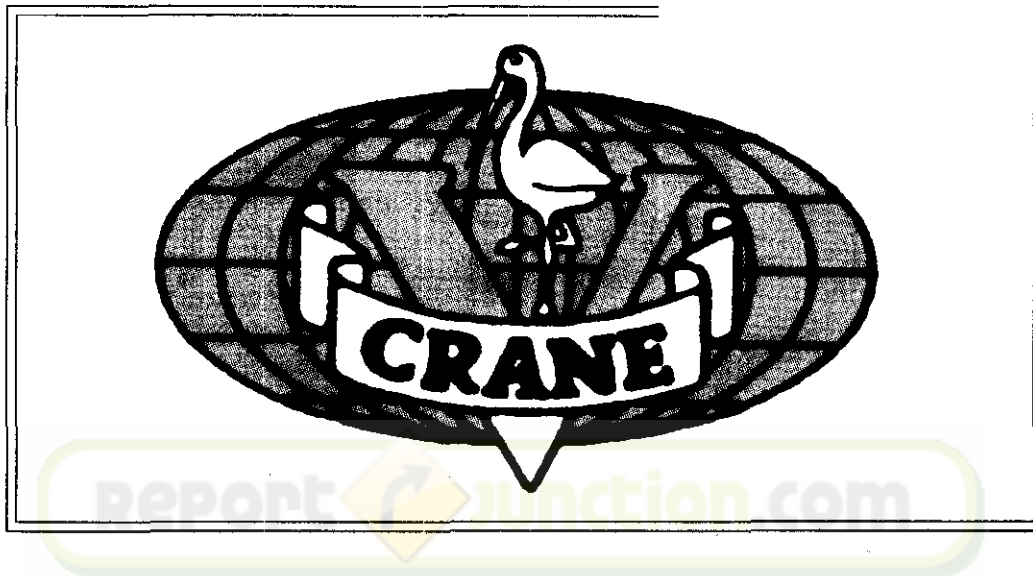


SEVENTH ANNUAL REPORT

1998-1999



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	
	: Chartered Accountants	
	: 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.	
SHARE TRANSFER AGENTS	: M/s Management Consultants,	
	: A-2(D), Huda Complex,	
	: Tarnaka.	
	: HYDERABAD - 500 007.	
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 Seventh Annual General Meeting of the Company will be held at the factory premises of the Company at Ankireddypalem Village, Chilakaluripet Road Guntur, on 29.09.1999 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.1999 and Profit and Loss Account for the year ended 31.03.1999 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Sri P. Bhaskara Rao, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint M/s. Jawahar and Associates, Chartered Accountants, the retiring auditors as Auditors of the Company who shall hold Office from the conclusion of this Meeting to the conclusion of the next Annual General Meeting of the Company.

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.
2. Proxies in order to be effective must be received by the Company at Registered Office not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books will remain closed from 16.9.99 - 29.9.99 (both days inclusive)
4. Members are requested to immediately intimate to the Company, their change of address, if any.

The Share Transfer Documents, Enquiries, Correspondence, relating to shares and change of address may please be sent directly to share transfer agents, **M/s. Management Consultants, A-2(D), Huda Complex, Tarnaka, Hyderabad - 500 007.**

BY ORDER OF THE BOARD
for VIRAT CRANE INDUSTRIES LTD.

Sd/-

Place: Guntur
Date : 31.07.99

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



VIRAT CRANE INDUSTRIES LTD.

DIRECTORS REPORT

Your Directors have pleasure in presenting you the Seventh Annual Report and the Annual Accounts for the financial year ending 31st March, 1999.

FINANCIAL RESULTS:

	(Rs. in Lakhs)	
	1998-99	1997-98
Sales & Other Income	788.57	836.61
Profit/(Loss) before Int. & Dep	118.54	143.82
Interest	73.62	88.54
Depreciation	30.35	29.90
Profit/(Loss) before Tax	14.57	25.38
Provision for Taxation	1.53	2.66
Profit/(Loss)	13.04	22.72

Your Directors inform that the Company has made a profit of Rs. 118.54 lacs before interest and depreciation. The Company has earned a net profit of Rs. 13.04 lakhs after providing interest of Rs. 73.62 lakhs and Depreciation of Rs. 30.35 lakhs.

