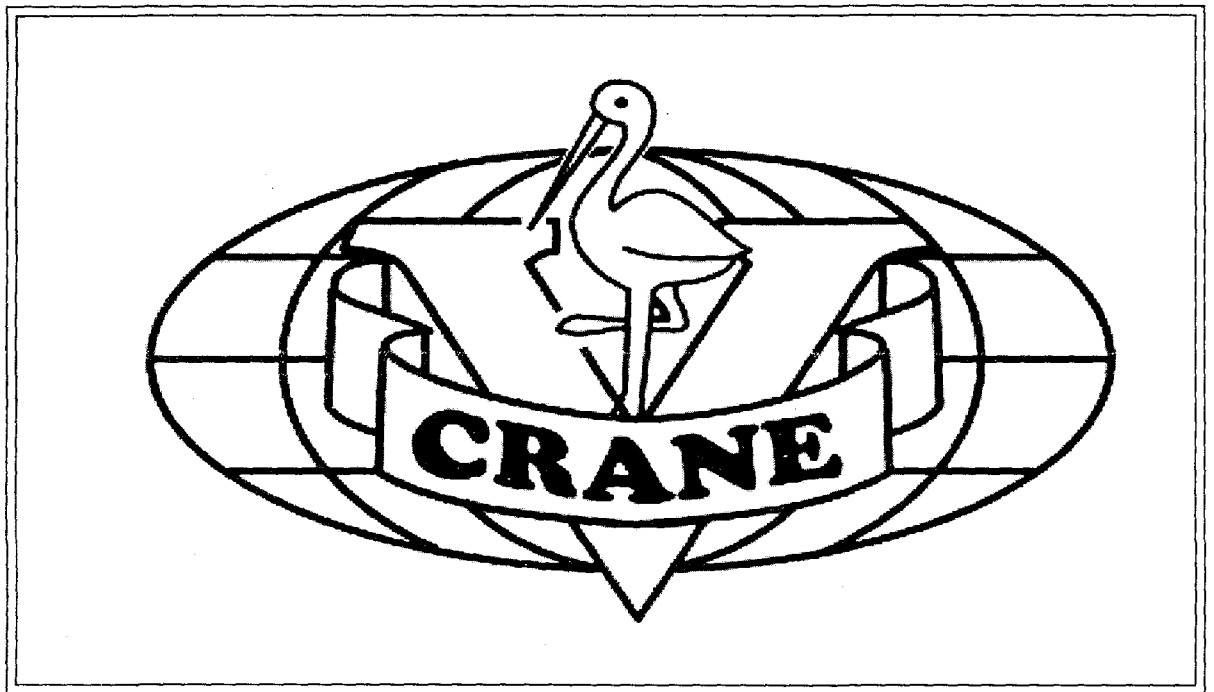
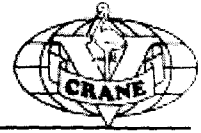


EIGHTEENTH ANNUAL REPORT

2009-2010



VIRAT CRANE INDUSTRIES LIMITED
GUNTUR



BOARD OF DIRECTORS	: Sri G. Subba Rao	chairman
	: Sri G.V.S.L Kantha Rao	Managing Director
	: Sri R. Jagadish Kumar	
	: Sri P. Bhaskara Rao	
	: Sri P.V Srihari	
AUDITORS	: Jawahar and Associates	
	: Chartered Accountants	
	: C-5 Skylark apartment,	
	: Basheerbag,	
	: Hyderabad-29.	
LEGAL ADVISOR	: Mr. K. Ramesh Babu	
	Advocate, 4-7-56, Koritipadu,	
	GUNTUR.	
REGISTRATS& 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	: Ankireddypalem Village,	
	Chilakaluripet Road,	
	GUNTUR.	



Virat Crane Industries Ltd.

NOTICE :

Notice is hereby given that 18th Annual General Meeting of the Company will be held at the factory premises of the Company at Ankireddypalem Village, Chilakaluripet Road, Guntur, on Friday the 31st December 2010 at 10.00 A.M to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2010 and Profit & Loss Account for the year ended 31.03.2010 and the Reports of the Directors and Auditors Report thereon.
2. To appoint a Director in the place of Sri G. Subba Rao who retires by rotation and being eligible offers himself for re-election.
3. To appoint a Director in the place of Sri P. Bhaskara Rao 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

DATE : 02.12.2010.

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. The Register of Members and Share Transfer Books will remain closed from 28.12.2010 to 31.12.2010 (both days inclusive).
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,
Punjagutta, Hyderabad-500 034.
Tel.No. 23350586, 23356975
Fax No.23354042

ANNEXURE TO NOTICE

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

Item No. 2:

Sri G. Subba Rao aged 80 years is pioneer in Betelnut Industry and is managing "Crane Betelnut Powder Works" company as sole proprietor. He has over 56 years experience in business management. He has rich insight into consumer preferences, changing technology & adoptability, advertising and establishment of marketing net works. He is the member of the Audit Committee and Remuneration Committee of the Company.

Item No. 3:

Sri P. Bhaskara Rao aged 57 years Graduate in Commerce and has rich experience in trading and marketing business. He is the member of the Share Holders Committee; Share Transfer Committee, Audit Committee and Remuneration Committee of the Company.

By Order Of The Board
For Virat Crane Industries Ltd.,

PLACE : GUNTUR

DATE : 02.12.2010.

Sd/-

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



Virat Crane Industries Ltd.

**DIRECTORS REPORT:
FINANCIAL RESULTS:**

	(Rs. In Lacs)	
	2009-2010	2008-2009
Sales and Other Income	73.50	124.61
Profit/(Loss) before		
Interest & Depreciation	18.34	36.17
Interest	0.86	3.34
Depreciation	23.60	21.01
Profit/(Loss) before Tax	(6.11)	11.82
Deferred-tax	28.42	59.04
Income-tax – (Current Tax)	—	3.61
Profit(Loss) after Taxation	(34.53)	(50.83)

Your Directors inform that the company has earned a profit of Rs. 18.34 lacs before interest and depreciation. The net loss after providing for interest of Rs. 0.86 lacs and depreciation of Rs. 23.60 lacs is 6.11 lacs. The Current tax provision is of Rs.Nil and deferred tax expense for the year is Rs. 28.42 lacs and the Loss of Rs.34.53 lacs is carried forward to balance sheet.

SUBSIDIARY:

As the Company is holding having 51% stake in the associate Company i.e. Durga Dairy Limited, the detailed accounts, Directors Report and audit report etc., of the aforesaid subsidiary company is forms part of this Annual Report in accordance with the provisions of the Section 212 of the Companies Act, 1956.

MERGER AND DEMERGER:

In the process of merger of the subsidiary company i.e. Durga Dairy Limited into the Company and demerger of Crane Infrastructure Limited from the Company, the Honorable High Court of Andhra Pradesh has approved the scheme and given its order on 06.04.2010. The Company has filed the copy of the order with the registrar of Companies, Andhra Pradesh, and Hyderabad. We are hope that the entire process will be completed before the end the current financial year.

DIVIDENDS:

Due to in sufficient of profits, your directors could not recommend any dividend for the financial year ending 31st March, 2010.

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 & 2009-10.)

DIRECTORS

Sri G. Subba Rao and P. Bhaskara Rao, retires by rotation in accordance with Articles of Association of the Company and being eligible for reappointment offers themselves 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:

- in the preparation of the Annual Accounts for the year 2009-2010 the applicable accounting standards have been followed with proper explanations where required.
- 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 31.03.2010 and of the loss of the company for that year.
- 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.
- 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.Bhaska Rao as members.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance along with auditor's 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, distributors and Bankers for their cooperation.

For and on behalf of the Board

Sd/-

Sd/-

P.BHASKARA RAO
DIRECTOR

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

PLACE : GUNTUR

DATE : 02.12.2010:

**ANNEXURE TO DIRECTOR'S 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 are as under:

Sl. No	Name of the Director	Category	Attendance particulars of Board Meeting Held Attended Last AGM			No. of other Directorship/ Committee membership	
			Held	Attend -ed	Last AGM	Direct ship	Com. men/chair
1	Sri G.Subba Rao	Promoter	5	5	No	1	1
2	Sri R Jagadish kumar	Non Executive Independent	5	5	No	—	2
3	Sri P Bhaskara Rao	Non Executive Independent	5	5	Yes	2	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



Virat Crane Industries Ltd.

During the year the Board meetings were held on— 29th April 2009, 31st July 2009, 30th August 2009, 31st October 2009 & 30th January 2010.

3. Audit Committee & Remuneration Committee:

(a) Brief description of terms of reference

The Terms of Reference of this committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956, and are as follows:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices
 - Major accounting entries based on exercise of judgment by management
 - Qualifications in draft Auditors' Report
 - Significant adjustments arising out of audit
 - The going concern assumption
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large.
- d. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f. Discussion with internal auditors of any significant findings and follow up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h. Discussion with external auditors, before the audit commences, the nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- i. Reviewing the Company's financial and risk management policies.
- j. Other matters as assigned/specified by the Board from time to time.

