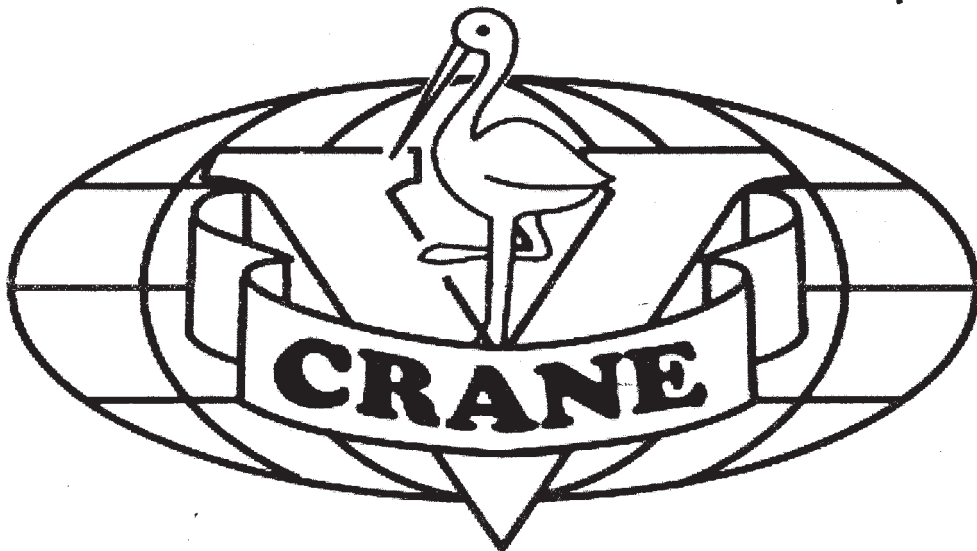


NINETEENTH ANNUAL REPORT
2010 - 2011



VIRAT CRANE INDUSTRIES LIMITED
GUNTUR



BOARD OF DIRECTORS : Sri G. Subba Rao chairman
: Sri G.VS.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.

REGISTRARS & SHARE TRANSFER AGENTS : M/s. Sathguru Management
Consultants Pvt. Ltd.
Plot No. 15,
Hindi Nagar, Punjagutta,
HYDERABAD - 500 034.

REGISTERED OFFICE : D.No. 25-2-1,
GT. ROAD,
Opp.: MASTAN DARGA
GUNTUR.

FACTORY : Nuzved Road,
Near New Mango Market
Nunna, Vijayawada.



Virat Crane Industries Ltd.

NOTICE:

Notice is hereby given that 19th Annual General Meeting of the Company will be held at the premises of Crane Infrastructure Ltd, NH-5, Ankireddypalem Village, Chilakaluripet Road, Guntur, on Saturday the 31st December 2011 at 10.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2011 and Profit & Loss Account for the year ended 31.03.2011 and the Reports of the Directors and Auditors Report thereon.
2. To appoint a Director in the place of Sri P. Jagadeesh Kumar who retires by rotation and being eligible offers himself for re-election.
3. To appoint a Director in the place of Sri P.V. Srihari who retires by rotation and being eligible offers himself for re-election.
4. To appoint M/s Jawahar and Associates, Chartered Accountants the retiring auditors as auditors of the company who shall hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting of the Company.

By Order of the Board

For Virat Crane Industries Ltd.

PLACE: GUNTUR

DATE : 02.12.2011. 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 29.12.2011 to 31.12.2011 (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. 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 R. Jagadeesh Kumar, aged 51 years is an engineering graduate and past president of the Bangalore Stock Exchange Limited. He has 22 years of experience in the fields of investment and finance. He is the Chairman of the Audit Committee and member of the Remuneration Committee of the Company.

Item No. 3:

Sri P.V. Srihari aged 41 years is a Graduate in Commerce and has experience in business of finance and investments. He is the Graduate in Commerce and has rich experience in trading and marketing business. He is the Managing Director of M/s. Vilas Finance and Investments Limited.

By Order of the Board

For Virat Crane Industries Ltd.,

PLACE: GUNTUR

DATE : 02.12.2011. Sd/-

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



Virat Crane Industries Ltd.

DIRECTOR REPORT
FINANCIAL RESULTS:

Your directors have pleasure in presenting the Nineteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2011.

(Rs. In Lacs)

	2010-2011	2009-2010
Sales and Other Income	3121.54	2852.55
Profit/(Loss) before Interest & Depreciation	85.44	154.04
Interest	8.85	21.58
Depreciation	28.87	46.41
Profit/(Loss) before Tax	47.71	86.06
Deferred-tax expenses / (Income)	(179.38)	29.63
Income-tax – (Current Tax)	53.00	30.38
Profit (Loss) after Taxation	174.10	26.04

During the year under review, the Company has achieved turnover of Rs. 3122.00 lakhs and earned a profit of Rs. 85.44 lakhs before interest and depreciation. The net profit after providing for interest of Rs. 8.85 lacs and depreciation of Rs. 28.87 lacs is Rs. 47.71 lakhs. The Current tax provision is of Rs. 53.00 lakhs and deferred tax expense (income) for the year is Rs. 179.38 lakhs and the profit of Rs.174.10 lakhs is carried forward to balance sheet.

