
1,00,001	& Above	76	1.886	9806980	16865760	2569020	29241760	48.736	
<b>**TOTAL**</b>		<b>4030</b>	<b>100.000</b>	<b>9854980</b>	<b>38505870</b>	<b>11639150</b>	<b>60000000</b>	<b>100.000</b>	
							No. of Shares in Physical form	10,07,800	16.80%
							No. of Shares in Electronic (Demat ) Mode...	49,92,200	83.20%
								<b>60,00,000</b>	<b>100.00%</b>

## j) Liquidity

Shares of Cranex Ltd are actively traded at Mumabi Stock Exchange. The trading volumes of the shares of the company at Mumabi Stock Exchange per the information available is as follows Market Price High & Low (in Rs), and Trading Volume , during each month from April 2008 to March 2009 :

Scrp Code:522001 Company: Cranex For the Period:April 2008 to March 2009

Month	Open Price	High Price	Low Price	Clsoe Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread (Rs.)	
								H - L	C - O
April 2008	3.85	4.50	3.51	4.24	89823	240	356,192.00	0.99	0.39
May 2008	4.12	5.78	4.12	4.68	92559	286	457,461.00	1.66	0.56
June 2008	4.45	4.70	3.52	3.52	86263	265	339,728.00	1.18	-0.93
July 2008	3.50	3.70	2.92	3.12	93554	315	291,969.00	0.78	-0.38
August 2008	3.20	3.72	2.66	3.18	75593	249	237,372.00	1.06	-0.02
September 2008	3.40	4.87	3.15	3.85	152017	338	616,521.00	1.72	0.45
October 2008	3.90	3.90	2.32	2.69	52146	181	137,748.00	1.58	-1.21
November 2008	2.56	3.71	2.56	3.18	59029	170	182,102.00	1.15	0.62
December 2008	3.48	3.80	2.42	2.70	48189	102	138,382.00	1.38	-0.78
January 2009	2.80	3.15	2.29	2.30	16650	81	40,928.00	0.86	-0.50
Febraury 2009	2.41	2.53	1.98	2.15	76432	175	172,616.00	0.5	-0.26
March 2009	2.05	2.08	1.80	1.82	20214	74	40,220.00	0.28	-0.23
* Spread H - L ->High - Low C - O ->Close - Open									

- k) Dematerialization of Shares : 49,92,200 shares representing 83.20% of equity shares have been dematerialized up to 31-03-2009. Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by the Securities and Exchange Board of India (SEBI).
- (l) Outstanding GDRs/ADRs/Warrants or any other convertible instruments : Company does not have GDRs/ADRs/Warrants or any other Convertible Instruments.

(m) Plant Location

57/1, Industrial Area Site IV, Sahibababd: 201 010 (U.P.)

(n) Investors Correspondence

Investors, for any query related to share transfer, dematerialization to shares, may contact the nominated Registrars & Transfer Agents at their respective addresses

(o) Details on use of Public fund : Not Applicable

(p) Share Holding Pattern as on March 31<sup>st</sup> 2009

(a) STATEMENT SHOWING SHAREHOLDING PATTERN

Name of the Company : CRANEX LIMITED  
Scrip Code : 522001

DATE : 31/03/2009  
Quarter Ended : MARCH 2009

Category Code	Category of shareholder	Number of Shareholders	Total Number of Shares	Number of shares held in dematerialized form	% of A+B	Total Shareholding as a percentage of total no. of shares % of A+B+C
<b>(A) Shareholding of Promoter and Promoter Group</b>						
<b>(1) Indian</b>						
(a)	Individuals / Hindu Undivided Family	7	1150788	204390	19.17980	19.17980
(b)	Central Government / State Government(s)	0	0	0	0.00000	0.00000
(c)	Bodies Corporate	0	0	0	0.00000	0.00000
(d)	Financial Institutions / Banks	0	0	0	0.00000	0.00000
(e)	Others					
<b>Sub-Total (A) (1)</b>		<b>7</b>	<b>1150788</b>	<b>204390</b>	<b>19.17980</b>	<b>19.17980</b>
<b>(2) Foreign</b>						
(a)	Individuals (NRIs / Foreign Individuals)	0	0	0	0.00000	0.00000
(b)	Bodies Corporate	0	0	0	0.00000	0.00000
(c)	Institutions	0	0	0	0.00000	0.00000
(d)	Others					
<b>Sub-Total (A) (2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00000</b>	<b>0.00000</b>
<b>Total Shareholding of Prom. &amp; Prom. Grp. (A) = (A) (1) + (A) (2)</b>		<b>7</b>	<b>1150788</b>	<b>204390</b>	<b>19.17980</b>	<b>19.17980</b>



