



NOTICE:

Notice is hereby given that 21st Annual General Meeting of the members of **VIRAT CRANE INDUSTRIES LIMITED** will be held on Monday the 30th September 2013 at 10.00 A.M at NH-5, Ankireddypalem Village, Chilakaluripet Road, Guntur (Crane Infrastructure Ltd., premises) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and Profit & Loss Account for the year ended 31st March 2013 and the Reports of the Directors and Auditors Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Sri Raja Jagadeesh Kumar who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in the place of Sri Venkata Srihari Puvvada who retires by rotation and being eligible offers himself for re-election.
5. To re-appoint M/s. Nagaraju & Co (FRN: 002271S), a firm of Chartered Accountants, as Statutory Auditors of the Company, for the period commencing from conclusion of this meeting till the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. G.V.S.L. Kantha Rao, be and is hereby re-appointed as Managing Director of the Company for a period of five years with effect from and including 1st November, 2013 upon the terms and conditions set out in the agreement entered into with him, which agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or Agreement in such manner as may be agreed to between the Board of Directors and Mr. G.V.S.L. Kantha Rao.”

By Order of the Board
For Virat Crane Industries Ltd.

Place: Guntur

Date: 12th August 2013.

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 25th September 2013 to 30th September 2013 (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. Big share Services Private Limited., are Registrars and Transfer Agents for both 'Demat' and physical form of shares. The members may contact in future.

M/s Big share Services Private Limited,
306, 3rd Floor, Ring Wing, Amrutha Ville,
Opp. Yashodha Hospital, Raj Bhavan Road,
Somajiguda, Hyderabad – 500082.
Tel: 91-40-2337 4967 | 2337 0295
Fax: 91-40-2337 0295
E-mail: bsshyd@bigshareonline.com

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT 1956 & INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE-APPOINTMENT OF DIRECTORS

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Item No. 3:

Sri Raja Jagadeesh Kumar, aged 54 years is an engineering graduate and past president of the Bangalore Stock Exchange Limited. He has 24 years of experience in the fields of investment and finance. He is the Member of Legislative Assembly of Karnataka. He is the Chairman of the Audit Committee and member of the Remuneration Committee of the Company.



Item No. 4:

Sri Venkata Srihari Puvvada aged 42 years is a Graduate in Commerce and has experience in business of finance and investments. He has rich experience in trading and marketing business.

Item No. 5:

Mr. G.V.S.L. Kantha Rao was re-appointed as the managing Director of the company for a period of five years with effect from 1st November 2013 by the board of Director at their meeting held on 12th August 2013 on the terms and conditions and remuneration as mentioned in the agreement entered into by the board of Directors and the said Mr. G.V.S.L. Kantha Rao. The remuneration of Mr. G.V.S.L. Kantha Rao has been approved by the remuneration committee at their meeting held on 12th August 2013. The abstract of the terms and conditions and remuneration of the agreement are as detailed below.

i.Remuneration:

- a) Salary Limit Range: Rs. 1,00,000/- to Rs. 2,00,000/- per month as may be determined by the Board.
- b) Commission: Commission is payable @1% on profits computed under section 349 of the Companies Act, 1956.
- c) Perquisites : Reimbursement of medical expenses for self and family, one month salary in a year or three months salary over a period of three years.
- d) Car : The company shall provide a car
- e) Telephone :The company shall provide a telephone at residence and further agrees to provide one mobile phone.
- f) Accidental Insurance Premium: The company agrees to bear Health insurance premium for self and Family subject to maximum Rs. 5000/- p.m
- g) The Company also agrees to reimburse the additional Medical expenditure, if any, incurred in excess of the Insurance claim with approval of Board
- h) Club fees: Fees of one club in Guntur city. No admission and membership fees will be paid.
- i) Payment of Gratuity at the end of the tenure shall not exceed 15 days salary for each completed year of service or at the rate as may be notified by the government from time to time.

- j) Reimbursement of leave travel concession for self and family once in a year subject to a maximum of one month salary.

II. MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Mr. G.V.S.L. Kantha Rao, the company has no profits or its profits are inadequate the company will pay remuneration by way of salary, incentive, remuneration benefits perquisites and allowances as specified above.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under section 198,309,310 and all other applicable provisions, if any, of the act read with Schedule XIII of the Act, as amended and as in force from time to time.

In compliance with the provisions of section 309,310 and 311 read with schedule XIII of the act, the re-appointment of Mr. G.V.S.L. Kantha Rao are now being placed before the members in general meeting for their approval. The board commends the resolution for acceptance by the members.

The above details may please be treated as an abstract of terms of re-appointment of Mr. G.V.S.L. Kantha Rao as Managing Director under section 302 of the companies act, 1956.

Mr. G.V.S.L. Kantha Rao has over 29 years of experience in business management. He has managing the company, even in adverse market conditions. He is also the Managing Director of M/s. Virat Crane Agri-Tech Ltd., without any remuneration.

None of the Directors, except Mr. G.V.S.L. Kantha Rao is concerned or interested in the resolution.

Your Directors recommend resolution for your approval.

By Order of the Board
For Virat Crane Industries Ltd.,

Place: Guntur

Date: 12th August 2013.