(b) Composition, Meetings and Attendance during the year

The Audit Committee comprises of three Independent Non-Executive Directors. During the year committee met 5 times during the year on 29th April 2009, 31st July 2009, 30th August 2009, 31st October 2009 & 30th January 2010. The attendance of the each member of the committee is given below:

Directors	Chairman/ Member	Category	No. of meetings attended
Sri R. Jagadish Kumar	Chairman	I & N.E.D.	5
Sri P. Bhaskara Rao	Member	I & N.E.D.	5
Sri G. Subba Rao	Member	N.E.D.	5

Remuneration Committee

(a) Terms of Reference

The Company had constituted the Remuneration Committee. The broad terms of reference are to determine and recommend to Board,

Compensation payable to Executive Directors, appraisal of the performance of the Managing Directors / Wholtime Directors and to determine and advise the Board for the payment of annual commission/compensation to the Non-Executive Director.



Virat Crane Industries Ltd.

(b) **Composition, Meetings and Attendance during the year**
The Remuneration Committee comprises of total

three Non-Executive Directors. The committee comprises as follows:

Directors	Chairman/Member	Category
Sri R. Jagadish Kumar	Chairman	I & N.E.D.
Sri P. Bhaskara Rao	Member	I & N.E.D.
Sri G. Subba Rao	Member	N.E.D.

(c) Remuneration of Directors

The Company pays remuneration to its Managing Directors / Whole time Directors by way of salary, perquisites and allowances etc. Salary is paid within the range approved by the shareholders. The aggregate value of salary and perquisites and other benefits paid for the year ending 31st March 2010 to Sri G.V.S.L.Kantha Rao, Managing Director is Rs 2,25,000/-p.a.

4. 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 or as often as required.

5. General Body Meetings :

The details of last 3 AGM 's are :				
S.No.	Year	Place	Date & Time	Remarks
1.	2006-2007	Factory premises Ankireddypalem Chilakaluripet Road Guntur.	29.09.2007 at 10.00 AM	No postal ballot
2.	2007-2008	—do—	31.12.2008 at 10.00 AM	No postal ballot.
3.	2008-2009	—do—	30.11.2009 at 10.00 A.M	No postal ballot

6. 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 year 2007-2008, to 2009-10 Stock Exchange of Hyderabad.

7.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.

8.General share holders information.

1. Annual General Meeting:

Date & time : 31.12.2010 at 10.00 A.M

Place : Factory premises at
Ankireddypalem village;
Chilakaluripet Road, Guntur.

Financial Calendar:

April 2009 to March 2010

1st quarter results : Normally last week of July

2nd quarter results : Normally last week of October

3rd quarter results : Normally last week of January

4th quarter results : Normally last week of April

Audited Annual Results : 2-12-2010.

Dates of book closure : 28.12.2010 to 31.12.2010

Listing on Stock Exchanges: Hyderabad and
Bombay Stock Exchanges.

Stock Code : HSE: VCI

BSE: 519457.

ISIN of Dematerialised shares:

INE 295C 01014.



Virat Crane Industries Ltd.

STOCK PRICE DATA:

Monthly High and Low quotations in BSE for the financial year 2009-2010.

Month	Open (Rs.)	High (Rs.)	Low(Rs.)	Close (Rs.)	No. of Shares
April 2006	3.40	4.00	3.37	3.43	38981
April 2009	4.60	6.09	4.53	5.50	12198
May 2009	5.77	7.81	4.90	7.81	26516
June 2009	8.20	9.70	6.51	6.69	55833
July 2009	6.41	7.45	6.00	7.00	43982
August 2009	6.95	8.52	6.17	7.09	28091
September 2009	6.74	7.00	6.00	6.07	85975
October 2009	6.00	6.70	5.27	5.27	47481
November 2009	5.40	7.39	5.08	7.04	70197
December 2009	6.99	13.20	6.32	11.37	140624
January 2010	10.81	11.90	7.63	8.43	93179
February 2010	8.78	10.15	7.33	7.99	49583
March 2010	8.38	14.30	8.00	13.08	135481

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 pattern as on 31.03.2010 is as follows.

CATEGORY	NO.OF SHARES HELD	%OF SHARE HOLDERS
INDIVIDUALS	3469376	47.91
INDIVIDUALS	3310089	45.71
COMPANIES	367511	5.07
FI / BANKS	27300	0.38
PROMOTERS/ DIRECTORS AND THEIR RELATIVES	3498889	48.31
NRI / OCB'S	38211	0.53
TOTAL	7242000	100.00

The distribution of share holding as 31.03.2010 is as follows:

No.of equity Shares held	No.of share holders	%of total shareholder	No.of shares held	% of total shares
1-5000	6570	86.01	15353260	21.21
1-5000	6236	85.50	14298640	19.74
5001-10000	534	7.32	4486170	6.19
10001-20000	233	3.19	3492390	4.82
20001-30000	113	1.55	2887860	3.99
30001-40000	27	0.37	951390	1.31
40001-50000	59	0.81	2849910	3.94
50001-100000	54	0.74	4001870	5.53
100001 & above	38	0.52	39451770	54.48
Total	7482	100.00	7242000	100.00



Virat Crane Industries Ltd.

Dematerialization of shares: The shares fall under compulsory dematerialization.

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 for expansion of the market network for the products – Chewable products, Ghee products and other new products (in course of diversification) is anticipated in the near future . In the new scenario 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 controls / bans at any point of time.

C) Out Look: The Company is continuously studying various propositions to diversify its activities. The Management is confident that they will be successfully implemented once they are finalized. With the proposed merger the Company firmly believes to expand, diversify and explore new opportunities.

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: Nil

3) Assets: The Company is having net fixed assets of Rs. 2424.77 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.

CEO CERTIFICATION

DECLARATION BY THE EXECUTIVE CHAIRMAN & CEO UNDER CLAUSE 49(1D) OF THE LISTING AGREEMENT.

I hereby 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 31, 2010.

Sd/-

G.V.S.L.KANTHA RAO
MANAGING DIRECTOR
Virat Crane Industries Ltd.

PLACE: Guntur

Dated: 2nd December 2010

**AUDITORS' CERTIFICATE ON
CORPORATE 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, 2010 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.



Virat Crane Industries Ltd.

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: 2nd December 2010

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, 2010 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.

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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010.
 - (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.Umapathi
Partner

Membership Number : 21887

Place : Guntur,

Date : 02.12.2010



ANNEXURE TO AUDIT REPORT

Ref : Virat Crane Industries Ltd., Guntur 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) 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
Virat Crane Bottling Ltd.,	2 Lacs	2 Lacs (Cr.)
Virat Crane Agri-Tech Ltd.,	98.85 Lacs	98.85 Lacs (Cr.)
Apex Solutions Ltd.,	50.39 Lacs	33.12 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 from the public as per the provisions of 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.



Virat Crane Industries Ltd.

- (ix) (a) The Company is generally regular in depositing monies except 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.
- (c) According to the information and explanation given to us, there are statutory dues which were deposited under dispute. They are

Nature of the Stature	Nature of the Dues	Amount (Rs) Lacs	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 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 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 : 02.12.2010



VIRAT CRANE INDUSTRIES LTD., GUNTUR
BALANCE SHEET AS AT 31.03.2010

(In Rupees)

PARTICULARS	SCH.NO.	CURRENT YEAR	PREVIOUS YEAR
SOURCES OF FUNDS			
SHARE CAPITAL	1	72385500	72385500
CAPITAL RESERVE (REVALUATION RESERVE)		195862606	198191890
LOAN FUNDS:			
SECURED LOANS	2	-	612666
UNSECURED LOANS	3	23740574	24308906
NET DEFERRED TAX LIABILITY		15684749	12843000
		307673429	308341962
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK LESS DEPN.	4	242476916	23968744
INVESTMENTS	5	29365500	2936550
CURRENT ASSETS, LOANS & ADVANCES:			
INVENTORY	6	6698859	6847020
SUNDRY DEBTORS	7	13823508	16956548
CASH & BANK BALANCES	8	779542	2576634
LOANS & ADVANCES	9	7530768	6866030
DEPOSITS	10	2621054	2451954
		31453731	35698186
CURRENT LIABILITIES & PROVISIONS:			
DEFERED REVENUE EXPENDITURE	11	20728490	10725241
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT W/OFF)	12	8403914	8403914
PROFIT & LOSS A/C DEBIT BALANCE	13	7895231	7895229
		8806627	5353568
		307673429	308341962
NOTES ON ACCOUNTS	20		

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

Sd/-

V.UMAPATHI
PARTNER

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

Sd/-

P.BHASKARAO
DIRECTOR

Sd/-

G.V.S.L.KANTHARAO
MANAGING DIRECTOR

Date : 02-12-2010, Guntur



Virat Crane Industries Ltd.

