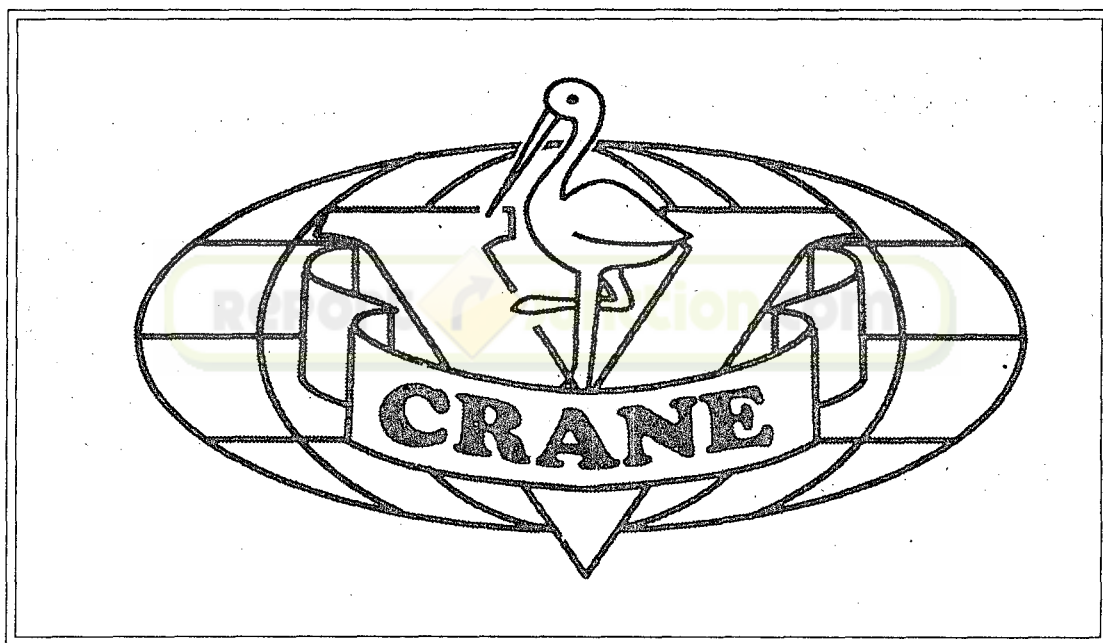


SEVENTEENTH ANNUAL REPORT

2008-2009



VIRAT CRANE INDUSTRIES LIMITED
GUNTUR



Virat Crane Industries Ltd.

BOARD OF DIRECTORS	: Sri G. Subba Rao	chairman
	: Sri G.VS.L Kantha Rao	Managing Director
	: Sri R. Jagadish Kurnmar	
	: Sri P. Bhaskara Rao	
	: Sri P.V Srihari	
AUDITORS	: Jawahar and Associates	
	: Chartered Accountants	
	: C-5 Skylark apartment,	
	: Basheerbag,	
	: Hyderabad-29.	
BANKERS	: ING 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	: Ankireddypalen Village,	
	Chilakaluripet Road,	
	GUNTUR.	



Virat Crane Industries Ltd.

NOTICE:

Notice is hereby given that 17th Annual General Meeting of the Company will be held at the factory premises of the Company at Ankireddypalem Village, Chilakaluripet Road, Guntur, on Monday the 30th November 2009 at 10.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2009 and Profit & Loss Account for the year ended 31.03.2009 and the Reports of the Directors and Auditors Report thereon.
2. To appoint a Director in the place of Sri R. Jagadeesh Kumar who retires by rotation and being eligible offers himself for re-election.
3. To appoint a Director in the place of Sri P. V. Srihari who retires by rotation and being eligible offers himself for re-election.
4. To appoint M/s Jawahar and Associates, Chartered Accountants the retiring auditors as auditors of the company who shall hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting of the Company.

By Order Of The Board
For Virat Crane Industries Ltd.

PLACE : GUNTUR

Sd/-

DATE : 30.10.2009

G.V.S.L.Kantha Rao

Managing Director

3. Members/Proxies shall fill the attendance slip for attending the meeting.
4. Members who hold shares in Dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
5. Members are requested to inform immediately the change, if any of address registered with the company.
6. Members desiring to seek any information on the Annual Accounts are requested to write to the company at an early date to enable compilation of information.
7. Sathguru Management Consultants Pvt. Ltd., are Registrars and Transfer Agents for both 'Demat' and physical form of shares.
8. The members may contact in future.