Sd/-

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

DIRECTOR REPORT

FINANCIAL RESULTS:

Your directors have pleasure in presenting the Twenty-First Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2013.



	(Rs. In Lacs)	
	2012-2013	2011-2012
Sales and Other Income	3429.72	3578.62
Profit/(Loss) before Interest & Depreciation	298.93	106.39
Interest	51.70	13.30
Depreciation	17.93	16.46
Profit before exceptional and extraordinary items	229.30	76.63
Profit/(Loss) before Tax	217.68	70.56
Deferred-tax (expenses) / Income	(2.57)	21.17
Income-tax – (Current Tax)	(75.00)	(34.00)
Profit (Loss) after Taxation	140.11	57.73
EPS – Basic	0.69	0.28
EPS – Diluted	0.69	0.28

During the year under review, the Company has achieved turnover of Rs. 3429.72 lakhs as compared to the previous year Rs. 3578.62 lakhs. The profit before interest and depreciation is Rs. 298.93 lakhs as compared to the previous year of Rs. 106.39 lakhs. The net profit after providing for interest and depreciation is Rs. 229.30 lakhs as compared to the previous of Rs. 76.63 lakhs. The net profit after taxation Rs. 140.11 lakhs is carried forward to balance sheet. The Directors of your company are of the view that the performance of your company would improve in the next financial year.

DIVIDENDS:

In view of the Company's profitable performance, your directors are pleased to recommend for approval of shareholders a Final Dividend of 5% (Re 50 paisa per share) on 2,04,20,300 Equity shares of the company in respect of the financial year 2012-2013. The final Dividend if declared as above, would involve an outflow of Rs 102.10 Lakhs towards Dividend and Rs. 16.56 lakhs towards Dividend Tax resulting total outflow of Rs. 118.66 Lakhs. (Approx).

The paid up capital of your company remained unchanged at Rs. 20,42,03,000/-. Earning per share was Rs 0.69.

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-400001.

DIRECTORS:

Mr. Raja Jagadeesh Kumar and Mr. Venkata Srihari Puvvada, retires by rotation in accordance with Articles of Association of the Company and being eligible for reappointment offers themselves for reappointment.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 274 of the Companies Act, 1956.

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 2012-2013 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 fair view of the state of affairs of the company as at 31.03.2013 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.

STATUTORY AUDITORS:

The Statutory Auditors M/s. Nagaraju & Co (FRN: 002271S) Chartered Accountants, Guntur, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, your Directors propose the reappointment of M/s. Nagaraju & Co, as Statutory Auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

**COST AUDITORS:**

Pursuant to the provisions of the Section 233B of the Companies Act, 1956 and other applicable rules, the Board of Directors of your Company had appointed, subject to the approval of the Central Government Mr. Chandra Sekhar.A, Annavarapu & Co, Cost Accountants, Guntur to carry out an audit of Cost accounts of the Company for accounting year ending 31st March 2014.

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 G.V.S.L.KANTHA RAO

DIRECTOR MANAGING DIRECTOR

Place: Guntur

Date: 12th August 2013.**ANNEXURE TO DIRECTORS REPORT
CORPORATE GOVERNANCE:****1. Company's Philosophy:**

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

2. Board of Directors:

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

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

During the year the Board meetings were held on – 15th May 2012, 14th August 2012, 30th August 2012, 15th November 2012 and 14th Feb 2013.

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:

- 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.
- 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 meet 4 times during the year on 15th May 2012, 14th August 2012, 15th November 2012 and 14th Feb 2013. 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	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.

(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 2013 to Sri G.V.S.L.Kantha Rao, Managing Director is Rs 2,79,000/-p.a.

4. Share holders and Share Transfers committee.

The Company has a shareholders and Share Transfers 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.	2009-2010	Factory premises Ankireddypalem Chilakaluripet Road, Guntur.	31.12.2010 at 10.00 AM	No postal ballot
2.	2010-2011	—do—	31.12.2011 at 10.00 AM	No postal ballot.
3.	2011-2012	—do—	29.09.2012 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.

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 : 30.09.2013 at 10.00 A.M

Place : Factory premises (Crane Infrastructure Ltd.) at Ankireddypalem village, Chilakaluripet Road, Guntur .

Financial Calendar:

April 2012 to March 2013

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 : Last Week of May

Dates of book closure: 25.09.2013 to 30.09.2013 (Both Days Inclusive)

Listing on Stock Exchange: Bombay Stock Exchange (BSE).

Stock Code: BSE: 519457.

ISIN of Dematerialized shares: INE 295C 01014.

STOCK PRICE DATA:**Monthly High and Low quotations in BSE for the financial year 2012-2013.**

Month	Open (Rs.)	High (Rs.)	Low(Rs.)	Close (Rs.)	No. of Shares
April 2012	4.61	4.64	4.11	4.15	9684
May 2012	4.10	4.20	3.73	3.73	4616
June 2012	3.73	3.90	3.56	3.75	11532
July 2012	3.93	6.56	3.93	6.23	9883
August 2012	6.44	6.44	4.00	4.00	11755
September 2012	3.82	4.15	3.66	3.79	10100
October 2012	3.97	8.12	3.97	7.41	94657
November 2012	7.78	7.78	5.76	6.34	58836
December 2012	6.65	7.30	5.99	5.99	58615
January 2013	5.71	6.51	5.27	5.55	65611
February 2013	5.55	7.00	4.80	5.74	15081
March 2013	5.46	6.02	4.69	5.40	35245

**Registrars and Transfer Agents:**

Your Registrar and Share Transfer Agents of the Company M/s Big share Services Private Limited, 306, 3rd Floor, Ring Wing, Amrutha Ville, Opp. Yashodha Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500082.

