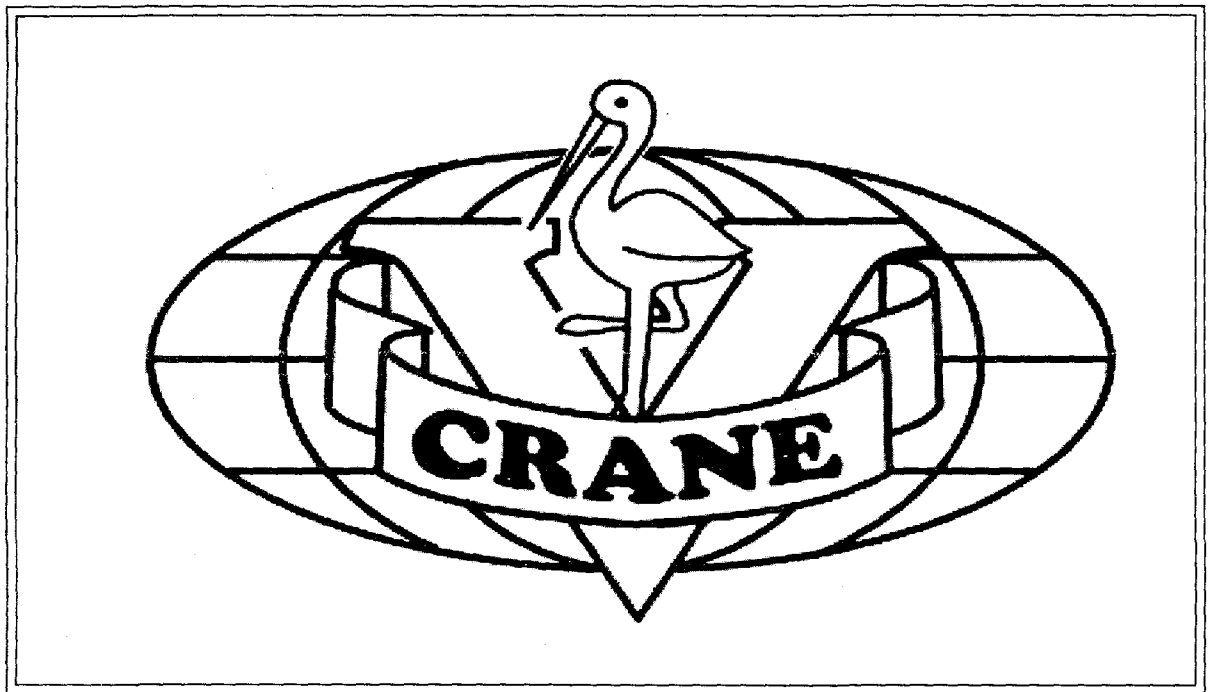
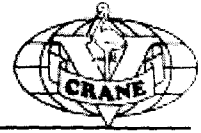


EIGHTEENTH ANNUAL REPORT

2009-2010



VIRAT CRANE INDUSTRIES LIMITED
GUNTUR



BOARD OF DIRECTORS	: Sri G. Subba Rao	chairman
	: Sri G.V.S.L Kantha Rao	Managing Director
	: Sri R. Jagadish Kumar	
	: Sri P. Bhaskara Rao	
	: Sri P.V Srihari	
AUDITORS	: Jawahar and Associates	
	: Chartered Accountants	
	: C-5 Skylark apartment,	
	: Basheerbag,	
	: Hyderabad-29.	
LEGAL ADVISOR	: Mr. K. Ramesh Babu	
	Advocate, 4-7-56, Koritipadu,	
	GUNTUR.	
REGISTRATS& 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.	



Virat Crane Industries Ltd.

NOTICE :

Notice is hereby given that 18th Annual General Meeting of the Company will be held at the factory premises of the Company at Ankireddypalem Village, Chilakaluripet Road, Guntur, on Friday the 31st December 2010 at 10.00 A.M to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2010 and Profit & Loss Account for the year ended 31.03.2010 and the Reports of the Directors and Auditors Report thereon.
2. To appoint a Director in the place of Sri G. Subba Rao who retires by rotation and being eligible offers himself for re-election.
3. To appoint a Director in the place of Sri P. Bhaskara Rao 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

DATE : 02.12.2010.