VIRAT CRANE INDUSTRIES LTD., GUNTUR
PROFIT & LOSS A/C FOR THE YEAR ENDED 31.03.2010

PARTICULARS	SCH. NO.	CURRENT YEAR	PREVIOUS YEAR
INCOME			
SALES	14	4925316	5111478
OTHER INCOME		3018519	7912850
		7350261	12460703
EXPENDITURE			
MATERIAL CONSUMPTION	15	3392387	3506605
MANUFACTURING EXPENSES	16	607981	853563
SELLING & DISTRIBUTING EXP.	17	81550	93973
ADMINISTRATIVE EXPENSES	18	1358474	3305703
EXCISE DUTY (GUTKHA)		-	897380
FINANCIAL EXPENSES	19	109743	409780
INCREASE/DECREASE IN FIN.STOCK		32820	131278
DEPRECIATION		2359816	2101470
		7942771	11299752
PROFIT/(LOSS) DURING THE YEAR		(592510)	1160951
ADD:PRIOR PERIOD INCOME			21239
		(592510)	1182190
LESS:PRIOR PERIOD EXP.		18800	-
PROFIT/(LOSS) BEFORE TAX		(611310)	1182190
TAX EXPENSE			
CURRENT TAX		Nil	360905
DEFERRED TAX EXP/(INCOME)		2841749	5903903
NET PROFIT/(LOSS) AFTER TAX			
CARRIED TO BALANCE SHEET		(3453059)	(5082618)
NOTES ON ACCOUNTS	20		

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

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

Sd/-
V.UMAPATHI
PARTNER

Sd/-
P.BHASKARAO
DIRECTOR

Sd/-
G.V.S.L.KANTHA RAO
MANAGING DIRECTOR

Date : 02-12-2010, Guntur



PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
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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

LAKSHMI VILAS BANK LTD., TERM LOAN	-	612666
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-	612666
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SCHEDULE - 3 : UNSECURED LOANS

INTER CORPORATE DEPOSITS	13397379	15450536
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LOAN FROM DIRECTORS	4956442	3666707
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OTHERS	5386753	5191663
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23740574	24308906
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SCHEDULE - 5 INVESTMENTS:

(VALUED AT COST)

TRADE & UNQUOTED:

SYMPHONY STUDIOS PVT. LTD.,	300000	300000
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(30000 EQ.SHARES OF RS.10/- EACH)

INVESTMENT IN SUBSIDIARY:

DURGA DAIRY LTD.,	21885500	21885500
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(548900 SHARES @ AVG PRICE OF RS.38/-)

VIRAT CRANE AGRI-TECH LTD.,	7180000	7180000
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(718000 SHARES OF RS.10/- EACH)	29365500	29365500
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SCHEDULE - 4 - FIXED ASSETS

	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
DEPRECIATION	As on 31.03.2009	Additions	Deletions	as on 31.03.2010	as on 31.03.2009	Provided During the year	Delitions During the year	Upto 31.03. 2010	As on 31.03. 2009	As on 31.03.2010
FREEHOLD LAND	90000000	0	0	90000000	0	0	0	0	90000000	90000000
FACTORY BUILDINGS	51000000	10543419	0	61543419	13172806	1996698	0	15169504	37827194	46373915
PLANT & MACHINERY	13202271	0	767978	12434293	8094171	591986	504942	8181215	5108100	4253078
MISCELLANEOUS ASSETS	180752	0	0	180752	117415	8586	0	126001	63337	54751
VEHICLES	364408	0	0	364408	359924	0	0	359924	4483	4484
ELECTRICAL INSTALLATIONS	8613945	0	0	8613945	5400055	406578	0	5806633	3213890	2807312
FURNITURE & FIXTURES	1239365	0	0	1239365	908100	60956	0	969056	331265	270309
ADMINISTRATIVE BLOCK	99000000	0	0	99000000	4053191	1613700	0	5666891	94946809	93333109
OFFICE EQUIPMENT	390725	0	0	390725	301730	10596	0	312326	88995	78399
	263991466	10543419	767978	273766907	32407392	4689100	504942	36591550	231584073	237175357
CAPITAL WORK-IN-PROGRESS	8103371	7741607	10543419	5301559	0	0	0	0	8103371	5301559
TOTAL	272094837	18285026	11311397	279068466	32407392	4689100	504942	36591550	239687444	242476916
PREVIOUS YEAR	272688100	5838121	6431385	272094836	32031103	4430751	4054462	32407392	240656997	239687444



Virat Crane Industries Ltd.

SCHEDULE 6- INVENTORIES:

(AS CERTIFIED BY MANAGEMENT)

STOCK OF RAW MATERIAL	181448	262965
STOCK OF FINISHED/TRADING GOODS	-	32820
STOCK OF PACKING MATERIAL	4443414	4514615
STOCK OF WORK IN PROGRESS	1116867	1079490
STOCK OF OTHER MATERIAL	957130	957130
	<u>6698859</u>	<u>6847020</u>

SCHEDULE - 7 SUNDRY DEBTORS:

(UNSECURED AND CONSIDERED GOOD)

OUTSTANDING FOR MORE THAN SIX MONTHS	13,398,223	9473820
OUTSTANDING FOR LESS THAN SIX MONTHS	425,285	7482728
	<u>13,823,508</u>	<u>16956548</u>

SCHEDULE - 8 CASH & BANK BALANCES:

BANK BALANCE	89260	20239
CASH ON HAND	690282	2556395
	<u>779542</u>	<u>2576634</u>

SCHEDULE - 9 LOANS & ADVANCES:

(RECOVERABLE EITHER IN CASH OR IN KIND)

RECOVERABLE FROM TAX AUTHORITIES	2820077	2425672
SERVICES AND EXPENSES	137363	-
SHARE APPN. MONEY PENDING ALLOTMENT	627000	-
ADVANCES TO SUPPLIERS	586352	205214
MISCELLANEOUS ADVANCES	3359977	4235144
	<u>7530768</u>	<u>6866030</u>

SCHEDULE - 10 DEPOSITS:

SECURITY DEPOSITS - GOVTS.	200146	199146
ELECTRICITY	478857	478857
TELEPHONE	86309	86309
RENTS	76000	76000
OTHERS	1779742	1611642
	<u>2621054</u>	<u>2451954</u>



SCHEDULE - 11 CURRENT LIABILITIES & PROVISIONS:

A) CURRENT LIABILITIES

CREDITORS

RAWMATERIALS/TRADING MATERIAL	7863060	8872292
EXPENSES & SERVICES	7169936	6833633
CRS. FOR CAPITAL GOODS	401525	-
ADVANCES RECD. FROM CUSTOMERS	708324	288682
TAX DEDUCTED AT SOURCE	74440	52998
TAXES PAYABLE	420860	72700
OTHERS	3324568	832653
	19962712	16952958

B) PROVISIONS

GRATUITY PAYABLE	765778	748016
PROVISION FOR CURRENT TAX	-	360905
	20728490	18061879

SCHEDULE - 12 MISCELLANEOUS EXPENDITURE:

MISCELLANEOUS EXPENDITURE	6305012	6305010
MERGER & DEMERGER EXPENSES	1590219	1590219
	7895231	7895229

SCHEDULE - 13 PROFIT & LOSS DEBIT BALANCE:

PROFIT & LOSS A/C	(5353568)	(270950)
ADJ: CURRENT YEAR PROFIT	(3453059)	(5082618)
	(8806627)	(5353568)

SCHEDULE - 14 SALES :

(AFTER ADJUSTMENT OF RETURNS)

SALES : FRUIT MASALA	4243502	4362605
SALES : OTHERS	88240	185248
	4331742	4547853

**PARTICULARS****CURRENT
YEAR****PREVIOUS
YEAR****SCHEDULE - 15 MATERIAL CONSUMPTION:**

PARTICULARS	RAWMATERIALS		PACKING MATERIALS	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
OPENING STOCK	262965	358601	4514615	4551701
PURCHASES	2232359	1881728	1044687	1291129
	2495324	2240329	5559302	5842830
LESS:CLOSING STOCK	181448	262965	4443414	4514615
	2313876	1977364	1115888	1328215
ADD:OPENING W.I.P	1079490	1280516	-	-
	3393366	3257880	1115888	1328215
LESS:CLOSING W.I.P	1116867	1079490	-	-
LESS:DAMAGE STOCK	-	-	-	-
	2276499	2178390	1115888	1328215
	2276499	2178390	1115888	1328215

SCHEDULE - 16 : MANUFACTURING EXPENSES

REPAIRS & MAINTENANCE	5694	34486
POWER	113211	374682
LABOUR CHARGES	489076	444395
	607981	853563

SCHEDULE - 17 SELLING & DIST. EXPENSES:

CARRIAGE OUTWARDS	62356	85857
SELLING & DIST. OVERHEAD EXP.	19194	8116
	81550	93973



PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE - 18 ADMINISTRATION EXPENSES:		
AUDITORS REMUNERATION	55150	55150
LOSS ON SALE OF FIXED ASSETS	244036	2116337
COMPUTER MAINTENANCE	5059	-
CONVEYANCE EXPENSES	4172	1604
DIRECTORS REMUNERATION	225000	225000
DIRECTORS TRAVE. EXPENSES	-	8637
FRINGE BENEFIT TAX	-	1236
LICENCE & FEES	66872	102540
PRINTING & STATIONERY	6294	7460
PREMISES MAINTENANCE	951	-
PROFESSIONAL CHARGES	116918	259380
POSTAGE, TELEGRAMS & COURIER	56814	0
RENTS	120000	120000
SALARIES	224817	323521
TELEPHONE & TRUNKCALLS	15074	7255
TRAVELLING EXPENDITURE	27064	3200
ESTABLISHMENT EXPENSES	190253	74383
	1358474	3305703
SCHEDULE - 19 FINANCIAL EXPENSES:		
BANK CHARGES	23932	75636
INTEREST ON WORKING CAPITAL	4568	7020
INTEREST ON TERM LOAN	81243	327124
	109743	409780



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 whichever 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 whichever 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. 10Cr.