Tel: 91-40-2337 4967|23370295

Fax:91-40-23370295

E-mail: bsshyd@bigshareonline.com

CATEGORY	No.of Share Share Holders	Total No of Shares held	% of Share Holding
Individuals	6840	4567286	22.36
Companies	81	449114	2.20
FI / Banks	2	22300	0.11
Promoters/ Directors and their Relatives	129	15299823	74.91
Mutual Funds	1	5000	0.02
NRI's/OCB's/Clearing Members	60	80227	0.40
TOTAL	7185	20423750	100.00

The distribution of share holding as 31.03.2013 is as follows:

No.of equity Shares held (Range)	No.of share holders	%of total shareholder	No.of shares held	% of total shares
1-5000	6053	85.0977	1370070	6.7082
5001-10000	512	7.1981	429085	2.1009
10001-20000	236	3.3179	357125	1.7486
20001-30000	115	1.6168	292052	1.4300
30001-40000	32	0.4499	111952	0.5481
40001-50000	61	0.8576	293972	1.4394
50001-100000	61	0.8576	446557	2.1865
100001 & above	43	0.6044	17122937	83.8383
Total	7173	100.00	20423750	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.

Plant Location: Nunna, Nuzvid Road, 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: 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 .

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.2042.03 lacs

- 2) Loan Profile: Nil

- 3) Assets: The Company is having net tangible fixed assets of Rs. 149.48 lacs after revaluation of Company's Freehold land and Buildings.

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



**MANAGING DIRECTOR /
CHIEF FINANCIAL OFFICER
CERTIFICATION**

We have reviewed Financial Statements and Cash Flow Statements for the year April 1, 2012 to March 31, 2013 and to the best of our Knowledge and belief:

- I) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- II) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- III) No transaction entered into by the company during the above said period which is fraudulent, illegal or violate of the company's Code of Conduct.
Further, we accept that it is our responsibility to establish and maintain internal controls for financial reporting. Accordingly, we have evaluated the effectiveness of internal control systems of the company pertaining to Financial Statements and have disclosed to the Auditors and Audit Committee, wherever applicable:
 - a) Deficiencies in the design or operation of internal controls, if any which come to our notice and steps have been taken/ proposed to be taken to rectify these deficiencies.
 - b) Significant changes in internal control over financial reporting during the year:
 - c) Significant changes in accounting policies during the year and that the same have been disclosed in the notice to the financial statements:
 - d) Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
 - e) The disclosures have been received from the senior management personnel relating to the financial and commercial transaction in which they or their relative may have personal interest. However none of these transactions have conflict with the interest of the company at large.

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

Place: Guntur

Date: 12th August 2013

**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, 2013 as stipulated in Clause 49 of the listing agreements entered by the company with the Stock Exchanges.

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

In our opinion and to the best of our knowledge and information and accordance to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements as applicable to the Company.

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

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

For Nagaraju & Co
Chartered Accountants

Sd/-

K.Nagaraju

Proprietor

Membership No: 020474

Place: Guntur

Date: 12th August 2013



AUDITORS' REPORT

TO THE MEMBERS OF VIRAT CRANE INDUSTRIES LIMITED REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **VIRAT CRANE INDUSTRIES LIMITED**, Which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the Financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
- b) In the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government

Of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Nagaraju & Co
Chartered Accountants
Registration No: 002271S

Place: Guntur
Date: 30th May, 2013

Sd/-
K. Nagaraju
Membership No: 020474



ANNEXURE TO AUDIT REPORT:

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

c) In our opinion and according to the information and explanations given to us, substantial part of fixed assets has not been disposed off during the year and therefore does not affect the going concern assumption.

2) a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

b) In our opinion and according to the information and explanations given to us, 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) In our opinion and on the basis of our examination of the records, the company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by

the management as compared to book records.

3) a) i) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted interest free unsecured loan to VIRAT CRANE AGRITECH LTD and CRANE INFRA STRUCTURE LTD register maintained under Section 301 of the Companies Act, 1956. The maximum amounts involved during the year are Rs. 510.86 lakhs and Rs. 138.62 lakhs and year end balances amounts to Rs. 510.86 lakhs and Rs. 138.62 lakhs respectively.

ii) The other terms and conditions of such loans are not prejudicial to the interests of the Company.

iii) The amount is repayable on demand.

b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the

register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses iii(f) & iii(g) are not

applicable to the company.

4) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories, fixed assets and with regards to sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5) Based on the audit procedures applied by us and according to the information and explanations provided by the management we are of the opinion that there were no contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act 1956. Thus clauses v (a) and v (b) are not applicable to the Company.