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 28.12.2010 to 31.12.2010 (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. 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. 23350586, 23356975
Fax No.23354042

ANNEXURE TO NOTICE

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

Item No. 2:

Sri G. Subba Rao aged 80 years is pioneer in Betelnut Industry and is managing "Crane Betelnut Powder Works" company as sole proprietor. He has over 56 years experience in business management. He has rich insight into consumer preferences, changing technology & adoptability, advertising and establishment of marketing net works. He is the member of the Audit Committee and Remuneration Committee of the Company.

Item No. 3:

Sri P. Bhaskara Rao aged 57 years Graduate in Commerce and has rich experience in trading and marketing business. He is the member of the Share Holders Committee; Share Transfer Committee, Audit Committee and Remuneration Committee of the Company.

By Order Of The Board
For Virat Crane Industries Ltd.,

PLACE : GUNTUR

DATE : 02.12.2010.

Sd/-

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



Virat Crane Industries Ltd.

**DIRECTORS REPORT:
FINANCIAL RESULTS:**

	(Rs. In Lacs)	
	2009-2010	2008-2009
Sales and Other Income	73.50	124.61
Profit/(Loss) before		
Interest & Depreciation	18.34	36.17
Interest	0.86	3.34
Depreciation	23.60	21.01
Profit/(Loss) before Tax	(6.11)	11.82
Deferred-tax	28.42	59.04
Income-tax – (Current Tax)	—	3.61
Profit(Loss) after Taxation	(34.53)	(50.83)

Your Directors inform that the company has earned a profit of Rs. 18.34 lacs before interest and depreciation. The net loss after providing for interest of Rs. 0.86 lacs and depreciation of Rs. 23.60 lacs is 6.11 lacs. The Current tax provision is of Rs.Nil and deferred tax expense for the year is Rs. 28.42 lacs and the Loss of Rs.34.53 lacs is carried forward to balance sheet.

SUBSIDIARY:

As the Company is holding having 51% stake in the associate Company i.e. Durga Dairy Limited, the detailed accounts, Directors Report and audit report etc., of the aforesaid subsidiary company is forms part of this Annual Report in accordance with the provisions of the Section 212 of the Companies Act, 1956.

MERGER AND DEMERGER:

In the process of merger of the subsidiary company i.e. Durga Dairy Limited into the Company and demerger of Crane Infrastructure Limited from the Company, the Honorable High Court of Andhra Pradesh has approved the scheme and given its order on 06.04.2010. The Company has filed the copy of the order with the registrar of Companies, Andhra Pradesh, and Hyderabad. We are hope that the entire process will be completed before the end the current financial year.

DIVIDENDS:

Due to in sufficient of profits, your directors could not recommend any dividend for the financial year ending 31st March, 2010.

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 & 2009-10.)

DIRECTORS

Sri G. Subba Rao and P. Bhaskara Rao, retires by rotation in accordance with Articles of Association of the Company and being eligible for reappointment offers themselves 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 2009-2010 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 31.03.2010 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.

**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, distributors and Bankers for their cooperation.

For and on behalf of the Board

Sd/-

Sd/-

P.BHASKARA RAO
DIRECTOR

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

PLACE : GUNTUR

DATE : 02.12.2010:

**ANNEXURE TO DIRECTOR'S 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 Held Attended Last AGM			No.of other Directorship/ Committee-membership	
			Held	Attend-ed	Last AGM	Direct ship	Com. men/chair
1	Sri G.Subba Rao	Promoter	5	5	No	1	1
2	Sri R Jagadish kumar	Non Executive Independent	5	5	No	—	2
3	Sri P Bhaskara Rao	Non Executive Independent	5	5	Yes	2	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



Virat Crane Industries Ltd.

During the year the Board meetings were held on— 29th April 2009, 31st July 2009, 30th August 2009, 31st October 2009 & 30th January 2010.

