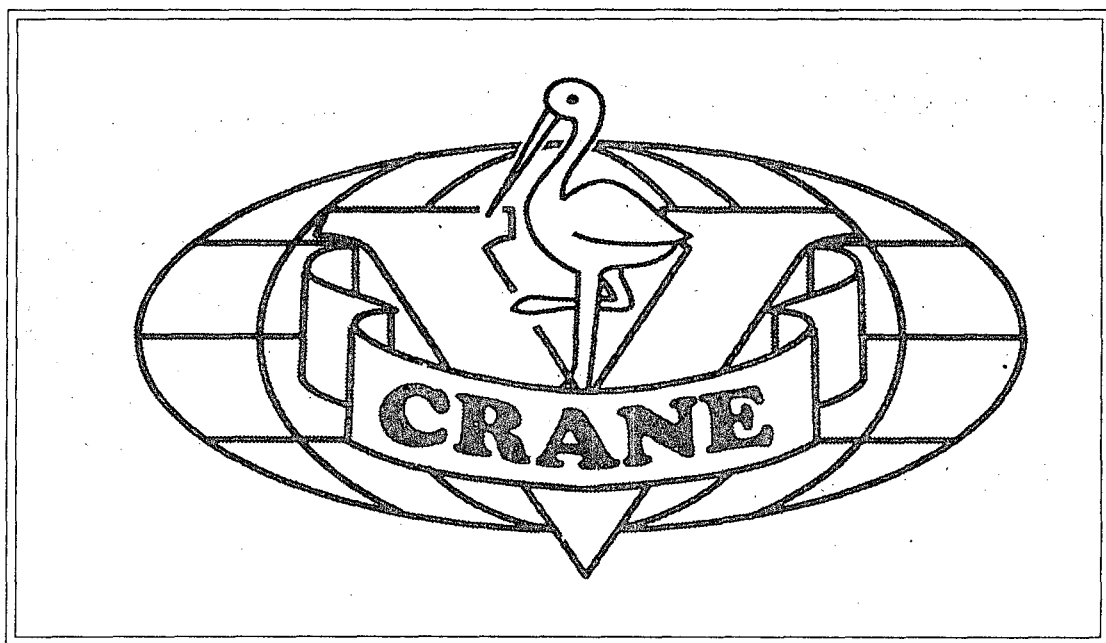


SEVENTEENTH ANNUAL REPORT

2008-2009



VIRAT CRANE INDUSTRIES LIMITED
GUNTUR



BOARD OF DIRECTORS	: Sri G. Subba Rao	chairman
	: Sri G.VS.L Kantha Rao	Managing Director
	: Sri R. Jagadish Kurnmar	
	: Sri P. Bhaskara Rao	
	: Sri P.V Srihari	
AUDITORS	: Jawahar and Associates	
	: Chartered Accountants	
	: C-5 Skylark apartment,	
	: Basheerbag,	
	: Hyderabad-29.	
BANKERS	: ING Vysya Bank Ltd.,	
	4th Lane, Arundelpet,	
	Guntur	
	The Lakshmi Vilas Bank Ltd.,	
	Patnam Bazar, GUNTUR.	
LEGAL ADVISOR	: Mr. K. Ramesh Babu	
	Advocate, 4-7-56, Koritipadu,	
	GUNTUR.	
REGISTRARS & SHARE TRANSFER AGENTS	: M/s. Sathguru Management	
	consultants Pvt. Ltd.	
	Plot No. 15,	
	Hindi Nagar, Punjagutta,	
	HYDERABAD - 500 034.	
REGISTERED OFFICE	: D.No. 25-2-1,	
	G.T. ROAD,	
	Opp.: MASTAN DARGA	
	GUNTUR.	
FACTORY	: Ankireddypalen Village,	
	Chilakaluripet Road,	
	GUNTUR.	



NOTICE:

Notice is hereby given that 17th Annual General Meeting of the Company will be held at the factory premises of the Company at Ankireddypalem Village, Chilakaluripet Road, Guntur, on Monday the 30th November 2009 at 10.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2009 and Profit & Loss Account for the year ended 31.03.2009 and the Reports of the Directors and Auditors Report thereon.
2. To appoint a Director in the place of Sri R. Jagadeesh Kumar who retires by rotation and being eligible offers himself for re-election.
3. To appoint a Director in the place of Sri P. V. Srihari who retires by rotation and being eligible offers himself for re-election.
4. To appoint M/s Jawahar and Associates, Chartered Accountants the retiring auditors as auditors of the company who shall hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting of the Company.

By Order Of The Board
For Virat Crane Industries Ltd.

PLACE : GUNTUR

Sd/-

DATE : 30.10.2009

G.V.S.L.Kantha Rao
Managing Director

3. Members/Proxies shall fill the attendance slip for attending the meeting.
4. Members who hold shares in Dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
5. Members are requested to inform immediately the change, if any of address registered with the company.
6. Members desiring to seek any information on the Annual Accounts are requested to write to the company at an early date to enable compilation of information.
7. Sathguru Management Consultants Pvt. Ltd., are Registrars and Transfer Agents for both 'Demat' and physical form of shares.
8. The members may contact in future.

M/S Sathguru Management Consultants Pvt.Ltd.,
Plot No.15, Hindi Nagar,
Punjabgutta, Hyderabad-500 034.
Tel.No. 23350586, 23356975
Fax No.23354042

Additional information on Directors seeking reappointment at the Annual General Meeting (Pursuant to Clause (49) of the listing Agreement)

Item No. 2:

Sri R. Jagadeesh Kumar aged 49 years is an Engineering Graduate and past President of the Bangalore Stock Exchange Ltd. He has 22 years of experience in the fields of investment and finance.

Item No. 3:

Sri P. V. Srihari aged 39 years is a Graduate in Commerce and has experience in business of finance and investments. He is the Managing Director of M/s.Vilas Finance & Investments Ltd.

DIRECTORS REPORT:

Your Directors have pleasure in presenting you the 17th Annual Report and the Annual Accounts for the financial year ending 31st March, 2009.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Instrument of proxies in order to be effective must be deposited at the Company's registered office not less than forty eight hours before the meeting.
2. The Register of Members and Share Transfer Books will remain closed from 25.11.2009 to 30.11.2009 (both days inclusive).

**FINANCIAL RESULTS:**

	2008-09	2007-08
Sales and Other Income	124.61	202.61
Profit/(Loss) before Interest & Depreciation	36.17	77.09
Interest	3.34	5.52
Depreciation	21.01	27.40
Profit/(Loss) before Tax	11.82	44.17
Deferred-tax	59.04	11.51
Income-tax (Current-tax)	3.61	4.82
Profit/(Loss) after taxation	(50.83)	27.84

Your Directors inform that the company has earned a profit of Rs. 36.17 lacs before interest and depreciation. The net profit after providing for interest of Rs. 5.52 lacs and depreciation of Rs. 27.40 lacs is 11.82 lacs. The Current tax Provision is of Rs. 3.61 lacs and Deferred-tax expense for the year is Rs. 59.04 lacs and the Loss of Rs. 50.83 lacs is carried forward to Balance Sheet.

OPERATIONS:

The sales and other income of the company are scaled down during the year as compared to the previous year but the only product left with the Company being Fruit Masala, the sale of which has shown a marginal improvement. The product Ghee which is the main product of our Subsidiary Company is picking up the market and the same product shall be our product after being merged with the Durga Dairy Ltd., the arrangements for the same are in final stage. The members are aware that the product Gutkha is withdrawn in the last year and the Company is contemplating to improve the turnover of Fruit Masala after the Merger and Demerger arrangements are being completed by enlarging the market stretch along with Ghee and induce further demand. Further, the Factory Buildings which are lying idle after withdrawal of Gutkha and shifting of production of Fruit Masala to the premises of Registered Office of the Company, our Company has taken up Extension of Factory Building Blocks with our Funds and Funds contributed by Promoters/Directors of the Company and are leased out to make use of the idle premises for the benefit of the Company.

SUBSIDIARY:

As the Company has acquired at about 51% stake in the associate concern Durga Diary Limited and it has become a subsidiary of the Company. In accordance with section 212 of the Companies Act, 1956, the detailed accounts and the Directors' Report etc. of the aforesaid subsidiary companies form part of this Annual Report.

MERGER AND DEMERGER:

In the process of merger of the subsidiary company viz., Durga Diary Limited in to Virat Crane Industries Limited and demerger in to Virat Crane Industries Ltd., and Crane Infrastructure Ltd., the Company has made considerable progress and it appears to be in the final stage as the Company has complied with the direction of Honorable High Court of Judicature of Andhra Pradesh by holding Extra Ordinary General Meeting of the Shareholders of the Company on 06.12.2008 at its Factory premises and completion of other procedures.

We are of the hope that the entire exercise shall be helpful to the Company in the wake of withdrawing a product Gutkha from its business and in the present scenario of recouping from Global Recession and Industrial Recession, the Company shall put forth every effort to boost the markets for the products of the new Company after the proposed arrangement.

DIVIDENDS:

No dividend is declared for the year 2008-2009.

PUBLIC DEPOSITS:

The company has not accepted/renewed Fixed Deposits from Shareholders, Employees and Public during the period under review.

LISTING:

The company's shares are listed at The Hyderabad Stock Exchange Ltd, Himayat nagar, Hyderabad-500 029 and The Mumbai Stock Exchange Ltd., Jeejee Bhoy Towers, Dalal Street, Mumbai-400 001. (The listing fee payable to Hyderabad Stock Exchange is in arrears for the year 2003-2004, 2004-2005, 2005-06, 2006-07, 2007-08 & 2008-09)



DIRECTORS

Sri R. Jagadish Kumar and P.V. Srihari retire by rotation in accordance with Articles of Association of the Company and being eligible for reappointment offer their services for Reappointment.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements of section 217 (2AA) of the companies act 1956 with respect to the Directors Responsibility statements it is hereby confirmed that:

- a) in the preparation of the Annual Accounts for the year 2008-2009 the applicable accounting standards have been followed with proper explanations where required.
- b) The Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates to give a true and fare view of the state of affairs of the company as at 31.03.2009 and of the loss of the company for that year.
- c) Proper and sufficient care is taken 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 prevention and detection of fraud and irregularities.
- d) The Annual Accounts are prepared on a going concern basis.

AUDIT COMMITTEE:

The company has an audit committee, whose composition, role functions and powers are in accordance with the legal/SEBI requirements. The Audit Committee comprises of Sri R.Jagadish Kumar, Sri G.Subba Rao and Sri P.Bhaskara Rao as members.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance along with auditors certificate is attached to this report. A note on Management discussion and analysis is also attached to this report.

AUDITORS:

M/s Jawahar and Associates, Chartered Accountants, Hyderabad who are the auditors of the Company and hold office up to the conclusion of the ensuing Annual General Meeting are recommended for re-appointment.

They have confirmed their eligibility as per Section 224(1) of the Companies Act.

PERSONNEL:

The Management appreciated the efforts of the employees of the Company and its Subsidiary for their co-operation and support during the year and acknowledge their contribution.

There are no employees as per the provision of Section 217 (2A) of the Companies Act 1956, employed throughout the year who are in receipt of remuneration of Rs. 24,00,000/- or more or employed for part of the year and in receipt of Rs. 200000/- per month.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGOINGS:

Consumption of energy is very insignificant, as the company's production is very much low. However the company has taken adequate steps to conserve the energy.

Foreign exchange earnings/outgoings: NIL

ACKNOWLEDGEMENTS:

The directors of the company placed their appreciation to the Bankers of the Company, various Government Authorities, Employees and Distributors for their cooperation.

For and on behalf of the Board
Sd/- Sd/-

P.BHASKARARAO G.V.S.L.KANTHA RAO
DIRECTOR MANAGING DIRECTOR

PLACE : GUNTUR

DATE : 30.10.2009.

ANNEXURE TO DIRECTORS REPORT

CORPORATE GOVERNANCE:

1.Company's Philosophy:

The Company believes good corporate governance that leads to long-term relationship with shareholders, customers, employees and other stakeholders. The Board has constituted various committees, for smooth and swift functioning of the company, The company has setup, audit committee, share transfer committee and Remuneration committee. Corporate Governance practices are being further strengthened.