6) The Company has not accepted deposits from the public within the meaning of Sections 58A and Section 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

7) As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

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

9) a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax,



Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.

b) According to the information and explanations given to us there were no disputed outstanding statutory dues

the disputed statutory dues which have not been deposited with the appropriate authorities are as under :

S No.	Nature of the Statute	Nature of the Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
1.	Agricultural Market Committee Cess	Cess	10,55,689	1994-95 to 2000	Supreme Court of India
2.	Income Tax Act, 1961	Income Tax	7,30,591	2002-03 Tax (Hyderabad)	Commissioner of Appeals, Income

10) The Company does not have any accumulated losses as at 31st March, 2013 and has not incurred cash losses in the current and immediate preceding financial year

11) Based on our audit procedure and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to financial institutions and banks.

12) 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.

13) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of this clause of the Companies (Auditors' Report) Order, 2003 (as amended) is not applicable to the Company.

14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.

15) According to the information and explanations given to us, the Company has given Corporate Guarantees to IDBI for the term loan of Rs. 10 Crores taken by Virat Crane Bottling Limited and Virat Agritech for the term loan of Rs. 13.24 Crores and the same is not prejudicial in the interest of the company.

16) In our opinion, the company has not raised any term loans during the year under audit.

as on 31st of March, 2013 for a period of more than six months from the date they became payable

c) According to the information and explanations given to us and on the basis of the documents

17) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

18) Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.

19) The Company has not issued any debenture and hence no securities have been created.

20) The Company has not raised any money by public issue during the year.

21) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Nagaraju & Co
Chartered Accountants
Registration No: 002271S

Sd/-

K. Nagaraju
Membership No: 020474

Place: Guntur
Date: 30th May, 2013



VIRAT CRANE INDUSTRIES LIMITED
25 - 2 - 1, G.T Road, Opposite Mastan Darga
Guntur - 522004.

Balance Sheet as at

(in Rupees)

Particulars	Refer Notes No.	March 31, 2013	March 31, 2012
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Equity Share Capital	1	204,203,000	204,203,000
(b) Reserves and surplus	2	16,368,830	14,224,112
2 Non-Current Liabilities			
(a) Long-Term Borrowings	3	447,613	
(b) Other Long Term Liabilities	4	13,907,071	13,907,071
(c) Long-Term Provisions	5	788,188	788,188
3 Current Liabilities			
(a) Short-Term Borrowings	6	9,131,418	2,006,307
(b) Trade Payables		26,966,099	26,248,634
(c) Other Current Liabilities	7	10,437,644	19,844,081
(d) Short-Term Provisions	8	30,102,744	19,269,038
TOTAL		312,352,607	300,490,432
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets			
(i) Tangible Assets	16	14,948,997	14,616,529
(ii) Intangible Assets		101,858,203	95,858,203
(b) Non-Current Investments	15	41,452,900	41,452,900
(c) Deferred Tax Assets (net)		4,113,898	4,371,087
(d) Long-Term Loans and Advances		-	-
(e) Other Non-Current Assets	9	6,100,142	8,728,216
2 Current assets			
(a) Current Investments		-	-
(a) Inventories	10	24,359,379	13,027,887
(b) Trade Receivables	11	21,717,306	6,652,413
(c) Cash and Cash Equivalents	12	13,670,559	15,145,565
(d) Short-Term Loans and Advances	13	55,579,545	57,905,300
(e) Other Current Assets	14	27,148,678	40,627,840
Miscellaneous Expenditure not Written off		1,403,000	2,104,492
TOTAL		312,352,607	300,490,432
Significant Accounting policies and Notes	24		

Notes referred above form part of the Financial Statements

As per our report of even date
Nagaraju & Co.,
Chartered accountants
Firm Registration No: 002271S

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

Sd/-
K. NAGARAJU
PROPRIETOR
M.NO: 020474

Sd/-
P.BHASKARA RAO
DIRECTOR

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

Place : Guntur
Date : 30th May, 2013



VIRAT CRANE INDUSTRIES LIMITED

25 - 2 - 1, G.T Road, Opposite Mastan Darga, Guntur - 522004.

Statement of Profit & Loss for the year ended 31.03.2013

(in Rupees)

Particulars	Notes No.	March 31, 2013	March 31, 2012
I. Revenue from operations	17	340,530,519	357,151,020
II. Other income	18	2,441,653	711,300
III. Total Revenue (I + II)		342,972,172	357,862,320
IV. Expenses:			
Cost of materials consumed	19	261,054,307	300,697,764
Changes in inventories	20	-9,987,094	11,355,317
Employee benefits expense	21	4,375,354	4,479,301
Finance costs	22	5,169,812	1,330,404
Depreciation	16	1,793,213	1,645,797
Other expenses	23	56,935,044	30,071,034
Miscellaneous Expenditure Written Off		701,492	619,697
Total expenses (IV)		320,042,128	350,199,314
V. Profit before exceptional and extraordinary items and tax (III-IV)		22,930,044	7,663,006
Less : Prior Period Taxes and Expenses		1,161,648	56,213
		21,768,396	7,606,793
VI. Exceptional items (Loss due to Fire Accident)			551,177
VII. Profit before TAX		21,768,396	7,055,616
VIII. Tax expense:			
(1) Current tax		7,500,000	3,400,000
(2) Deferred Tax-(Expense)/Income		257,189	2,117,462
IX. Profit (Loss) for the period (VII-VIII)		14,011,207	5,773,078
X. Earnings per equity share:			
Basic		0.69	0.28
Diluted		0.69	0.28
Significant Accounting policies and Notes	24		

Notes referred above form an integral part of the financial statements

As per our report of even date
for NAGARAJU & Co.,
Chartered accountants
Firm Registration No: 02271S

for VIRAT CRANE INDUSTRIES LIMITED

Sd/-
K. NAGARAJU
Proprietor, M.NO: 020474

Sd/-
P.BHASKARA RAO
DIRECTOR

Sd/-
GVSL. KANTHA RAO
MANAGING DIRECTOR.