## (a) STATEMENT SHOWING SHAREHOLDING PATTERN

Name of the Company : CRANEX LIMITED  
Scrip Code : 522001

DATE : 31/03/2009  
Quarter Ended : MARCH 2009

Category Code	Category of shareholder	Number of Shareholders	Total Number of Shares	Number of shares held in dematerialized form	Total Shareholding as a percentage of total no. of shares % of A+B	% of A+B+C
<b>(B) Public Share Holding</b>						
<b>(1) Institutions</b>						
(a)	Mutual Funds / UTI	0	0	0	0.00000	0.00000
(b)	Financial Institutions / Banks	3	35600	300	0.59333	0.59333
(c)	Central Government / State Government (s)	0	0	0	0.00000	0.00000
(d)	Venture Capital Funds	0	0	0	0.00000	0.00000
(e)	Insurance Companies	0	0	0	0.00000	0.00000
(f)	Foreign Institutional Investors	0	0	0	0.00000	0.00000
(g)	Foreign Venture Capital Investors	0	0	0	0.00000	0.00000
(h)	Others	0	0	0	0.00000	0.00000
<b>Sub-Total (B) (1)</b>		<b>3</b>	<b>35600</b>	<b>300</b>	<b>0.59333</b>	<b>0.59333</b>
<b>(2) Non-Institutions</b>						
(a)	Bodies Corporate	106	395684	392284	4.92807	4.92807
(b)	(i) Individuals holding nominal share capital Rs. 1 Lack	3720	2777688	2777288	46.29480	46.29480
	(ii) Individuals holding nominal share capital Rs. 1 Lack	62	1509346	1509346	25.15577	25.15577
(c)	Others					
	(1) Trusts	1	1000	1000	0.01667	0.01667
	(2) Non Resident Indians	55	51786	51786	0.86310	0.86310
	(3) Clearing Members	5	5750	5750	0.9583	0.9583
	(4) Hindu Undivided Families	77	172358	172358	0.87263	2.87263
<b>Sub-Total (B) (2)</b>		<b>4026</b>	<b>4813612</b>	<b>4809812</b>	<b>80.22687</b>	<b>80.22687</b>
<b>Total Public Shareholding (B) = (B) (1)+(B)(2)</b>		<b>4029</b>	<b>4849212</b>	<b>4810112</b>	<b>80.82020</b>	<b>80.82020</b>
<b>Total ((A) + (B))</b>		<b>4036</b>	<b>6000000</b>	<b>5014502</b>	<b>100.00000</b>	<b>100.00000</b>
<b>(C) Share held by Custodians and against which deposits by receipts have been issued</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00000</b>
<b>GRAND TOTAL A+B+C</b>		<b>4036</b>	<b>6000000</b>	<b>5014502</b>	<b>100.00000</b>	<b>100.00000</b>
<b>(D) INVESTORS SERVICES</b>						

Name of the Compliants	Opening	Received during the Year	Compliants Attended during the year	Closing Balance as on 31.03.2009
Relating to transfer, Transmission, Demat & Remat and change of address	0	28	22	6

### Other useful information for shareholders:

#### Share Transfer / Dematerialisation

1. Share transfer requests are acted upon within 10 days from the date of their receipt. In case no response is received from the Company within 30 days of lodgement of transfer request, the lodger should immediately write to the Company or its Registrar & Transfer Agent with full details so that necessary action could be taken to safeguard interest of the concerned against any possible loss / interception during postal transit.
2. Dematerialisation requests duly completed in all respects are normally processed within 15 days from the date of their receipt.
3. Equity Shares of the Company are under compulsory demat trading by all investors, with effect from Feb 2001. Considering the advantages of script-less trading, shareholders are requested to consider dematerialisation of their shareholding so as to avoid inconvenience in future.
4. The equity shares of the Company have been admitted with the National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) bearing No. INE-608B01010

#### Correspondence with the Company

Shareholders / Beneficial Owners are requested to quote their Folio No. / DP & Client ID Nos. as the case may be, in all correspondence with the Company. All correspondence regarding shares & debentures of the Company should be addressed to the Company's Registrar & Transfer Agent.

#### Non\_Resident Shareholders

Non-resident members are requested to immediately notify:

- 1 Indian address for sending all communications, if not provided so far ;
- 1 Change in their residential status on return to India for permanent settlement;
- 1 Particulars of their NRE Bank Account with a bank in India, if not furnished earlier.

#### Others

1. In terms of the Regulations of NSDL & CDSL, the Bank Account details of Beneficial Owners of Shares in demat form will be printed on the dividend warrants as furnished by the Depository Participants. The Company will not entertain any request for change of bank details printed on their dividend warrants. In case of any changes in your bank details please inform your DP immediately.
2. Shareholders holding shares in physical form are requested to notify to the Company, change in their address / pin code number and Bank Account details promptly in writing, under the signatures of sole / first joint holder. Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their DP as the same are maintained by the DPs
3. To prevent fraudulent encasement of dividend warrants, members are requested to provide their Bank Account Details (if not provided earlier) to the Company (if shares held in physical form) or to DP (if shares held in demat form), as the case may be, for printing of the same on their dividend warrants.
4. In case of loss / misplacement of shares, investors should immediately lodge a FIR / Complaint with the Police and inform the Company along with original or certified copy of FIR / Acknowledged copy of Police Complaint. And apply for issue of duplicate share along with an Indemnity Bond and an Affidavit on prescribed format.
5. For expeditious transfer of shares, shareholders should fill in complete and correct particulars in the transfer deed. Wherever applicable, registration number of Power of Attorney should also be quoted in the transfer deed at the appropriate place.
6. Shareholders are requested to keep record of their specimen signature before lodgement of shares with the Company to obviate possibility of difference in signature at a later date
7. Shareholders of the Company who have multiple accounts in identical name(s) or holding more than one share certificate in the same name under different ledger folio(s) are requested to apply for consolidation of such folio(s) and send the relevant share certificates to the Company
8. Section 109A of the Companies Act, 1956 extends nomination facility to individuals holding shares in physical form companies. Shareholders, in particular, those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Nomination Form which can be obtained from the Company or its Registrar & Transfer Agent or send their request for the said form to.



9. Shareholders are requested to give us their valuable suggestions for improvement of our investor services.
- VII. Compliance Certificate from the Auditors of the company is enclosed along with the Annual Accounts presented and the Secretarial Auditor had not made any qualification remarks in its report.