MERGER AND DEMERGER:

During the year, 1) The infra division of the company has been demerged and the assets and liabilities related to the infra division have been transferred to Crane Infra structure Limited pursuant to the scheme of arrangement approved by the Hon'ble High Court of Andhra Pradesh
2) The subsidiary company i.e Durga Dairy Limited was merged into the Company as per the order of the Honorable High Cour of Andhra Pradesh

The Accounts for the financial year have been prepared for the company post demerger/merger.

DIVIDENDS:

Due to mishap in Ghee Division and to strengthen the Financial Position, your directors could not

recommend dividend for the financial year ending 31st March, 2011.

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 Mumbai Stock Exchange Ltd., Jeejee Bhoy Towers, Dalal Street, Mumbai-400 001.

DIRECTORS

Sri R. Jagadish Kumar and Sri P.V. Srihari, 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 2010-2011 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 31.03.2011 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.



Virat Crane Industries Ltd.

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 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 insignificant, for the company's production. 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.BHASKARARAO G.V.S.L.KANTHA RAO
DIRECTOR MANAGING DIRECTOR

PLACE: GUNTUR

DATE : 02.12.2011.

ANNEXURE TO DIRECTORS REPORT CORPORATE GOVERNANCE:

1. Company's Philosophy:

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

2. Board of Directors:

The Board of directors comprises of five directors. The details of their category, directorships and

Sl. No	Name of the Director	Category	Attendance particulars of Board Meeting			No.of other Directorship/ Committee Membership	
			Held	Attend ed	Last AGM	Direct Ship	Com. men/Chair
1	Sri G.Subba Rao	Promoter	7	7	No	1	2
2	Sri R Jagadish kumar	Non-Executive Independent	7	4	No	-	3
3	Sri P Bhaskara Rao	Non-Executive Independent	7	7	Yes	2	3
4	Sri P V Sri Hari	Non-Executive	7	6	Yes	1	-
5	SRI G V L S Kantha Rao	Executive Promoter	7	7	Yes	4	1



Virat Crane Industries Ltd.

attendance are as under:

During the year the Board meetings were held on – 30th April 2010, 03rd May 2010, 07th June 2010, 31st July 2010, 30th October 2010, 02nd December 2010 & 31st January 2011.

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 31st July 2010, 30th October 2010, 02nd December 2010 & 31st January 2011. 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 & NED	4
Sri P. Bhaskara Rao	Member	I & N.E.D.	4
Sri G. Subba Rao	Member	N.E.D.	4

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 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 2011 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.Bhaskara 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.	2007-2008	Factory premises Ankireddypalem Chilakaluripet Road, Guntur.	31.12.2008 at 10.00 AM	No postal ballot
2.	2008-2009	— DO —	30.11.2009 At 10.00 AM	No postal ballot
3.	2009-2010	— DO—	31.12.2010 At 10.00 AM	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 2010-11 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 : 31.12.2011 at 10.00 A.M

Place : Premises at Crane Infrastructure Ltd,
NH-5, Ankireddypalem Village,
Chilakaluripet Road, Guntur,

Financial Calendar:

April 2010 to March 2011

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 : August / September

Dates of book closure : 29.12.2011 to 31.12.2011

Listing on Stock Exchanges: Hyderabad and Bombay Stock Exchanges.

Stock Code : HSE: VCI

BSE: 519457.

ISIN of Dematerialised shares: INE 295C 01014.

**STOCK PRICE DATA :**

Monthly High and Low quotations in BSE for the financial year 2010-2011.

Month	Open (Rs.)	High (Rs.)	Low(Rs.)	Close (Rs.)	No. of Shares
April 2010	12.65	16.45	12.00	13.50	121798
May 2010	13.99	19.26	13.47	18.00	309586
June 2010	18.15	18.25	7.50	8.50	459823
July 2010	8.50	9.70	7.05	8.75	106938
August 2010	9.00	10.76	8.16	8.76	158618
September 2010	9.00	11.00	8.12	8.51	46744
October 2010	8.52	9.40	7.72	7.92	50032
November 2010	7.62	9.99	7.40	8.08	111446
December 2010	8.09	8.30	6.98	7.92	53457
January 2011	7.65	8.62	6.05	6.50	44513
February 2011	6.50	7.95	6.04	7.45	12459
March 2011	6.55	7.05	5.90	6.45	64519

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.

CATEGORY	NO.OF SHARES HELD	%OF SHARE HOLDERS
INDIVIDUALS	3245379	44.81
COMPANIES	375887	5.19
FI / BANKS	22300	0.31
PROMOTERS/ DIRECTORS AND THEIR RELATIVES	3593434	49.62
MUTUAL FUNDS	5000	0.07
TOTAL	7242000	100.00

Distribution of Shares:

The share holding pattern as on 31.03.2011 is as follows.

The distribution of share holding as 31.03.2011 is as follows:

No.of equity Shares held	No.of share holders	%of total shareholder	No.of shares held	% of total shares
1-5000	6129	85.48	13925450	19.23
5001-10000	510	7.11	4270260	5.90
10001-20000	230	3.21	3466320	4.79
20001-30000	111	1.55	2842180	3.92
30001-40000	34	0.47	1188540	1.64
40001-50000	64	0.89	3085910	4.26
50001-100000	58	0.81	4345160	6.00
100001 & above	34	0.47	39296180	54.26
Tota	7170	100.00	7242000	100.00

Dematerialization of shares: The shares fall under compulsory dematerialization.