Place : Guntur
Date : 30th May, 2013

**Note: I - Share Capital**

Particulars	As on 31/march/2013		As on 31/march/2012	
	Rs		Rs	
Authorised				
2,20,00,000 Equity Shares of `10 each		220,000,000.00		220,000,000.00
Issued				
2,04,23,750 Equity Shares of `10 each		204,237,500.00		204,237,500.00
Subscribed & Paid up				
2,04,23,750 Equity Shares of `10 each fully paid		204,237,500.00		204,237,500.00
Less : Calls in Arrears		-34,500.00		-34,500.00
TOTAL		204,203,000.00		204,203,000.00

Note 1 A Reconciliation of Funds of share holders outstanding at the being and end of 31.03.2013

Particulars	As on 31/march/2013		As on 31/march/2012	
	Equity Shares Number	Amount	Equity Shares Number	Amount
Shares outstanding at the beginning of the year	20,423,750.00	204,237,500.00	20,423,750.00	204,237,500.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	20,423,750.00	204,237,500	20,423,750.00	204,237,500.00

Note: IB :

All the share holders of the company have equal rights with regard to dividend and voting rights.

Note: IC : Details of Share Holders holding more than 5% Shares

SR NO	Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
		No. of Shares	% of Holding	No. of Shares	% of Holding
	G.V.S.L Kanthia Rao	1,45,82,000	71.39	11,548,750.00	57.16

**Note: 2 - Reserves & Surplus**

Particulars	As at 31 March 2013	As at 31 March 2012
a. General Reserve		
Opening balance	14224115	8,451,033
Add: Transfer from Profit & Loss A/c	700560	
Total	14924675	14,924,675
b. Surplus in Statement In Profit & Loss A/c		
Profit for the Year	14,011,207	
Less: Appropriations		
Transfer to General Reserve	700560	
Proposed Dividend	10,210,150	
Tax on Proposed Dividend	1,656,342	
Net Surplus In Profit & Loss A/c	1,444,155	5,773,079
Closing Balance & TOTAL	16,368,830	14,224,112

Note: 3 - Long Term Borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
Secured		
Vehicle Loan From HDFC	447,613	-
Total	447,613	-

Note: 4 - Other Long Term Liabilities

Particulars	As at 31 March 2013	As at 31 March 2012
Deffered Sales Tax & CST	13,907,071	13,907,071
Total	13,907,071	13,907,071

Note: 5 - Long Term Provisions

Particulars	As at 31 March 2013	As at 31 March 2012
(a) Provision for employee benefits		
(a)Gratuity (unfunded)	788,188	788,188
Total	788,188	788,188

Note: 6 - Short Term Borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
Secured		
(a) Other loans and advances		
HDFC Car Loan (1)	136,451	411,307
HDFC Car Loan (2)	84,000	-
Unsecured Loans		
Chits Payable	5,597,500	1,595,000
Intercorporate Deposits	3,313,467	-
Loan from Directors	-	-
Others	-	-
TOTAL	9,131,418	2,006,307



Virat Crane Industries Ltd.

Note: 7 - Other Current Liabilities

Particulars	As at 31 March 2013	As at 31 March 2012
(a) Advance from Customers	473,030	1,728,128
(b) Other Advances	109,000	109,000
© Stamp Duty Expenses Payable	6,000,000	6,000,000
(d) Outstanding Expenses	408,780	558,034
(e) Others	-	3,060,809
(f) <u>Statutory Liabilities</u>		
(i) Taxes Payable	43,767	3,562
(ii) Tax Deducted at Source	156,987	72,017
(iii) Others	733,895	969,082
(g) APGST Penalty	2,384,040	2,384,040
(h) Bank OD	128,145	4,959,408
Total	10,437,644	19,844,081

Note: 8 - Short Term Provisions

Particulars	As at 31 March 2013	As at 31 March 2012
(a) Provision for employee benefits		
Contribution to PF	38,605	38,743
Bonus	193,305	49,963
Leave Encashment (unfunded)	173,352	154,881
(b) Others		
Proposed Dividend	10,210,150	-
Tax on Proposed Dividend	1,656,342	-
Provision for Income Taxation	17,830,990	19,025,451
Total	30,102,744	19,269,038

Note: 9 - Other Non Current Assets

Particulars	As at 31 March 2013	As at 31 March 2012
a. Others		
UnSecured, considered good		
Recurring deposit	180,000	72,000
Security Deposits with government Authorities	203,646	203,646
Electricity	619,770	619,770
Telephones	185,229	185,229
Other Deposits	556,242	584,121
Rent	79,000	79,000
Chits Receivable	4,276,255	6,984,450
Total	6,100,142	8,728,216