2.Board of Directors:

The Board of Directors comprises of five directors. The details of their category, directorships and attendance is as under:



Sl. No	Name of the Director	Category	Attendance particulars of Board Meeting held since last AGM Held Attended LastAGM			No. of other Directorship/ Committee Membership	
1	Sri G.Subba Rao	Promoter	5	5	No	1	2
2	Sri R Jagadish kumar	Non Executive Independent	5	4	Yes	--	2
3	Sri P Bhaskara Rao	Non Executive Independent	5	5	Yes	1	2
4	Sri P V Sri Hari	Non Executive	5	5	Yes	1	--
5	SRI G V L S Kantha Rao	Executive Promoter	5	5	Yes	4	1

During the year the Board meetings were held on – 30th April, 2008, 31st July, 2008, 10th October, 2008, 31st October, 2008, 31st December, 2008 and 31st January, 2009.

3. Audit Committee & Remuneration Committee:

Sri R. Jagadish Kumar Chairman
P. Bhaskara Rao Member
Sri G. Subba Rao Member

During the year committee met 4 times during the year on 30th April, 2008, 31st July, 2008, 31st October, 2008 and 31st January, 2009.

Details of Remuneration paid to Directors.

The aggregate value of salary and perquisites and

other benefits paid for the year ending 31st March 2009 to Sri G.V.S.L.Kantha Rao, Managing Director is Rs 225000/- on annual basis.

5. Share holders committee.

The Company has a shareholders committee of the Board comprising of Sri P.Bhaska Rao, Sri R.Jagadish Kumar, and Sri G.V.S.L.Kantha Rao. The committee approves of issue of duplicate share certificates, share transfers and review & redresses of shareholders' grievances like non-transfer of Shares etc. All the complaints of the Shareholders are resolved satisfactorily. The committee meets periodically or as often as required.

6. General Body Meetings:

The details of last 3 AGM 's are :				
S.No.	Year	Place	Date & Time	Remarks
1.	2005-2006	Factory premises Ankireddypalem Chilakaluripet Road Guntur.	29.09.2006 at 10.00 a.m	No Postal Ballot
2.	2006-2007	—do—	29.09.2007 at 10.00 a.m	No Postal Ballot.
3.	2007-2008	—do—	31.12.2008 at 10:00 a.m	No Postal Ballot
The detail of EGM:				
1	2008-2009	—do—	06.12.2008 At 11.00 a.m	No Postal Ballot



Virat Crane Industries Ltd.

7. Disclosures:

- A. None of the transactions with any related parties are in conflict with the interest of the Company. The details of the related party transaction are furnished in Notes to Accounts.
- B. There are no instances of non-compliance of any matter related to capital markets during the last three years, except, non payment of annual listing fee for the years 2003-2004 to 2008-09 to Stock Exchange of Hyderabad.

8. Means of communication:

The quarterly, half yearly and annual results are sent to Stock Exchanges at Hyderabad and Mumbai. They are also published in English and Telugu news papers.

9. General share holders information.

1. Annual General Meeting:

Date & time : 30.11.2009 at 10.00 A.M
Place : Factory premises at
 Ankireddypalem village,
 Chilakaluripet Road, Guntur.

Financial Calendar:

April 2008 to March 2009

1st quarter results : 31st July 2008
 2nd quarter results : 31st October 2008
 3rd quarter results : 31st January, 2009
 4th quarter results : 30th April 2009.
 Audited Annual Results : 30th August 2009

Dates of book closure :

25.11.2009 to 30.11.2009

Listing on Stock Exchanges :

Hyderabad and Bombay Stock Exchanges.

Stock Code : HSE: VCI

BSE: 19457.

ISIN of Dematerialised shares:

INE 295C 01014.

STOCK PRICE DATA

Monthly High and Low quotations in BSE for the financial year 2008-2009.

Month	Open(Rs)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares
April 2008	11-10	13.96	9.29	13.20	83553
May 2008	12.55	13.00	9.02	9.60
June 2008	9.50	10.00	8.01	8.97	70746
July 2008	9.30	9.55	8.00	8.75	33112
August 2008	8.10	8.94	7.16	7.84	45453
September 2008	8.45	8.48	5.51	6.24	15357
October 2008	6.01	7.25	5.20	5.70	18851
November 2008	5.93	6.20	4.72	4.73	19581
December 2008	4.70	6.17	4.50	5.74	21330
January 2009	5.51	7.33	5.50	6.30	56722
February 2009	6.00	7.28	5.65	6.70	34096
March 2009	6.38	6.69	4.50	4.79	27968

The shares of the company are not actively traded at HSE.

Registrars and Transfer Agents:

M/s Sathguru Management Consultants Pvt. Ltd.,

Plot No.15, Hindi Nagar, Punjagutta, Hyderabad.

500 034 are the Registrar & Transfer Agents for

both physical and Dematerialised Shares.

Distribution of Shares:

The share holding patterns is as follows.

CATEGORY	NO.OF SHARE HELD	%OF SHARES HOLDERS
INDIVIDUALS	3311126	45.72
COMPANIES	404885	5.59
FI / BANKS	27300	0.38
PROMOTERS/ DIRECTORS AND THEIR RELATIVES	3498689	48.31
TOTAL	7242000	100.00

**The distribution of share holding as 31.03.2009 is as follows:**

No. of equity Shares held	No. of share holders	% of total shareholder	Amt. of shares held (Rs.)	% of total shares
1-5000	6364	85.21	1468339	20.28
5001-10000	577	7.73	484049	6.68
10001-20000	243	3.25	365246	5.04
20001-30000	108	1.45	274527	3.79
30001-40000	27	0.36	96114	1.33
40001-500000	62	0.83	299752	4.14
50001-100000	50	0.67	370255	5.11
100001 & above	38	0.51	388718	53.63
Total	7469	100.00	2742000	100.00

Dematerialization of shares: The shares fall under compulsory dematerialisation.

The company has not issued any GDRs/ADRs/Warrants or any other convertible instruments.

Plant Location: Ankireddypalem village, Chilakaluripet Road, Guntur-522 004.

Regd. Office and 25-2-1, Opp. Mastan Darga, G.T. Road, Guntur-522 004.

Address for correspondence:

ANNEXURE TO DIRECTORS REPORT:**MANAGEMENT DISCUSSION AND ANALYSIS:**

A) Scope and Potential: The Company's Plan as contemplated in the earlier year for expansion of the market network for the products – Chewable products, Ghee products and other new products (in course of diversification) may have to be executed after the completion of Merger & De Merger Arrangement. In the new scenario and in the scenario of signs of Indian Economic recovery it is reiterated that the company has opportunity to introduce its products in the markets of the existing subsidiary company where the Parent Company has no established market and in the same way the subsidiary company can make use of Parent Company's market network.

B) Opportunities and Challenges:

1. Opportunities: The company is trying to explore new markets through out India apart from Andhra Pradesh from the point of view of the present Parent & Subsidiary Companies.

2. Challenges: Stiff competition from unorganized markets and the Government levied tax & related issues from time to time.

C) Out Look: The Company is continuously studying various propositions to diversify its activities. The Management is reiterating its confidence that they will be successfully implemented once they are finalized. The Company firmly believes to expand, diversify and explore new opportunities after completion of the proposed Merger and De Merger arrangement.

D) Risks & Concerns: There is lot of awareness among public with respect to availability of products of other Brands.

E) Internal Control System is reasonable and adequate.

F) Financial performance:

1) Capital Structure: The company has only equity shares and the paid-up capital is Rs.723.85 lacs.

2) Loan Profile: The company's outstanding Term Loan is of Rs. 6.13 lacs.

3) Assets: The company is having net fixed assets of Rs. 2396.87 lacs after revaluation of Company's Freehold land and Buildings.

G) Cautionary Statement : The Market fluctuations and government policies/regulations will have an impact on the projections and the future outlook.



Virat Crane Industries Ltd.

**CEO CERTIFICATION
DECLARATION BY THE EXECUTIVE CHAIR-
MAN AND CEO UNDER CLAUSE 49(ID)
OF THE LISTING AGREEMENT**

I here by confirm that all the board members and senior management personnel's have affirmed compliance with the code of conduct for Directors and Senior Management as approved by the Board for the financial year ended March 31st 2009.

Sd/-

G.V.S.L.KanthaRao

Managing Director

Virat Crane Industries Limited

Place: GUNTUR

Date: 30th October, 2009

**AUDITORS' CERTIFICATE ON CORPO-
RATE GOVERNANCE**

To The Members of Virat Crane Industries Ltd.,

We have examined the compliance of conditions of Corporate Governance by **Virat Crane Industries Ltd., Guntur** for the year ended 31st March, 2009 as stipulated in Clause 49 of the listing agreements entered by the company with the Stock Exchanges.

The compliance of 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 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 knowledge and information and accordance 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 Agreements as applicable to the Company.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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.

For Jawahar & Associates

Chartered Accountants

Sd/-

V.Umapathi

Partner

Place : Guntur

Date : 30th October, 2009

AUDITOR'S REPORT

The Members of

Virat Crane Industries Limited, Guntur.

1. We have audited the attached Balance Sheet of M/s. Virat Crane Industries Limited as at 31st March, 2009 the Profit and Loss account and the cash flow statement for the year ended on that date annexure there to. These financial 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 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 purposes 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, Profit and Loss Account and cash flow statement dealt with by this report is in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account, cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except AS-15 retirement benefit to employees.
- (v) On the basis of written representations received from the directors, as 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 subsection (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 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 principles generally accepted in India.
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
- (b) in the case of the Profit and Loss account of the Loss for the year ended on that date.
- (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For Jawahar & Associates

Chartered Accountants

Sd/-

V. Umaphathi

Partner

Membership Number: 21887

Place: Guntur,

Date - 30th August, 2009

ANNEXURE TO AUDIT REPORT

Ref: Virat Crane Industries Ltd., Guntur Referred to in paragraph 3 of our report of evr n date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The management during the year has physically verified all the assets. 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 any part of the fixed assets.
- (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 of physical verification of inventories followed 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 maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has not granted any loans secured or unsecured to parties covered under register maintained under section 301 of the companies act. So the provisions of (b), (c), and (d) are not applicable.
- (e) The Company has obtained Inter Corporate Deposits from the following and details as follows:

Name of the Company	Maximum amount due	Year end balance
ViratCrane Bottling Ltd.,	2 Lacs	2 Lacs (Cr.)
Virat Crane Agri Tech Ltd.,	117.67 Lacs	117.04 Lacs (Cr)
Apex Solutions Ltd.,	44.66 Lacs	33.34 Lacs (Cr)



- (f) As per the information and explanations given to us, the loans are payable on demand and there is rate of interest for the said loan. Hence, the question of whether the interest is prejudicial to the interests of the company or not does not arise.
- (g) As per the information and explanation given to us, the loans are repayable on demand.
- (iv) In our opinion and according to the information and 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 purchases 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 weaknesses 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 and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not collected any deposits section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) As per the section 209(1)(d) of the Companies Act, 1956 maintenance of the cost records is not compulsory.
- (ix) (a) The Company is generally regular in depositing monies with P.F./ESI authorities,
- (b) According to the information and explanations given to us, there are no undisputed statutory dues outstanding for a period of more than six months from the date they became due except in respect of P.F. Rs. 2,15,287.64.
- (C) According to the information and explanation given to us, there are statutory dues which were deposited under dispute.

Nature of the Stature	Nature of the Dues	Nature of the Dues	Forum where dispute is pending
Sales Tax Dept	APGST	1.95	Sales tax Tribunal (Hyderabad)
	CST	0.33	C.T.O. Guntur, Andhra Pradesh

- (x) The accumulated losses of the company are not more than fifty percent of net worth. The company has not incurred any cash loss during the financial year under audit.
- (xi) In our opinion and according to the information and explanations given to us, during the year the Company has not borrowed any loans from any financial institution, bank or debenture holders.



- Accordingly, the provisions of clause 4 (xi) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (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 provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, company has given corporate guarantees to IDBI for the term loan of Rs. 10 Crore taken by Virat Crane Bottling Limited.
- (xvi) In our opinion, the company has not raised any term loans during the year under audit.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that there are funds raised on short-term basis have been not used for long-term purpose.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under section SOI of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had not issued any debentures.
- (xx) As per the information and explanation given to us the company have not raised any monies through public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Jawahar & Associates

Chartered Accountants

Sd/-

V.Umapathi

Partner

Membership Number; 21887

Place; Guntur,

Date : 30.08.2009.



