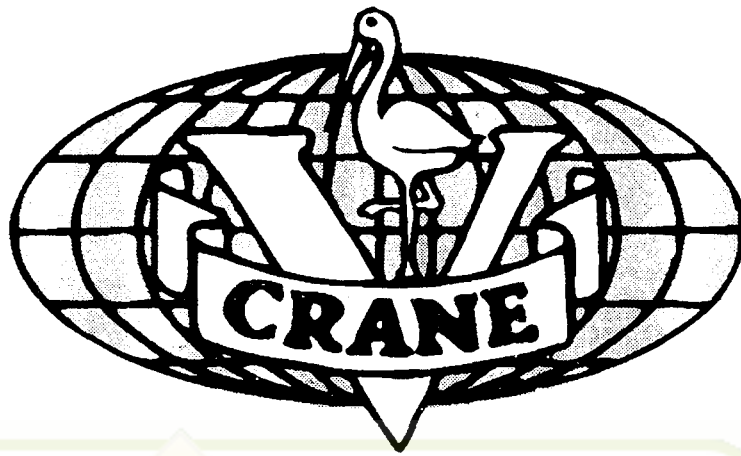


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TENTH ANNUAL REPORT
2001 - 2002



VIRAT CRANE INDUSTRIES LIMITED
GUNTUR

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BOARD OF DIRECTORS

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

AUDITORS

- : Jawahar and Associates
- : Chartered Accountants
- : 1-2-412/B-1, Domalaguda
- : Gaganmahal Colony
- : HYDERABAD.

BANKERS

- : The Vysya Bank Ltd.,
- 4th Lane, Arundelpet,
- Guntur.
- The Lakshmi Vilas Bank Ltd.,
- Patnam Bazar, GUNTUR.

LEGAL ADVISOR

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

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,
- G.T. ROAD,
- OPP. MASTAN DARGA,
- GUNTUR.

FACTORY

- : Ankireddypalem Village,
- Chilakaluripet Road,
- GUNTUR.

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Virat Crane Industries Ltd.

NOTICE :

NOTICE is hereby given that 10th Annual General Meeting of the Company will be held at the factory premises of the Company at Ankireddypalem Village, Chilakaluripet Road, Guntur, on Thursday 26.12.2002 at 10.00 A.M. to transact the following business

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheets as at 31.03.2002 and Profit & Loss Account for the year ended 31.03.2002 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Sri R. Jagadish Kumar 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/-

G.V.S.L. KANTHA RAO
Managing Director

PLACE : GUNTUR

DATE : 26.10.2002

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 at not less than forty eight hours before the meeting.
2. The Registrar of Members and Share Transfer Books will remain closed from 23.12.2002 to 26.12.2002 (both days inclusive)
3. Members/Proxies shall fill the attendance slip for attending the meeting.
4. Members who hold shares in Dematerialised form are requested to bring their client ID and DPID numbers for easy identification of attendance at the meeting.

5. Members are requested to inform immediately the change, if any of address registered with the company
6. Members desiring to seek any information on the Annual Accounts are requested to write to the company at an early date to enable compilation of information.
7. Sathguru Management Consultants Pvt. Ltd., are Registrars and Transfer Agents for both 'Demat' and physical form of shares.
8. The members may contact in future.

**M/S SATHGURU MANAGEMENT
CONSULTANTS PVT. LTD.,**

PLOT NO. 15, HINDI NAGAR,
PUNJAGUTTA,

HYDERABAD - 500 034.

TEL NO. 3350586, 3356507, 3356975

FAX NO. 3354042

DIRECTORS REPORT

Your Directors have pleasure in presenting you the 10th Annual Report and the Annual Accounts for the financial year ending 31st March, 2002

FINANCIAL RESULTS :

| | (Rs. in Lacs) | |
|---|---------------|-----------|
| | 2001-2002 | 2000-2001 |
| Sales & Other Income | 858.30 | 1141.85 |
| Profit/(Loss) before Int. & Dep.(61.94) | 99.72 | |
| Interest | 27.33 | 36.91 |
| Depreciation | 31.46 | 31.41 |
| Profit/(Loss) before Taxation (120.73) | 31.40 | |
| Provision for Taxation | -- | 3.73 |
| Profit/(Loss) | (120.73) | 27.67 |

Your Directors inform that the company has incurred a loss of Rs. 61.94 lacs before interest and depreciation . The net loss come to of Rs. 120.73 lacs after providing interest of Rs. 27.33 lacs and depreciation of Rs. 31.46 lacs.

OPERATIONS :

During the year under review, the Business in Gutkha is adversely effected, by the ban of gutkha by many states specifically Andhra Pradesh. The Ban of Gutkha sale is contested in court of Law. The diversification in to other products is under active consideration of the company. The company is confident of identifying a profitable line of business.

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DIVIDENDS

Due to loss no dividend is declared for the year 2001-2002.

PUBLIC DEPOSITS :

The company has not accepted/renewed Fixed Deposits from Share Holders, employees and public during the period under review.

LISTING :

The companies shares are listed at

1. **The Hyderabad Stock Exchange Ltd.,**
Himayat Nagar, Hyderabad - 500 029.
2. **The Mumbai Stock Exchange Ltd.,**
Jeejee Bhoy Towers,
Dalal Street, Mumbai - 400 001.