Note: 10 - Inventories

Particulars	As at 31 March 2013	As at 31 March 2012
a. Raw Materials and components (Valued at Cost)	5,890,942	4,546,541
c. Finished goods (Valued at Cost)	16,958,679	3,249,667
d. Packing Material	1,509,758	5,231,679
Grand Total	24,359,379	13,027,887

**Note: 11 - Trade Receivables**

Particulars	As at 31 March 2013	As at 31 March 2012
Trade receivables outstanding for a period less than six months.		
Unsecured, considered good	15,856,910	4,706,243
Trade receivables outstanding for a period more than six months		
Unsecured, considered good	5,860,396	1,946,170
Total	21,717,306	6,652,413

Note: 12 - Cash & Cash Equivalents

Particulars	As at 31 March 2013	As at 31 March 2012
Balances with banks	142,425	701,964
Cash on hand	13,528,134	14,443,601
Total	13,670,559	15,145,565

Note: 13 - Short Term Loans & Advances

Particulars	As at 31 March 2013	As at 31 March 2012
Intercompany Deposit	51,085,994	50,496,852
b. Others	4,493,551	7,408,448
Total	55,579,545	57,905,300

Note: 14 - Other Current Assets

Particulars	As at 31 March 2013	As at 31 March 2012
a. Advance to Suppliers	6,151,152	14,211,472
b. Advance for Expenses	5,195,356	2,719,494
c. Advances to Staff	629,311	1,206,363
d. Taxes paid under protest	2,106,408	2,106,408
e. Other Advances Recoverable	1,927,535	10,465,090
f. Debtors for land	546,283	546,283
g. Residual Value of Scrap	2,222,670	2,222,670
h. VAT Receivable	2,779,567	1,849,913
j. Others	5,097,713	4,477,897
k. Recoverable from Tax Authorities	492,683	822,250
Total	27,148,678	40,627,840

Note 15: Non Current Investments

Particulars	As at 31 March 2013	As at 31 March 2012
Investment in Non Quoted Shares(Valued at Cost)		
Virat Crane Agri Tech Limited	9,667,800	39,667,800
Yenkey Drugs and Pharma Limited Rs. 10 each	1,250,000	1,250,000
Symphony Studios Pvt Limited Rs. 10 each	300,000	300,000
Share application Money Pending Allotment	235,100	235,100
Total	41,452,900	41,452,900



Note : 16 FIXED ASSETS									
Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	As at 31 March 2012	Additions/ (Disposals)	As at 31 March 2013	Depreciation as on 31/3/2012	Depreciation for Year	Depreciation as on 31/3/2013	As at 31 March 2013	As at 31 March 2012	
A									
INTANGIBLE ASSETS									
Goodwill (Note: 1)	101,858,203.00	-	101,858,203.00	-	-	-	101,858,203.00	101,858,203.00	
B									
TANGIBLE ASSETS									
Land	2,303,410.00	-	2,303,410.00	-	-	-	2,303,410.00	2,303,410.00	
Buildings	1,063,392.00	-	1,063,392.00	394,989.00	17,333.29	412,322.29	651,069.71	668,402.71	
Plant and Equipment	23,411,840.00	1,149,300.00	24,561,140.00	14,334,319.00	1,155,658.91	15,489,977.91	9,071,162.09	9,081,819.65	
Furniture and Fixtures	1,239,365.00	-	1,239,365.00	1,006,480.00	78,451.80	1,084,931.80	154,433.20	169,927.20	
Vehicles	3,213,422.00	835,269.00	4,048,691.00	1,625,722.00	365,484.05	1,991,206.05	2,057,484.95	1,625,755.00	
Office equipment	2,903,402.00		2,903,402.00	2,015,680.00	176,285.25	2,191,965.25	711,436.75	767,214.00	
Total	34,134,831.00	1,984,569.00	36,119,400.00	19,377,190.00	1,793,213.30	21,170,403.30	14,948,996.70	14,616,528.56	

Note: 1: Goodwill: The Goodwill is created due to merger and demerger of Ghee Division and Infra division respectively
Note:2: Pending Completion of registration formalities, the assets under scheme of amalgamation have been transferred and brought in to the books of Accounts.

**Note: 17 - Revenue From Operations**

Particlars	As at 31 March 2013	As at 31 March 2012
Sale of products	340,530,519	357,151,020
Total	340,530,519	357,151,020

Note: 18 - Other Income

Particlars	As at 31 March 2013	As at 31 March 2012
Chit Dividend	1,936,520	571,200
Rental Income	132,000	112,000
Miscellaneous	373,133	28,100
Total	2,441,653	711,300

Note: 19 - Material Consumption

Particlars	As at 31 March 2013	As at 31 March 2012
Opening Stock of Raw Materials	4,546,541	1,729,288
Add: Purchases & Carriage Inwards	262,398,708	303,515,017
	266,945,249	305,244,305
Less: Closing Stock	5,890,942	4,546,541
Raw Materials Consumed	261,054,307	300,697,764