VIRAT CRANE INDUSTRIES LTD., GUNTUR
BALANCE SHEET AS AT 31--03-2009

(In Rupees)

PARTICULARS	SCH.NO.	CURRENT YEAR	PREVIOUS YEAR
SOURCES OF FUNDS			
SHARE CAPITAL	1	72385500	72385500
CAPITAL RESERVE (REVALUATION RESERVE)		198191890	200521174
LOAN FUNDS:			
SECURED LOANS	2	612666	2775542
UNSECURED LOANS	3	24308906	19186233
NET DEFERRED TAX LIABILITY		<u>12843000</u>	<u>6939097</u>
		<u>308341962</u>	<u>301807546</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK LESS DEPN.	4	239687444	240656996
INVESTMENTS	5	29365500	29365500
CURRENT ASSETS,			
LOANS & ADVANCES:			
INVENTORY	6	6847020	7345316
SUNDRY DEBTORS	7	16956548	16413121
CASH & BANK BALANCES	8	2576634	3372874
LOANS & ADVANCES	9	6866030	4973218
DEPOSITS	10	<u>2451954</u>	<u>2285712</u>
		<u>35698186</u>	<u>34390241</u>
CURRENT LIABILITIES & PROVISIONS:			
DEFERED REVENUE EXPENDITURE	11	17636307	15805175
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT W/OFF)	12	8403914	8403914
PROFIT & LOSS A/C DEBIT BALANCE	13	7895229	7305012
		<u>5353568</u>	<u>270950</u>
		<u>308341962</u>	<u>301807546</u>
NOTES ON ACCOUNTS	20		

As per our report of even date
for JAWAHAR AND ASSOCIATES
Chartered Accountants

for and on behalf of the Board
for VIRAT CRANE INDUSTRIES LIMITED

V.UMAPATHI
PARTNER
M.No. 21887

P.BHASKARA RAO
DIRECTOR

G.V.SL.KANTHA RAO
MANAGING DIRECTOR

Date : 30th August 2009
Place: Guntur



Virat Crane Industries Ltd.

VIRAT CRANE INDUSTRIES LTD., GUNTUR
PROFIT & LOSS A/C FOR THE YEAR ENDED 31--03-2009

(In Rupees)

PARTICULARS	SCH.NO.	CURRENT YEAR	PREVIOUS YEAR
INCOME			
SALES	14	4547853	4925316
OTHER INCOME		7912850	15335801
		12460703	20261117
EXPENDITURE			
MATERIAL CONSUMPTION	15	3506605	3314769
MANUFACTURING EXPENSES	16	853563	1403930
SELLING & DISTRIBUTING EXP.	17	93973	83967
ADMINISTRATIVE EXPENSES	18	3305703	4423093
EXCISE DUTY (GUTKHA)		897380	141750
FINANCIAL EXPENSES	19	409780	585926
INCREASE/DECREASE IN FIN.STOCK		131278	63785
DEPRECIATION		2101470	2740540
MISC. EXPENSES WRITTEN OFF	12	0	250000
DEFERRED REVENUE EXP. WRITTEN OFF		0	2801305
		11299752	15809065
PROFIT/(LOSS) DURING THE YEAR		1160951	4452052
ADD:PRIOR PERIOD INCOME		21239	
		1182190	4452052
LESS:PRIOR PERIOD EXP.			34114
PROFIT/(LOSS) BEFORE TAX		1182190	4417938
TAX EXPENSE			
CURRENT TAX		360905	482350
DEFERRED TAX EXP /(INCOME)		5903903	1151452
NET PROFIT/(LOSS) AFTER TAX			
CARRIED TO BALANCE SHEET		(5082618)	2784135
NOTES ON ACCOUNTS	20		

As per our report of even date
for JAWAHAR AND ASSOCIATES
Chartered Accountants

for and on behalf of the Board
for VIRAT CRANE INDUSTRIES LIMITED

V.UMAPATHI
PARTNER

P.BHASKARA RAO
DIRECTOR

G.V.SL.KANTHA RAO
MANAGING DIRECTOR

M.No. 21887

Date : 30th August 2009

Place: Guntur



Virat Crane Industries Ltd.

PARTICULARS	SCH.NO.	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE -1 - SHARE CAPITAL:			
<u>AUTHORISED CAPITAL</u> (75,00,000 EQUITY SHARES OF RS.10/- EACH)]		<u>75000000</u>	<u>75000000</u>
<u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u> 72,42,000 EQUITY SHARE OF RS.10/- EACH		72420000	72420000
LES&CALLS IN ARREARS		34500	34500
SCHEDULE - 2 : SECURED LOANS SHORT TERM BORROWINGS FROM BANKS		<u>72385500</u>	<u>72385500</u>
LAKSHMIVILAS BANK LTD., TERM LOAN		612666	931493
THE VYSYA BANK LTD., TERM LOAN		0	1844049
		<u>612666</u>	<u>2775542</u>
SCHEDULE - 3 : UNSECURED LOANS			
INTER CORPORATE DEPOSITS		15450536	15300869
LOAN FROM DIRECTORS		3666707	964329
OTHERS		5191663	2921035
		<u>24308906</u>	<u>19186233</u>
SCHEDULE - 5 INVESTMENTS: (VALUED AT COST)			
<u>TRADE & UNQUOTED:</u> SYMPHONY STUDIOS PVT. LTD., (30000 EQ.SHARES OF RS.10/- EACH)		300000	300000
<u>INVESTMENT IN SUBSIDIARY:</u> DURGA DAIRY LTD., (548900 SHARES @ AVG PRICE OF RS.38/-)		21885500	21885500
VIRAT CRANE AGRI-TECH LTD., (718000 SHARES OF RS.10/- EACH)		7180000	718000
		<u>29365500</u>	<u>29365500</u>

SCHEDULE - 4 - FIXED ASSETS

Depreciation	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As On 31.03.2008	Additions	Deletions	As On 31.03.2009	As On 31.03.2008	Provided During the year	Delitions During the year	Upto 31-03- 2009	As On 31-03- 2008	As On 31.3.2009
FREEHOLD LAND	90000000	0	0	90000000	0	0	0	0	90000000	90000000
FACTORY BUILDINGS	51000000	0	0	51000000	11469406	1703400		13172806	39530594	37827194
PLANT & MACHINERY	19633656	0	6431385	13202271	11476233	672400	4054462	8094171	8157423	5108100
MISCELLANEOUS ASSETS	180752	0	0	180752	108830	8585		117415	71922	63337
VEHICLES	364407	0	0	364407	359924			359924	4483	4483
ELECTRICAL INSTALLATIONS	8613945	0	0	8613945	4993477	406578		5400055	3620468	3213890
FURNITURE & FIXTURES	1239365	0	0	1239365	892607	15493		908100	346758	331265
ADMINISTRATIVE BLOCK	99000000	0	0	99000000	2439491	1613700		4053191	96560509	94946809
OFFICE EQUIPMENT	390725	0	0	390725	291135	10595		301730	99590	88995
	270422850	0	6431385	263991465	32031103	4430751	4054462	32407392	238391747	231584073
CAPITAL WORK-IN-PROGRESS	2265250	5838121		8103371	0	0	0	0	2265250	8103371
TOTAL	272688100	5838121	6431385	272094836	32031103	4430751	4054462	32407392	240656997	239687444
Previous Year	280448246	0	7760144	272688102	30734987	5069824	3773705	32031106	249713259	240656996

**SCHEDULE 6- INVENTORIES:**

(AS CERTIFIED BY MANAGEMENT)

STOCK OF RAW MATERIAL	262965	358601
STOCK OF FINISHED/TRADING GOODS	32820	164098
STOCK OF PACKING MATERIAL	4514615	4551701
STOCK OF WORK IN PROGRESS	1079490	1280516
STOCK OF TOOLS & IMPLEMENTS		15000
STOCK OF OTHER MATERIAL	957130	975400
	<u>6847020</u>	<u>7345316</u>

SCHEDULE - 7 SUNDRY DEBTORS:

(UNSECURED AND CONSIDERED GOOD)

OUTSTANDING FOR MORE THAN SIX MONTHS	9473820	886549
OUTSTANDING FOR LESS THAN SIX MONTHS	7482728	15526572
	<u>16956548</u>	<u>16413121</u>

SCHEDULE - 8 CASH & BANK BALANCES:

BANK BALANCE	20239	1216382
CASH ON HAND	2556395	2156492
	2576634	3372874

SCHEDULE - 9 LOANS & ADVANCES:

(RECOVERABLE EITHER IN CASH OR IN KIND)

RECOVERABLE FROM TAX AUTHORITIES	2425672	1925593
SERVICES AND EXPENSES		0
SHARE APPN. MONEY PENDING ALLOTMENT		627000
ADVANCES TO SUPPLIERS	205214	60648
MISCELLANEOUS ADVANCES	4235144	2359977
	<u>6866030</u>	<u>4973218</u>

SCHEDULE -10 DEPOSITS:

SECURITY DEPOSITS - GOVTS.	199146	25404
ELECTRICITY	478857	478857
TELEPHONE	86309	93809
RENTS	76000	76000
OTHERS	1611642	1611642
	<u>2451954</u>	<u>2285712</u>

**SCHEDULE -11 CURRENT LIABILITIES & PROVISIONS:****A) CURRENT LIABILITIES****CREDITORS**

RAWMATERIALS/TRADING MATERIAL	8872292	9964535
EXPENSES & SERVICES	6833633	2781160
ADVANCES RECD. FROM CUSTOMERS	288682	256371
TAX DEDUCTED AT SOURCE	52998	38738
TAXES PAYABLE	72700	80094
OTHERS	832653	4253768
	<u>16952958</u>	<u>17374666</u>

B) PROVISIONS

GRATUITY PAYABLE	748016	728050
PROVISION FOR CURRENT TAX	360905	482350
	<u>18061879</u>	<u>18102716</u>

SCHEDULE -12 MISCELLANEOUS EXPENDITURE:

MISCELLANEOUS EXPENDITURE	6305010	6305012
MERGER & DEMERGER EXPENSES	1590219	1000000
	<u>7895229</u>	<u>7305012</u>

SCHEDULE -13 PROFIT & LOSS DEBIT BALANCE:

PROFIT & LOSS A/C	(270950)	(3055085)
ADJ: CURRENT YEAR PROFIT	(5082618)	2784135
	<u>(5353568)</u>	<u>(270950)</u>

SCHEDULE -14 SALES :**(AFTER ADJUSTMENT OF RETURNS)**

SALES: GUTKHA	0	351750
SALES: FRUIT MASALA	4362605	4260950
SALES: OTHERS	185248	312616
	<u>4547853</u>	<u>4925316</u>



PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
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SCHEDULE - 15 MATERIAL CONSUMPTION:

PARTICULARS	RAW MATERIALS		PACKING MATERIALS	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
OPENING STOCK	358601	945627	4551701	4577576
PURCHASES	1881728	1452444	1291129	1099528
	2240329	2398071	5842830	5677104
LESS: CLOSING STOCK	262965	358601	4514615	4551701
	1977364	2039470	1328215	1125403
ADD: OPENING W.I.P	1280516	1430412	0	0
	3257880	3469882	1328215	1125403
LESS: CLOSING W.I.P	1079490	1280516	0	0
LESS: DAMAGE STOCK	0	0	0	0
	2178390	2189366	1328215	1125403
	2178390	2189366	1328215	1125403

SCHEDULE - 16 : MANUFACTURING EXPENSES

REPAIRS & MAINTENANCE	34486	39882
POWER	374682	841598
LABOUR CHARGES	444395	522450
	838563	1403930

SCHEDULE - 17 SELLING & DIST. EXPENSES:

CARRIAGE OUTWARDS	85857	83967
SELLING & DIST. OVERHEAD EXP.	8116	0
	93973	83967



PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE -18 ADMINISTRATION EXPENSES:		
AUDITORS REMUNERATION	55150	56180
LOSS ON SALE OF FIXED ASSETS	2116337	2796969
CONVEYANCE EXPENSES	1604	20330
DIRECTORS REMUNERATION	225000	225000
DIRECTORS' TRAVELLING EXPENSES	8637	0
FRINGE BENEFIT TAX	1236	2326
LICENCE & FEES	102540	159498
INSURANCE CHARGES	0	18739
PRINTING & STATIONERY	7460	2255
PROFESSIONAL CHARGES	259380	382281
RENTS	120000	120000
SALARIES	323521	552801
TELEPHONE & TRUNKCALLS	7255	5519
TRAVELLING EXPENDITURE	3200	20507
ESTABLISHMENT EXPENSES	74383	630688
	<u>3305703</u>	<u>4423093</u>

SCHEDULE -19 FINANCIAL EXPENSES:

BANK CHARGES	75636	33879
INTEREST ON WORKING CAPITAL	7020	28897
INTEREST ON TERM LOAN	327124	523150
	<u>409780</u>	<u>588926</u>



SCHEDULE - 20:

NOTES ON ACCOUNTS:

A) ACCOUNTING POLICIES.