Place : **New Delhi**  
Date : 01-09-2009

For & on behalf of the Board of Directors,  
**(S.C.Agrawal)**  
Chairman and Managing Director

**CERIFICATE FOR COMPLIANCE OF CORPORATE GOVERNANCE**  
Auditors' Certificate  
(Under Clause 49 of the Listing Agreement)

To The Members of Cranex Limited

We have examined the compliance of conditions of Corporate Governance by Cranex Limited for the year ended March 31<sup>st</sup>., 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement . We state that no grievance(s) is/are pending for the period exceeding one month against the Company as per the record maintained by the Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : **New Delhi**  
Date : 01-09-2009

For **P.D.Mittal & Co.**  
Chartered Accountants  
**P.D.Mittal**  
Partner  
(Membership No. 509459)



**SUBSIDIARY COMPANIES AS ON 31<sup>st</sup>.MARCH 2009**

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY**

1. Name of the Subsidiary Company ...	Cranex International, Inc (USA)
2. Financial Year of the Subsidiary. Company ended on	31-12-2008
3. Holding Company's interest:	
1. No. of Equity Shares	100
2. Face Value	US \$ 1
3. Paid Up Value	US \$ 100
4. Extent of holding	100 per cent
4. Net aggregate amount of Subsidiary's Profit/Loss Not Dealt in the Holding Company's account:	
(a) for subsidiary' financial year	PAT (+) US \$ 15,550 (provn)
(b) for its previous year	PAT (+) US \$ 8,267
5. Net aggregate amount of subsidiary's Profit/Loss dealt in the Holding Co.	
(a) for subsidiary's financial year	Nil
(b) for its previous financial year	Nil
6. Changes in the interest of the Holding Co. between the end Of the subsidiary's financial Ended and March 31,2006	Nil
7. Material changes between the end of the subsidiary's financial year ended and March31st,2006	Nil

**S.C.Agrawal**  
Chairman & M.D.

**Piyush Agrawal**  
ExecutiveDirector

**Anil K. Jain**  
Director

**Ashwani K.Jindal**  
Director

Place : **New Delhi**  
Date : 01-09-2009

## AUDITORS REPORT

### TO THE SHAREHOLDERS

- 1 We have audited the attached Balance Sheet of M/s. CARNEX LIMITED as at 31st March, 2009 the profit & loss account & the cash flow statement for the ended on that date ennexed thereto. These financila statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about wheather the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in financial statements. An audit also includes assessing the accounting principles used the significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The companies (Auditor's Report) Order 2003, issued by the Central Govt. of India under sub-section (4A) of section 227 of the companies act 1956, and on the basis of such checks of the books & records of the company as we considered appropriate & according to the information & explanations given to u, we enclosed in the Annexure a statement of the matter specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that :
  - I. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - II. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
  - III. The balance sheet, the profit & loss account dealt with by this report are in agreement with the books of account.
  - IV. In our opinion, the balance sheet and profit & loss account statement dealt by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies act, 1956
  - V. On the basis of the written representations received from directors an on 31st March, 2009 and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies act, 1956
  - VI. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies in schedules Q, notes appearing thereon, give the information required by the companies act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India.
    - (i) In the case of the balance sheet, of the state of affairs of the company as at 31st March, 2009
    - (ii) In the case of the profit & loss account, of the profit for the year ended on that date.
    - (iii) In the case of the Cash Flow statement fo the cash flow for the year ended on that date.

For P.D. Mittal & Co.  
Chartered Accountants

Place : New Delhi  
Date : 01-09-2009

P.D. Mittai  
Partner  
Membership No. 009459

## AUDITORS REPORT

ANNEXURE TO THE AUDITORS' REPORT:  
(Refer to in paragraph (1) of our Report of even date)

Reg. : CRANEX LIMITED  
Financial Year : 2008-2009

- I (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off a major part of the plant & Machinery & accordingly the clause not applicable to this extent.
- II (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures for physical verification during the year by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is not maintaining adequate records of inventories. Further, the discrepancies between the physical records & the book record hence not been taken in record.
- III (a) The company has taken loan from other companies & firm & also directors & their relatives covered by the provision of section 297 & 299 read with section of 301 of the companies act, 1956. The maximum amount involved during the year & the year end balance loan taken from such parties are as under :

	Maximum amount involved During the year	Year end balance
Companies	6875722	6875722
Firms	Nil	Nil
Directors & their relatives	56929554	56929554

The company has not granted loan to any company, firms or director of their relative during the year under audit & there is nil balance at the end of the year.

- (b) In our opinion, the rate of interest and other terms and condition on which loans have been taken from/granted to companies, firms of other
- (c) The company is regular in repaying the principal amounts as stipulated and have been regular in the payment of interest.
- (d) There is no overdue amount of loans taken from or granted to companies, firm or other parties listed in the register maintained U/S 301 of the companies act, 1956.
- IV In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- V (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information & explanations given to us, the transactions made in pursuance of contracts of arrangements entered in the register maintained U/S 301 of the companies act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- VI In our opinion and according to the information & explanations given to us, the company has complied with provisions of section 58A and 58AA of the companies act, 1956 and the companies (acceptance of Deposits) Rules, 1975 are not applicable as the company has not accepted any deposit from public falling within the definition of deposit. No order has been passed the company law board.

- VII In our opinion, the company has an internal audit system commensurate with the size and nature of the business.
- VIII The provision of section 209 (1) (d) of the companies act, 1956 read with rules made by the Cent. Govt. for the maintenance of cost record are not applicable, hence not commented.
- IX (a) The company is not regular in depositing with appropriate authorities, undisputed statutory dues. We have observed inordinate delay/default while depositing the undisputed statutory dues. These delays & defaults if any are being shown in the separate annexure forming part of tax audit report/this report.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears as at 31-3-2009 for the period of more than six months from the date they become payable.
- (c) According to the information & explanations given to us the following statutory dues have not been deposited on account of dispute.
- |             |     |
|-------------|-----|
| Sale tax    | NIL |
| Income tax  | Nil |
| Excise duty | Nil |
| Custom duty | NIL |
| Wealth tax  | NIL |
| Cess        | NIL |
- X The company had accumulated losses in the preceding financial year and is a sick industrial company in terms of section 3(1)(0) of the sick industrial companies (Special Provisions) Act 1985. However, the company has not incurred any cash loss in the current year under audit and has reported a cash profit.
- XI In our opinion and according to the information and explanations given to us the company has defaulted in the repayment of dues to a financial institutions, Banks all debentures. The Co. has made a reference to BIFR according to the provisions of the law and has offered PICUP to pay of the terms loan dues in terms of RBI guidelines.
- XII we are of opinion that company maintained adequate record where the company has guaranteed loans & advances on the basis of security by way of pledge of shares, Debenture & other security.
- XIII In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (XIII) of the companies (auditor's report) order, 2003 are not applicable to the company.
- XIV In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(XIV) of the companies (auditors report)-order, 2003 are not applicable to the company.
- XV The company has not given any guarantee for loans take by others, from banks or financial intuition & accordingly the sub-clause is not applicable.
- XVI that the company has not granted loan & advances on the basis of security by way of pledge of shares Debenture or any other security.
- XVII According to the information and explanations given to us, and on overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment. NO long terms funds have been used to finance short term asset except permanent working capitals.
- XVIII The Assessee Company have not applied obtained in any terms loan during the period under audit hence the clause is not applicable.
- XIX The Company has not issued any debentures during the period under audit, thus the sum-clause is not applicable.
- XX The Company has not raised any money by public issue. Thus the sub-clause is not applicable.
- XXI According to the information & explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For P.D. Mittal & Co.  
Chartered Accountants