Note: 20 - Changes in Inventories

Particlars	As at 31 March 2013	As at 31 March 2012
1 OPENING BALANCE		
Finished Goods	2,762,212	12,392,172
Packing material	5,681,063	6,401,451
Sub Total	8,443,275	19,798,593
2 CLOSING BALANCE		
Finished Goods	16,920,611	2,762,212
Packing material	1,509,758	5,681,064
Sub Total	18,430,369	8,443,276
3 INCREASE/(DECREASE) IN STOCK	-9,987,094	11,355,317

Note: 21 - Employee Benefit Expenses

Particlars	As at 31 March 2013	As at 31 March 2012
(a) Salaries, wages and incentives	3,798,155	4,170,401
(b) Contributions to Provident Fund	261,699	250,987
(c) Bonus	277,004	-
(d) Staff welfare expenses	38,496	57,913
Total	4,375,354	4,479,301

**Note: 22 - Finance Cost**

Particlars	As at 31 March 2013	As at 31 March 2012
Intrest on TDS and IT	2,330,572	7,327
Interest expense	84,720	120,707
Loss on Chits	2,754,520	1,202,370
Total	5,169,812	1,330,404

Note: 23 - Other Expenses

Particlars	As at 31 March 2013	As at 31 March 2012
1 Advertisement	10,147,376	658,079
2 Audit Fees	165,000	168,480
3 Bad Debts	1,889,212	-
4 Business Promotion	3,506,850	1,078,559
5 Depot Maintanence Expenses	2,565,120	-
6 Factory Expenses	1,742,719	2,128,339
7 Legal & Professional Fees	285,406	396,495
8 Loss on sale Machinery Spares	-	944,631
9 Loss on sale of Investments	-	2,028,542
10 Miscllaneous Expenses	318,737	178,453
11 Office Maintenance	375,475	426,355
12 Power & Fuel	1,673,180	1,157,711
13 Processing Charges	199,823	1,035,871
14 Rates & taxes	6,037,222	3,255,214
15 Rent	70,055	282,462
16 Repairs and Maintenance	16,521,228	6,420,794
17 Security Charges	335,849	223,868
18 Selling & Dist. Expenses	8,827,519	8,298,406
19 Shortag and Damages	670,327	-
20 Travelling Expense	1,603,946	1,388,775
Total	56,935,044	30,071,034

As per our report of even date
for NAGARAJU & Co.,
Chartered accountants
Firm Registration No: 02271S

for VIRAT CRANE INDUSTRIES LIMITED

Sd/-
K. NAGARAJU
Proprietor
M.NO: 020474

Sd/-
P.BHASKARA RAO
DIRECTOR

Sd/-
GVSL. KANTHA RAO
MANAGING DIRECTOR.

Place : Guntur
Date : 30th May, 2013



NOTE:-24 STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:

The following are the significant accounting policies adopted in the preparation and presentation of financial statements.

1. Basis of Presentation of Financial Statements:

The financial statements have been prepared and presented under the historic cost convention on accrual basis to comply in all material respects with the notified Accounting Standards by the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year. All assets and liabilities have been classified as current or non- current as per the Company's normal operating cycle and other criteria set out in the Schedule VI of the Companies Act, 1956.

2. Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of Assets or Liabilities in the Future periods.

3. Fixed Assets :

Fixed assets are stated at cost and net of subsidies less accumulated depreciation/impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset

to its working condition to the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from sale/discard of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is sold/discarded.

4. Depreciation:

- a. Depreciation is provided on Straight Line Method as per rates prescribed under Schedule XIV to the Companies Act, 1956.
- b. Individual assets costing less than Rs.5000 are fully depreciated in the year of acquisition.
- c. In respect of assets acquired/sold during the year, depreciation has been provided on pro-rata basis.

5. Investments: Investments are valued 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.

6. Inventories: All inventories except Work In Progress are valued at Lower of Cost or Net Realizable Value.

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



- 7. Deferred Tax:** Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- 8. Contingent Liabilities:** Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- 9. Deferred Revenue Expenditure:** Deferred revenue Expenditure is written off over a period of five years against profits.
- 10. Retirement Benefits:** As per the information provided and explanations given to us and as per the verification of books of accounts, the company need not make any provisions for retirement benefits during the year.
- 11. Revenue Recognition:** Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- Sale of Goods:**
Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are net of sales returns, rebates and sales tax, wherever applicable.
- 12. General:** Accounting policies not specifically referred to are in consistent with the generally accepted accounting principles followed in India.

Note:-24 NOTES ON ACCOUNTS:

1. CONTINGENT LIABILITIES

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

a.

Nature of the Statute	Nature of the Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
1.Agricultural Market Committee Cess	Cess	10,55,689	1994-95 to 2000	Supreme Court of India
2.Income Tax Act, 1961	Income Tax	7,30,591	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. The demand against Luxury Tax made by Commercial Tax Officer for Rs.3,47,484/- for the year 2005-06 in April 2008 is contested by appeal before Hon'ble High Court Of Andhra Pradesh by remitting Rs.1,73,742/- (which is 50% of demand).
- c. Corporate Guarantees given to Group Companies:
- Virat Crane Bottling Ltd for Rs. 10 Crores
 - Virat Crane Agri Tech Ltd for Rs. 13.24 Crores
- d. The company is contingently liable for equivalent amount of guarantees given to Group Companies and not provided in the books.