1) ACCOUNTING CONVENTION:

Financial Statements are prepared under historical cost convention in accordance with the Accounting Standards issued by institute of Chartered Accountants of India and referred to in section 211 (3C) of the Companies Act, 1956. The significant accounting policies are as follows.

2) REVENUE RECOGNITION:

- a. Income and expenditure is accounted on accrual basis on receipt of invoices.
- b. Sales comprises of sale of goods net of returns, trade discount and taxes.

3) RETIREMENT BENEFITS:

Leave Wages and Gratuity is accounted on actuarial valuation.

4) ASSETS:

Fixed assets have been valued at cost less depreciation.

5) DEPRECIATION:

- a. Depreciation is provided on Straight line method applying the rates as per schedule IV of the Companies Act 1956.
- b. The additional depreciation provided on the revalued amounts of the assets is written off against the revaluation reserve.

6) INVESTMENTS:

Investments are at cost or market price which ever is lower and in the absence of market quotation cost price is adopted for current investments and long term investments are valued at cost.

7) INVENTORY:

All inventories except work-in-progress are valued at lower of cost or net realisable value which ever is lower.

- a. First in First out method has been followed for issues for determining the inventory value.
- b. Work-in-progress is valued on the basis of technical evaluation adopted by the Management.

8. DEFERRED TAX:

Deferred tax is recognized, subject to consideration

of prudence, on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods

9) CONTINGENT LIABILITIES:

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

10) IMPAIRMENT OF ASSETS:

At each balance sheet date, the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount if the carrying amount of the asset exceeds its recoverable amount an impairment loss is recognized in profit and loss account to the extent the carrying amount exceeds recoverable amounts.

11) ESTIMATES:

Estimates are used for provision for doubtful debts, useful life of fixed assets and obligations under employee retirement plan.

12) DEFERRED REVENUE EXPENDITURE:

Deferred revenue expenditure is written off over a period of five years against profits.

13) INTEREST TO SUPPLIERS:

Interest claimed by suppliers if any on delayed payments is accounted on settlement basis.

B. NOTES ON ACCOUNTS:

1) a. Claims against the company not acknowledged as debts Nil.

b) Contingent Liability not provided for on account of Corporate Guarantee - Rs.10 Cr.

2) Revaluation Reserve:

The revaluation reserve created in the year 2006-07 on revaluation of Fixed Assets is charged/debited by Rs.23,29,284/- being the difference between the depreciation computed on revalued buildings and the written value of building before revaluation.

3) Subsidiary Company:

The Company holds 51% Equity share capital in Durga Dairy Limited so the company is the holding company of Durga Dairy Limited.

The Company is in the process of merger of Durga Dairy Limited and the application is pending before High Court of Andhra Pradesh, Hyderabad, pending receipt of final orders, the Financial Accounts have been drawn as on 31st March 2009.



Virat Crane Industries Ltd.

4) Secured Loans:

Secured Loans from Lakshmi Vilas Bank Ltd., is secured by mortgage of Land and Building and hypothecation of machinery and Inventory on paripasu.

5) Sales Tax:

The demand made by sales tax authority towards APGST for the year 1999-2000 is RS.1.95 lacs against which appeal is preferred with Tribunal.

The demand against luxury tax made by commercial tax officer for Rs.3,47,484/- for the year 2005-06 in April 2008 is contested by appeal before Hon'ble High Court of Andhra Pradesh by remitting Rs.1,73,742/- which is of 50% of demand.

6. Company is operating only segment of Fruit Masala and trading of obsolete stock of Agarbathi and also leased out its idle Factory Buildings by shifting the Fruit Masala production activity to the leased Premises at Registered Office

7. RELATED PARTY TRANSACTIONS:

Nature of Transaction	Party & Relation	Maximum amount involved Rs. in lakhs	Closing Balance as on 31.03.2009 Rs. in lakhs
Inter Corporate Deposits	Virat Crane Bottling Ltd., Virat Crane Agri-Tech Ltd., Apex Solutions Ltd., (In the above 3 companies Mr. G.V.S.L Kantha Rao is the Director)	2.00 117.67 44.66	2.00 (Credit) 117.04 (Credit) 33.34 (Credit)

The above transactions are related by virtue of GVSL.Kantha Rao being Director in their respective boards.

8. MANAGERIAL REMUNERATION:

Paid to Managing Director towards salaries of Rs. 180000/- and towards HRA is of Rs. 45000/- (Previous year of Rs.180000/- and towards HRA is of Rs.45000/-)

9. There are no SSI units to whom the company owes Rs. 100000/- or more.

10. Details of Deferred Tax Liability stated in a/c Sheet are arrived as below. →

11. Previous year figures are recast /restated where ever necessary.

PARTICULARS	1.04.2008 Rs.	31.03.2009 Rs.
Deferred Tax Liability:		
Fixed Assets	12661530	12969950
Deferred Revenue Exp.	2641043	
Misc. Expenses		
Total (A)	15302574	12969950
Deferred Tax Assets:		
Unabsorbed Depreciation	7776366	
Disallowances under I.T	587111	126950
Total (B)	8363477	126950
Net Deferred Tax Liability (A-B)	6939097	12843000
Deferred Tax Expense (income)	(172292)	5903903

As per our report of even date
For JAWAHAR AND ASSOCIATES
Chartered Accountants

Sd/- Sd/-

V.UMAPATHI
PARTNER

P.BHASKARAO
DIRECTOR

for and on behalf of Board
For VIRAT CRANE INDUSTRIES LTD.,

Sd/-

G.V.S.L.KANTHA RAO
MANAGING DIRECTOR

Date: 30.08.2009 Guntur



Virat Crane Industries Ltd.

The information required as per Para 3 and Para 4 of the Part II Schedule VI of the Companies Act, 1956

I) QUANTITY INFORMATION IN RESPECT OF GOODS MANUFACTURED: (Rounded to Tonnes/Kgs)

- a) Licenced Capacity
b) Installed Capacity

NOT APPLICABLE

10 MTs. PER SINGLE SHIFT

	Current Year	Previous Year
c) Actual Production	25 MTs	26 MTs
II) Earnings in foreign Currency	Rs. Nill	Rs. Nill
III) Expenditure in foreign Currency	Rs. Nill	Rs. Nill
IV) Value of import on GIF basis		
V) PRODUCTION: (Rounded to Tonne/Kgs)		

Fruit Masala

Gutkha

VI) SALES : (Rounded to Tonnes/Kgs)

Fruit Masala

25 MTs

25 MTs

Gutkha

Nill

1MT

Arecanuts (Trading)

Nill

2MTs

Others (Trading)

11797 Dozs

3014 Dozs

VII) Raw Material & Packing Material Consumption

1. Drydates
2. Lamination Film
3. Other Raw Material

Current Year		Previous Year	
Kgs.	Value	Kgs.	Value
25370	1500046	25466	1514484
5565	1109380	5522	977195
4096	549465	2479	477799
35031	3158891	33467	2969478

VIII) A) Closing Stock of Rawmaterial & Packing Material

1. Drydates
2. Katha
3. Spices
4. Other Raw Material
5. Other Trading Goods
6. Lamination Film
7. Other Packing Material

Current Year		Previous Year	
Kgs.	Value	Kgs.	Value
1845	107521	997	66092
333	89910	333	89910
271	39817	581	183015
3317	1105206	2891	1300100
	32820		164098
19126	4346815	18984	4315642
	167800	-	236059
-	-	-	-
	5889889	-	6354916

Signature to Schedules 1 to 20 form part of the Accounts

As per our report of even date
for JAWAHAR AND ASSOCIATES
Chartered Accountants

V.UMAPATHI
PARTNER
M.No. 21887

Guntur, 30th August 2009.

for and on behalf of the Board
for VIRAT CRANE INDUSTRIES LIMITED

P.BHASKARA RAO
DIRECTOR

G.V.SL.KANTHA RAO
MANAGING DIRECTOR



Virat Crane Industries Ltd.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I) REGISTRATION DETAILS :

Registration No.:

01-14392

Balance Sheet Date

31-03-2009

State Code 01

II) CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)

Public Issue

Rights Issue

Nil

Nil

III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. THOUSANDS)

Total
Liabilities

Total
Assets

308342

308342

Sources of Funds

Paid -up
Capital

Reserves
& Surples

72385

198192

Secured
Loans

Un-Sucured
Loans

613

24309

Other liabilities

12843

Application of Funds

Net Fixed
Assets

Investments

239687

29365

Net Current
Assets

Assets

17636

16301

Accumulated
Less

5353

IV) PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover
(Gross Revenue)

Total
Expenditure

12461

11279

+/-

Profit /Loss
before tax

+/-

Profit/Loss
after tax

+

1182

-

5083

V) Genetic Name of three Principal products / Services of Company (as per momentary terms)

Item Code No. (ITC Code)

2

Product Description

Furit Masala

VIRAT CRANE INDUSTRIES LTD., GUNTUR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

A CASH FLOW FROM OPERATING ACTIVITIES:

Amount(Rs.)

Net Profit after tax and Extraordinary items

(5082618)

Add: Non Cash Expenditure:

Loss on Sale of Fixed Assets

2116337

Depreciation

2101470



Virat Crane Industries Ltd.

	Provision for MAT/I.T	360905	
	Provision for FBT	1236	
	Deffered Tax Expense	5903903	
	Add; Interest Paid	334144	10817995
	Cash flow from operating activities subject to working capital changes		5735377
	Add: Increase in Trade and receivables	(2602481)	
	Decrease in Trade Payables	(884092)	
	Decrease in inventory	498296	(2988277)
	Cash flow from operating activities subject to Taxes paid		2747100
	Less: Fringe Benefit tax Paid		(1236)
	CASH FLOW FROM OPERATING ACTIVITIES		2745864
B	CASH FLOW FROM INVESTING ACTIVITIES:		
*	Purchase/sale of Sale of Fixed Assets	(5577537)	
	NET CASH CASH FLOW FROM INVESTING ACTIVITIES		(5577537)
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Receipt of Unsecured loans	5122673	
	Repayment of Secured loans	(2162876)	
	Merger & Demerger Expenditure	(590219)	
	Interest paid on Term Loans	(334144)	
	NET CASH FLOW FROM FINANCING ACTIVITIES		2035434
D	Net Cash Flow from the Total Activities (A+B+C)		(796239)
	Add: Cash and cash equivalents as at 1st April 2008		3372873
E	Cash and Cash equivalents as at 31st March 2009		2576634

Note: Figures in brackets represent outflows/negative figures.

As per our report of even date
for **JAWAHAR AND ASSOCIATES**
Chartered Accountants

for and on behalf of the Board
for **VIRAT CRANE INDUSTRIES LIMITED**

Sd/-
V.UMAPATHI
PARTNER
M.No. 21887
30th August 2009 Guntur

Sd/-
P.BHASKARA RAO
DIRECTOR

Sd/-
G.V.SL.KANTHA RAO
MANAGING DIRECTOR

AUDITOR'S CERTIFICATE

To
The Board of Directors,
Virat Crane Industries Limited,
25-2-1; G.T.Road;
Guntur - 522 004.

We have examined the attached Cash Flow Statement of the Virat Crane Industries Ltd., for the period ended 31-03-2009. The statement has been prepared by the Company in accordance with the requirements of Clause of 32 of listing agreements with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 30th Aug. 2009 to the members of the Company.

Sd/-
V.UMAPATHI
Partner
Guntur, 30th August 2009

For JAWAHAR & ASSOCIATES



NOTICE:

Notice is hereby given that Twentieth Annual General Meeting of the Company will be held at the Factory Premises of the Company at Nunna Village, Nuzvid Road, Vijayawada on Monday the 26th August 2009 at 10.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2009 and Profit & Loss Account for the year ended 31.03.2009 and the Reports of the Directors and Auditors Report thereon.
2. To appoint a Director in the place of Sri G.V.S.L.Kantha Rao who retires by rotation and being eligible offers himself for re-election.
3. To appoint M/s Jawahar and Associates, Chartered Accountants the retiring auditors as auditors of the company who shall hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting of the Company.