P.D. Mittal  
Partner

Place : New Delhi  
Date : 01-09- 2009

Membership No. 009459

## BALANCE SHEET AS AT 31.03.2009

PARTICULARS	SCH	AMOUNT IN RUPEES	
		AS AT 31.03.2009 12 MONTHS	AS AT 31.03.2008 12 MONTHS
<b>SOURCE OF FUNDS:</b>			
<b>SHARE CAPITAL FUNDS</b>			
SHARE CAPITAL	1	60000000	60000000
	SUB TOTAL (a)	60000000	60000000
<b>LAON FUNDS :</b>			
(a) Secured Term Loan	2	721556	12298020
(b) Secured Working Capital Loan	3	2923123	3015530
(c) Advance Deposits	4	0	60510379
(d) bank Fdr Loan A/c	5	7690080	0
(e) Unsecured Loan : Directors	6	63825276	18632587
	Sub Total (B)	75160035	94456516
	<b>Total C (A) + (B)</b>	<b>135160035</b>	<b>154456516</b>
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
(b) Less Depreciation	7	10166980 4155378	27155151 15278353
		6011602	11876798
<b>Capital Work in Progress</b>		4650006	0
		10661608	11876798
<b>Investments :</b>	8	36661569	41230706
	Sub Total (A)	47323177	53109504
<b>Current Assets, Loans &amp; Advances :</b>			
(a) Inventories	9	27911875	16437834
(b) Sundry Debtors	10	50337555	27264678
(c) Cash & Bank Balances	11	13825503	1633822
(d) Loans & Advances	12	5101455	5430667
	Sub Total (B)	97176388	50767001
<b>Less : Current Liabilities &amp; Provisions</b>			
(a) Sundry Creditors	(C) 13	69982255	13509872
<b>Net Current Assets</b>	<b>D = B - C</b> 14	<b>27194133</b>	<b>37257129</b>
Miscellaneous Expenditure	(E)	60642725	64089883
Ob 64089883			
Profit for the year (-) 3447158			
		60642725	
	<b>Total A+D+E</b>	<b>135160035</b>	<b>154456516</b>

As per our report of even date  
For P.D. Mittal &co.  
Chartered Accountant

S.C. Agrawal  
(C M D)

Piyush Agrawal  
(Director)

A.K. Jain  
(Director)

P.D. Mittal  
(Partner)  
M.No. 009459  
New Delhi  
Date - 01-09-2009



**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31-03-2009**

PARTICULARS	SCH	AMOUNT IN RUPEES	
		For the Year Ended 31.03.2009 12 MONTHS	For the Year Ended 31.03.2008 12 MONTHS
Income	15		
(I) Sales and contract revenue		122247063.00	47815947
(II) Export Revenue		1704634.00	8654992
(III) Other income		2140186.00	1411938
<b>Total</b>		<b>126091883.00</b>	<b>57882877</b>
Expenditure			
Cost of Goods	16	87751153.00	40988844
Employee's Remuneration & Benefits	17	5480059.00	3610746
Operation & Establishment Expenses	18	16597990.00	7866787
<b>Total</b>		<b>109829202.00</b>	<b>52466377</b>
Operating Profit Before Intt. & Deprn.		16262681.00	5416500
Interest		631005.00	5875578
Operating Profit After Intt. But Before Deprn.		15631676.00	-459078
Depreciation		484419.00	1319602
Amortisation of Old Machineries	19	11607394.00	0
Profit After Intt. & Deprn.		3539863.00	-1778680
Prov. For Tax		0	0
Fringe Benefit Tax		92705.00	74281
Provision		0	03
Profit After Tax		3447158.00	-1852961
Balance Brought Forward From B & L A/C		-64089883.00	-62236922
Profit Available For Appropriation		-60642725.00	-64089883
Balance Carried Forward To balance To balance Sheet		-60642725.00	-64089883
Accounting Policies, practices & Notes To Account	20		

