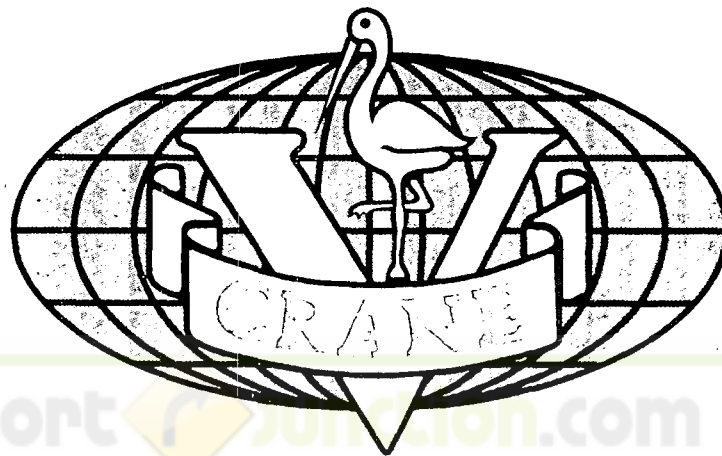


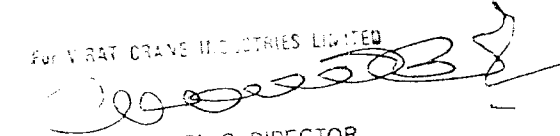
MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			

ANNUAL REPORT

1996 - '97



Report [reportjunction.com](http://www.reportjunction.com)

For VIRAT CRANE INDUSTRIES LIMITED

 MANAGING DIRECTOR

VIRAT CRANE INDUSTRIES LIMITED

GUNTUR


VIRAT CRANE INDUSTRIES LTD.

BOARD OF DIRECTORS : Sri G. Subba Rao - Chairman
 : Sri R. Jagadish Kumar
 : Sri N.C.Vijaya Raghavan
 : Sri P. Bhaskara Rao
 : Sri G.V.S.L. Kantha Rao - Managing Director

AUDITORS : Jawahar and Associates
 1-2-412/B-1, Domalaguda,
 Gagan Mahal Colony,
 HYDERABAD.

FINANCIAL INSTITUTIONS : Industrial Development Bank of India
 Chapel Road,
 HYDERABAD.

BANKERS : The Vysya Bank Ltd.
 4th Line, Arundelpet,
 GUNTUR.

The Lakshmi Vilas Bank Ltd.
 Patnam Bazar,
 GUNTUR.

LEGAL ADVISOR : Mr. K. Ramesh Babu
 Advocate,
 4-7-56, Koritipadu,
 GUNTUR.

REGISTERED OFFICE : D.No. 25-2-1,
 G.T.Road,
 Opp. Mastan Dargah,
 GUNTUR.

FACTORY : Ankireddypalem Village,
 Chilakaluripet Road,
 GUNTUR.

**VIRAT CRANE INDUSTRIES LTD.****NOTICE:**

Notice is hereby given to the members that the Fifth Annual General Meeting of the Company will be held at the factory premises of the Company at Ankireddypalem Village, Chilakaluripet Road Guntur, on 29.11.1997 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.1997 and Profit and Loss Account for the year ended 31.03.1997 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Sri N.C.Vijaya Raghavan, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint M/s.Jawahar and Associates, Chartered Accountants, the retiring auditors as Auditors of the Company who shall hold Office from the conclusion of this Meeting to the conclusion of the next Annual General Meeting of the Company.

BY ORDER OF THE BOARD
for VIRAT CRANE INDUSTRIES LTD.

Sd/-

Place: Guntur

G.V.S.L.KANTHA RAO

Date : 01.11.97

Managing Director

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at Registered Office not less than 48 hours before the meeting.
2. Members are requested to immediately intimate to the Company, their change of address, if any.

DIRECTORS REPORT

Your Directors have pleasure in presenting you the fifth Annual Report and the Annual Accounts for the financial year ending 31st March, 1997.