By Order Of The Board
For Durga Dairy Ltd.

PLACE : VIJAYAWADA

DATE : 01.08.2009 Sd/-G.V.S.L.Kantha Rao
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Instrument of proxies in order to be effective must be deposited at the Company's registered office not less than forty eight hours before the meeting.
2. Members/Proxies shall fill the attendance slip for attending the meeting.
3. Members are requested to inform immediately the change, if any of address registered with the company.

By Order Of The Board
For Durga Dairy Ltd.

PLACE : VIJAYAWADA

DATE : 01.08.2009.

Sd/-

G.V.S.L.Kantha Rao
Managing Director

DIRECTORS REPORT:

Your Directors have pleasure in presenting you the 20th Annual Report and the Annual Accounts for the financial year ending 31st March, 2009.

FINANCIAL RESULTS:

	(Rs. In Lacs)	
	2008-2009	2007-2008
Sales and Other Income	2260.44	1940.89
Profit/(Loss) before		
Interest & Depreciation	223.23	214.71
Interest	1.17	4.15
Depreciation	22.51	22.22
Profit/(Loss) before		
Taxation/Deferred Tax	199.55	188.35
Taxation – Current Tax	75.84	58.78
Deferred Tax –		
(Income)/Expenses	(7.67)	(74.23)
Profit/Loss after Taxation	131.38	203.79

Your Directors inform that the company has earned a profit of Rs. 223.23 lacs before interest and depreciation. The net profit after providing for interest of Rs. 1.17 lacs and depreciation of Rs. 22.51 lacs is 199.55 lacs. The Current tax provision is of Rs. 75.84 lacs (including FBT of Rs. 1.21 lacs) and deferred tax income for the year is Rs. 7.67 lacs and the Profit of Rs. 131.8 lacs is carried forward to Balance Sheet.

OPERATIONS:

The sales of the company has shown a growth of 17.04 % during the year. The Company is able to expand the market network and volume of sales with the support of existing network and management planning. During the year 2006-07 the company has become Subsidiary Company of Virat Crane Industries Ltd., by holding at about 51% of Equity Shareholding.



Virat Crane Industries Ltd.

MERGER :

The Final Hearing is due to take place shortly in the High Court of Judicature of Andhra Pradesh, Hyderabad against our Merger Arrangement Application before it as the Company has cleared the formal procedures as directed by the Hon. High Court in calling for Meeting of the Unsecured Creditors by dispensing the meeting of the Shareholders basing upon the consent of the Shareholders. Accordingly in all likelihood the clearing from the Hon. High Court shall not take much time.

DIVIDENDS:

No dividend is declared for the year 2008-2009.

PUBLIC DEPOSITS:

The company has not accepted/renewed Fixed Deposits from Shareholders, Employees and Public during the period under review.

DIRECTORS

Sri G.V.S.L.Kantha Rao retires by rotation in accordance with Articles of Association of the Company and being eligible for reappointment offers his services for reappointment.

DIRECTORS RESPONSIBILITY

STATEMENT:

Pursuant to the requirements of section 217 (2AA) of the companies act 1956 with respect to the directors responsibility statements it is hereby confirmed that:

- a) in the preparation of the Annual Accounts for the year 2008-2009 the applicable accounting standards have been followed with proper explanations where required.
- b) The directors have selected such accounting policies and applied them consistently and made judgements and estimates to give a true and fare view of the state of affairs of the company as at 31.03.2009 and of the loss of the company for that year.
- c) Proper and sufficient care is taken 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 prevention and detection of fraud and irregularities.

- d) The Annual Accounts are prepared on a going concern basis.

AUDITORS:

M/s Jawahar and Associates, Chartered Accountants, Hyderabad who are the auditors of the company and hold office up to the conclusion of the ensuing Annual General Meeting are recommended for re-appointment.

They have confirmed their eligibility as per Section 224(1) of the Companies Act.

PERSONNEL:

The Management appreciated the efforts of the employees of the company for their co-operation and support during the year and acknowledge their contribution.

There are no employees as per the provision of Section 217 (2A) of the Companies Act 1956, employed throughout the year who are in receipt of remuneration of Rs. 24,00,000/- or more or employed for part of the year and in receipt of Rs. 200000/- per month.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGOINGS:

Consumption of energy is very that much significant, as the company's production is not power based. However the company has taken adequate steps for conservation of energy.

Foreign exchange earnings/outgoings: NIL

ACKNOWLEDGEMENTS:

The directors of the company placed their appreciation to the bankers of the company, various Government Authorities, employees, distributors, for their cooperation.

For and on behalf of the Board

Sd/-

Sd/-

P.BHASKARA RAO G.V.S.L.KANTHA RAO
DIRECTOR MANAGING DIRECTOR

PLACE : VIJAYAWADA

DATE : 01.08.2009.



**ANNEXURE TO DIRECTORS REPORT:
MANAGEMENT DISCUSSION AND ANALYSIS:**

- A) Scope and Potential: As the merger of the Company with the Parent Company is actively in progress, the Company is completing for expansion of the market network for the products – Chewable products, Ghee products and other new products (in course of diversification). In the new scenario the company has opportunity to introduce its products in the markets of the existing Parent Company where the Subsidiary Company has no established market and in the same way the subsidiary company can make use of Parent Company's market network.
- B) Opportunities and Challenges:
1. Opportunities: The company is trying to explore new markets through out India apart from Andhra Pradesh from the point of view of the present Parent & Subsidiary Companies.
 2. Challenges: Stiff competition from unorganized markets and Major Market Players and the cost of Raw Material.
- C) Out Look: The company is studying various propositions to widen the market network and product coverage. With the proposed merger the Company is having ambitious plans to expand, diversify and explore new opportunities.
- D) Internal Control System is reasonable and adequate.

AUDITOR'S REPORT

The Members of
DURGA DAIRY LIMITED,
Vijayawada.

1. We have audited the attached Balance Sheet of M/s. Durga Dairy Limited as at 31st March, 2009 and the Profit and Loss account for the year ended 31st March, 2009. These financial 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order and subject to :
 - (i) *No provision for gratuity made as per the provisions of the Gratuity Act. We could not ascertain the quantum of the liability on account of non provision of Gratuity.*
 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 purposes 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, Profit and Loss Account dealt with by this report is in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account, dealt with by this report



Virat Crane Industries Ltd.

comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 *except AS-15 - Retirement Benefits to employees.*

- (v) On the basis of written representations received from the directors, as 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 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 principles generally accepted in India.
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
- (b) in the case of the Profit and Loss account of the Profit for the year ended on 31st March, 2009.

For Jawahar & Associates

Chartered Accountants

Sd/

V.Umapathi

Partner

Membership Number: 21887

Place : Vijayawada

Date : 01.08.2009

Annexure to the Auditor's Report

- Ref: Durga Dairy Limited, Vijayawada. Referred to in paragraph 3 of our report of even date,
- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year. There is a regular programme 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 the substantial part of the fixed assets.
- (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 of physical verification of inventories followed 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 maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has granted loan to M/s. Virat Crane Agri-tech Limited which is covered in the register maintained U/s.301 of the Companies Act, 1956.

Name of Party	Maximum Amount involved during the year	Closing Balance (Cur. Year)
Virat Crane	Rs.21,00,000/-	Rs. 21,00,000/-
Agri-tech Limited/-		

- (b) As per the agreements the Loan is interest free and as per the management the loan is to the group company.
- (c) As per the agreement Loan is repayable on demand.
- (d) In view of the above there is no overdue amount of loans taken from the companies listed in the register maintained Under section 301 of the Companies Act, 1956.
- (e) The company has not obtained any loan or advance from the companies/ parties covered under register u/s 301. hence the provisions of sub clause (f) and (g) are not Applicable.



Virat Crane Industries Ltd.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (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 and explanations given to us, the transactions made in pursuance of such contracts or arrangements 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 and explanations given to us, the Company has not collected any deposits from the public as per the provisions of section 58 A and 58AA of the Act, and rules framed there under.
- (vii) In our opinion, the Company has internal audit system commensurate with the size and nature of its business.
- (viii) As per the sections 209(1)(d) of the Companies Act, 1956 maintenance of the cost records is not compulsory.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues applicable to it though there were certain delays were noticed.
- (b) According to the information and explanations given to us, there are no undisputed amounts payable to any statutory authorities which were in arrears for a period of more than six months from the date they became payable except to income tax for the Assessment year 2008-09 to the extent of Rs. 83,79,637/-
- (c) According to the information and explanation given to us, the following statutory dues have not been deposited on account of disputes :

Nature of the the Stature	Nature of the the Dues	Amount (Rs)	Period to which the amount Relates	Forum where dispute is pending
1.APGST	Sales Tax on Cream Penalty	30,40,060 15,12,412	1995-96	CTO, Seetharampuram, Vijayawada.
2.APGST	Sales Tax (Trade Mark)	18,80,000	1997-98	Sales Tax Appellate Tribunal (Vizag)
3. S.Agricultural market committee Cess	Cess	1055689	1994-1995. to 2000	Supreme Court of india
4. Income Tax Act., 1961	Income tax	730591/-	2002-03	Commissioner of Appeals Income tax (Hyderabad)



- (x) The company has not incurred any cash losses during the financial year covered by our audit and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders In our opinion
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (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 provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, company has given guarantees of \$25 lakhs (in words Twenty Five Lakh US Dollors) US Dollors Foreignn Currency Loan equivalent to Rs.11.50 crores taken by Virat Crane Agritech Limited. As per the information & explanations given to us, the Corporate Guarantee is given to the group company & no commission has been charged for issuance of guarantee.
- (xvi) According to the information & explanations given to us, the company has not raised any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds were raised on short-term basis.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had not issued any debentures.
- (xx) As per the information and explanations given to us, the company has not raised any funds through public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Jawahar & Associates
Chartered Accountants

Sd/-

Place : Vijayawada

V. Umapathi

Date : 01.08.2009

Partner

M.No. 21887



DURGA DAIRY LIMITED
Gandhinagar :: VIJAYAWADA
BALANCE SHEET AS AT 31.03.2009

PARTICULARS	Sch No	Current Year 2008-09	Previous year 2007-08 Rs.
SOURCES OF FUNDS			
Share capital	1	10761700	10761700
Reserves & Surplus	2	72567226	59429169
LOAN FUNDS			
Secured Loans			
Unsecured Loans	3	17081251	19928826
Deferred tax liability		3338816	4106189
		<u>103748993</u>	<u>94225884</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block Less Depreciation	4	33856447	36048500
INVESTMENTS			
	5	34762800	34762800
CURRENT ASSETS			
Inventories	6	5065042	2822395
Sundry Debtors	7	2343810	8673849
Cash & Bank Balances	8	484944	2221685
Loans and Advances	9	51814437	33735394
Deposits	10	272523	272523
		<u>59980756</u>	<u>47725846</u>
CURRENT LIABILITIES & PROVISIONS	11	24851010	24311262
NET CURRENT ASSETS		35129746	23414584
Miscellaneous Exp (to the extent not written off)			
NOTES TO ACCOUNTS	19	<u>103748993</u>	<u>94225884</u>

As per report of even date
For JAWAHAR AND ASSOCIATES
Chartered Accountants

Sd/-
V.UMAPATHI
Partner
M.No.21887

Date: 1-8-2009

Place: Vijayawada

For and on behalf of the board

Sd/-
G.V.S.L.KANTHA RAO **CH.KISHORE KUMAR**
Director Director



Virat Crane Industries Ltd.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

PARTICULARS	Sch No	Current Year Rs.	Previous year Rs.
INCOME			
Sales	12	225423071	192599489
Other Income	13	621124	1489186
Increase/Decrease in Stock		2242646	0
		228286841	194088675
EXPENDITURE			
Purchases	14	182706023	147042616
Direct Expenses	15	3623936	4115451
Selling & Distribution Expenses	16	12055434	7421162
Administrative Expenses	17	5674075	7549967
Financial Expenses	18	1318932	3010691
increase / decrease in stock		0	1118840
Depreciation		2250554	2222383
Deffered Revenue Expenses W/off		0	2730281
Preliminary Expenses W/off		0	0
		207628954	175211391
Profit / (-) Loss before tax		20657888	18877284
Less: Prior period expenditure		702806	42174
Profit / (-) Loss before tax after Prior Period Items		19955082	18835110
Less: Provision for Tax		7463383	5693227
Less: Fringe Benefit Tax		121017	185365
Less: Deferred Tax Expenses / (Income)		(767373)	-510029
Profit / (-) Loss during the year after tax		13138055	13466547
Profit / Loss transferred to Balance Sheet		13138055	13466547