M/S Sathguru Management Consultants Pvt.Ltd.,
Plot No.15, Hindi Nagar,
Punjabgutta, Hyderabad-500 034.
Tel.No. 23350586, 23356975
Fax No.23354042

Additional information on Directors seeking reappointment at the Annual General Meeting (Pursuant to Clause (49) of the listing Agreement)

Item No. 2:

Sri R. Jagadeesh Kumar aged 49 years is an Engineering Graduate and past President of the Bangalore Stock Exchange Ltd. He has 22 years of experience in the fields of investment and finance.

Item No. 3:

Sri P. V. Srihari aged 39 years is a Graduate in Commerce and has experience in business of finance and investments. He is the Managing Director of M/s.Vilas Finance & Investments Ltd.

DIRECTORS REPORT:

Your Directors have pleasure in presenting you the 17th Annual Report and the Annual Accounts for the financial year ending 31st March, 2009.

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 25.11.2009 to 30.11.2009 (both days inclusive).



Virat Crane Industries Ltd.

FINANCIAL RESULTS:

	2008-09	2007-08
Sales and Other Income	124.61	202.61
Profit/(Loss) before Interest & Depreciation	36.17	77.09
Interest	3.34	5.52
Depreciation	21.01	27.40
Profit/(Loss) before Tax	11.82	44.17
Deferred-tax	59.04	11.51
Income-tax (Current-tax)	3.61	4.82
Profit/(Loss) after taxation	(50.83)	27.84

Your Directors inform that the company has earned a profit of Rs. 36.17 lacs before interest and depreciation. The net profit after providing for interest of Rs. 5.52 lacs and depreciation of Rs. 27.40 lacs is 11.82 lacs. The Current tax Provision is of Rs. 3.61 lacs and Deferred-tax expense for the year is Rs. 59.04 lacs and the Loss of Rs. 50.83 lacs is carried forward to Balance Sheet.

OPERATIONS:

The sales and other income of the company are scaled down during the year as compared to the previous year but the only product left with the Company being Fruit Masala, the sale of which has shown a marginal improvement. The product Ghee which is the main product of our Subsidiary Company is picking up the market and the same product shall be our product after being merged with the Durga Dairy Ltd., the arrangements for the same are in final stage. The members are aware that the product Gutkha is withdrawn in the last year and the Company is contemplating to improve the turnover of Fruit Masala after the Merger and Demerger arrangements are being completed by enlarging the market stretch along with Ghee and induce further demand. Further, the Factory Buildings which are lying idle after withdrawal of Gutkha and shifting of production of Fruit Masala to the premises of Registered Office of the Company, our Company has taken up Extension of Factory Building Blocks with our Funds and Funds contributed by Promoters/Directors of the Company and are leased out to make use of the idle premises for the benefit of the Company.

SUBSIDIARY:

As the Company has acquired at about 51% stake in the associate concern Durga Dairy Limited and it has become a subsidiary of the Company. In accordance with section 212 of the Companies Act, 1956, the detailed accounts and the Directors' Report etc. of the aforesaid subsidiary companies form part of this Annual Report.

MERGER AND DEMERGER:

In the process of merger of the subsidiary company viz., Durga Dairy Limited in to Virat Crane Industries Limited and demerger in to Virat Crane Industries Ltd., and Crane Infrastructure Ltd., the Company has made considerable progress and it appears to be in the final stage as the Company has complied with the direction of Honorable High Court of Judicature of Andhra Pradesh by holding Extra Ordinary General Meeting of the Shareholders of the Company on 06.12.2008 at its Factory premises and completion of other procedures.

We are of the hope that the entire exercise shall be helpful to the Company in the wake of withdrawing a product Gutkha from its business and in the present scenario of recouping from Global Recession and Industrial Recession, the Company shall put forth every effort to boost the markets for the products of the new Company after the proposed arrangement.

DIVIDENDS:

No dividend is declared for the year 2008-2009.

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 Hyderabad Stock Exchange Ltd, Himayat nagar, Hyderabad-500 029 and The Mumbai Stock Exchange Ltd., Jeejee Bhoy Towers, Dalal Street, Mumbai-400 001. (The listing fee payable to Hyderabad Stock Exchange is in arrears for the year 2003-2004, 2004-2005, 2005-06, 2006-07, 2007-08 & 2008-09)



Virat Crane Industries Ltd.

DIRECTORS

Sri R. Jagadish Kumar and P.V. Srihari retire by rotation in accordance with Articles of Association of the Company and being eligible for reappointment offer their services for Reappointment.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements of section 217 (2AA) of the companies act 1956 with respect to the Directors Responsibility statements it is hereby confirmed that:

- in the preparation of the Annual Accounts for the year 2008-2009 the applicable accounting standards have been followed with proper explanations where required.
- The Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates to give a true and fare view of the state of affairs of the company as at 31.03.2009 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.Bhaskara Rao as members.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance along with auditors certificate is attached to this report. A note on Management discussion and analysis is also attached to this report.