OPERATIONS:

During the year under review, the Company's product 'Gutkha' continued to be effected with adverse market conditions and government rigours. The trading of 'Ghee' and other products have enabled the Company to close the financial year on a profitable side.

The Company is studying the various alternatives in manufacturing/marketing for diversification. The Company has already taken up trading of 'Curry Masala' a food product.

Y2K compliance - Our manufacturing process and accounting administration is free from Y2K problem and accordingly company has complied with Y2K.

DIVIDENDS:

Due to paucity of profits, your directors have decided to skip dividend for the year 1998-99.

PUBLIC DEPOSITS :

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

DIRECTORS:

Sri P. Bhaskara Rao, 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 for 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.6,00,000/- or more or employed for part of the year in receipt of Rs.50,000/- 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 consumer accepted items is a clear proof of absorption of technology by the Company.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation to the various Government Authorities, The Vysya Bank Ltd. The Lakshmi Vilas Bank Ltd, I.D.B.I. and APSFC for their continued 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

	Sd/-	Sd/-
GUNTUR,	P. BHASKARA RAO	G.V.S.L.KANTHA RAO
31.05.99	DIRECTOR	MANAGING DIRECTOR



VIRAT CRANE INDUSTRIES LTD.

JAWAHAR AND ASSOCIATES
CHARTERED ACCOUNTANTS
D.NO. 1-2-412/B-1, DOMALGUDA
GAGAN MAHAL COLONY,
HYDERABAD - 500 029.

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 1999, 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, the Balance sheet and Profit and loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 except in respect of A.S.15 : Retirement Benefits.
 - d) 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, 1999 and
- ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.

for **JAWAHAR AND ASSOCIATES**
(Chartered Accountants)

Place: GUNTUR
Date : 31st May, 1999

Sd/-
(V.UMAPATHI)
PARTNER.

ANNEXURE TO AUDITORS' REPORT

Referred to in 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 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.



VIRAT CRANE INDUSTRIES LTD.

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 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 bye product. Hence the clause relating to maintenance of records for the sale and disposal of scrap or bye 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 unserviceable 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 (o) 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

Place : GUNTUR.
Date : 31st May, 1999

Sd/-,
(V.UMAPATHI)
PARTNER

**VIRAT CRANE INDUSTRIES LTD.****BALANCE SHEET AS AT 31-3-1999.**

Particulars	SCH.No.	Current Year		Previous Year	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Share Capital	1		72385500		72385500
Reserves & Surplus	2		10862498		9558648
LOAN FUNDS					
Secured Loans	3		37135072		51465030
Unsecured Loans	4		36634574		19278708
			<u>157017644</u>		<u>152687886</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block Less Depreciation	5		72221609		74251714
Technical Know-How	6		---		145112
INVESTMENTS	7		3462500		3462500
CURRENT ASSETS, LOANS & ADVANCES					
Inventory	8	36590413		42970654	
Sundry Debtors	9	1895367		11572766	
Cash & Bank Balances	10	499249		483270	
Advances	11	39280278		17692231	
Deposits	12	13078134		8413839	
		<u>91343441</u>		<u>81132760</u>	
CURRENT LIABILITIES & PROVISIONS	13	<u>29770137</u>		<u>24784431</u>	
			61573304		56348329
Deferred Revenue Expenditure			11205219		11205219
MISCELLANEOUS EXPENDITURE	14		8555012		7275012
(to the Extent Not W/off)			<u>157017644</u>		<u>152687886</u>
NOTES ON ACCOUNTS	22				

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

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

Sd/-
V.UMAPATHI
Partner

Sd/-
P.BHASKARA RAO
Director

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

GUNTUR, 31st May, 1999.