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



Virat Crane Industries Ltd.

Plant Location: Nuzvidu Road, Near New Mango Market, NUNNA, VIJAYAWADA.

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: With the strength after Merger with erstwhile Subsidiary Company the Company contemplate for expansion of the market network for the Ghee products and other allied products in the near future . In the new scenario it is reiterated that the company has opportunity to introduce its products in the new markets.
- B) Opportunities and Challenges:
1. Opportunities: The Company is trying to explore new markets through out India apart from Andhra Pradesh
 2. Challenges: Stiff competition from unorganized markets and the Government c Policies
- C) Out Look: The Company is continuously studying various propositions to diversify and expand its activities. The Management is confident that they will be successfully implemented once they are finalized.
- 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 of the Company post merger of this subsidiary with the company is Rs.2042.03 lacs.
 - 2) Loan Profile: Nil
 - 3) Assets: The Company is having net fixed assets of Rs. 142.10 lacs.
- 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, 2011.

Sd/-

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

PLACE: Guntur

Dated: 2nd December 2011

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, 2011 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 2011

AUDITOR'S REPORT

The Members Of
Virat Crane Industries Limited,
Guntur.

- We have audited the attached Balance Sheet of M/s. Virat Crane Industries Limited as at 31st March, 2011 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.
- 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.
- 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. Subject to
- The asset and liabilities of infra division have been transferred to Crane Infra Structure Limited under the scheme of arrangement approved by the Hon'ble High Court of Andhra Pradesh.

- Pending finalisation of allotment formalities with Registrar of Companies, the amounts payable to the minority shareholders is kept under share application money.
- There was a fire accident in respect of the Ghee Division at Vijayawada the provision is based on estimation only.
- Further to our comments in the Annexure referred to above, we report that
- 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.
- 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.
- The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report is in agreement with the books of account.
- 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.*
- On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- 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.
- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
- in the case of the Profit and Loss account of the Loss for the year ended on that date.
- In the case of the cash flow statement, of the cash flows for the year ended on that date.

For Jawahar & Associates
Chartered Accountants
V.Umapathi
Partner
M.No: 21887

Place : Guntur,
Date : 02.12.2011



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.

- 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. However, the assets pertaining to infra division have been

(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.,	13.65 Lacs	12.15 Lacs (Cr.)
Virat Crane Agri-Tech Ltd.,	43.60 Lacs	36.91 Lacs (Cr.)
Apex Solutions Ltd.,	16.89 Lacs	4.21 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.

- 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.

(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.

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.

In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

As per the section 209(1)(d) of the Companies Act, 1956 maintenance of the cost records is not compulsory.

(ix) (a) The Company is generally regular in depositing monies except with P.F/ESI authorities .

a. According to the information and explanations



Virat Crane Industries Ltd.

given to us, there are no undisputed statutory dues outstanding for a period of more than six months from the date they became due except in respect of P.F.- Rs.1,19,140/-.

b. 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

Ghee Division

1.APGST	Sales Tax (Trade Mark)	18.80 Lacs	Sales Tax Appellate Tribunal (Vizag)
2.Agricultural market committee	Cess	10.55 Lacs	Supreme Court of India
3.Income Tax Act,1961	Income tax	7.30 Lacs	Commissioner of Appeals Income tax (Hyderabad)

- i. 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.
- i. 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.
- i. 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.
- i. 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.
- i. 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.
- i. 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.

- i. In our opinion, the company has not raised any term loans during the year under audit.
- i. 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.
- i. 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.
- i. According to the information and explanations given to us, during the period covered by our audit report, the Company had not issued any debentures.
- i. As per the information and explanation given to us the company have not raised any monies through public issue.
- i. 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

M.No. 21887

Place:Guntur

Date : 02.12.2011



Virat Crane Industries Ltd.

VIRAT CRANE INDUSTRIES LTD., GUNTUR

BALANCE SHEET AS AT 31.03.2011

(In Rupees)

PARTICULARS	SCH.NO.	CURRENT YEAR	PREVIOUS YEAR
SOURCES OF FUNDS			
SHARE CAPITAL	1	204,203,000	72,385,500
CAPITAL RESERVE (REVALUATION RESERVE)		-	
LOAN FUNDS:			
RESERVES & SURPLUS	2	8,451,033	211,890,956
UNSECURED LOANS	3	29,062,219	42,994,985
NET DEFERRED TAX LIABILITY			19,145,275
MINORITY INTEREST			43,794,926
		<u>241,716,252</u>	<u>390,211,642</u>
APPLICATION OF FUNDS			
FIXED ASSETS		--	--
GROSS BLOCK LESS DEPN.	4	14,210,839	274,801,269
GOODWILL		95,858,203	1,128,973
INVESTMENTS	5	41,242,800	- 42,542,800
NET DEFERRED TAX ASSET		2,253,625	
CURRENT ASSETS,			
LOANS & ADVANCES:			
GHEE DIVISION			
INVENTORY	6	22,523,083	29,411,120
SUNDRY DEBTORS	7	7,130,682	14,856,667
CASH & BANK BALANCES	8	7,166,538	1,691,170
LOANS & ADVANCES	9	89,285,067	67,910,531
DEPOSITS	10	5,201,859	2,870,387
		<u>131,307,228</u>	<u>116,739,875</u>
CURRENT LIABILITIES &			
PROVISIONS:	11	44,979,795	86,327,433
DEFERED REVENUE EXPENDITURE		551,177	61,300,418
MISCELLANEOUS EXPENDITURE	12	1,272,175	55,439,457
(TO THE EXTENT NOT W/OFF)			8,403,914
		<u>241,716,252</u>	<u>390,211,642</u>