AUDITORS:

M/s Jawahar and Associates, Chartered Accountants, Hyderabad who are the auditors of the Company and hold office up to the conclusion of the ensuing Annual General Meeting are recommended for re-appointment.

They have confirmed their eligibility as per Section 224(1) of the Companies Act.

PERSONNEL:

The Management appreciated the efforts of the employees of the Company 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 and Distributors for their cooperation.

For and on behalf of the Board
Sd/- Sd/-

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

PLACE : GUNTUR

DATE : 30.10.2009.

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 is as under:



Virat Crane Industries Ltd.

Sl. No	Name of the Director	Category	Attendance particulars of Board Meeting held since last AGM Held Attended LastAGM			No. of other Directorship/ Committee Membership	
1	Sri G.Subba Rao	Promoter	5	5	No	1	2
2	Sri R Jagadish kumar	Non Executive Independent	5	4	Yes	--	2
3	Sri P Bhaskara Rao	Non Executive Independent	5	5	Yes	1	2
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 – 30th April, 2008, 31st July, 2008, 10th October, 2008, 31st October, 2008, 31st December, 2008 and 31st January, 2009.

3. Audit Committee & Remuneration Committee:

Sri R. Jagadish Kumar Chairman
P. Bhaskara Rao Member
Sri G. Subba Rao Member

During the year committee met 4 times during the year on 30th April, 2008, 31st July, 2008, 31st October, 2008 and 31st January, 2009.

Details of Remuneration paid to Directors.

The aggregate value of salary and perquisites and

other benefits paid for the year ending 31st March 2009 to Sri G.V.S.L. Kantha Rao, Managing Director is Rs 225000/- on annual basis.

5. Share holders committee.

The Company has a shareholders committee of the Board comprising of Sri P. Bhaskara Rao, Sri R. Jagadish Kumar, and Sri G.V.S.L. Kantha Rao. The committee approves of issue of duplicate share certificates, share transfers and review & redresses of shareholders' grievances like non-transfer of Shares etc. All the complaints of the Shareholders are resolved satisfactorily. The committee meets periodically or as often as required.

6. General Body Meetings:

The details of last 3 AGM 's are :				
S.No.	Year	Place	Date & Time	Remarks
1.	2005-2006	Factory premises Ankireddypalem Chilakaluripet Road Guntur.	29.09.2006 at 10.00 a.m	No Postal Ballot
2.	2006-2007	—do—	29.09.2007 at 10.00 a.m	No Postal Ballot.
3.	2007-2008	—do—	31.12.2008 at 10:00 a.m	No Postal Ballot
The detail of EGM:				
1	2008-2009	—do—	06.12.2008 At 11.00 a.m	No Postal Ballot



Virat Crane Industries Ltd.

7. Disclosures:

- A. None of the transactions with any related parties are in conflict with the interest of the Company. The details of the related party transaction are furnished in Notes to Accounts.
- B. There are no instances of non-compliance of any matter related to capital markets during the last three years, except, non payment of annual listing fee for the years 2003-2004 to 2008-09 to Stock Exchange of Hyderabad.

8. 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.

9. General share holders information.

1. Annual General Meeting:

Date & time : 30.11.2009 at 10.00 A.M

Place : Factory premises at
Ankireddypalem village,
Chilakaluripet Road, Guntur.

Financial Calendar:

April 2008 to March 2009

1st quarter results : 31st July 2008
2nd quarter results : 31st October 2008
3rd quarter results : 31st January, 2009
4th quarter results : 30th April 2009.
Audited Annual Results : 30th August 2009

Dates of book closure :

25.11.2009 to 30.11.2009

Listing on Stock Exchanges :

Hyderabad and Bombay Stock Exchanges.

Stock Code : HSE: VCI

BSE: 19457.

ISIN of Dematerialised shares:

INE 295C 01014.

STOCK PRICE DATA

Monthly High and Low quotations in BSE for the financial year 2008-2009.

Month	Open(Rs)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares
April 2008	11-10	13.96	9.29	13.20	83553
May 2008	12.55	13.00	9.02	9.60
June 2008	9.50	10.00	8.01	8.97	70746
July 2008	9.30	9.55	8.00	8.75	33112
August 2008	8.10	8.94	7.16	7.84	45453
September 2008	8.45	8.48	5.51	6.24	15357
October 2008	6.01	7.25	5.20	5.70	18851
November 2008	5.93	6.20	4.72	4.73	19581
December 2008	4.70	6.17	4.50	5.74	21330
January 2009	5.51	7.33	5.50	6.30	56722
February 2009	6.00	7.28	5.65	6.70	34096
March 2009	6.38	6.69	4.50	4.79	27968

The shares of the company are not actively traded at HSE.