**Schedule 12 to 16 Referred to above forms an integral part of the profit & loss A/C**

As per our report of even date

**For P.D. Mittal & co.**  
Chartered Account  
SD

**S.C. Agrawal**  
(C M D)

**Piyush Agrawal**  
(Director)

**A.K. Jain**  
(Director)

**P.D. Mittal**  
(Partner)  
M.No. 009459  
New Delhi  
Date - 01-09-2009

## SCHEDULE TO THE BALANCE SHEET

	AMOUNT IN RUPEES	
	Year Ended 31.03.2009	Year Ended 31.03.2008
<b>Schedule 1</b>		
Share Capital		
Authorised 1,00,00,000 Equity Shares of Rs. 10/- Each	10000000	10000000
Issued & Subscribed 60,00,00 Equity Shares of Rs. 10/- Each		
Subscribed & Paid UP : 600000 Equity Shares of Rs. 10/- Each	6000000	6000000
<b>Schedule 2</b>		
Secured Term Loan		
Picup (P&M Loan)	0	11200000
Hdfc Bank (Car Loan)	721556	1098020
	<b>721556</b>	<b>1098020</b>
<b>Schedule 3</b>		
Secured Working Capital Loan		
Syndicate bank	2923123	3015530
<b>Schedule 4</b>		
Advance Deposit		
Green Grass Estates Pvt. Ltd.	0	13187000
Vitoba Cosmetics Pvt. Ltd.	0	26016879
White Feather Estates Pvt. Ltd.	0	11309500
	<b>0</b>	<b>60510379</b>
<b>Schedule 5</b>		
Bank FDR Loan (Syndicate Bank)		
	<b>7690080</b>	<b>0</b>
<b>Schedule 6</b>		
Unsecured Loans		
Abhyudaya Agrawal	30000	30000
Amitabh Agrawal	28731420	2244262
Piyush Agrawal	20099184	1343000
Ritu Agrawal	298453	245500
Riviera India Pvt. Ltd.	6495722	6895722
Saraswati Agrawal	3124000	3124000
S.C. Agrawal	4245103	4750103
Chaitanya Agrawal	401394	0
	<b>63825276</b>	<b>18632587</b>

**SCHEDULE - 7**  
**FIXED ASSETS SCHEDULE FOR THE PERIOD 01.04.2008 TO 31.03.2009 AS PER COMPANY LAW (SLW)**

DESCRIPTION	Rate	Cost As On 3/31/2008	Addition During The Year	Deletion During The Year	Total As On 3/31/2008	DEPRICIATION			NET BLOCK		
						As On 3/31/2008	ADD FOR THE YEAR	DEL YEAR	As On 3/31/2009	As On 3/31/2008	
PLANT & MACHINERY(old)	0.0528	21333531	0	18353410	2980121	13485104	42787	11607394	1920497	1059624	7848427
PLANT & MACHINERY (new)	0.0528	2416598	1175714	0	3592312	54608	189674		244282	3348030	2361990
<b>TOTAL PLANT &amp; MACH.</b>		<b>23750129</b>	<b>1175714</b>	<b>18353410</b>	<b>6572433</b>	<b>13539712</b>	<b>232461</b>	<b>11607394</b>	<b>2164779</b>	<b>4407654</b>	<b>10210417</b>
FURNITURE & FIXTURE	0.0633	731966	11850	0	743816	623727	46602	0	670329	73487	108239
<b>TOTAL FURNITURE</b>		<b>731966</b>	<b>11850</b>	<b>0</b>	<b>743816</b>	<b>623727</b>	<b>46602</b>	<b>0</b>	<b>670329</b>	<b>73487</b>	<b>108239</b>
AIR CONDITIONERS	0.0528	205102	25850	0	230952	142487	10855	0	153342	77610	62615
<b>TOTAL AIR CONDITIONER</b>		<b>205102</b>	<b>25850</b>	<b>0</b>	<b>230952</b>	<b>142487</b>	<b>10855</b>	<b>0</b>	<b>153342</b>	<b>77610</b>	<b>62615</b>
OFFICE EQUIPMENTS	0.0528	1136758	151825	0	1288583	942389	68037	0	1010426	278157	194369
<b>TOTAL OFFICE EQUIP.</b>		<b>1136758</b>	<b>151825</b>	<b>0</b>	<b>1288583</b>	<b>942389</b>	<b>68037</b>	<b>0</b>	<b>1010426</b>	<b>278157</b>	<b>194369</b>
VEHICLE	0.0950	1331196	0	0	1331196	30038	126464	0	156502	1174694	1301158
<b>TOTAL VEHICLE</b>	<b>0.0950</b>	<b>1331196</b>	<b>0</b>	<b>0</b>	<b>1331196</b>	<b>30038</b>	<b>126464</b>	<b>0</b>	<b>156502</b>	<b>1174694</b>	<b>1301158</b>
<b>TOTAL</b>		<b>27155151</b>	<b>1365239</b>	<b>18353410</b>	<b>10166980</b>	<b>15278353</b>	<b>484419</b>	<b>11607394</b>	<b>4155378</b>	<b>6011602</b>	<b>11876798</b>
CAPITAL WORK IN PROGRESS	0	0	4650006		4650006	0	0	0	0	4650006	0
<b>TOTAL</b>	<b>0</b>	<b>27155151</b>	<b>6015245</b>	<b>18353410</b>	<b>14816986</b>	<b>15278353</b>	<b>484419</b>	<b>11607394</b>	<b>4155378</b>	<b>10661608</b>	<b>11876798</b>