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 down value of building before revaluation.



Virat Crane Industries Ltd.

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.

Implementation of merger of Durga Dairy Limited is under progress.

4). 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.173,742/- which is of 50% of demand.

5). 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

6). RELATED PARTY TRANSCATIONS:

Nature of Transaction	Party & Relation	Maximum amount involved Rs. in lakhs	Closing Balance as on 31.03.2010 Rs. in lakhs
Inter Corporate	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 98.85 50.39	2.00 (Credit) 98.85 (Credit) 33.12 (Credit)

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

7). MANAGERIAL REMUNERATION:

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

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

9). Details of Deferred Tax Liability stated in the Balance Sheet are arrived as below.

PARTICULARS	01.04.2009 Rs.	31.03.2010 Rs.
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Deferred Tax Liability:

Fixed Assets	12969950	15606800
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I.T Disallowances of earlier

Years (claim for the year) 139749

Total (A) 12969950 15746549

Deferred Tax Assets:

Disallowances under I.T 126950 61800

Total (B) 126950 61800

Net Deferred Tax

Liability (A-B) 12843000 15684749

Deferred Tax Expense (income) 5903903 2841749

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

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

Sd/-

V.UMAPATHI
PARTNER

Date : 02-12-2010, Guntur

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

Sd/-

P.BHASKARAO
DIRECTOR

Sd/-

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



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 : NOT APPLICABLE
b) Installed Capacity : M.T.S PER SINGLE SHIFT

	Current Year	Previous Year
c) Actual Production	24 MTS	25 MTS
II) Earnings in foreign Currency	Rs.Nil	Rs.Nil
III) Expenditure in foreign Currency	Rs.Nil	Rs.Nil
IV) Value of import on CIF basis	Rs.Nil	Rs.Nil
V) PRODUCTION: (Rounded to Tonnes)		
Fruit Masala	24MTS	25MTS
Gutkha	Nil	Nil
VI) SALES : (Rounded to Tonnes)		
Fruit Masala	24MTS	25MTS
Gutkha	Nil	Nil
Arecanuts (Trading)	Nil	Nil
Others (Trading)	7153 Dozs	11797 Dozs

VII) Raw Material & Packing Material Consumption

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

Current Year		Previous Year	
Kgs.	Value	Kgs.	Value
25549	1666132	25370	1500046
4947	983679	5565	1109380
4660	610366	4096	549465
35156	3260177	35031	3158891

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
2421	257955	1845	107521
333	89910	333	89910
0	0	271	39817
2918	950450	3317	1105206
	0		32820
18733	4276305	19126	4346815
	167109		167800
	5741729		5889889

Signature to Schedules 1 to 20 form part of the Accounts

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

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

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

Sd/-
P.BHASKARAO
DIRECTOR

Sd/-
G.V.S.L.KANTHARAO
MANAGING DIRECTOR

Date : 02-12-2010, Guntur



Virat Crane Industries Ltd.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I) REGISTRATION DETAILS

Registration No. 01-14392
Balance Sheet Date 31.03.2010 State Code 01

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

Public Issue Nil Rights issue Nil

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

	Total Liabilities	Total Assets
	307673	307673
Sources of Funds	Paid-up Capital	Reserves & Surplus
	72385	195862
	Secured Loans	Unsecured Loans
	Nil	23740
	Other Liabilities	
	15684	
Application Funds	Net Fixed Assets	Investments
	242476	29365
	Net Current Assets	Assets
	10725	16301
	Accumulated Less	
	8806	

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

Turnover (Gross Revenue)	Total Expenditure
7350	10803
+/-	+/-
Profit/Loss before tax	Profit/Loss after tax
3453	3453

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

Item Code No. (ITC Code) 2
Product Description Fruit Masala

**VIRAT CRANE INDUSTRIES LTD., GUNTUR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010**

A CASH FLOW FROM OPERATING ACTIVITIES:	Amount(Rs.)
Net Profit after tax and Extraordinary items	(3453059)
Add: Non Cash Expenditure:	
Depreciation	2359816
Loss on Sale of Fixed Assets	244036
Deffered Tax Expense	2841749
Add; Interest Paid	85811
Less: Extrordinary income	Nil
	5531412



Virat Crane Industries Ltd.

	Cash flow from operating activities subject to working capital changes		2078353
	Decrease in Trade and receivables	2299202	
	Increase in Trade Payables	2666611	
	Decrease in inventory	148161	5113974
	Cash flow from operating activities subject to Taxes paid		7192327
	Less: Taxes Paid		
	CASH FLOW FROM OPERATING ACTIVITIES		7192327
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purch/Sale/Adj. of Fixed Assets	(7722610)	
	Purch/Sale of Investments		
	NET CASH CASH FLOW FROM INVESTING ACTIVITIES		(7722610)
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Repayment of Unsecured loans	(568332)	
	Repayment of Secured loans	(612666)	
	Interest paid	(85811)	
	NET CASH FLOW FROM FINANCING ACTIVITIES		(1266809)
D	Net Cash Flow from the Total Activities (A+B+C)		(1797092)
	Add: Cash and cash equivalents as at 1st April 2009		2576634
E	Cash and Cash equivalents as at 31st March 2010		779542
	Note: Figures in brackets represent outflows/negative figures.		

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

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

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

Sd/-
P.BHASKARAO
DIRECTOR

Sd/-
G.V.S.L.KANTHA RAO
MANAGING DIRECTOR

Date : 02-12-2010, Guntur

AUDITOR'S CERTIFICATE

To
The Board of Directors,
Virat Crane Industries Ltd.,
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 31.03.2010. 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 02nd December 2010 to the members of the Company.

Sd/-
V.UMAPATHI
Partner
Guntur, 02nd December 2010.

For JAWAHAR & ASSOCIATES



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, 2010 and the Profit and Loss account for the year ended 31st March, 2010. 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 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010.
 - b) in the case of the Profit and Loss account of the Profit for the year ended on 31st March, 2010.

For **Jawahar & Associates**
Chartered Accountants
Sd/

V.Umapathi
Partner

Membership Number: 21887

Place : Vijayawada,

Date : 01.08.2010

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.



Virat Crane Industries Ltd.

- (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 Mr. Virat Crane Agri-tech Limited which is covered in the register maintained U/s.301 of the Companies Act, 1956.

Name of the party	Maximum Amount involved during the year	Closing Balance (Cur.Year)
Virat Crane Agri-tech Limited /-	Rs.34,64,553/-	Rs. 55,64,553

- (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.
- (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 58A 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 section 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 2009-10 to the extent of Rs.72,63,417/-*.

(c) According to the information and explanation given to us, the following statutory dues have not been deposited on account of disputes:



Virat Crane Industries Ltd.

Nature of the Stature	Nature of the Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
1. APGST	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 (Hyderabad)
3. Agricultural market committee Cess	Cess	1055689	1994-1995 to 2000	Supreme Court
6. 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, the company has given guarantees of \$25 lakhs (in words Twenty Five Lakh US Dollors) US Dollors Foreign 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
V. Umapathi
Partner
M.No.021887
Place: Vijayawada

Date: 01.08.2010



DURGA DAIRY LIMITED, Gandhi Nagar, Vijayawada
BALANCE SHEET AS AT 31.03.2010

(In Rupees)

PARTICULARS	Sch No	Current Year 2009-10	Previous year 2008-09
SOURCES OF FUNDS			
Share capital	1	10,761,700	10,761,700
Reserves & Surplus	2	78,624,730	72,567,226
LOAN FUNDS			
Secured Loans		-	-
Unsecured Loans	3	19,254,411	17,081,251
Deferred tax liability		3,460,526	3,338,816
		<u>112,101,367</u>	<u>103,748,993</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	53,794,468	53,045,689
Less: Depreciation Fund		(21,470,115)	(19,189,242)
Net Block		32,324,353	33,856,447
INVESTMENTS	5	35,062,800	34,762,800
CURRENT ASSETS			
Inventories	6	22,712,261	5,065,042
Sundry Debtors	7	1,033,159	2,343,810
Cash & Bank Balances	8	911,628	484,944
Loans and Advances	9	60,379,760	51,014,437
Deposits	10	249,333	272,523
		<u>85,286,141</u>	<u>59,180,756</u>
CURRENT LIABILITIES & PROVISIONS	11	40,571,927	2,40,51,010
NET CURRENT ASSETS		44,714,214	3,51,29,746
Miscellaneous Exp		Nil	Nil
(to the extent not written off)			
NOTES TO ACCOUNTS	19	<u>112,101,367</u>	<u>103,748,993</u>