Registrars and Transfer Agents:

M/s Sathguru Management Consultants Pvt. Ltd.,

Plot No.15, Hindi Nagar, Punjagutta, Hyderabad.

500 034 are the Registrar & Transfer Agents for

both physical and Dematerialised Shares.

Distribution of Shares:

The share holding patterns is as follows.

CATEGORY	NO.OF SHARE HELD	%OF SHARES HOLDERS
INDIVIDUALS	3311126	45.72
COMPANIES	404885	5.59
FI / BANKS	27300	0.38
PROMOTERS/ DIRECTORS AND THEIR RELATIVES	3498689	48.31
TOTAL	7242000	100.00



Virat Crane Industries Ltd.

The distribution of share holding as 31.03.2009 is as follows:

No. of equity Shares held	No. of share holders	% of total shareholder	Amt. of shares held (Rs.)	% of total shares
1-5000	6364	85.21	1468339	20.28
5001-10000	577	7.73	484049	6.68
10001-20000	243	3.25	365246	5.04
20001-30000	108	1.45	274527	3.79
30001-40000	27	0.36	96114	1.33
40001-500000	62	0.83	299752	4.14
50001-100000	50	0.67	370255	5.11
100001 & above	38	0.51	388718	53.63
Total	7469	100.00	2742000	100.00

Dematerialization of shares: The shares fall under compulsory dematerialisation.

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

Plant Location: Ankireddypalem village, Chilakaluripet Road, Guntur-522 004.

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 in the earlier year for expansion of the market network for the products – Chewable products, Ghee products and other new products (in course of diversification) may have to be executed after the completion of Merger & De Merger Arrangement. In the new scenario and in the scenario of signs of Indian Economic recovery it is reiterated that the company has opportunity to introduce its products in the markets of the existing subsidiary company where the Parent Company has no established market and in the same way the subsidiary company can make use of Parent Company's market network.

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 levied tax & related issues from time to time.

C) Out Look: The Company is continuously studying various propositions to diversify its activities. The Management is reiterating its confidence that they will be successfully implemented once they are finalized. The Company firmly believes to expand, diversify and explore new opportunities after completion of the proposed Merger and De Merger arrangement.

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.723.85 lacs.
- 2) Loan Profile: The company's outstanding Term Loan is of Rs. 6.13 lacs.
- 3) Assets: The company is having net fixed assets of Rs. 2396.87 lacs after revaluation of Company's Freehold land and Buildings.

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



Virat Crane Industries Ltd.

**CEO CERTIFICATION
DECLARATION BY THE EXECUTIVE CHAIR-
MAN AND CEO UNDER CLAUSE 49(ID)
OF THE LISTING AGREEMENT**

I here by confirm that all the board members and senior management personnel's have affirmed compliance with the code of conduct for Directors and Senior Management as approved by the Board for the financial year ended March 31st 2009.

Sd/-

G.V.S.L.KanthaRao

Managing Director

Virat Crane Industries Limited

Place: GUNTUR

Date: 30th October, 2009

**AUDITORS' CERTIFICATE ON CORPO-
RATE 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, 2009 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 Jawahar & Associates

Chartered Accountants

Sd/-

V.Umapathi

Partner

Place : Guntur

Date : 30th October, 2009

AUDITOR'S REPORT

The Members of

Virat Crane Industries Limited, Guntur.

1. We have audited the attached Balance Sheet of M/s. Virat Crane Industries Limited as at 31st March, 2009 the Profit and Loss account and the cash flow statement for the year ended on that date annexure there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:



Virat Crane Industries Ltd.

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report is in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account, cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except AS-15 retirement benefit to employees.
- (v) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified -as on 31st March, 2009 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
- (b) in the case of the Profit and Loss account of the Loss for the year ended on that date.
- (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For Jawahar & Associates

Chartered Accountants

Sd/-

V.Umapathi

Partner

Membership Number: 21887

Place: Guntur,

Date - 30th August, 2009

ANNEXURE TO AUDIT REPORT

Ref: Virat Crane Industries Ltd., Guntur Referred to in paragraph 3 of our report of evr n date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The management during the year has physically verified all the assets. There is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any part of the fixed assets.
- (ii) (a) The inventory has been physically verified during the year by the management. In Our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has not granted any loans secured or unsecured to parties covered under register maintained under section 301 of the companies act. So the provisions of (b), (c), and (d) are not applicable.
- (e) The Company has obtained Inter Corporate Deposits from the following and details as follows:

Name of the Company	Maximum amount due	Year end balance
ViratCrane Bottling Ltd.,	2 Lacs	2 Lacs (Cr.)
Virat Crane Agri Tech Ltd.,	117.67 Lacs	117.04 Lacs (Cr)
Apex Solutions Ltd.,	44.66 Lacs	33.34 Lacs (Cr)