### SCHEDULE TO THE BALANCE SHEET

	Year Ended 31.03.2009	AMOUNT IN RUPEES Year Ended 31.03.2008
<b>Schedule 8</b>		
<b>Investments</b>		
<b>(a) USA Subsidiary</b>	3250	3250
<b>(b) Fdr For Bank Guarantee</b>		
1. OBC Bombay	131747	131747
2. Syndicate Bank, Sahibabad	22474988	26097890
	<b>22606735</b>	<b>26229637</b>
<b>(c) Earnest Money Tenders</b>		
1. EMD-BHEL, Bhopal	100000	100000
2. Earnest Money Deposit, Bhel Rev/19	25000	25000
3. EMD-hmt machine tools Ltd.	0	50000
4. EMMD - Hpseb Bhaba Nagar	75169	0
5. EMD-Nalco, Angul	2000	2000
6. EMD-Easern Rly.	31635	31635
<b>(d) Security Deposits (Contracts)</b>		
1. Security Deposit-Bhel, Bhopal	153070	153070
2. Security Deposit - Erly., Sealdah	4465	4465
3. Security Deposit - Ele. Matunga	5000	5000
4. Security Deposit - Mpgcl. Jabalpur	20000	20000
5. Security Deposit - S.E. Rly. Bondhamunda	0	95901
6. Security Deposit - Bhel Varanasi	150000	0
7. Security Deposit - Delhi Metro Rail Corp. Ltd.	5000	5000
8. Security Deposit - D. V. Board	12850	12850
9. Security Deposit - E.C. Railway	20730	20730
10. Security Deposit - Emu Carshed	15674	0
11. Security Deposit - E.Rly/147	945	945
12. Security Deposit - H.P.G.C./Haryana	15000	15000
13. Security Deposit - GRSE/324	389500	0
14. Security Deposit - Matunga	35000	35000
15. Security Deposit - N.W. Rly. Abu Road	18875	18875
16. Security Deposit - N.W. Rly. Ajmer	9470	9470
17. Security Deposit - N.W. Rly. Jodhpur	52979	0
18. Security Deposit - S.E. Rly. Tata Ng./10t	36047	0
19. Security Deposit - S.E. Rly. Tata Ng./35t	55506	0
20. Security Deposit - SHV Enegrgy	6000	6000
21. Security Deposit - Shubham Enterprises	9300	3300
<b>(E) Security Deposits (Others)</b>		
1. Delhi Stock Exchange	145500	145500
2. Sterling Cellular	3000	3000
3. Security Depsit - Gas Cylinder (Tata Ng.)	15000	0
	<b>1412715</b>	<b>762741</b>
<b>(F) Investments (Advances)</b>		
1. Free Hold land advance	12638870	14235978
2. Lease Hold land lease deed documentations	0	1100
	<b>12638870</b>	<b>14232706</b>
	<b>36661570</b>	<b>41237078</b>
<b>SCHEDULE - 9</b>		
<b>Inventory :</b>		
<b>STOCK IN HAND</b>	<b>27911875</b>	<b>1643734</b>

## SCHEDULE TO THE BALANCE SHEET

	Year Ended 31.03.2009	AMOUNT IN RUPEES Year Ended 31.03.2008
<b>SCHEDULE - 10</b>		
SUNDRY DEBTORS :		
OVER SIX MONTHS	0	6968762
LESS THAN SIX MONTH	50337555	20295916
	<u>50337555</u>	<u>27264678</u>
<b>SCHEDULE - 11</b>		
CASH & BANK BALANCES :		
CASH	75851	249834
WITH BANK CURRENT A/C'S	13749652	1383988
	<u>13825503</u>	<u>1633822</u>
<b>SCHEDULE - 12</b>		
LOAN & ADVANCES :		
UNSECURED BUT CONSIDERED GOOD		
(UNLESS OTHERWISE STATED) ADVANCE RECOVERABLE		
IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED		
TDS	1457960	2689489
MAT	2260141	1734322
PLA & MODVAT A/C	189152	189152
	1194202	817704
	<u>5101455</u>	<u>5430667</u>
<b>SCHEDULE - 13</b>		
CURRENT LIABILITIES & PROVISIONS :		
a) SUNDRY CREDITORS :		
(i) Sundry Cre. (Casual Cont.)	421666	533940
(ii) Sundry Cre. (Current a/c)	4352628	3241894
(iii) Sundry Cre. (Export)	21861	0
(iv) Sundry Cre. (HRD)	74500	93000
(v) Sundry Cre. (Mach.)	223858	182300
(vi) Sundry Cre. (Rent)	334286	250286
(vii) Sundry Cre. (Advance)	35076441	700000
(viii) Sundry Cre. (Misc.)	30000	495000
(ix) Sundry Cre. (Services)	1598617	448185
(x) Sundry Cre. (Suppliers)	27744108	7518876
(xi) Sundry Cre. (Staff Salary)	40717	0
(xii) Sundry Cre. (Bonus)	63573	50000
b) DUTIES & TAXES	0	-3609
	<u>69982255</u>	<u>13509872</u>
<b>SCHEDULE - 14</b>		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off)		
P & LA/C (accumulated losses)	60642725	64089883
OB	-64089883	62236922
During the year	3447158	1852961
	<u>-60642725</u>	<u>64089883</u>

**SCHEDULE - 15**

## INCOME

(I) SALES AND CONTRACT REVENUE	122247063	47815947
(II) SALES EXPORT	1704634	8654992
Duty Drawback	0	0
Exchange Flactuation	0	0
	<u>1704634</u>	<u>8654992</u>
(III) OTHER INCOME		
Agricultural Income	480376	515455
Interest Income	1659810	236483
Land Development receipt	0	660000
	<u>2140186</u>	<u>1411938</u>
	<u>126091883</u>	<u>57882877</u>

**SCHEDULE - 16**

## COST OF GOODS

## OPENINT STOCK

## ADD: PURCHASES DURING THE YEAR (+)

## LESS CLOSING BALANCE (-)

	16437834	6925187
	99225194	50501491
	<u>115663028</u>	<u>57426678</u>
	<u>27911875</u>	<u>16437834</u>
	<u>87751153</u>	<u>40988844</u>

**SCHEDULE - 17**

## EMPLOYEES REMUNERATION &amp; BENEFITS :

## SALARY TO ADMN. STAFF &amp; FACTORY STAFF

## WAGES TO CASUAL WORKER

## REMUNERATION (INCL. DIR)

## CO'S CONTRIBUTION TO PROVIDENT FUND

## CO'S CONTRIBUTION TO ESIC

## STAFF WELFARE

## BONUS

	1178434	478190
	3689262	2651740
	360000	282000
	145188	98596
	43602	28112
	0	22108
	63573	50000
	<u>5480059</u>	<u>3610746</u>