FINANCIAL RESULTS:

(Rs.in lakhs)

	1996-97	1995-96
Sales & Other Income	1061.49	1354.27
Profit/(Loss) before Int. & Dep.	124.94	79.31
Interest	91.87	51.17
Depreciation	30.69	10.47
Profit/(Loss) before Tax	2.38	17.67
Provision for Taxation	0.30	NIL
Profit / (Loss)	2.08	17.67

Your Directors inform that the Company has made a profit of Rs.124.94 lakhs before interest and depreciation. The Company has provided interest of Rs.91.87 lakhs and Depreciation of Rs. 30.69 lakhs.

PROMISE Vs. PERFORMANCE:

Rs. in lakhs.

Sl.No. Particulars	Projected 1996-97	Actual 1996-97
1. Sales	4838.00	1061.49
2. Profit/(Loss) Before Tax	490.41	2.38
3. Profit After Tax	300.43	2.08
4. Earnings per share (Rs.)	4.18	0.03
5. Book value per share (Rs.)	15.12	8.65

**VIRAT CRANE INDUSTRIES LTD.**

The decrease in profitability is mainly due to slump in sales with decreased margin. Since 90% of sales of Gutkha constitute from Andhra Pradesh and Gujarat, the increase in Sales-tax from 10% to 50% in A.P. and from 10% to 20% in Gujarat and Karnataka and also adverse structural changes in Excise Duty and Anti-Gutkha movement, sales & profitability of the Company are badly effected.

However the Directors are confident of overcoming these irritants, and effective steps have been taken for cost reduction. The Directors are hopeful of better performance in the coming years.

DIVIDENDS:

Due to paucity of profits, your directors have decided to skip dividend for the year 1996-97.

PUBLIC DEPOSITS :

The Company has not accepted/renewed Fixed Deposits from Shareholders, employees and public during the period under review.

DIRECTORS:

Sri N.C.Vijaya Raghavan, retires by rotation in accordance with Article 101 of Articles of Association of the Company, and being eligible for reappointment offers his services for reappointment.

AUDITORS:

M/S. Jawahar and Associates, Chartered Accountants, Hyderabad who are the auditors of the Company and hold office upto the conclusion of the ensuing Annual General Meeting are recommended for reappointment.

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

PERSONNEL:

The Directors express their appreciation of the co-operation and support received from all employees during the year and acknowledge their contribution to the performance of the Company.

There are no employees, employed through out the year and in receipt of Rs.3,00,000/- or more or employed for part of the year in receipt of Rs.25,000/- per month.

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

Consumption of energy is not significant and is only minimum. The fact that the product 'Fruit Masala' and 'Gutkha' are test marketed and that there is consumer acceptance is a clear proof of absorption of technology by the Company.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their thanks to the various Government Authorities, The Vysya Bank Ltd., and The Lakshmi Vilas Bank Ltd., and I.D.B.I. for their continuous guidance and support. They would also like to place on record their appreciation for the enthusiasm and hard work exhibited by all employees of the Company.

for and on behalf of the Board

GUNTUR
01.11.97

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

Sd/-
G.SUBBA RAO
CHAIRMAN


VIRAT CRANE INDUSTRIES LTD.

Jawahar and Associates
Chartered Accountants
1-2-412/B-1, Domalaguda
Gagan Mahal Colony, HYDERABAD

AUDITORS REPORT

To
The Members of,
VIRAT CRANE INDUSTRIES LIMITED

We have audited the attached Balance Sheet of VIRAT CRANE INDUSTRIES LIMITED as at 31st March 1997, and also the Profit and Loss Account for the year ended on that date, in which are incorporated the accounts of the Branches, which we have signed and report as under;

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, a statement on the matters specified in paragraphs 4 and 5 of the said order, is annexed.
2. We further 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) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - c) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view,
 - i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1997 and
 - ii) in the case of Profit and Loss Account, of the loss of the Company for the year ended on that date.

for JAWAHAR AND ASSOCIATES
Chartered Accountants

Sd/-,

(V. UMAPATHI)
PARTNER

Place : Hyderabad
Date : 1st November, 1997

ANNEXURE TO AUDITORS' REPORT

Referred to paragraph 1 of our Report of even date.