NOTES ON ACCOUNTS 19

As per our report of even date
for JAWAHAR AND ASSOCIATES

Chartered Accountants

Sd/-

V.UMAPATHI

PARTNER

M.NO. 21887

DATE : 02.12.2011 PLACE: GUNTUR

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

Sd/-

G.V.SL.KANTHA RAO

MANAGING DIRECTOR



VIRAT CRANE INDUSTRIES LTD., GUNTUR
PROFIT & LOSS A/C FOR THE YEAR ENDED 31.03.2011

(In Rupees)

PARTICULARS	SCH.NO.	CURRENT YEAR	PREVIOUS YEAR
INCOME			
SALES	13	312,153,773	276,427,041
OTHER INCOME		2,158,993	4,290,702
INCREASE IN STOCK		-	17,614,400
		314,312,766	298,332,143
EXPENDITURE			
MATERIAL CONSUMPTION	14	241,826,827	259,687,858
MANUFACTURING EXPENSES	15	2,442,758	3,537,666
SELLING & DISTRIBUTING EXP.	16	11,855,320	10,535,160
ADMINISTRATIVE EXPENSES	17	10,416,070	8,547,617
FINANCIAL EXPENSES	18	885,808	2,158,045
DECREASE IN STOCK		6,393,711	-
DEPRECIATION		2,886,921	4,640,689
DEFERRED REVENUE EXP. W/Off		8,403,914	
MISCELLANEOUS EXP. W/Off		6,623,055	
		291,734,383	289,107,035
PROFIT/(LOSS) DURING THE YEAR		22,578,383	9,225,108
ADD:PRIOR PERIOD INCOME			
		22,578,383	9,225,108
LESS:PRIOR PERIOD TAXES/EXP.		426,661	618,834
LESS: LOSS OF FIXED ASSETS DESTROYED BY FIRE ACCIDENT (EXTRAORDINARY)		17,379,756	-
PROFIT/(LOSS) BEFORE TAX		4,771,966	8,606,274
TAX EXPENSE			
CURRENT TAX		5,300,000	3,038,370
DEFERRED TAX EXP /(INCOME)		(17,938,374)	2,963,459
PROFIT AFTER TAXATION AND BEFORE MINORITY INTEREST			- 2,604,445
MINORITY INTERESTS			2,963,753
BALANCE CARRIED TO BALANCE SHEET		17,410,340	(359,308)

NOTES ON ACCOUNTS

19

As per our report of even date
for JAWAHAR AND ASSOCIATES

Chartered Accountants

Sd/-

V.UMAPATHI
PARTNER
M.NO. 21887

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

Sd/-

P.BHASKARA RAO
DIRECTOR

Sd/-

G.V.SL.KANTHA RAO
MANAGING DIRECTOR

DATE : 02.12.2011 PLACE: GUNTUR



Virat Crane Industries Ltd.

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
SCHEDULE -1 - SHARE CAPITAL:		
<u>AUTHORISED CAPITAL</u> (75,00,000 EQUITY SHARES OF RS.10/- EACH)]	75,000,000	75,000,000
<u>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</u> 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
(1,31,81,750 shares issued / to be issued for other than cash, to effect the scheme of amalgamation)	131,817,500	-
	204,203,000	72,385,500
SCHEDULE - 2 : RESERVES & SURPLUS		
PROFIT & LOSS A/C.	(8,806,627)	16,028,350
PROFIT RELATED TO CIL	152,680	
CURRENT YEAR PROFIT	17,410,340	
REVALUATION RESERVE		195,862,606
	8,451,033	211,890,956
SCHEDULE - 3 : UNSECURED LOANS		
DEFERRED SALES TAX	13,907,071	13,907,071
VEHICLE LOANS	338,743	588,340
CHITS PAYABLE		4,759,000
INTER CORPORATE DEPOSITS	9,634,706	13,397,379
LOAN FROM DIRECTORS	2,410,664	
OTHERS	2,771,035	10,343,195
	29,062,219	42,994,985
SCHEDULE - 5 INVESTMENTS:		
(TRADE & QUOTED)		
YENKEY DRUGS & PHARMACEUTICALS (100000 SHARES OF Rs. 12.50 EACH) (VALUED AT COST)	1,250,000	1,250,000
TRADE & UNQUOTED:		
SYMPHONY STUDIOS PVT. LTD., (30000 EQ.SHARES OF RS.10/- EACH)	300,000	300,000
CRANE FOOD PRODUCTS PVT. LTD. (250 SHARES OF Rs. 100/- EACH)	25,000	25,000
INVESTMENT IN SUBSIDIARY:		
DURGA DAIRY LTD., (548900 SHARES @ AVG PRICE OF RS.38/-)		
VIRAT CRANE AGRI-TECH LTD., (3966750 SHARES OF RS.10/- EACH)	39,667,800	40,667,800
RLL LIFE INSURANCE		300,000
	41,242,800	42,542,800