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

for and on behalf of Board

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

Sd/-
G.V.S.L.KANTHA RAO
DIRECTOR

Sd/-
Ch. KISHORE KUMAR
Director

Date : 01-08-2010
Place : Vijayawada



Virat Crane Industries Ltd.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

PARTICULARS	SCH. NO.	CURRENT YEAR RS.	PREVIOUS YEAR RS.
INCOME			
Sales	12	276,632,535	225,423,071
Other Income	13	1,272,183	621,124
Increase/Decrease in Stock		17,647,220	2,242,646
		295,551,939	228,286,841
EXPENDITURE			
Purchases	14	256,295,471	182,706,023
Direct Expenses	15	2,929,685	3,623,936
Selling & Distribution Expenses	16	10,453,610	12,055,432
Administrative Expenses	17	7,189,143	5,674,075
Financial Expenses	18	2,048,302	1,318,932
Increase / decrease in stock		-	-
Sales Tax		4,537,236	-
Depreciation		2,280,873	2,250,554
Deffered Revenue Expenses W/off		-	-
Preliminary Expenses W/off		-	-
		285,734,320	207,628,954
Profit / (-) Loss before tax		9,817,618	20,657,888
Add: extraordinary income		Nil	Nil
		9,817,618	20,657,888
Less: Prior period expenditure		-	702,806
Profit / (-) Loss before tax after Prior Period Items		9,817,618	19,955,082
Less: Provision for Tax		3,038,370	7,463,383
Less: Previous Years Taxes		600,034	-
Less: Fringe Benefit Tax		-	121,017
Less: Deferred Tax Expenses / (Income)		121,710	(767,373)
Profit / (-) Loss during the year after tax		6,057,504	13,138,055
Profit / Loss transferred to Balance Sheet		6,057,504	13,138,055

As per our report of even date

for and on behalf of Board

For JAWAHAR AND ASSOCIATES

Chartered Accountants

Sd/-

V.UMAPATHI
PARTNER

M. No. 21887

Sd/-

G.V.S.L.KANTHA RAO
DIRECTOR

Sd/-

Ch. KISHORE KUMAR
Director

Date : 01-08-2010

Place : Vijayawada



PARTICULARS	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
SCHEDULE -1		
SHARE CAPITAL		
AUTHORISED CAPITAL		
60,00,000 Equity Shares of Rs.10/- each	60,000,000	60,000,000
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
(39800 Equity Shares of Rs.10/-	398,000	398,000
1036370 Eq.Sh.of Rs.10/- each at a premium of Rs.25/- each	10,363,700	10,363,700
	<u>10,761,700</u>	<u>10,761,700</u>
SCHEDULE - 2 : RESERVES AND SURPLUS		
Capital Reserves		
Share Premium	26,231,250	26,231,250
Profit & Loss Account	44,335,976	Nil
Subsidies	2,000,000	2,000,000
	<u>72,567,226</u>	<u>28,231,250</u>
Revenue Reserves:		
Profit & Loss A/c	-	31,197,921
Add : Current Year	6,057,504	13,138,055
	<u>6,057,504</u>	<u>44,335,976</u>
Total	<u>78,624,730</u>	<u>72,567,227</u>
SCHEDULE - 3 : UNSECURED LOANS		
Deffered Sales Tax	13,907,071	13,907,071
Vehicles Loans	588,340	-
Chits Payable	4,759,000	2,149,500
Others	Nil	639,000
Cholamandalam DBS Finance Limited	Nil	385,680
	<u>19,254,411</u>	<u>17,081,251</u>

SCHEDULE - 4

Durga Dairy Limited

Depreciation as per Companies Act, 1956 for the Year ended 31st March, 2010

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 31.03.2009	Additions during the year	Deletions during the Year	As at 31.03.2010	As on 31.03.2009	During the year	Upto 31.03.2010	As on 31.03.09	As on 31.03.10
LAND	2,849,694		546,284	2,303,410	Nil	Nil	Nil	2,849,694	2,303,410
BUILDINGS	21,242,531			21,242,531	6,125,118	709,501	6,834,619	15,117,413	14,407,912
PLANT & MACHINERY	23,294,224	344,051		23,638,275	10,140,126	1,110,097	11,250,223	13,154,098	12,388,052
ELECTRICAL FITTINGS	1,558,291			1,558,291	766,096	98,640	864,736	792,195	693,555
FURNITURE & FIXTURES	282,098			282,098	156,110	17,857	173,967	125,988	108,131
OFFICE EQUIPMENT	2,130,223	52,500		2,182,723	1,187,328	137,301	1,324,629	942,895	858,094
VEHICLES	1,688,628	904,012	5,500	2,587,140	814,464	207,478	1,021,942	874,164	1,565,198
TOTAL	53,045,689	1,300,563	551,784	53,794,468	19,189,242	2,280,873	21,470,115	33,856,447	32,324,353





Virat Crane Industries Ltd.

PARTICULARS	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
SCHEDULE - 5 : INVESTMENTS		
Long Term Investments:		
<u>Quoted Shares :</u>		
Yenkey Drugs And Pharmaceuticals Ltd (1,00,000 Shares of Rs.12.5/- Each	1,250,000	1,250,000
<u>Unquoted Shares:</u>		
Virat Crane Agritech Ltd (3348750 shares of Rs.10/- each)	33,487,800	33,487,800
Crane Foods Pvt. Ltd. (250 shares @ 100/- each)	25,000	25,000
RLL LIFE INSURANCE	300,000	
	35,062,800	34,762,800
SCHEDULE - 6: INVENTORIES		
Ghee	12,815,978	3,149,922
Cream	1,278,756	295,456
Dairy Machinery & Equipment	168,416	176,406
Packing Material	1,623,724	1,404,988
MILK HANDLING LOSS	204,880	Nil
MILK	205	200
Stock with Consignment Agents	38,069	38,069
BUTTER	6,582,233	Nil
	22,712,261	5,065,041
SCHEDULE - 7 : SUNDRY DEBTORS		
Outstanding for over 6 months	195,150	195,150
Outstanding for less than 6 months	838,009	2,148,660
	1,033,159	2,343,810
SCHEDULE - 8 : CASH & BANK BALANCE		
Cash on Hand	815,536	388,852
Cash at Bank	96,092	96,092
	911,628	484,944
SCHEDULE - 9 :LOANS & ADVANCES		
Advances for supply of Goods & services	12,943,792	15,833,792
Deposits Recoverable	3,920,000	2,124,200
VAT Receivable	2,307,573	
Taxes under protest	1,606,408	5,631,232
Other Advances Recoverable	39,101,987	27,425,213
Advance Tax AY 2010-11	500,000	Nil
Advance Tax AY 2009-10	-	-
	60,379,760	51,014,437



Virat Crane Industries Ltd.

PARTICULARS	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
SCHEDULE - 10 : DEPOSITS		
Sales Tax Deposit	3,000	3,000
Telephone Deposit	98,920	98,920
Other Deposit	147,413	170,603
	249,333	272,523
SCHEDULE - 11 : CURRENT LIABILITIES & PROVISIONS		
A : CURRENT LIABILITIES		
Sundry Creditors	22,143,080	2,191,290
Bank Overdraft	4,639,762	3,559,060
Taxes Payable	11,260	2,458,037
Advances from Customers	157,830	175,554
Advances from others	109,038	110,518
Outstanding Expenses	569,730	488,026
Penalties - APGST	2,384,040	Nil
	30,014,739	8,982,485
B: PROVISIONS		
Provision for Tax AY 2008-09	Nil	8,379,637
Provision for Tax AY 2009-10	7,263,417	6,663,383
Provision for Tax AY 2010-11	3,038,370	
Other provisions	255,400	25,505
	10,557,187	15,068,525
	40,571,927	24,051,010
SCHEDULE - 12 : SALES		
Durga Ghee Sales	134,349,447	101,880,282
Cow Ghee Sales	7,996,808	5,222,010
Skimmed Milk Sales	27,503,047	30,738,358
Consignment Sales	107,529,700	87,578,733
Others	926	3,688
Gross sales	277,379,928	226,330,806
Less: sales returns	747,393	907,735
Net Sales	276,632,535	225,423,071
SCHEDULE - 13 : OTHER INCOME		
Discount received	14,189	Nil
Dividend on Chit	1,221,994	621,124
Rent Received	36,000	Nil
	1,272,183	621,124



PARTICULARS	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
SCHEDULE - 14 : PURCHASES		
Cream/Butter / Milk Purchase	193,276,161	164,472,996
Ghee Purchase	50,780,535	8,636,976
Packing Material	8,547,037	7,068,823
Value added Tax	3,163,744	2,207,970
Others	527,994	319,258
	256,295,471	182,706,023
SCHEDULE - 15 : DIRECT EXPENCES		
Carriage in ward	561,671	901,971
Electricity Charges	411,511	393,609
Husk / Fuel	463,887	369,440
processing charges	1,479,386	1,945,127
Handling loss	13,230	13,789
	2,929,685	3,623,936
SCHEDULE - 16 : SELLING AND DISTRIBUTION EXPENSES		
Depo maintainance Expenes	2,006,907	1,633,824
Advertisement	358,270	1,815,468
Carriage Outward	2,989,270	2,349,566
Marketing Staff Exp.	2,041,483	2,243,955
Business Promotional Exp.	279,052	1,283,091
Consignment Commission	1,822,288	1,637,505
Shortage & Damage	654,434	640,733
Others	301,906	451,290
	10,453,610	12,055,432
SCHEDULE - 17: ADMINISTRATION EXPENSES		
Audit remuniration	110,300	110,300
Agricultural Cess	100,000	Nil
Consultancy fees	102,600	58,000
Donations/Subscriptions	35,315	30,817
Estabilishment Charges	5,672,189	4,409,137
Postage & Telegrams	7,899	14,161
Printing & Stationery	75,873	132,702
Repairs & Maintenance	447,735	171,397
Rent	158,000	189,600
Telephone Charges	138,057	176,977
Travelling Expenses & Conveyance	235,164	256,636
Miscellaneous Exp	90,551	124,348
Laboratory expenses	7,050	Nil
Licenses fee	8,410	Nil
	7,189,143	5,674,075



SCHEDULE - 18 : FINANCIAL EXPENSES

Bank Charges	41,173	125,413
Chit loss and Chit Exp.	1,881,500	1,077,000
Interest Exp.	125,629	116,519
	<u>2,048,302</u>	<u>1,318,932</u>

SCHEDULE - 19: NOTES FORMING PART OF ACCOUNTS

A) Accounting 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, 2010.