As per report of even date

For JAWAHAR AND ASSOCIATES

Chartered Accountants

Sd/-

V.UMAPATHI

Partner

M.No.21887

For and on behalf of the board

Sd/-

G.V.S.L.KANTHA RAO

Director

Sd/-

CH.KISHORE KUMAR

Director

Date: 1-8-2009

Place: Vijayawada



PARTICULARS	Current Year Rs.	Previous year Rs.
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED CAPITAL		
60,00,000 Equity Shares of Rs.10/- each	60000000	60000000
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
(39800 Equity Shares of Rs.10/-	398000	398000
1036370 Eq.Sh.of Rs.10/- each at a premium of Rs.25/- each	10363700	10363700
	10761700	10761700
SCHEDULE - 2 : RESERVES AND SURPLUS		
Capital Reserves		
Share Premium	26231250	26231250
Subsidies	2000000	2000000
	28231250	28231250
Revenue Reserves:		
Profit & Loss A/c	31197921	17731371
Add : Current Year	13138055	13466547
	44335976	31197918
Total	72567226	59429169
SCHEDULE - 3 : UNSECURED LOANS		
Deffered Sales Tax	13907071	13907071
Vehicles Loans	0	370253
Chits Payable	2149500	5113000
Others	639000	0
Cholamandalam DBS Finance Limited	385680	538502
	17081251	19928826

**SCHEDULE - 4:**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 31.03.2008	Additions during the year	As at 31.03-2009	As on 31.03.2008	During the year	Upto 31.03.2009	As on 31.03.08	As on 31.03.09
LAND	2849694		2849694	Nil	Nil	Nil	2849694	2849694
BUILDINGS	21242531		21242531	5415617	709501	6125118	15826914	15117413
PLANT & MACHINERY	23243724	50500	23294224	9035928	1104198	10140126	14207796	13154098
ELETRICAL FITTINGS	1558291		1558291	667456	98640	766096	890835	792195
FURNITURE & FIXTUR	282098		282098	138253	17857	156110	143845	125988
OFFICE EQUIPMENT	2122223	8000	2130223	1052991	134337	1187328	1069232	942895
VEHICLES TOTAL	1688628		1688628	628443	186021	814464	1060185	874164
TOTAL	52987189	58500	53045690	16938688	2250554	19189241	36048502	33856452



PARTICULARS	Current Year Rs.	Previous year Rs.
SCHEDULE - 5 : INVESTMENTS		
Long Term Investments:		
Quoted Shares :		
Yenkey Drugs And Pharmaceuticals Ltd (1,00,000 Shares of Rs.12.5/- Each)	1250000	1250000
Unquoted Shares:		
Virat Crane Agritech Ltd (3348750 shares of Rs.10/- each)	33487800	33487800
Crane Foods Pvt. Ltd. (250 shares @ 100/- each)	25000	25000
	34762800	34762800
SCHEDULE - 6: INVENTORIES		
Ghee	3149922	447472
Cream	295456	871434
Dairy Machinery & Equipment	176406	184361
Packing Material	1404988	1280078
MILK	200	981
Stock with Consignment Agents	38069	38069
	5065041	2822395
SCHEDULE - 7 : SUNDRY DEBTORS		
Outstanding for over 6 monts	195150	4308781
Outstanding for less than 6 months	2148660	4365068
	2343810	8673849
SCHEDULE - 8 : CASH & BANK BALANCE		
Cash on Hand	388852	2061719
Cash at Bank	96092	159966
	484944	2221685
SCHEDULE - 9 :LOANS & ADVANCES		
Advances for supply of Goods & services	15833792	15111268
Deposits Recoverable	2124200	2520000
Taxes under protest	5631232	5631232
Other Advances Recoverable	27425213	10472894
Advance Tax AY 2009-10	800000	0
	51814437	33735394

**PARTICULARS****Current Year
Rs.****Previous year
Rs.****SCHEDULE - 10 : DEPOSITS**

Sales Tax Deposit	3000	3000
Telephone Deposit	98920	98920
Other Deposit	170603	170603
	<u>272523</u>	<u>272523</u>

SCHEDULE - 11 : CURRENT LIABILITIES & PROVISIONS**A : CURRENT LIABILITIES**

Sundry Creditors	2191290	4427524
Bank Overdraft	3559060	4056981
Taxes Payable	2458037	4055839
Advances from Customers	175554	1470502
Advances from others	110518	116302
Outstanding Expenses	488026	390647
	<u>8982485</u>	<u>14517795</u>

B: PROVISIONS

Provision for Tax AY 2008-09	8379637	9677061
Provision for Tax AY 2009-10	7463383	
Other provisions	25505	116406
	<u>15868525</u>	<u>9793467</u>
	<u>24851010</u>	<u>24311262</u>

SCHEDULE - 12 : SALES

Durga Ghee Sales	101880282	88920784
Cow Ghee Sales	5222010	5214054
Skimmed Milk Sales	30738358	28673250
Consignment Sales	87578733	72101100
Others	3688	27569
Gross sales	<u>226330806</u>	<u>194936757</u>
less : discount on sales	0	1000000
Less: sales returns	907735	1337268
Net Sales	<u>225423071</u>	<u>192599489</u>

SCHEDULE - 13 : OTHER INCOME

Dividend on Chit	621124	1489186
	<u>621124</u>	<u>1489186</u>



PARTICULARS	Current Year Rs.	Previous year Rs.
SCHEDULE - 14 : PURCHASES		
Cream/Butter Purchase	164472996	136318300
Ghee Purchase	8636976	2470500
Packing Material	7068823	6354863
Value added Tax	2207970	1600516
Others	319258	298437
	182706023	147042616
SCHEDULE - 15 : DIRECT EXPENCES		
Carriage in ward	901971	643978
Electricity Charges	393609	427894
Husk / Fuel	369440	374531
processing charges	1945127	2655270
Handling loss	13789	13778
	3623936	4115451
SCHEDULE - 16 : SELLING AND DISTRIBUTION EXPENSES		
Depo maintainance Expenes	1633824	795120
Advertisement	1815468	443930
Carriage Outward	2349566	2045502
Marketing Staff Exp.	2243955	1300197
Business Promotional Exp.	1283091	293819
Consignment Commission	1637505	1977298
Shortage & Damage	640733	555991
Others	451290	9304
	12055434	7421161
SCHEDULE - 17: ADMINISTRATION EXPENSES		
Audit remuneration	110300	112360
Commission to Managing Director	nil	2000000
Consultancy fees	58000	191500
Donations/Subscriptions	30817	30511
Estabishment Charges	4409137	3678055
Office maintainance	nil	9597
Postage & Telegrams	14161	11671
Printing & Stationery	132702	70392
Repairs & Maintenance	171397	418047
Rent	189600	231000
Telephone Charges	176977	210945
Travelling Expenses & Conveyance	256636	488654
Miscellaneous Exp	124348	97235
	5674075	7549967

**SCHEDULE - 18 : FINANCIAL EXPENSES**

Bank Charges	125413	93889
Chit loss and Chit.Exp.	1077000	2502000
Interest Exp.	116519	414802
	<u>1318932</u>	<u>3010691</u>

SCHEDULE - 19 : NOTES FORMING PART OF ACCOUNTS**AhAccounting Policies.****1) ACCOUNTING CONVENTION:**

Financial statements are prepared under historical cost convention in according to the generally accepted accounting principles in India and provisions of Companies Act 1956.

2) USE OF ACCOUNTING ESTIMATES:

The Preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period.

3) REVENUE RECOGNITION:

- Income is accounted on accrual basis.
- Sales are net of trade discounts, taxes and duties.
- Dividends received on chits treated as income.

4) FIXED ASSETS:-

Fixed Assets have been valued at cost less depreciation,

5) INVESTMENTS:

Long term investments are stated at cost The diminution in the market value of such investments is recognized when such diminution is considered permanent.

6) INVENTORIES:

All inventories are valued at lower of cost or net realizable value.

7) DEPRECIATION.

Depreciation is provided on Straight Line Method applying the rates specified in Schedule XIV of the Companies Act, 1956.

8) DEFERRED TAX:

Deferred tax is recognized, subject to consideration of prudence, on timing differences

being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

9) IMPAIRMENT OF ASSETS :

At each balance sheet date, the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount. If the carrying amount of asset exceeds its recoverable amount an impairment loss is recognized in profit & loss account to the extent the carrying amount exceeds recoverable amount.

10) FOREIGN EXCHANGE TRANSACTIONS :

Foreign exchange transactions are recorded at the rate of exchange prevailing on the date of transaction.

11) LEASES:

Each installment is apportioned between finance charge and principle amount. The principle amount is reduced from the outstanding liability. Finance charge is allocated over the lease term in such a manner that it would produce a constant rate of return on the remaining principle balance.

B): NOTES ON ACCOUNTS:

1) Company is a Subsidiary of Virat Crane Industries Limited., Guntur.

The Company has moved an application before AP High Court, Hyderabad for merger with the Holding Company, pending receipt of final order the financial Accounts have been drawn as on 31st March, 2009.



Virat Crane Industries Ltd.

2. CLAIMS AGAINST THE COMPANY :

There are no claims against the company, which were not acknowledged as debt.

3). CONTINGENT LIABILITIES:

The following claims made by tax authorities contested by the company and management confident of favorable decision and hence no provision considered necessary.

Nature of the Stature	Nature of the Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
1. APGST	Sales Tax on Cream	30,40,060	1995-96	CTO, Seetharampuram, Vijayawada.
	Penalty	15,12,412		
2. APGST	Sales Tax (Trade Mark)	18,80,000	1997-98	Sales Tax Appellate Tribunal (Vizag)
3. Agricultural market Committee Cess	Cess	1055689	1994-1995 to 20000	Supreme Court of India
4. Income Tax Act, 1961	Income tax	730591/-	2002-03	Commissioner of Appeals Income tax (Hyderabad)

(ii) The company has given guarantees of S-25 US Dollars Foreign Currency Loan equivalent to lakhs (in words Twenty Five lakh US Dollars) Rs.11.50 crores taken by Virat Crane Agritech Limited.

4) DEFERRED TAX

Particulars	Beginning as on 1-4-2008	During the Year	Adjustment	Total as on 31-3-2009
A) Deffered Tax Liability Accelerated Depreciation	4106190	237517	(988643)	3355062
Total	4106190	237517	(988643)	3355062
B) Deffered Tax Asset Expenses disallowed U/s43 B	0	47797	0	16246
Total	0	47797	0	16246
C) Net Derfered Tax Asset /(Liability)	(4106190)	(189720)	988643	(3338816)
Deferred Tax Income For the Year			(767373)	



Virat Crane Industries Ltd.

5) Deffered Sales Tax Rs.1,39,07,071/- is payable from 2014 onwards as per the incentive scheme offered by the Andhra Pradesh state government for New industrial undertaking for taking up expansion.

6) Taxes paid under protest include Rs.30,00,000/- under protest Rs.20,00,000/- towards Sales tax liability and Rs.10,00,000/- towards penalties against the case pending with the CTO with regard tax on the cream. The company has not made any provision since the company confident of a favourable decision. Similarly the has to paid Rs.5,00,000/- under protest to sales tax authorities towards dispute with regard to trade mark.

7) INVENTORY VALUATION: The Closing stock is valued at cost or market value whichever is lower and cost is arrived on FIFO basis.

8) SUBSIDY FROM GOVERNMENT: Subsidy received from the government through commissioner of industries is treated as Capital Reserve.