1. The Company has maintained proper records showing full particulars including the quantitative details and situation of fixed assets. The same has been physically verified during the year and no material discrepancies were noticed on verifications.
2. None of the fixed assets have been revalued during the year.
3. Stock of Raw materials, Finished goods have been physically verified during the accounting year by the management. In our opinion, the frequency of Verification is reasonable.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies if any, noticed on Verification between the physical stocks and the book records in respect of Raw material also and Finished Goods items were not material in relation to the operations of the Company and have been properly dealt with in the books of accounts.
6. The procedure followed for the valuation of the finished goods and Raw materials are in accordance with normally accepted accounting principles.
7. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, or under the same management.
8. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
9. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures



VIRAT CRANE INDUSTRIES LTD.

commensurate with the size of the company and nature of its business with regard to purchase of Stores, Raw Materials, Plant & Machinery, Equipment and other assets and for the sale of goods.

10. In our opinion and according to the information and explanations given to us, the transactions if any, of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 and aggregating during the year to Rs. 50,000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market price for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.
11. The company do not generate any material scrap or realisable by product. Hence the clause relating to maintenance of records for the sale and disposal of scrap or by product is not applicable.
12. Since the company has not accepted any fixed deposits during the period under review, the clauses relating to compliance of the provisions of section 58A of the Companies Act, 1956 are not applicable to the company.
13. In our opinion and explanations given to us, the management has not determined any un-serviceable or damaged stores and hence no provision has been made in the accounts.


14. In our opinion the company has an adequate Internal Audit system commensurate with the size and the nature of its business.
15. The maintenance of cost records has not been prescribed by the Central Government, under section 209 (1) (D) of Companies Act, 1956.
16. The provisions of the Employees State Insurance Scheme and the Employees Provident Fund and Miscellaneous Provisions Act, 1952 are applicable to the company, and the requirements of paragraph 4 (A) (XVII) of the order have been complied by the company.
17. According to information and explanation given to us and on the basis of the records of the company examined by us, no personal expense have been charged to revenue.
18. The company is not a sick industrial company within the meaning of clause(0) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
19. In respect of trading operations there are no damaged goods as per records of the company.

for JAWAHAR AND ASSOCIATES
Chartered Accountants

Sd/-,
(V. UMAPATHI)
PARTNER

Place : Hyderabad
Date : 1st November, 1997

for VIRAT CRANE INDUSTRIES LIMITED


MANAGING DIRECTOR



VIRAT CRANE INDUSTRIES LTD.

BALANCE SHEET AS AT 31-3-1997

Particulars	SCH. No.	Current Year		Previous Year	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Share Capital	1		72385500		72367500
Reserves & Surplus	2		7286729		7078997
LOAN FUNDS					
Secured Loans	3		48519525		47649300
Unsecured Loans	4		26920000		12100582
			<u>15511754</u>		<u>139196379</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block Less Depreciation	5		77964289		80440551
Technical Know-How	6		311779		478446
INVESTMENTS	7		962500		962500
CURRENT ASSETS					
LOANS & ADVANCES					
Inventory	8	58916022		61996121	
Sundry Debtors	9	13500059		11404231	
Cash & Bank Balances	10	300262		6338978	
Advances	11	18297673		5656961	
Deposits	12	8150685		5504449	
		<u>99164701</u>		<u>90900740</u>	
CURRENT LIABILITIES & PROVISIONS	13	<u>40301045</u>		<u>46843932</u>	
			58863656		44056808
Deferred Revenue Expenditure	14		11205219		11205219
Pre-operative Expenditure	15		---		---
MISCELLANEOUS EXPENDITURE	16		5804312		2052855
(to the Extent Not W/off)					
(Balance Carried From P & L A/c)			<u>15511754</u>		<u>139196379</u>
NOTES ON ACCOUNTS	24				

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

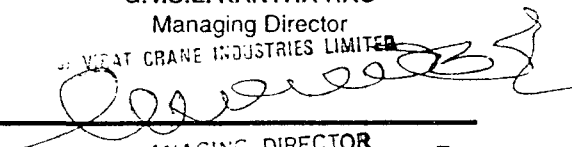
For and on behalf of the Board
For VIRAT CRANE INDUSTRIES LIMITED

Sd/-
V. UMAPATHI
Partner

Sd/-
G. SUBBA RAO
Chairman

Sd/-
G.V.S.L. KANTHA RAO
Managing Director

Hyderabad, 1st November, 1997


MANAGING DIRECTOR