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.



Virat Crane Industries Ltd.

Nature of the Stature	Nature of the Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
1. APGST	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 (Hyderabad)
3. Agricultural market committee Cess	Cess	1055689	1994-1995 to 2000	Supreme Court
4. Income Tax Act, 1961	Income tax	730591/-	2002-03	Commissioner of Appeals income tax (Hyderabad)

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

4) Calculation of Deferred Tax for FY 2009-10

Particulars	Beginning as on 01.04.09	Adjustments	During the Year	Tax @ 30.9%	Closing as on 31.03.2010
A) Deferred Tax Liability					
Accelerated Depreciation	3355062	0	454466	140430	3495492
Total	3355062	0		140430	3495492
B) Deferred Tax Asset					
Permanent Disallowance of Employee Contribution			(67605)	(20890)	
Expenses disallowed U/s 43/B	16246	(16246)			
Bonus			117521	36314	
Leave Encashment			63243	19542	
Total	16246	(16246)		34966	34966
C) Net Deferred Tax (Asset)/Liability	3338816	16246		105464	3460526
Deferred Tax Expense for the FY 2009-10				121710	

5) Deferred 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 paid Rs.5,00,000/- under protest to sales tax authorities towards dispute with regard to trade mark.



Virat Crane Industries Ltd.

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.

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 Closing Balance	Virat crane Agri-tech Limited. (Associate Company)	34,64,553/-	55,64,553/-

11) QUANTITATIVE DATA:

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	QTY(Kgs)	AMOUNT	QTY(Kgs)	AMOUNT
1. Opening Stock	30368	3445319.89	3235	447472
2. Purchases	4192187.277	277086155.5	4319438	173109971
3. Sales	6366742.278	218804430.7	31722160	225419382
4. Closing Stock	120295.712	20676967.11	30368	3445319.89

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.
- Confirmation of balances from suppliers/debtors are subject to confirmation.

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

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

for and on behalf of Board

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

Sd/-
G.V.S.L.KANTHA RAO
DIRECTOR

Sd/-
Ch. KISHORE KUMAR
Director

Date : 01-08-2010
Place : Vijayawada



Virat Crane Industries Ltd.

AUDITORS' REPORT

To

THE BOARD OF DIRECTORS

VIRAT CRANE INDUSTRIES LIMITED,

Guntur.

We have audited the attached consolidated Balance Sheet of Virat Crane Industries Limited as at 31st March, 2010 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, 2010;
- 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

Reg.No. 001281S

V.Umapathi

Partner

M. No: 21887

Place : Guntur

Date : 02.12.2010



Virat Crane Industries Ltd.

VIRAT CRANE INDUSTRIES LTD., GUNTUR
CONSOLIDATED BALANCE SHEET AS AT 31.03.2010

PARTICULARS	SCH.NO.	AMOUNT(RS.)	AMOUNT(RS.)
SOURCES OF FUNDS			
SHARE CAPITAL	1	72,385,500	72,385,500
RESERVES & SURPLUS			
REVALUATION RESERVE		195,862,606	198,191,890
REVENUE RESERVE		16,028,350	16,387,658
		211,890,956	214,579,548
MINORITY INTEREST		43,794,926	40,831,173
LOAN FUNDS			
SECURED LOANS	2	-	998,346
UNSECURED LOANS	3	42,994,985	41,004,477
NET DEFERRED TAX LIABILITY		19,145,275	16,181,816
		390,211,642	385,980,860
APPLICATION OF FUNDS			
GOOD WILL		1,128,973	1,128,973
FIXED ASSETS			
GROSS BLOCK LESS DEPN. (including Capital Work in Progress)	4	274,801,271	273,543,892
INVESTMENTS	5	42,542,800	42,242,800
CURRENT ASSETS, LOANS & ADVANCES:			
INVENTORY	6	29,411,120	11,912,061
SUNDRY DEBTORS	7	14,856,669	19,300,358
CASH & BANK BALANCES	8	1,691,170	3,061,578
LOANS & ADVANCES	9	67,910,537	58,680,467
DEPOSITS	10	2,870,387	2,724,477
		116,739,883	95,678,941
CURRENT LIABILITIES & PROVISIONS:			
	11	61,300,418	42,912,889
		55,439,465	52,766,052
DEFERED REVENUE EXPENDITURE	13	8,403,914	8,403,914
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT W/OFF)	12	7,895,229	7,895,229
		390,211,652	385,980,860
NOTES ON ACCOUNTS	20		
As per our report of even date For JAWAHAR AND ASSOCIATES Chartered Accountants		for and on behalf of Board For VIRAT CRANE INDUSTRIES LTD.,	
Sd/- V.UMAPATHI PARTNER M.No. 21887	Sd/- P.BHASKARAO DIRECTOR	Sd/- G.V.S.L.KANTHA RAO MANAGING DIRECTOR	
Guntur, 02-12-2010			



VIRAT CRANE INDUSTRIES LTD., GUNTUR
CONSOLIDATED PROFIT & LOSS A/C FOR THE YEAR ENDED 31.03.2010

PARTICULARS	SCH.NO.	CURRENT YEAR	PREVIOUS YEAR
INCOME			
SALES	14	280,964,277	229,970,924
OTHER INCOME		4,290,702	8,533,974
INCREASE IN STOCK/DECREASE		17,614,400	2,111,368
		302,869,379	240,616,266
EXPENDITURE			
MATERIAL CONSUMPTION	15	259,687,858	186,212,628
MANUFACTURING EXPENSES	16	3,537,666	4,477,499
SELLING & DISTRIBUTING EXP.	17	10,535,160	12,149,405
ADMINISTRATIVE EXPENSES	18	8,547,617	8,979,778
EXCISE DUTY (GUTKA)		-	897,380
FINANCIAL EXPENSES	19	2,158,045	1,728,712
SALES TAX		4,537,236	-
DEPRECIATION		4,640,689	4,352,024
DEFERRED REVENUE EXP		-	-
MISC. EXPENSES WRITTEN OFF	12	-	-
		293,644,271	218,797,426
PROFIT/(LOSS) DURING THE YEAR		9,225,108	21,818,840
LESS/ADD: PRIOR PERIOD EXPENSES/INCOME		18,800	681,567
PROFIT/(LOSS) BEFORE TAX		9,206,308	21,137,273
TAX EXPENSE			
PROVISION FOR TAX		3,038,370	7,824,288
PREVIOUS YEAR TAXES		600,034	-
DEFERRED TAX EXP/(INCOME)		2,963,459	5,136,530
FRINGE BENEFIT TAX		-	121,017
PROFIT AFTER TAXATION			
AND BEFORE MINORITY INTEREST		2,604,445	8,055,438
MINORITY INTERESTS		2,963,753	6,437,647
PROFIT AFTER TAXATION AND MINORITY INTEREST		(359,308)	1,617,791
ADD: BROUGHT FORWARD LOSS OF PREVIOUS YEARS		-	(270,950)
MINORITY INTEREST OF PRE-ACQUISITION		-	-
TRANSFER TO GOODWILL ON CONSOLIDATION		-	-
BALANCE CARRIED TO BALANCE SHEET		(359,308)	1,346,841
BASIC EARNING PER SHARE		0.36	1.11
NO.OF SHARES USED IN COMPUTING BASIC EPS		7,242,000	7,242,000
NOTES ON ACCOUNTS	20		

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

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

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

Sd/-
P.BHASKARAO
DIRECTOR

Sd/-
G.V.S.L.KANTHA RAO
MANAGING DIRECTOR

Guntur, 02-12-2010



Virat Crane Industries Ltd.

SHCHEDULES TO CONSOLIDATED ACCOUNTS
PARTICULARS

FY 2009-2010
RS.

FY 2008-2009
RS.