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:

- a. 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.
- b. 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 met 5 times during the year on 29th April 2009, 31st July 2009, 30th August 2009, 31st October 2009 & 30th January 2010. 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.	5
Sri P. Bhaskara Rao	Member	I & N.E.D.	5
Sri G. Subba Rao	Member	N.E.D.	5

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.



Virat Crane Industries Ltd.

(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 2010 to Sri G.V.S.L.Kantha Rao, Managing Director is Rs 2,25,000/-p.a.

4. Share holders committee.

The Company has a shareholders 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.	2006-2007	Factory premises Ankireddypalem Chilakaluripet Road Guntur.	29.09.2007 at 10.00 AM	No postal ballot
2.	2007-2008	—do—	31.12.2008 at 10.00 AM	No postal ballot.
3.	2008-2009	—do—	30.11.2009 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, except, non payment of annual listing fee for the year 2007-2008, to 2009-10 Stock Exchange of Hyderabad.

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 : 31.12.2010 at 10.00 A.M

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

Financial Calendar:

April 2009 to March 2010

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 : 2-12-2010.

Dates of book closure : 28.12.2010 to 31.12.2010

Listing on Stock Exchanges: Hyderabad and
Bombay Stock Exchanges.

Stock Code : HSE: VCI

BSE: 519457.

ISIN of Dematerialised shares:

INE 295C 01014.



Virat Crane Industries Ltd.

STOCK PRICE DATA:

Monthly High and Low quotations in BSE for the financial year 2009-2010.

Month	Open (Rs.)	High (Rs.)	Low(Rs.)	Close (Rs.)	No. of Shares
April 2006	3.40	4.00	3.37	3.43	38981
April 2009	4.60	6.09	4.53	5.50	12198
May 2009	5.77	7.81	4.90	7.81	26516
June 2009	8.20	9.70	6.51	6.69	55833
July 2009	6.41	7.45	6.00	7.00	43982
August 2009	6.95	8.52	6.17	7.09	28091
September 2009	6.74	7.00	6.00	6.07	85975
October 2009	6.00	6.70	5.27	5.27	47481
November 2009	5.40	7.39	5.08	7.04	70197
December 2009	6.99	13.20	6.32	11.37	140624
January 2010	10.81	11.90	7.63	8.43	93179
February 2010	8.78	10.15	7.33	7.99	49583
March 2010	8.38	14.30	8.00	13.08	135481

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 pattern as on 31.03.2010 is as follows.

CATEGORY	NO.OF SHARES HELD	%OF SHARE HOLDERS
INDIVIDUALS	3469376	47.91
INDIVIDUALS	3310089	45.71
COMPANIES	367511	5.07
FI / BANKS	27300	0.38
PROMOTERS/ DIRECTORS AND THEIR RELATIVES	3498889	48.31
NRI / OCB'S	38211	0.53
TOTAL	7242000	100.00

The distribution of share holding as 31.03.2010 is as follows:

No.of equity Shares held	No.of share holders	%of total shareholder	No.of shares held	% of total shares
1-5000	6570	86.01	15353260	21.21
1-5000	6236	85.50	14298640	19.74
5001-10000	534	7.32	4486170	6.19
10001-20000	233	3.19	3492390	4.82
20001-30000	113	1.55	2887860	3.99
30001-40000	27	0.37	951390	1.31
40001-50000	59	0.81	2849910	3.94
50001-100000	54	0.74	4001870	5.53
100001 & above	38	0.52	39451770	54.48
Total	7482	100.00	7242000	100.00



Virat Crane Industries Ltd.

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: 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 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 . In the new scenario 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 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.723.85 lacs
 - 2) Loan Profile: Nil

- 3) Assets: The Company is having net fixed assets of Rs. 2424.77 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.

CEO CERTIFICATION

DECLARATION BY THE EXECUTIVE CHAIRMAN & CEO UNDER CLAUSE 49(1D) OF THE LISTING AGREEMENT.

I hereby 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 31, 2010.

Sd/-

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

PLACE: Guntur

Dated: 2nd December 2010

**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, 2010 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.



Virat Crane Industries Ltd.

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: 2nd December 2010

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, 2010 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.

Further to our comments in the Annexure referred to above, we report that:

- (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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (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, 2010.
 - (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 : 02.12.2010