SCHEDULE - 4 - FIXED ASSETS

	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK		
	As On 31.03.2010	Additions Deletions / Transfer	As On 31.03.2011	As On 31.03.2010	Provided During The Year	Delitions During The Year	Upto 31.03.2011	As On 31.03.2010 As On 31.03.2011
Depreciation								
FREEHOLD LAND	92,303,410	- 90,000,000	2,303,410	-	-	-	-	92,303,410 2,303,410
FACTORY BUILDINGS	82,785,950	- 81,722,558	1,063,392	22,004,123	709,501	22,335,967	377,657	60,781,827 685,735
PLANT & MACHINERY	36,072,569	157,442 15,556,063	20,673,948	19,431,438	1,579,839	8,370,843	12,640,434	16,641,131 8,033,514
MISCELLANEOUS ASSETS	180,752	- -	180,752	126,001	11,075	-	137,076	54,751 43,676
VEHICLES	2,951,548	626,282 -	3,577,830	1,381,866	260,449	-	1,642,315	1,569,682 1,935,515
ELECTRICAL INSTALLATIONS	10,172,236	- 9,496,766	675,470	6,671,369	106,104	6,289,651	487,822	3,500,867 187,648
FURNITURE & FIXTURES	1,521,463	- 282,098	1,239,365	1,143,023	39,787	191,824	990,986	378,440 248,379
ADMINISTRATIVE BLOCK	99,000,000	- 99,000,000	-	5,666,891	-	5,666,891	-	93,333,109 -
OFFICE EQUIPMENT	2,573,448	16,635 -	2,590,083	1,636,955	180,166	-	1,817,121	936,493 772,962
CAPITAL WORK-IN-PROGRESS	327,561,376	800,359 296,057,485	32,304,250	58,061,666	2,886,921	42,855,176	18,093,411	269,499,710 14,210,839
TOTAL	4,605,250	4,605,250	-	-	-	-	-	5,301,559 -
PREVIOUS YEAR	332,166,626	800,359 300,662,735	32,304,250	58,061,666	2,886,921	42,855,176	18,093,411	274,801,269 14,210,839
	272,094,837	18,285,026 11,311,397	279,068,466	32,407,392	4,689,100	504,942	36,591,550	239,687,444 242,476,916



Virat Crane Industries Ltd.

SCHEDULE 6- INVENTORIES:

(AS CERTIFIED BY MANAGEMENT)

STOCK OF RAW MATERIAL	1,717,770	14,276,182
STOCK OF FINISHED/TRADING GOODS	12,193,544	
STOCK OF PACKING MATERIAL	6,401,453	6,067,138
STOCK OF WORK IN PROGRESS	1,004,970	1,116,867
STOCK OF OTHER MATERIAL	1,205,346	1,162,010
STOCK OF TOOLS & IMPLEMENTS		168,416
STOCK OF MILK		205
STOCK WITH CONSIGNMENT AGENTS		38,069
STOCK OF BUTTER		6,582,233
	<u>22,523,083</u>	<u>29,411,120</u>

SCHEDULE - 7 SUNDRY DEBTORS:

(UNSECURED AND CONSIDERED GOOD)

OUTSTANDING FOR MORE THAN SIX MONTHS	3,674,051	13,593,373
OUTSTANDING FOR LESS THAN SIX MONTHS	3,456,631	1,263,294
	<u>7,130,682</u>	<u>14,856,667</u>

SCHEDULE - 8 CASH & BANK BALANCES:

BANK BALANCE	329,548	185,352
CASH ON HAND	6,836,990	1,505,818
	<u>7,166,538</u>	<u>1,691,170</u>

SCHEDULE - 9 LOANS & ADVANCES:

(RECOVERABLE EITHER IN CASH OR IN KIND)

RECOVERABLE FROM TAX AUTHORITIES	2,934,654	2,820,077
SERVICES AND EXPENSES	173	137,363
SHARE APPN. MONEY PENDING ALLOTMENT	627,000	627,000
TAXES PAID UNDER PROTEST		1,606,408
ADVANCES FOR SUPPLY OF GOODS & SERVICES	13,116,586	13,530,152
DEPOSITS RECOVERABLE		3,920,000
VAT CREDIT		2,307,573
ADVANCE TAX A.Y.2010-11		500,000
OTHER ADVANCE RECOVERABLE	72,606,655	42,461,958
	<u>89,285,067</u>	<u>67,910,531</u>

SCHEDULE - 10 DEPOSITS:

SECURITY DEPOSITS - GOVTS.	202,146	203,146
ELECTRICITY	478,857	478,857



Virat Crane Industries Ltd.