11) QUATITATIVE DATA :

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	QTY(Kgs)	AMOUNT	QTY(Kgs)	AMOUNT
1. Opening Stock	3235	447472	8732	1034559
2. Purchases	4319438	173109971	1208796	136318300
3. Sales	31722160	225419382	1214293	192599489
4. Closing Stock	30368	3445319.89	3235	447472

12) GENERAL:

Full credit to the parties is given in the financial records on sales returns on account of handling loss and rejections due to quality defects.

a) Ccnfirmation of balances from suppliers /
As per report of even date
For JAWAHAR AND ASSOCIATES
Chartered Accountants

Sd/-
V.UMAPATHI
Partner
M.No.21887

Date: 01-08-2009 Place: Vijayawada

9) AUDITORS REMUNARATION:

Auditors remuneration includes Rs.60,000/- towards Statutory Audit Fee Rs.40,000/- towards Tax Audit and Rs.12,240/- towards reimbursement of service tax.

10) RELATED PARTY TRANSACTIONS:

a) The company is Subsidiary company of Virat Crane Industries Limited by virtue of 51% share holding held by the Virat Crane Industries Limited.
b) The company has granted following amounts to related parties covered in register maintained under section 301 of the Companies Act.

Transactions	Party and Relation	Maximum amount involved (in Rs.)	Closing Balance
Inter Corporate Deposit	Virat crane Agri-tech Limited. (Associate Company)	21,00,000/-	21,00,000/-

debtors are subject to confirmation.

- b) Figures have been rounded off of the nearest rupee and regrouped wherever necessary.
- c) There are no employees drawing the remuneration as per the stipulator laid down under Sec.217(2A) of Company's Act,1956.
- d) There are no earnings and expenditure to foreign exchange.

For and on behalf of the board

Sd/-
G.V.S.L.KANTHA RAO **CH.KISHORE KUMAR**
Director Director



Auditor's Report

To THE BOARD OF DIRECTORS
VIRAT CRANE INDUSTRIES LIMITED,
Vijayawada.

We have audited the attached consolidated Balance Sheet of Virat Crane Industries Limited as at 31st March, 2009 and also the Consolidated Profit and Loss account and consolidated cash flow statement for the year ended on that date. These financial statements are the responsibility of the Virat Crane Industries Limited's management have been prepared by the management on the basis of separate financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Virat Crane Industries Limited's Management in accordance with requirements of Accounting Standard 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

Based on our Audit and on the other financial information of components, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Consolidated balance sheet, of the state of affairs of Virat Crane Industries Limited as at 31st March, 2009;
- b) in the case of consolidated Profit and loss account, of the profit for the year ended on that date, and
- c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For Jawahar & Associates
Chartered Accountants

V. Umapathi

Partner

M. No: 21887

Place : Vijayawada,

Date : 30.08.2009



VIRAT CRANE INDUSTRIES LTD., GUNTUR
CONSOLIDATED BALANCE SHEET AS AT 31--03-2009

(In Rupees)

PARTICULARS	SCH.NO.	CURRENT YEAR	PREVIOUS YEAR
SOURCES OF FUNDS			
SHARE CAPITAL	1	72385500	72385500
RESERVE & SURPLUS			
REVALUATION RESERVE	198191890	200521174	
REVENUE RESERVE	16387658	214579548	14769867
MINORITY INTEREST		40831173	34393526
LOAN FUNDS:			
SECURED LOANS	2	998346	3314044
UNSECURED LOANS	3	41004477	38576557
NET DEFERRED TAX LIABILITY		16181816	11045286
		<u>385980860</u>	<u>375005954</u>
APPLICATION OF FUNDS			
GOODWILL		1128973	1128973
FIXED ASSETS			
GROSS BLOCK LESS DEPN.	4	273543892	276705496
INVESTMENTS	5	42242800	24242800
CURRENT ASSETS,			
LOANS & ADVANCES:			
INVENTORY	6	11912061	10167711
SUNDRY DEBTORS	7	19300358	25086970
CASH & BANK BALANCES	8	3061578	5594559
LOANS & ADVANCES	9	58680467	38708612
DEPOSITS	10	2724477	2558235
		<u>95678941</u>	<u>82116087</u>
CURRENT LIABILITIES & PROVISIONS:			
	11	42912889	52766052
		<u>42896328</u>	39219759
MISCELLANEOUS EXPENDITURE	12	7895229	7305012
(TO THE EXTENT NOT W/OFF)			
DEFERED REVENUE EXPENDITURE	13	8403914	8403914
		<u>385980860</u>	<u>375005954</u>
NOTES ON ACCOUNTS	20	0	0

As per our report of even date
for JAWAHAR AND ASSOCIATES
Chartered Accountants

for and on behalf of the Board
for VIRAT CRANE INDUSTRIES LIMITED

V.UMAPATHI
PARTNER
M.No. 21887

P.BHASKARA RAO
DIRECTOR

G.V.SL.KANTHA RAO
MANAGING DIRECTOR

Date : 30th August 2009
Place: Guntur



VIRAT CRANE INDUSTRIES LTD., GUNTUR
CONSOLIDATED PROFIT & LOSS A/C FOR THE YEAR ENDED 31.03.2009

(In Rupees)

PARTICULARS	SCH.NO.	CURRENT YEAR	PREVIOUS YEAR
INCOME			
SALES	14	229970924	197524805
OTHER INCOME		8533974	16824987
INCREASE IN STOCK/DECREASE		2111368	1182625
		240616266	213167167
EXPENDITURE			
MATERIAL CONSUMPTION	15	186212628	150357385
MANUFACTURING EXPENSES	16	4477499	5519381
SELLING & DISTRIBUTING EXP.	17	12149405	7505129
ADMINISTRATIVE EXPENSES	18	8979778	11970734
EXCISE DUTY (GUTKA)		897380	141750
FINANCIAL EXPENSES	19	1728712	3596617
DEPRECIATION		4352024	4962923
DEFERRED REVENUE EXP		0	5531586
MISC. EXPENSES WRITTEN OFF	12	0	250000
		218797426	189835505
PROFIT/(LOSS) DURING THE YEAR		21818840	23331662
LESS/ADD:PRIOR PERIOD EXPENSES/INCOME		681567	76288
PROFIT/(LOSS) BEFORE TAX		21137273	23255374
TAX EXPENSE			
PROVISION FOR TAX		7824288	6175577
DEFERRED TAX EXP/(INCOME)		5136530	641423
FRINGE BENEFIT TAX		121017	187691
PROFIT AFTER TAXATION			
AND BEFORE MINORITY INTEREST		8055438	16250683
MINORITY INTERESTS		6437647	6598608
PROFIT AFTER TAXATION AND MINORITY INTEREST		1617791	9652075
ADD: BROUGHT FORWARD LOSS OF PREVIOUS YEARS		(270950)	(3055085)
MINORITY INTEREST OF PRE-ACQUISITION		-	-
TRANSFER TO GOODWILL ON CONSOLIDATION		-	-
BALANCE CARRIED TO BALANCE SHEET		1346841	6596990
BASIC EARNING PER SHARE		1.11	2.24
NO.OF SHARES USED IN COMPUTING BASIC EPS		7242000	7242000
NOTES ON ACCOUNTS	20		

As per our report of even date for and on behalf of the Board

for JAWAHAR AND ASSOCIATES
Chartered Accountants

for VIRAT CRANE INDUSTRIES LIMITED

V.UMAPATHI
PARTNER
M.No. 21887P.BHASKARA RAO
DIRECTORG.V.SL.KANTHA RAO
MANAGING DIRECTOR

Date : 30th August 2009, Guntur



PARTICULARS	FY 2008-2009 (Rs)	FY 2007-2008 (R)
SCHEDULE - 1 - SHARE CAPITAL:		
AUTHORISED CAPITAL		
(75,00,000 EQUITY SHARES OF RS.10/- EACH)]	75000000	75000000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
72,42,000 EQUITY SHARE OF RS.10/- EACH	72420000	72420000
LESS:CALLS IN ARREARS	34500	34500
	72385500	72385500
SCHEDULE - 2 : SECURED LOANS		
SHORT TERM BORROWINGS FROM BANKS		
CHOLAMANDLAM DBS FINANCE LTD	385680	538502
LAKSHMI VILAS BANK LTD., TERM LOAN	612666	931493
THE VYSYA BANK LTD., TERM LOAN	0	1844049
	998346	3314044
SCHEDULE - 3 : UNSECURED LOANS		
INTER CORPORATE DEPOSITS	15450536	15300869
DEFERRED SALES TAX	13907071	13907071
VEHICLE LOANS	0	370253
CHITS PAYABLE	2149500	5113000
OTHERS	9497370	3885364
	41004477	38576557
SCHEDULE - 5 INVESTMENTS:		
LONG TERM INVESTMENTS :		
QUOTED SHARES:		
YENKEY DRUGS AND PHARMACUTICLES LTD (1,00,000 SHARES OF RS. 12.5/- EACH)	1250000	1250000
TRADE & UNQUOTED:		
SYMPHONY STUDIOS PVT. LTD., (30000 EQ.SHARES OF RS.10/- EACH)	300000	300000
INVESTMENT IN SUBSIDAIRY:		
DURGA DAIRY LTD., (548900 SHARES @AVG PRICE OF Rs.38/-)		
VIRAT CRANE AGRI-TECH LTD., (4066780 SHARES OF RS.10/- EACH)	40667800	40667800
CRANE FOODS (P) LTD (250 SHARES @ 100/- EACH)	25000	25000
	42242800	42242800

SCHEDULE - 4 - FIXED ASSETS

Depreciation	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As On 31.03.2008	Additions	Deletions	As On 31.03.2009	As On 31.03.2008	Provided During the year	Delitions During the year	Upto 31-03- 2009	As On 31-03- 2008	As On 31.3.2009
FREEHOLD LAND	90000000			90000000	0	0	0	0	90000000	90000000
FACTORY BUILDINGS	51000000			51000000	11469406	1703400		13172806	39530594	37827194
PLANT & MACHINERY	19633656		6431385	13202271	11476233	672400	4054462	8094171	8157423	5108100
MISCELLANEOUS ASSETS	180752			180752	108830	8585		117415	71922	63337
VEHICLES	364407			364407	359924			359924	4483	4483
ELECTRICAL INSTALLATIONS	8613945			8613945	4993477	406578		5400055	3620468	3213890
FURNITURE & FIXTURES	1239365			1239365	892607	15493		908100	346758	331265
ADMINISTRATIVE BLOCK	99000000			99000000	2439491	1613700		4053191	96560509	94946809
OFFICE EQUIPMENT	390725			390725	291135	10595		301730	99590	88995
	270422850		6431385	263991465	32031103	4430751	4054462	32407392	238391747	231584073
CAPITAL WORK-IN-PROGRESS	2265250	838121		8103371	0			0	2265250	8103371
TOTAL	272688100	838121	6431385	272094836	32031103	4430751	4054462	32407392	240656997	239687444



Virat Crane Industries Ltd.