**SCHEDULE - 18**

## OPERATION &amp; ESTABLISHMENT EXPENSES

## STORES &amp; SPARES/CONSUMABLES

## POWER &amp; FUEL

## REPAIR &amp; MAINTENANCE

## RENT

## RATES &amp; TAXES

## INSURANCE

## AUDITORS REMUNERATION

## AUDIT FEE

## TAX MATTERS

## CAR RUNNING &amp; MAINTENANCE

## BANK CHARGES &amp; COMMISSION

## TRAVAILING

## DOMESTIC

## FOREIGN (INCLUDING FOREIGN CURRENCY - )

## PRINTING, STATIONERY &amp; POSTAGE

## TELEPHONE, TELEFAX &amp; FAX

## TENDER &amp; PERIODICALS

## MEETING &amp; CONFERENCES

## STOCK EXCHANGE LISTING &amp; ROC FEES

## CONVEYANCE

## TESTING &amp; INSPECTION

	1754773	250769
	1003500	924300
	443605	578145
	384000	304000
	18422	111196
	10000	33754
	10000	10000
	10000	10000
	342264	266396
	378500	227513
	321400	597217
	707322	178266
	71500	76170
	215400	249259
	165500	54006
	63957	169776
	23500	42375
	155200	158729
	614200	98176

## SCHEDULE TO THE BALANCE SHEET

	Year Ended 31.03.2009	AMOUNT IN RUPEES Year Ended 31.03.2008
SMACHINING CHARGES	672834	444691
FREIGHT INWARD	832000	382354
FREIGHT OUTWARD	1152000	351904
JOB WORK	1230251	389034
REBATE & DISCOUNT	3255000	131881
POSTAGE / COURIER	56000	70031
PROJECT SITE EXPENSES	545000	709259
LEGAL CHARGES	214000	101527
MISC EXPENSES	1686612	75601
PROFESSIONAL CHARGES	15000	29400
ADVERTISEMENT & PUBLICITY	20000	25560
DIRECTOR SITTING FEE	15000	15000
DRAWING CHARGES	40000	14800
LAND DEVELOPMENT CHARGES	0	210500
MEDICAL EXP. FACTORY	171250	165548
AGRICULTURAL EXP.	0	409383
<b>TOTAL</b>	<b>16597990</b>	<b>7866520</b>
	<b>16597990</b>	
<b>SCHEDULE - 19</b>		
AMORTISATION OF OLD MACHINERIES	11607394	0
	<b>11607394</b>	<b>0</b>
<b>SCHEDULE - 20</b>		

**(a) Basis of Accounting & Accounting Convention**

1. All Revenue, Expenses, Except provision for gratuity, Assets & Liabilities are accounted for on actual basis.
2. The Financial Statements are prepared under the historical cost convention in accordance with applicable mandatory accounting standard and relevant presentation requirements of the Companies Act 1956.
3. Fixed Assets are recorded in the books at cost of acquisition which comprises of purchase price, freight and other incidental expenses including expenditure of installation of Fixed Assets.
4. Depreciation of Fixed Assets have been provided on the basis of Straight Line Method as per the rates mentioned in the Schedule XIV of the Companies Act 1956.
5. Investments are stated at cost of acquisition
6. Inventories: As certified by the Management, the stocks have been valued at cost or market price, whichever is lower.
7. Sales are recognized at the point of dispatch of finished goods from the factory.
8. Excise Duty is paid and accounted for at the time of clearance of Finished goods from the factory.
9. Foreign Currency transactions: The transaction in Foreign Exchange are translated in to Indian Rupees at the Exchange Rate prevailing at the time of transaction taking place.

**B) NOTES TO ACCOUNTS**

1. Contingent Liabilities

a)	Bank Guarantees issued	Rs. 78,62,705	Rs. 69,86,985
b)	Any Other	NIL	14,86,944
	<b>Total</b>	<b>Rs. 78,62,705</b>	<b>Rs. 84,73,929</b>

2. Company has not provided for Gratuity as the same is accounted for on cash basis as and when paid.
3. Managerial Remuneration:
- |              |                     |                       |
|--------------|---------------------|-----------------------|
| Salary       | Rs. 3,60,000        | (Rs. 2,82,000)        |
| Perquisites  | NIL                 | NIL                   |
| Commission   | NIL                 | NIL                   |
| <b>TOTAL</b> | <b>Rs. 3,60,000</b> | <b>(Rs. 2,82,000)</b> |
4. Auditor's remuneration
- |                       |            |          |
|-----------------------|------------|----------|
| (a) Audit fee         | Rs. 10,000 | (10,000) |
| (b) Taxation Services | Rs. 10,000 | (10,000) |
5. Confirmation of balances in some cases are yet to be received from Debtors/Creditors and also for loans, advances & deposits.
6. Previous year figures have been re-arranged / re-grouped wherever necessary.
7. The names of Small Scale Industrial undertakings to whom the Company owes a sum exceeding Rs. 1,00,000 and which is outstanding for more than 30 days is NIL previous year NIL.
8. Foreign Exchange gain/loss is accounted for in the Export revenue account.
9. Obsolescence of old Plant & Machinery (Gross value Rs.21333531) derated by 95% amortization amount Rs.1,16,07,394/- debited to expense account

**ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART-II OF SCHEDULE VI TO THE COMPANIES ACT, 1956 TO THE EXTENT RELEVANT.**

**A. Production capacity in Nos/RM Stock in Rs./Nos. Produced/ Turnover in Rs.**

Capacity	O/B Raw Materials 01.04.2008	C/B Raw Materials 31.03.2009	Nos.	Turnover 2008-2009
<b>Cranes : 50</b>	Rs. 1,64,37,834	Rs. 2,79,11,875	26	Rs. 11,49,52,553
<b>Erection</b>				Rs. 62,97,251
<b>Export</b>	0.00	0.00	lot	Rs. 17,04,634
<b>Misc</b>	0.00	0.00	lot	Rs. 9,97,259
	<b>Rs. 1,64,37,834</b>	<b>Rs. 2,79,11,875</b>	<b>14 nos</b>	<b>Rs. 12,39,51,697</b>

**2. Raw Materials Consumed:**

Items	Value in Rs	Prev. Year
Manufacturing Cranes	8,61,70,407	3,27,66,603
Export	15,80,746	82,22,242
<b>Total</b>	<b>8,77,51,153</b>	<b>4,09,88,844</b>