TELEPHONE	185,229	185,229
RENTS	76,000	
OTHERS	4,259,627	2,003,155
	<u>5,201,859</u>	<u>2,870,387</u>

SCHEDULE - 11 CURRENT LIABILITIES & PROVISIONS:

A) CURRENT LIABILITIES

CREDITORS

RAWMATERIALS/TRADING MATERIAL	13,141,516	37,577,601
EXPENSES & SERVICES	6,687,620	--
BANK A/Cs CREDIT BALANCES	--	4,639,762
ADVANCES RECD. FROM CUSTOMERS	1,007,319	866,154
TAX DEDUCTED AT SOURCE	42,446	--
TAXS PAYABLE	10,394,861	506,560
OTHERS	7,617,846	3,433,606
PENALTIES -APGST	--	2,384,040
OUTSTANDNING EXPENCES	--	569,730
	<u>38,891,607</u>	<u>49,977,453</u>

B) PROVISIONS

GRATUITY PAYABLE	788,188	--
PROVISION FOR CURRENT TAX	5,300,000	10,301,787
OTHERS	--	1,021,178
	<u>44,979,795</u>	<u>61,300,418</u>

SCHEDULE - 12 MISCELLANEOUS EXPENDITURE:

MISCELLANEOUS EXPENDITURE	--	6,305,012
MERGER & DEMERGER EXPENSES	--	--
Less written off	1,272,175	1,590,219
	<u>1,272,175</u>	<u>7,895,231</u>

SCHEDULE - 13 SALES :

(AFTER ADJUSTMENT OF RETURNS)

SALES : FRUIT MASALA	4,316,619	4,243,502
SALES : GHEE PRODUCTS	307,837,154	276,631,609
SALES : OTHERS	-	89,166
	<u>312,153,773</u>	<u>280,964,277</u>



Virat Crane Industries Ltd.

SCHEDULE - 14 MATERIAL CONSUMPTION:

PARTICULARS	RAWMATERIALS		PACKING MATERIALS	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
\OPENING STOCK	181,448	262,965	4,443,414	4,514,615
PURCHASES	228,604,801	2,232,359	12,728,529	1,044,687
	228,786,249	2,495,324	17,171,943	5,559,302
LESS:CLOSING STOCK	9,517	181,448	4,503,268	4,443,414
	228,776,732	2,313,876	12,668,675	1,115,888
ADD:OPENING W.I.P	1,116,867	1,079,490	-	-
	229,893,599	3,393,366	12,668,675	1,115,888
LESS:CLOSING W.I.P	735,447	1,116,867	-	-
LESS:DAMAGE STOCK	-	-	-	-
	229,158,152	2,276,499	12,668,675	1,115,888
	229,158,152	2,276,499	12,668,675	1,115,888

SCHEDULE - 15 : MANUFACTURING EXPENSES

REPAIRS & MAINTENANCE	11,529	5,694
CARRIAGE INWARDS	260,667	561,671
POWER & FUEL	1,028,238	1,001,839
GHEE PROCESSING CHARGES	647,135	1,479,386
LABOUR CHARGES	495,189	489,076
	<u>2,442,758</u>	<u>3,537,666</u>

SCHEDULE - 16 SELLING & DIST. EXPENSES:

CARRIAGE OUTWARDS	2,870,238	3,051,626
SELLING & DIST. OVERHEAD EXP.	8,985,082	7,483,534
	<u>11,855,320</u>	<u>10,535,160</u>

SCHEDULE - 17 ADMINISTRATION EXPENSES:

AUDITORS REMUNERATION	165,450	165,450
LOSS ON SALE OF FIXED ASSETS		244,036
COMPUTER MAINTENANCE	13,700	5,059
DIRECTORS REMUNERATION	225,000	225,000



Virat Crane Industries Ltd.

GENERAL EXPENSES	341,374	97,601
LICENCE, FEES & CESS	1,891,249	175,282
PRINTING & STATIONERY	56,985	82,167
PROFESSIONAL CHARGES	170,218	219,518
POSTAGE, TELEGRAMS & COURIER	14,535	64,713
RENTS	281,700	278,000
SALARIES	6,364,087	224,817
TELEPHONE & TRUNKCALLS	103,034	153,131
TRAVELLING EXPENDITURE	179,632	266,400
ESTABLISHMENT EXPENSES	248,375	5,862,442
DONATIONS / SUBSCRIPTIONS	40,811	35,315
REPAIRS & MAINTENANCE	319,920	448,686
	<u>10,416,070</u>	<u>8,547,617</u>

SCHEDULE - 18 FINANCIAL EXPENSES:

BANK CHARGES	33,793	65,105
INTEREST ON WORKING CAPITAL	852,015	1,886,068
INTEREST ON TERM LOAN		81,243
INTEREST OTHERS		125,629
	<u>885,808</u>	<u>2,158,045</u>

SCHEDULE - 19: 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:

- Income and expenditure is accounted on accrual basis on receipt of invoices.
- 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:

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

6) INVESTMENTS:

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

7) INVENTORY:

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



Virat Crane Industries Ltd.

which ever is lower.

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

8. **DEFERRED TAX:**

Deferred tax is recognized, subject to consideration of prudence, on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods

9) **CONTINGENT LIABILITIES:**

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

10) **IMPAIRMENT OF ASSETS:**

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

11) **ESTIMATES:**

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

12) **DEFERRED REVENUE EXPENDITURE:**

Deferred revenue expenditure incurred on Merger & Demerger 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:**
Transferred to Crane Infrastructure Ltd on

demerger along with Fixed Assets.