SCHEDULE 6- INVENTORIES:

(AS CERTIFIED BY MANAGEMENT)

STOCK OF RAW MATERIAL	3708343	1677507
STOCK OF FINISHED/TRADING GOODS	32820	164098
STOCK OF PACKING MATERIAL	5919603	5831779
STOCK OF WORK IN PROGRESS	1079490	1280516
STOCK OF TOOLS & IMPLEMENTS	176406	199361
STOCK OF MILK	200	981
STOCK WITH CONSIGNMENT AGENTS	38069	38069
STOCK OF OTHER MATERIAL	957130	975400
	<u>11912061</u>	<u>10167711</u>

SCHEDULE - 7 SUNDRY DEBTORS:

(UNSECURED AND CONSIDERED GOOD)

OUTSTANDING FOR MORE THAN SIX MONTHS	9668970	5195330
OUTSTANDING FOR LESS THAN SIX MONTHS	9631388	19891640
	<u>19300358</u>	<u>25086970</u>

SCHEDULE - 8 CASH & BANK BALANCES:

BANK BALANCE	116331	1376348
CASH ON HAND	2945247	4218211
	<u>3061578</u>	<u>5594559</u>

SCHEDULE - 9 LOANS & ADVANCES:

(RECOVERABLE EITHER IN CASH OR IN KIND)

RECOVERABLE FROM TAX AUTHORITIES	2425672	1925593
TAXES PAID UNDER PROTEST	5631232	5631232
ADVANCES FOR SUPPLY OF GOODS & SERVICES	15833792	15111268
DEPOSITS RECOVERABLE	2124200	2520000
SHARE APPN. MONEY PENDING ALLOTMENT	0	627000
ADVANCES TO SUPPLIERS	205214	60648
OTHER ADVANCE RECOVERABLE	31660357	12832871
VAT CREDIT	0	0
ADVANCE TAX 2009-10	800000	0
	<u>58680467</u>	<u>38708612</u>

SCHEDULE - 10 DEPOSITS:

SECURITY DEPOSITS - GOVTS.	199146	25404
SALES TAX DEPOSITS	3000	3000
ELECTRICITY DEPOSIT	478857	478857
TELEPHONE DEPOSIT	185229	192729
OTHERS DEPOSIT	1858245	1858245
	<u>2724477</u>	<u>2558235</u>

**SCHEDULE - 11 CURRENT LIABILITIES & PROVISIONS:****A) CURRENT LIABILITIES**

CREDITORS	17897215	17173219
DEPOSITS	0	0
BANK OVER DRAFT	3559060	4056981
ADVANCES RECD. FROM CUSTOMERS	464236	1726873
TAXES PAYABLE	2583735	4094577
OUT STANDING EXPENSES	488026	390647
OTHERS	943171	4370070
	<u>25935443</u>	<u>31812367</u>

B) PROVISIONS

PROVISION FOR TAXES	16203925	10239505
OTHERS	773521	844456
	<u>42912889</u>	<u>42896328</u>

SCHEDULE - 12 MISCELLANEOUS EXPENDITURE:

OPENING BALANCE	6305010	6555012
ADD: DURING THE YEAR	1590219	1000000
LESS: WRITTEN OFF	0	250000
	<u>7895229</u>	<u>7305012</u>

SCHEDULE - 13 DEFERRED REVENUE EXPENDITURE

OPENING BALANCE	8403914	13935500
LESS: WRITTEN OFF	0	5531586
	<u>8403914</u>	<u>8403914</u>

SCHEDULE - 14 SALES :

SALES : GUTKHA	0	351750
SALES : FRUIT MASALA	4362605	4260950
SALES : ARECANUTS	0	235875
SALES : GHEE SALES	108010027	94134838
SALES : SKIMMED MILK	30738358	28673250
SALES : ON CONSIGNMENT	87578733	72101100
SALES : OTHERS	188936	104310
GROSS SALES	230878659	199862073
LESS: DISCOUNT ON SALES	0	1000000
SALES RETURNS	907735	1337268
NET SALES	<u>229970924</u>	<u>197524805</u>

**SCHEDULE - 15 MATERIAL CONSUMPTION:**

	FY 2008-2009		FY 2007-2008	
	RAW MATERIALS	PACKING MATERIALS	RAW MATERIALS	PACKING MATERIALS
OPENING STOCK	358601	4551701	945627	4577576
PURCHASES	1881728	1291129	142140197	7454391
SUB TOTAL	2240329	5842830	143085824	12031967
LESS:CLOSING STOCK	262965	4514615	358601	4551701
SUB TOTAL	1977364	1328215	142727223	7480266
ADD:OPENING W.I.P	1280516	0	1430412	0
SUB TOTAL	3257880	1328215	144157635	7480266
LESS:CLOSING W.I.P	1079490	0	1280516	0
TOTAL	2178390	1328215	142877119	7480266

SCHEDULE - 16 : DIRECT EXPENSES

CARRIAGE INWARD	901971	643978
HUSK/OTHERS	369440	388309
PROCESSING CHARGES	1945127	2655270
REPAIRS & MAINTENANCE	34486	39882
POWER	768291	1269492
LABOUR CHARGES	444395	522450
OTHERS	13789	
	4477499	5519381

SCHEDULE - 17 SELLING & DIST. EXPENSES:

DEPOT MAINTANANCE EXPENDITURE	1633824	795120
CARRIAGE OUTWARDS	2435423	2129469
ADVERTISEMENT	1815468	443930
MARKETING STAFF EXP	2243955	1300197
BUSINESS PROMOTIONAL EXP	1283091	293819
SHORTAGES & DAMAGES	640733	555991
CONSIGNMENT COMMISSION	1637505	1977298
OTHERS	459406	9304
	12149405	7505128

**SCHEDULE - 18 ADMINISTRATION EXPENSES:**

AUDITORS REMUNERATION	165450	168540
COMMISSION TO MANAGING DIRECTOR	0	2000000
CONSULTANCY CHARGES	58000	191500
DONATIONS/SUBSCRIPTIONS	30817	32161
REPAIRS & MAINTANANCE	171397	418047
LOSS ON SALE OF FIXED ASSETS	2116337	2796969
DIRECTORS REMUNERATION	225000	225000
DIRECTORS SITTING FEES	0	0
LICENCE & FEES	102540	159498
INSURANCE CHARGES	0	18739
COMPUTER MAINTENANCE	0	300
PRINTING & STATIONERY	140162	72347
OFFICE MAINTANANCE	0	9597
PROFESSIONAL CHARGES	259380	382281
POSTAGE, TELEGRAMS & COURIER	14161	43781
RENTS	309600	351000
SALARIES	323521	552801
TELEPHONE & TRUNKCALLS	184232	216464
TRAVELLING EXPENDITURE	270077	529491
ESTABLISHMENT EXPENSES	4483520	3678055
MISCELLINIOUS EXP	125584	124163
	<u>8979778</u>	<u>11970734</u>

SCHEDULE - 19 FINANCIAL EXPENSES:

BANK CHARGES	201049	127768
LOSS ON CHITS	1077000	2502000
INTEREST ON WORKING CAPITAL	7020	28897
INTEREST ON OTHERS	116519	414802
INTEREST ON TERM LOAN	327124	523150
	<u>1728712</u>	<u>3596617</u>



SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 20: NOTES ON ACCOUNTS:

A) ACCOUNTING POLICIES.

1) ACCOUNTING CONVENTION:

Financial Statements are prepared under historical cost convention modified by revaluation of certain fixed assets in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India and referred to in section 211 (3C) of the Companies Act, 1956. The significant accounting policies are as follows.

2) REVENUE RECOGNITION:

- a. Income and expenditure is accounted on accrual basis on receipt of invoices.
- b. Sales comprises of sale of goods net of returns, trade discount and taxes.

4) DEPRECIATION:

- a. Depreciation is provided on Straight line method applying the rates as per schedule IV of the Companies Act 1956.
- b. The additional depreciation provided on the re-valued amounts of the assets is written off against the revaluation reserve.

5) INVESTMENTS:

Investments are at cost or market price which ever is lower and in the absence of market quotation cost price is adopted for current investments and long term investments are valued at cost.

6) INVENTORY:

All inventories except work-in-progress are valued at lower of cost or net realisable value which ever is lower.

- a. First in First out method has been followed for issues for determining the inventory value.
- b. Work-in-progress is valued on the basis of technical evaluation adopted by the Management.

7. DEFERRED TAX:

Deferred tax is recognized, subject to consideration of

prudence, on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods

8) CONTINGENT LIABILITIES:

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

9) IMPAIRMENT OF ASSETS:

At each balance sheet date, the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount if the carrying amount of the asset exceeds its recoverable amount an impairment loss is recognized in profit and loss account to the extent the carrying amount exceeds recoverable amounts.

10) ESTIMATES:

Estimates are used for provision for doubtful debts, useful life of fixed assets and obligations under employee retirement plan.

11) DEFERRED REVENUE EXPENDITURE:

Deferred revenue expenditure is written off over a period of five years against profits.

12) INTEREST TO SUPPLIERS:

Interest claimed by suppliers if any on delayed payments is accounted on settlement basis.

B. NOTES ON ACCOUNTS:

1). BASIS FOR CONSOLIDATED FINANCIAL STATEMENTS:

- a) The Consolidated Financial Statements relate to Virat Crane Industries limited and its Subsidiaries. The company and its subsidiary constitute the group. The company is only having one subsidiary i, e Durga Dairy Limited.
- b) The company has no Associate Companies or Joint ventures hence Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures' are not applicable in preparation of consolidated Financial Statements.



Virat Crane Industries Ltd.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

Amount(Rs.)

A	CASH FLOW FROM OPERATING ACTIVITIES:	
	Net Profit after tax and Extraordinary items	16250682
	Add: <u>Non Cash Expenditure:</u>	
	Priliminary Expenses	250000
	Depreciation	4962923
	Provision for TAX	6175577
	Provision for FBT	187691
	Loss on sale of Fixed Assets	2796969
	Deferred Revenue Expenditure	5531586
	Deferred Tax Expense	641423
	Interest Paid	523150
	Cash flow from operating activities subject to working-capital changes	21069319
	Add: Increase in Trade and receivables	37320001
	Increase in Trade Payables	(23194357)
	Decrease in inventory	1493287
	Cash flow from operating activities subject to Taxes paid	2244417
	Less: Taxes Paid	(19456653)
	CASH FLOW FROM OPERATING ACTIVITIES	17863348
		(1056374)
		16806974
B	CASH FLOW FROM INVESTING ACTIVITIES:	
	Purch/Sale/Adj. of Fixed Assets	967796
	Purchase of Investments	(18430000)
	NET CASH CASH FLOW FROM INVESTING ACTIVITIES	(17462204)
C	CASH FLOW FROM FINANCING ACTIVITIES:	
	Reciept of secured loans	462225
	Merger & Demerger Expenditure	(1000000)
	Interest Paid on term loans	(523150)
	Reciept of secured loans	1954350
	NET CASH FLOW FROM FINANCING ACTIVITIES	893425
D	Net Cash Flow from the Total Activities (A+B+C)	238195
	Add: Cash and cash equivalents as at 1st April 2007	5356363
E	Cash and Cash equivalnets as at 31st March 2008	5594559

Note: Figures in brackets represent outflows/negative figures.

As per our report of even date
for and on behalf of the Board

As per our report of even date
for **JAWAHAR AND ASSOCIATES**
Chartered Accountants

Sd/-
V.UMAPATHI
PARTNER
M.No. 21887
30th August 2009 Guntur

for and on behalf of the Board
for **VIRAT CRANE INDUSTRIES LIMITED**

Sd/-
P.BHASKARA RAO
DIRECTOR

Sd/-
G.V.SL.KANTHA RAO
MANAGING DIRECTOR



Virat Crane Industries Ltd.

VIRAT CRANE INDUSTRIES LIMITED

Regd. Office D.No. 25-2-1, G.T. Road,

Opp. Mastan Dargah,

Guntur, Andhra Pradesh

PROXY FORM

Regd. Folio No.

No. of Shares held

I/We _____ of _____

in the district of _____ being a member /members of the above named company

hereby appoint _____ of _____

in the district of _____

as my/our proxy to vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company to be held on 30th November 2009 at 10 A.M. and at any adjournment thereof.

Signed this..... day of..... 2009

Affix
Revenue
Stamp

Note :

1. The Proxy form duly completed should be signed across the Stamp, as per specimen signature registered with the Company and deposited at Regd. of the Company not less than 48 hours before the fixed for holding the meeting
2. A Proxy need not be a member

(Person attending the meeting should bring this Entrance pass duly filled)

VIRAT CRANE INDUSTRIES LIMITED

Regd. Office D.No. 25-2-1, G.T. Road,

Opp. Mastan Dargah,

Guntur, Andhra Pradesh

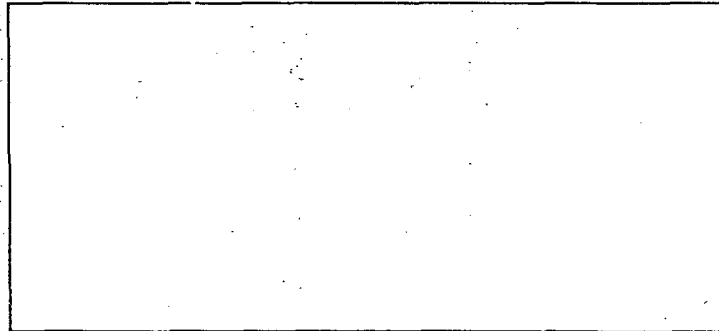
ENTRANCE PASS

17TH ANNUAL GENERAL MEETING ON 30th NOVEMBER 2009

Time	Place	Folio No.
Full name of the First Share Holder		
Full name of the Person attending the meeting as a Proxy/ Shareholder		
Date	Signature	

BOOK POST

To



If Undelivered Please return to

VIRAT CRANE INDUSTRIES LIMITED

*D.No. 25-2-1, Opp. Mastan Dargah,
G.T. Road, Guntur - 522 004. (A.P.)
India*

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