**3. Expenditure in Foreign Currency**

	Current Year	Prev. Year
(a) Import of materials	59,75,239	NIL
(b) Foreign Travel	49,012	1,78,266

4. **Earning in Foreign Currency** 17,04,634 86,54,992  
Export of merchandise

As per our report of even date  
For P.D. Mittal & co.  
Chartered Account

S.C. Agrawal  
(C M D)

Piyush Agrawal  
(Director)

A.K. Jain  
(Director)

P.D. Mittal  
(Partner)  
M.No. 009459  
New Delhi  
Date - 01-09-2009





## CASH FLOW STATEMENT PARTICULARS

	31.03.2009	AUDITED 31.03.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	35.41	-17.79
Add: Depreciation	4.84	13.20
Interest on Loan	6.31	2.74
Dividend Paid	0.00	0.00
	46.56	-1.85
Less: Interest & Dividend Recd.	46.56	14.12
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>25.16</b>	<b>-15.97</b>
<i>Adjustment for Increase / Decrease in:</i>		
Trade Receivables	-230.73	-152.86
Other Receivables	3.29	-35.36
Inventories	-114.74	-95.13
Trade & Other Payables	608.35	154.07
<b>CASH GENERATED FROM OPERATION</b>	<b>191.33</b>	<b>-145.25</b>
Less : Interest Paid	-6.31	-2.74
Direct Taxes Paid	-0.93	-0.74
Dividend Paid	0.00	0.00
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>284.09</b>	<b>-148.73</b>
<b>EXTRA ORDINARY ITEMS (NET)</b>		
Interest & Dividend Received	21.40	14.12
Others	0.00	0.00
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>305.49</b>	<b>-134.61</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-7.30	32.14
Investment (Long Term)	-4571	379.28
Sale of shares	0.00	0.00
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-53.01</b>	<b>411.42</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<i>Proceeds from / (repayment of)</i>		
Long Term Borrowings	-236.59	560.10
Increase / Decrease in Capital	0.00	0.00
Increase / Decrease in tangible assets	0.00	0.00
Increase / Decrease in General Reserves	0.00	0.00
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-236.59</b>	<b>560.10</b>
<b>NET INCREASE / DECREASE IN CASH &amp; CASH EQUIVALENTS (A-B+C)</b>	<b>121.92</b>	<b>14.08</b>
<b>CASH &amp; CASH EQUIVALENTS (O.B.)</b>	<b>16.34</b>	<b>2.27</b>
<b>CASH &amp; CASH EQUIVALENTS (CL.B.)</b>	<b>138.26</b>	<b>16.34</b>
<b>DIFFERENCE</b>	<b>0.00</b>	<b>0.00</b>



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**

Rs. In Lacs

**1. Registration details:**

Registration No.	6503	State Code	55
Balance Sheet date:	31-09-2009		

**2. Capital raised during the year**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**3. Position of Mobilisation & Deployment of Funds**

Total Liabilities	2057.43	Total Asset	2057.43
Source of Funds:			
Paid-up capital	600.00	Reserve & Surplus	Nil
Secured loans	113.35	Unsecured loans	638.25
Application of Funds :			
Net Fixed Assets	106.62	Investments	366.61
Net Current assets	271.94	Accumulated loss	606.43

**4. Performance of company**

Turnover	1260.92	Total Expenditure	1225.52
Profit/loss before tax	35.40	Profit/loss after tax	35.40
Earning per share	0.59	Dividend rate	0.00

**5. Generic name of principal products of the company (as per monetary items)**

Product description:	EOT Cranes	Item Code No.:	8426110
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As per our report of even date

For <b>P.D. Mittal &amp; Co.</b>	<b>S.C. Agrawal</b>	<b>Piyush Agrawal</b>	<b>Anil K. Jain</b>
Chartered Accountant	C.M.D	Executive Director	Director

**P.D. Mittal**

Partner

New Delhi

01-09-2009



ATTENDANCE SLIP

**CRANEX LIMITED**

REGISTERED OFFICE : 9 DDAMARKET, KATWARIA SARAI NEW DELHI 110016

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholders may obtain additional Attendance Slips on request. NAME & ADDRESS OF THE SHAREHOLDERS L.F.No.....

DPID NO..... Client ID No.....

I hereby record my presence on 29th September 2009 at the 34th ANNUAL GENERAL MEETING of the Company at 9, DDAMkt, Katwariasarai,, New Delhi - 110 016,

SIGNATURE OF THE SHAREHOLDERS OR THE PROXY ATTENDING THE MEETING

If Shareholder, please sign here if proxy, please sign here

NOTE : The copy of Annual Report may please be brought to the meeting hall.

PROXY FORM

**CRANEX LIMITED**

Regd Office : 9 DDA MARKET, KATWARIA SARIA, NEW DELHI 110 016

L.F No

DP ID No.

Client ID no.....

I/We ..... of ..... being a member/members of CRANEX LTD, hereby appoint ..... or ..... failing him/her ..... of ..... as my/our proxy to vote for me/us and on my/our behalf at the 34<sup>th</sup> Annual General Meeting of the Company to be held at 3 P.M. on 29<sup>th</sup> September 2009 at 9, DDA Mkt., Katwaria Sarai, New Delhi 110 016, or at any adjournment thereof.

As witness my/our hand(s) this ..... day of ..... 2009.

Signature of the Shareholders Affix a Rs. 1.00 revenue stamp

NOTE : The Proxy Form duly completed and stamped must reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.



**CRANEX LIMITED**

Regd. Off. :

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

Ph. : 0120-3240427, 4167628 Fax : 0120-4167630

E-mail : [cranex1@yahoo.com](mailto:cranex1@yahoo.com), [info@cranexltd.com](mailto:info@cranexltd.com)

Website : [www.cranexltd.com](http://www.cranexltd.com)