SCHEDULE - 1 - SHARE CAPITAL:

AUTHORISED CAPITAL

(75,00,000 EQUITY SHARES OF RS.10/- EACH)]

75,000,000

75,000,000

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

72,42,000 EQUITY SHARE OF

RS.10/- EACH

72,420,000

72,420,000

LESS: CALLS IN ARREARS

34,500

34,500

72,385,500

72,385,500

SCHEDULE - 2 : SECURED LOANS

SHORT TERM BORROWINGS FROM BANKS

CHOLAMANDLAM DBS FINANCE LTD

-

385,680

LAKSHMI VILAS BANK LTD., TERM LOAN

-

612,666

THE VYSYA BANK LTD., TERM LOAN

-

-

-

998,346

SCHEDULE - 3 : UNSECURED LOANS

INTER CORPORATE DEPOSITS

13,397,379

15,450,536

DEFERRED SALES TAX

13,907,071

13,907,071

VEHICLE LOANS

588,340

-

CHITS PAYABLE

4,759,000

2,149,500

OTHERS

10,343,195

9,497,370

42,994,985

41,004,477

SCHEDULE - 5 INVESTMENTS:

LONG TERM INVESTMENTS :

QUOTED SHARES:

YENKEY DRUGS AND PHARMACUTICLES

LTD (1,00,000 SHARES OF RS. 12.5/- EACH)

1,250,000

1,250,000

TRADE & UNQUOTED:

SYMPHONY STUDIOS PVT. LTD.,

300,000

300,000

(30000 EQ. SHARES OF RS.10/- EACH)

INVESTMENT IN SUBSIDAIRY:

DURGA DAIRY LTD., (548900 SHARES @ AVG PRICE OF Rs.38/-)

40,667,800

40,667,800

VIRAT CRANE AGRI-TECH LTD.,

(4066780 SHARES OF RS.10/- EACH)

25,000

25,000

CRANE FOODS (P) LTD

(250 SHARES @ 100/- EACH

300,000

-

RLL LIFE INSURANCE

42,542,800

42,242,800

Virat Crane Industries Ltd.



SHCHEDULES TO CONSOLIDATED ACCOUNTS

SCHEDULE - 4 Fixed Assets

DEPRECIATION	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As on 31.03.2009	Additions	Deletions	as on - 31.03.2010	as on 31.03.2009	Provided During the year	Delitions During the year	Upto 31.03. 2010	As on 31.03. 2009	As on 31.03.2010
FREEHOLD LAND	90,000,000			90,000,000	-	-	-	-	90,000,000	90,000,000
FACTORY BUILDINGS	51,000,000	10,543,419		61,543,419	13,172,806	1,996,698	-	15,169,504	37,827,194	46,373,915
PLANT & MACHINERY	13,202,271		767,978	12,434,293	8,094,171	591,986	504,942	8,181,215	5,108,100	4,253,078
MISCELLANEOUS ASSETS	180,752			180,752	117,415	8,586	-	126,001	63,337	54,751
VEHICLES	364,408			364,408	359,924	-	-	359,924	4,484	4,484
ELECTRICAL INSTALLATIONS	8,613,945			8,613,945	5,400,055	406,578	-	5,806,633	3,213,890	2,807,312
FURNITURE & FIXTURES	1,239,365			1,239,365	908,100	60,956	-	969,056	331,265	270,309
ADMINISTRATIVE BLOCK	99,000,000			99,000,000	4,053,191	1,613,700	-	5,666,891	94,946,809	93,333,109
OFFICE EQUIPMENT	390,725			390,725	301,730	10,596	-	312,326	88,995	78,399
	263,991,466	10,543,419	767,978	273,766,907	32,407,392	4,689,100	504,942	36,591,550	231,584,074	237,175,357
CAPITAL WORK-IN-PROGRESS	8,103,371	7,741,607	10,543,449	5,301,559	-	-	-	-	8,103,371	5,301,559
TOTAL	272,094,837	18,285,026	11,311,397	279,068,466	32,407,392	4,689,100	504,942	36,591,550	239,687,435	242,476,916



Virat Crane Industries Ltd.

SCHEDULE 6- INVENTORIES:

(AS CERTIFIED BY MANAGEMENT)

STOCK OF RAW MATERIAL	14,276,182	3,708,343
STOCK OF FINISHED/TRADING GOODS	-	32,820
STOCK OF PACKING MATERIAL	6,067,138	5,919,603
STOCK OF WORK IN PROGRESS	1,116,867	1,079,490
STOCK OF TOOLS & IMPLEMENTS	168,416	176,406
STOCK OF MILK	205	200
STOCK WITH CONSIGNMENT AGENTS	38,069	38,069
STOCK OF OTHER MATERIAL	1,162,010	957,130
STOCK OF BUTTER	6,582,233	-
	<u>29,411,120</u>	<u>11,912,061</u>

SCHEDULE - 7 SUNDRY DEBTORS:

(UNSECURED AND CONSIDERED GOOD)

OUTSTANDING FOR MORE THAN SIX MONTHS	13,593,373	9,668,970
OUTSTANDING FOR LESS THAN SIX MONTHS	1,263,294	9,631,388
	<u>14,856,669</u>	<u>19,300,358</u>

SCHEDULE - 8 CASH & BANK BALANCES:

BANK BALANCE	185,352	116,331
CASH ON HAND	1,505,818	2,945,247
	<u>1,691,170</u>	<u>3,061,578</u>

SCHEDULE - 9 LOANS & ADVANCES:

(RECOVERABLE EITHER IN CASH OR IN KIND)

RECOVERABLE FROM TAX AUTHORITIES	2,820,077	2,425,672
TAXES PAID UNDER PROTEST	1,606,408	5,631,232
ADVANCES FOR SUPPLY OF GOODS & SERVICES	12,943,792	15,833,792
DEPOSITS RECOVERABLE	3,920,000	2,124,200
SHARE APPN. MONEY PENDING ALLOTMENT	627,000	-
ADVANCES TO SUPPLIERS	586,360	205,214
OTHER ADVANCE RECOVERABLE	42,461,964	31,660,357
VAT CREDIT	2,307,573	-
SERVICES AND EXPENSES	137,363	-
ADVANCE TAX A.Y 2010-11	500,000	800,000
	<u>67,910,537</u>	<u>58,680,467</u>

SCHEDULE - 10 DEPOSITS:

SECURITY DEPOSITS - GOVTS.	200,146	199,146
SALES TAX DEPOSITS	3,000	3,000
ELECTRICITY DEPOSIT	478,857	478,857
TELEPHONE DEPOSIT	185,229	185,229
OTHERS DEPOSIT	2,003,155	1,858,245
	<u>2,870,387</u>	<u>2,724,477</u>

SCHEDULE - 11 CURRENT LIABILITIES & PROVISIONS:

A) CURRENT LIABILITIES

CREDITORS	37,577,601	17,897,215
DEPOSITS	-	-
BANK OVER DRAFT	4,639,762	3,559,060
ADVANCES RECD. FROM CUSTOMERS	866,154	464,236
TAXES PAYABLE	506,560	2,583,735
OUT STANDING EXPENSES	569,730	488,026
PENALTIES - APGST	2,384,040	-
OTHERS	3,433,606	943,171
	<u>49,977,453</u>	<u>25,935,443</u>



Virat Crane Industries Ltd.

B) PROVISIONS

PROVISION FOR TAXES	10,301,787	16,203,925
OTHERS	1,021,178	773,521
	61,300,418	42,912,889

SCHEDULE - 12 MISCELLANEOUS EXPENDITURE:

OPENING BALANCE	6,305,010	6,305,010
ADD: DURING THE YEAR	1,590,219	1,590,219
LESS: WRITTEN OFF		
	7,895,229	7,895,229

SCHEDULE - 13 DEFERRED REVENUE EXPENDITURE

OPENING BALANCE	8,403,914	8,403,914
LESS: WRITTEN OFF		
	8,403,914	8,403,914

SCHEDULE - 14 SALES:

SALES : GUTKHA		
SALES : FRUIT MASALA	4,243,502	4,362,605
SALES : ARECANUTS		
SALES : GHEE SALES	142,346,255	108,010,027
SALES : SKIMMED MILK	27,503,047	30,738,358
SALES : ON CONSIGNMENT	107,529,700	87,578,733
SALES : OTHERS	89,166	188,936
GROSS SALES	281,711,670	230,878,659
LESS: DISCOUNT ON SALES		
SALES RETURNS	747,393	907,735
NET SALES	280,964,277	229,970,924

SCHEDULE - 15 MATERIAL CONSUMPTION:

	FY 2009-2010		FY 2008-2009	
	RAW MATERIALS	PACKING MATERIALS	RAW MATERIALS	PACKING MATERIALS
OPENING STOCK	262965	4514615	358601	4551701
PURCHASES	2232359	1044687	1881728	1291129
SUB TOTAL	2495324	5559302	2240329	5842830
LESS: CLOSING STOCK	181448	4443414	262965	4514615
SUB TOTAL	2313876	1115888	1977364	1328215
ADD: OPENING W.I.P	1079490	0	1280516	0
SUB TOTAL	3393366	1115888	3257880	1328215
LESS: CLOSING W.I.P	1116867	0	1079490	0
TOTAL	2276499	1115888	2178390	1328215



Virat Crane Industries Ltd.