The listing fee is in arrears for the year 2002-2003.

DIRECTORS :

Sri R. Jagadish Kumar retires by rotation in accordance with Articles of Association of the Company and being eligible for reappointment offers his services for reappointment.

Directors Responsibility Statement :

The Directors would like to inform the members that the Audited Annual Accounts for the year ended 31.03.2002 are in full conformity with the requirements of Companies Act 1956. The Directors further confirm that;

- a) In preparation of the Annual Accounts the applicable accounting standards have been followed with proper explanations if and where required.
- b) The Accounting Policies selected and consistently applied are reasonable. Prudent Judgement and estimates are made so as to give a true and fair view of the state of affairs of the company for the year.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for prevention and detecting fraud and irregularity.
- d) The directors have prepared the Annual Accounts on a going concern basis.

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 re-appointment.

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. There are no employees as per the provisions of Section 217(2A) of the Companies Act 1956, employed through out the year who are in receipt of remuneration Rs. 12,00,000/- or more or employed for part of the year and in receipt of Rs.100000/- 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 Gutka are consumer accepted items is a clear proof of absorption of technology by the Company.

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. Bhaskara Rao as members.

ACKNOWLEDGEMENTS :

The Directors wish to place on record their appreciation to the various Government Authorities, The Vysya Bank Ltd, and The Lakshmi Vilas Bank Ltd., 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/-

P.BHASKARA RAO

Director

Sd/-

G.V.S.L. KANTHA RAO

Managing Director

Place : Guntur

Date : 26.10.2002

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Virat Crane Industries Ltd.

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

AUDITORS REPORT :

To

The Members of,
VIRAT CRANE INDUSTRIES LIMITED

1. We have examined the attached Balance Sheet of VIRAT CRANE INDUSTRIES LIMITED as at 31st March 2002, and also the Profit & Loss Account for the year ended on that date both annexed thereto. These financial statement are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988, issued by the Company Law Board in terms of Sectio 227 (4A) of the Companies Act, 1956, a statement on the matters specified in paragraphs 4 and 5 of the said order, is annexed.
4. We further report that :
 - a) We have obtained all the information and explanations which to the best of our knowlede 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 & 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 & 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, 2002 and
 - ii) in the case of Profit & Loss Account, of the Loss of the Company for the year ended on that date.
- e) To the best of our information and explanations given to us no director is disqualified from being appointed as director of the company under clause(g) of Sub Section(1) of Sec. 274.

for JAWAR AND ASSOCIATES
(Chartered Accountants)

Sd/-
(V. UMAPATHI)
Partner

Guntur
26.10.2002

ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 3 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.
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 Rs. 50000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices at which transactions for similar goods, materials or services have been made with other parties.
11. The Company do nt generate any material scrap or realisable by product. Hence the clause relating to maintainance 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 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 Employees State Insurance Scheme and the Employees Provident Fund and Miscellaneous Provisions Act 1952 are applicable to the company, and the Company is not regular in payment.
17. According to the information and explanations given to us no undisputed amounts payable by the Company in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, were outstanding as at 31st March, 2002 for a period of more than 6 Months from the date they become payable.
18. 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.
19. The Company is not a sick industrial company within the meaning of clauses (0) of Sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
20. 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

Guntur
26.10.2002

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Virat Crane Industries Ltd.

BALANCE SHEET AS AT 31-3-2002

| PARTICULARS | SCH. NO. | CURRENT YEAR | PREVIOUS YEAR |
|---|----------|--------------|---------------|
| | | RS. | RS. |
| SOURCES OF FUNDS | | | |
| SHARE CAPITAL | 1 | 72385500 | 72385500 |
| RESERVES & SURPLUS | 2 | 3064297 | 15137234 |
| LOAN FUNDS: | | | |
| SECURED LOANS | 3 | 13321252 | 15897968 |
| UNSECURED LOANS | 4 | 3531836 | 36859207 |
| | | 124702885 | 140279909 |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | | | |
| GROSS BLOCK LESS DEPRECIATION | 5 | 63727061 | 66685640 |
| INVESTMENTS | 6 | 35792500 | 20442500 |
| CURRENT ASSETS, | | | |
| LOANS & ADVANCES : | | | |
| INVENTORY | 7 | 18763996 | 20756364 |
| SUNDRY DEBTORS | 8 | 9013590 | 1187417 |
| CASH & BANK BALANCES | 9 | 2247535 | 1268681 |
| ADVANCES | 10 | 10941669 | 36658726 |
| DEPOSITS | 11 | 546163 | 6099348 |
| | | 41512953 | 65970536 |
| CURRENT LIABILITIES & PROVISIONS | 12 | 35339860 | 32079998 |
| PROPERTY REVENUE EXPENDITURE | | 6173093 | 33890538 |
| MISCELLANEOUS EXPENDITURE | 13 | 11205219 | 11205219 |
| (TO THE EXTENT NOT W/OFF) | | 7805012 | 8055012 |
| | | 124702885 | 140279909 |
| NOTES ON ACCOUNTS | 20 | | |

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
Guntur, 26th October, 2002

Sd/-
P.BHASKARA RAO
Director

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