3) **Composite Scheme of Demerger and Merger:**

1. The Company has received Orders from Hon'ble High Court of Andhra Pradesh, Hyderabad on 07th April, 2010 approving Composite Scheme of Arrangement between Virat Crane Industries Ltd., Crane Infrastructure Ltd., and Durga Dairy Ltd. with respective shareholders.
2. The appointed date as applied is 01-04-2007 and the Annual Accounts have been drawn from the effective date.
3. As per the scheme, the Assets and Liabilities pertaining to the Infra / Real Estate Division have been transferred as a going concern to Crane Infrastructure Ltd. in accordance with Section 2(19AA) of the Income Tax Act, 1961.
4. In consideration of the said transfer of Assets and Liabilities, the shareholders of Virat Crane Industries Ltd. have been allotted One fully paid-up equity share of face value of Rs.10/- each to all the Shareholders on 07th June, 2010, whose names appears in the Register of Members on the record date 5th June, 2010.
5. The difference of Rs.3,53,33,859/- in the Books of Accounts has been treated as goodwill.
6. The entire business of Durga Dairy Ltd., a Subsidiary of the Company as a going concern along with assets and liabilities including movable and immovable have been merged with effective date and necessary entries have been passed.
7. The difference between the face value of equity shares to be allotted to the minority shareholders and the net assets in Durga Dairy Ltd. is treated as goodwill.
8. Pending finalisation of allotment formalities with Registrar of Companies, the amounts payable to the minority shareholders is kept under share application money.
- 4) In respect of ghee division, Depreciation on Fixed Assets lost in fire of Rs.5,51,177/- for the period 01.04.2011 to the date of fire is kept under Deferred



Virat Crane Industries Ltd.

Revenue Expenditure pending for write off in the year 2011- 12.

- 5) Merger/Demerger Expenses of Rs. 15,90,219/- incurred is written off to the extent of Rs.3,18,044/- in the current year and the balance is to be spread over next 4 years As per Policy.
- 6) Deferred Sales-tax of Rs1,39,07,071/- is due for payment from 2014 onwards as per the incentive scheme offered by the Andhra Pradesh State Government for New

Industrial Undertakings for taking up expansion.

7) 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.

Ghee Division

1.APGST	Sales Tax (Trade Mark)	18.80 Lacs	Sales Tax Appellate Tribunal (Vizag)
2.Agricultural market committee	Cess	10.55 Lacs	Supreme Court of India
3.Income Tax Act,1961	Income tax	7.30 Lacs	Commissioner of Appeals Income tax (Hyderabad)

- 8) Company is operating in segments of Fruit Masala and different products of Ghee.

9) RELATED PARTY TRANSCATIONS:

Nature of Transaction	Party & Relation	Maximum amount involved Rs. in lakhs	Closing Balance as on 31.03.2011 Rs. in lakhs
Inter Corporate Deposits	Virat Crane Bottling Ltd., Virat Crane Agri-Tech Ltd., Apex Solutions Ltd., (In the above 3 companies Mr. G.V.S.L Kantha Rao is the Director)	13.65 43.60 16.89	12.15 (Credit) 36.91(Credit) 4.21(Credit)

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

10) 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/-)



Virat Crane Industries Ltd.

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

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

Particulars	01-04-2010 Rs.	31-03-2011 Rs.
<u>Deferred Tax Liability</u>		
Fixed Assets	(1,56,06,800)	20,31,485
I.T.Disallowances of earlier years (claim for the year)	(1,39,749)	-
Total (A)	(1,57,46,549)	20,31,485
<u>Deferred Tax Asset</u>		
Disallowances under I.T.	61,800	2,22,140
Total (B)	61,800	2,22,140
Net Deferred Tax Asset / (Liability)	(1,56,84,749)	22,53,625
Deferred Tax Asset / (Income)	28,41,749	(1,79,38,374)

13) 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

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

Sd/-

P.BHASKARA RAO
DIRECTOR

Sd/-

G.V.SL.KANTHA RAO
MANAGING DIRECTOR

DATE : 02.12.2011
PLACE: GUNTUR



Virat Crane Industries Ltd.

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

I) QUANTITY INFORMATION IN RESPECT OF GOODS MANUFACTURED:

(Rounded to Tonnes/Kgs)

a) Licenced Capacity	:	NOT APPLICABLE	
		Current Year	Previous Year
c) Actual Production (MTS)		24	24
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 (MTS)		24	24
VI) SALES : (Rounded to Tonnes)			
Fruit Masala (MTS)		24	24
Others (Trading)		-	7153 Dozs

VII) Raw Material & Packing Material Consumption

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

Current Year		Previous Year	
Kgs.	Value	Kgs.	Value
21925	1787956	25549	1666132
4261	913293	4947	983679
5012	627073	4660	610366
31198	3328322	35156	3260177

VIII) A) Closing Stock of Rawmaterial & Packing Material

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

Current Year		Previous Year	
Kgs.	Value	Kgs.	Value
433	40702	2421	257955
209	704262	3251	1040360
18990	4333280	18733	4276305
	169988		167109
	5248232		5741729

Ghee - Division:

PARTICULARS

1. OPENDING STOCK
2. PURCHASE
3. SALES
4. CLOSING STOCK

CURRENT YEAR		PREVIOUS YEAR	
QTY (KGS)	AMOUNT	QTY (KGS)	AMOUNT
120295.71	20676967.11	30368.00	3445319.89
3216852.09	244561617.20	4192187.28	277086155.50
2003200.43	187400894.00	6366742.28	218804430.70
70503.97	13955162.76	120295.71	20676967.11

Signature to Schedules 1 to 19 form part of the Accounts

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

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

Sd/-

Sd/-

Sd/-

V.UMAPATHI
PARTNER
M.NO. 21887

P.BHASKARA RAO
DIRECTOR

G.V.SL.KANTHA RAO
MANAGING DIRECTOR

DATE : 02.12.2011
PLACE: GUNTUR



Virat Crane Industries Ltd.