**2. List of Related Parties:**

- a) **Associate Companies:** 1. Virat Crane Agritech Ltd
2. Crane Infra Structure Ltd
- b) **Key Management Personnel:** GVSL Kantha Rao
- c) **Relatives of Key Management Personnel:** P V Sri Krishna

3. RELATED PARTY TRANSACTIONS:

Salary and Allowances paid to **P V Sri Krishna:** Rs. 3,18,200

Nature of Transaction	Party & Relation	Max. Amount Involved (Rs In Lakhs)	Closing Balance as on 31.03.2013 (Rs In Lakhs)
Advance	Virat Crane Agri Tech Ltd.,	510.86	510.86
	Crane Infra Structure Ltd.,	138.62	138.62

No Interest is being charged on the above Advances.

4. DEFERRED TAX ASSET:

The company has identified the Net Deferred Tax Asset of Rs.41.14 Lakhs (Previous Year Rs. 43.71 Lakhs).

5. Earnings Per Share:

Profit After tax / Amount available for Equity Share Holders	Rs.1,40,11,207.00
Weighted Average Number of Equity Share Outstanding as on 31.3.2013	2,04,23,750
Basic Earnings Per Share	Rs. 0.69

6. Segment Reporting:

At present the company is operating in only one segment i.e., Ghee Division

7. Repairs and Maintenance:

The Expenditure on Reconstruction of factory shed ,which was burnt & damaged on fire of Rs.1,60,60,315/- is written off as "Repairs to Factory Shed" in Profit & Loss A/c, as there was no capacity addition or extra enduring benefit.

8. Previous year figures have been regrouped wherever necessary.

As per our report of even date
Nagaraju & Co.,
Chartered Accountants
Firm Registration No: 002271S

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

Sd/-
K. NAGARAJU
PROPRIETOR
M. NO: 020474

Sd/-
P. BHASKAR RAO
DIRECTOR

Sd/-
GVSL KANTHA RAO
MANAGING DIRECTOR

Place : Guntur
Date : 30th May, 2013



VIRAT CRANE INDUSTRIES LIMITED
25 - 2 - 1, G.T Road, Opposite Mastan Darga
Guntur - 522004.

Cash Flow Statement For The Year Ended 31.3.2013

	Amount	Amount
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Cash flows from Operating Activities		14,011,207
Operating Profit		
Add: Income Tax	7,500,000	
Deferred Tax	257,189	
Depreciation	1,793,213	
Misc Expenses Written off	701,492	
Bad Debts	1,889,212	
		12,141,106
Less:		
Dividend Received	1,936,520	
Rental Income	132,000	
		2,068,520
Operating Profit Before Tax and Working Capital Changes.		24,083,793
Less: Taxes Paid		11,060,900
Operating Profit Before Working Capital Changes.		13,022,893
Working Capital Changes		
Increase in Sundry Creditors	717,465	
Decrease in Other Current Liabilities	9,406,437	
Increase in Short Term Provisions	10,833,706	
Decrease in Outstanding Expenses	-9,406,437	
Increase in Inventory	-11,331,492	
Increase in Trade Debtors	-15,064,893	
Decrease in Short Term Loans and Advances	2,325,755	
Decrease In Other Current Assets	11,496,599	
Net Cash Flows From Operating Activities		12,000,032
B. Cash Flows From Investing Activities		
Loans Given	-18,794,054	
Purchase of Fixed Assets	-281,218	
Rental Income	132,000	
Net Cash Flows From Investing Activities		-18,943,272
C. Cash Flows from Financing Activities		
Chits Receipts on Lifting	19,192,858	
Chits Payments	-13,616,624	
Recurring Deposit	-108,000	
Net Cash Flows From Financing Activities		5,468,234
Net Cash Flows during the year		-1,475,006
Add: Opening Balance of Cash & Cash Equivalents		15,145,565
Closing Balance of Cash & Cash Equivalents		13,670,559

As per our report of even date

Nagaraju & Co.,

Chartered accountants

Firm Registration No: 002271S

sd/-
K. NAGARAJU
PROPRIETOR
M.NO: 020474
Date: 30.05.2013

sd/-
P.BHASKARA RAO
DIRECTOR

for and on behalf of the Board

for VIRAT CRANE INDUSTRIES LIMITED

sd/-
GVSL KANTHA RAO
MANAGING DIRECTOR



VIRAT CRANE INDUSTRIES LTD.,

D. No. 25-2-1, Opp. Mastan Darga, G.T. Road, GUNTUR - 522 004.
Phone : 2223311.

FORM - A

1.	Name of the Company	Virat Crane Industries Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by: Managing Director Auditor of the Company Audit Committee Chairman	G.V.S.L Kantha Rao, K. Nagaraju & Co., Chartered Accountants. R. Jagadish Kumar Independent Director.

For K. Nagaraju & Co.,
Chartered Accountants,
Firm Regn. No: 022715

K. Nagaraju,
Proprietor
Membership no: 020474

For Virat Crane Industries Limited,

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

R. Jagadish Kumar
Audit Committee Chairman