SCHEDULE - 16 : DIRECT EXPENSES

CARRIAGE INWARD	561,671	901,971
HUSK/OTHERS	463,887	369,440
PROCESSING CHARGES	1,479,386	1,945,127
REPAIRS & MAINTENANCE	5,694	34,486
POWER	524,722	768,291
LABOUR CHARGES	489,076	444,395
OTHERS	13,230	13,789
	<u>3,537,666</u>	<u>4,477,499</u>

SCHEDULE - 17 SELLING & DIST. EXPENSES:

DEPOT MAINTANANCE EXPENDITURE	2,006,907	1,633,824
CARRIAGE OUTWARDS	3,051,626	2,435,423
ADVERTISEMENT	358,270	1,815,468
MARKETING STAFF EXP	2,041,483	2,243,955
BUSINESS PROMOTIONAL EXP	279,052	1,283,091
SHORTAGES & DAMAGES	654,434	640,733
CONSIGNMENT COMMISSION	1,822,288	1,637,505
OTHERS	321,100	459,406
	<u>10,535,160</u>	<u>12,149,405</u>

SCHEDULE - 18 ADMINISTRATION EXPENSES:

AUDITORS REMUNERATION	165,450	165,450
AGRICULTURAL CESS	100,000	-
COMMISSION TO MANAGING DIRECTOR	-	-
CONSULTANCY CHARGES	102,600	58,000
DONATIONS/SUBSCRIPTIONS	35,315	30,817
REPAIRS & MAINTENANCE	447,735	171,397
LOSS ON SALE OF FIXED ASSETS	244,036	2,116,337
DIRECTORS REMUNERATION	225,000	225,000
DIRECTORS SITTING FEES	-	-
LABORATORY EXPENSES	7,050	-
LICENCE & FEES	75,282	102,540
INSURANCE CHARGES	-	-
COMPUTER MAINTENANCE	5,059	-
PRINTING & STATIONERY	82,167	140,162
OFFICE MAINTENANCE	951	-
PROFESSIONAL CHARGES	116,918	259,380
POSTAGE, TELEGRAMS & COURIER	64,713	14,161
RENTS	278,000	309,600
SALARIES	224,817	323,521
TELEPHONE & TRUNKCALLS	153,131	184,232
TRAVELLING EXPENDITURE	266,400	270,077
ESTABLISHMENT EXPENSES	5,862,442	4,483,520
MISCELLANEOUS EXP	90,551	125,584
	<u>8,547,617</u>	<u>8,979,778</u>

SCHEDULE - 19 FINANCIAL EXPENSES:

BANK CHARGES	65,105	201,049
LOSS ON CHITS	1,881,500	1,077,000
INTEREST ON WORKING CAPITAL	4,568	7,020
INTEREST ON OTHERS	125,629	116,519
INTEREST ON TERM LOAN	81,243	327,124
	<u>2,158,045</u>	<u>1,728,712</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.

3) 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.

4) INVESTMENTS:

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

5) INVENTORY:

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

6) 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

7) CONTINGENT LIABILITIES:

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

8) 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.

9) ESTIMATES:

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

10) 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 Ltd and its Subsidiaries. The company and its subsidiary constitute the group. The company is only having one subsidiary i.e. Durga Dairy Ltd.



Virat Crane Industries Ltd.

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.

c) The Consolidated Financial Statements have been prepared in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India, which are notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India.

d) Virat Crane Industries Ltd is holding 51% of Equity Share capital of Durga Dairy Limited and the same became the subsidiary of Virat

Crane Industries Ltd. Accordingly the annual accounts of Durga Dairy Limited is considered in preparation of Consolidated Financial Statements.

e) The Company is in the process of merger with Durga Dairy Limited as per Court Order dt. 06-04-2010 of High Court of Andhra Pradesh, Hyderabad, the Consolidated Financial Statements have been drawn as on 31st March, 2010.

2). CLAIMS AGAINST THE COMPANY:

Claims against the company not acknowledged as debts Nil.

3). CONTINGENT LIABILITIES:

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

Nature of the Statute	Nature of the Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
1. APGST	APGST Sales Tax on Cream	30,40,060	1995-96	CTO, Seetharampuram, Vijayawada
	Penalty	15,12,412	1995-96	CTO, Seetharampuram, Vijayawada
2. APGST	Sales Tax (Trade Mark)	18,80,000	1997-98	Sales Tax Appellate Tribunal (Hyderabad)
3. Agricultural market committee Cess	Cess	1055689	1994-95 to 2000	Supreme Court of India
6. Income Tax Act, 1961	Income tax	730591/-	2002-03	Commissioner of Appeals income tax (Hyderabad)

b) The demand made by Sales Tax Authority towards APGST for the year 1999-2000 is Rs. 1.95 lakhs against which appeal is preferred with Tribunal.

4) GUARANTEES GIVEN BY THE COMPANY:

Virat Crane Industries Limited has given Guarantee of Rs. 10.00 crores to IDBI

taken by Virat Crane Bottling Limited.

Durga Dairy Limited has given guarantees of \$25 lakhs (in words Twenty Five

lakhs US Dollars) US Dollars Foreign Currency Loan equivalent to Rs. 11.50 crores

taken by Virat Crane Agritech Limited.



Virat Crane Industries Ltd.

5) SUBSIDY FROM GOVERNMENT:

Subsidy received from the government through Commissioner of Industries is treated as Capital Reserve.

6) REVALUATION RESERVE:

The revaluation reserve was created in the year 2006-07. The depreciation 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 down value of building before revaluation.

7) RELATED PARTY TRANSACTIONS:

Nature of Transaction	Party & Relation	Max. Amount involved Rs. In Lakhs	Closing Balance as on 31.03.2010 Rs. In Lakhs
Inter Corporate Deposits	Virat Crane Bottling Ltd	2.00 (Credit)	2.00 (Credit)
	Virat Crane Agri-Tech Ltd	133.49 (Credit)	154.59 (Credit)
	Apex Solutions Ltd.	50.39 (Credit)	33.12 (Credit)
	(In the above three companies Mr. G V S L Kantha Rao is the Director)		

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

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

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

Sd/-
V.UMAPATHI
PARTNER

Guntur. 02-12-2010

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

Sd/-
P.BHASKARAO
DIRECTOR

Sd/-
G.V.S.L.KANTHA RAO
MANAGING DIRECTOR



Virat Crane Industries Ltd.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

A CASH FLOW FROM OPERATING ACTIVITIES:

Amount(Rs.)

Net Profit after tax and Extraordinary items		2,604,445
Add: <u>Non Cash Expenditure:</u>		
Preliminary Expenses		
Depreciation	4,640,689	
Provision for TAX		
Provision for FBT		
Loss on sale of Fixed Assets	244,036	
Deffered Revenue Ependiture	-	
Deffered Tax Expense	2,963,459	
Interest Paid	81,243	
		<u>7,929,427</u>
Cash flow from operating activities subject to working capital changes		10,533,872
Add: Decrease / (Increase) in Trade and receivables	(4,932,281)	
Increase in Trade Payables	18,387,529	
Decrease / (Increase) in inventory	(17,499,059)	(4,043,811)
Cash flow from operating activities subject to Taxes paid		6,490,061
Less: Taxes Paid		<u>2,873,538</u>
CASH FLOW FROM OPERATING ACTIVITIES		<u>3,616,523</u>

B CASH FLOW FROM INVESTING ACTIVITIES:

Purch/Sale/Adj. of Fixed Assets	(6,224,850)	
Purchase of Investments	<u>(300,000)</u>	
NET CASH CASH FLOW FROM INVESTING ACTIVITIES		(6,524,850)

C CASH FLOW FROM FINANCING ACTIVITIES:

Reciept of secured loans	1,990,508	
Share Application Money	627,000	
Interest Paid on term loans	(81,243)	
Repayment of Secured Loans	<u>(998,346)</u>	
NET CASH FLOW FROM FINANCING ACTIVITIES		<u>1,537,919</u>

Net Cash Flow from the Total Activities (A+B+C) **(1,370,408)**

Add: Cash and cash equivalents as at 1st April 2009 3,061,578

E Cash and Cash equivalnets as at 31st March 2010 1,691,170

Note: Figures in brackets represent outflows/negative figures.

As per our report of even date Annexed

for and on behalf of Board

For JAWAHAR AND ASSOCIATES

For VIRAT CRANE INDUSTRIES LTD.,

Chartered Accountants

Sd/-

Sd/-

Sd/-

V.UMAPATHI

P.BHASKARAO

G.V.S.L.KANTHA RAO

PARTNER

DIRECTOR

MANAGING DIRECTOR

Guntur, 02-12-2010



Virat Crane Industries Ltd.

VIRAT CRANE INDUSTRIES LIMITED

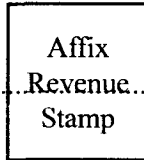
Regd. Office D.No. 25-2-1, G.T. Road,
Opp. Mastan Dargah,
Guntur, Andhra Pradesh

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 18th Annual General Meeting of the Company to be held on 31st
December 2010 at 10 A.M. and at any adjournment thereof.

Signed this.....day of.....2010



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

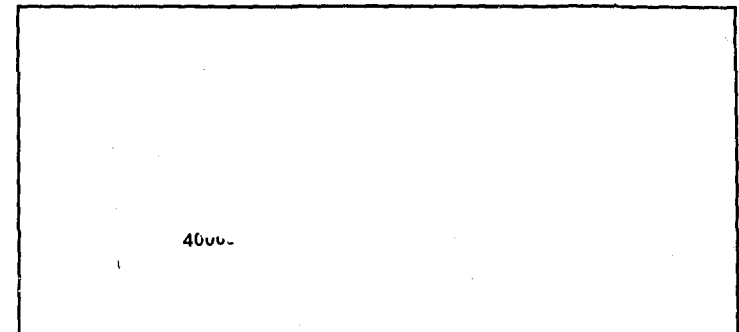
ENTRANCE PASS

18TH ANNUAL GENERAL MEETING ON 31st DECEMBER 2010

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



4000-

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.)

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