Balance Sheet Abstract And Company's 2 General Business Profile

I) Registration Details:

Registration No.: 01-14392
Balance Sheet Date: 31-03-2011

State Code 01

ii) Capital Raised During The Year (Amount Rs. Thousands)

Public Issue
Nil

Rights Issue
Nil

iii) Position Of Mobilisation And Deployment Of Funds (Amount In Rs. Thousands)

Total Assets 241716
Sources Of Funds
Total Liabilities 241716

	Paid-up Capital	Reserves & Surplus
	204203	8451
	Secured Loans	Unsecured Loans
	Nil	29062
	Other Liabilities	
	Nil	
Application Funds	Net Fixed Assets	Investments
	110068	41243
	Net Current Assets	Assets
	86327	4076
	Accumulated Less	
	Nil	

Iv) Performance Of Company (Amount In Rs. Thousands)

	Turnover (Gross Revenue)	Total Expenditure
	314313	309540
+/-	Profit/Loss Before Tax	Profit/Loss After Tax
-	4772	17410
	+/-	

V) Genetic Name Of Three Principal Products / Services Of Company

(As Per Momentary Terms)

Item Code No. (Itc Code)

Product Description Fruit Masala And Ghee Products

VIRAT CRANE INDUSTRIES LTD., GUNTUR CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

	Current year 31.03.2011 Amount(Rs.)	Prev. Year 31.03.2010 Amount(Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit after tax and Extraordinary items	17410340	2604445
Add: Non Cash Expenditure/Adjustment		
Depreciation	2886921	4640689
Current-tax	5300000	
Deffered Tax Expense/(Income)	(17938374)	2963459



Virat Crane Industries Ltd.

Deffered Revenue Exp. /w.off	8403914			
Miscell. Exp. W.off	6623055			
Interest Paid	65569		81243	
Goodwill / Others	(134328590)			
Extraordinary-Fire Loss/Loss on Sale	17379756	(111607749)	244036	7929427
Cash flow from operating activities subject to working capital changes		(94197409)		10533872
Decrease in Trade and Receivables	(15980023)		(4932281)	
Increase in Trade Payables	(11020623)		18387529	
Decrease/(Increase) in Inventory	6888037	(20112608)	(17499059)	(4043811)
Cash flow from operating activities subject to Tax Payments		(114310018)		6490061
Less: Taxes Paid		-		2873538
CASH FLOW FROM OPERATING ACTIVITIES		(114310018)		3616523
B CASH FLOW FROM INVESTING ACTIVITIES:				
(Purch)/Sale/Transfer of Fixed Assets	44461147		(6224850)	
(Purch)/Sale of Investments	1,300,000		(300000)	
NET CASH CASH FLOW FROM INVESTING ACTIVITIES		45761147		(6524850)
C CASH FLOW FROM FINANCING ACTIVITIES:				
Share Capital/Application Money	88022574		627000	
Repayment of Unsecured loans	(13932766)			
Receipt/(Payment) of Secured loans			992162	
Interest paid	(65569)		(81243)	
NET CASH FLOW FROM FINANCING ACTIVITIES		74024239		1537919
D Net Cash Flow from the Total Activities (A+B+C)		5475368		(1370408)
E Add: Cash and cash equivalents as at 1st April 2010		1691170		3061578
Cash and Cash equivalentnets as at 31st March 2011		7166538		1691170

Note: Figures in brackets represent outflows/negative figures.

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

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

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

Sd/-
P.BHASKARA RAO
DIRECTOR

Sd/-
G.V.SL.KANTHARAO
MANAGING DIRECTOR

DATE :

02.12.2011 PLACE: GUNTUR

AUDITOR'S CERTIFICATE

To
The Board Of Directors,
Virat Crane Industries Limited,
25-2-1; Gt. Road,
Guntur – 522 004.

We Have Examined The Attached Cash Flow Statement Of The Virat Crane Industries Ltd., For The Period Ended 31.03.2011. 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 2011 To The Members Of The Company.

Sd/-
V. Umapathi
Partner
Guntur 02nd December 2011.

For Jawahar & Associates



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 ofbeing a member /members of the above named company hereby
appoint ofin the district of
.....as my/our proxy to vote
for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on 31st
December 2011 at 10 A.M. and at any adjournment thereof.

Signed thisday of2011

Affix
Revenue
Stamp

Note :

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

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

VIRAT CRANE INDUSTRIES LIMITED

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

PROXY FORM

19th ANNUAL GENERAL MEETING ON 31st DECEMBER 2011

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



BOOK POST

To

If Undelivered Please return to
VIRAT CRANE INDUSTRIES LIMITED
D. No. 25-2-1, Opp. Mastan Dargah
G.T. Road, Guntur - 522 004. (A.P.)
India