

NINETEENTH ANNUAL REPORT

2010 - 2011



VIRAT CRANE INDUSTRIES LIMITED
GUNTUR



BOARD OF DIRECTORS : Sri G. Subba Rao chairman
: Sri G.VS.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.

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,
GT. ROAD,
Opp.: MASTAN DARGA
GUNTUR.

FACTORY : Nuzved Road,
Near New Mango Market
Nunna, Vijayawada.



Virat Crane Industries Ltd.

NOTICE:

Notice is hereby given that 19th Annual General Meeting of the Company will be held at the premises of Crane Infrastructure Ltd, NH-5, Ankireddypalem Village, Chilakaluripet Road, Guntur, on Saturday the 31st December 2011 at 10.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2011 and Profit & Loss Account for the year ended 31.03.2011 and the Reports of the Directors and Auditors Report thereon.
2. To appoint a Director in the place of Sri P. 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

DATE : 02.12.2011.

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 29.12.2011 to 31.12.2011 (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. 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 R. Jagadeesh Kumar, aged 51 years is an engineering graduate and past president of the Bangalore Stock Exchange Limited. He has 22 years of experience in the fields of investment and finance. He is the Chairman of the Audit Committee and member of the Remuneration Committee of the Company.

Item No. 3:

Sri P.V. Srihari aged 41 years is a Graduate in Commerce and has experience in business of finance and investments. He is the Graduate in Commerce and has rich experience in trading and marketing business. He is the Managing Director of M/s. Vilas Finance and Investments Limited.

By Order of the Board
For Virat Crane Industries Ltd.,

PLACE: GUNTUR

DATE : 02.12.2011.

Sd/-

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



Virat Crane Industries Ltd.

DIRECTOR REPORT
FINANCIAL RESULTS:

Your directors have pleasure in presenting the Nineteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2011.

(Rs. In Lacs)

	2010-2011	2009-2010
Sales and Other Income	3121.54	2852.55
Profit/(Loss) before Interest & Depreciation	85.44	154.04
Interest	8.85	21.58
Depreciation	28.87	46.41
Profit/(Loss) before Tax	47.71	86.06
Deferred-tax expenses / (Income)	(179.38)	29.63
Income-tax – (Current Tax)	53.00	30.38
Profit (Loss) after Taxation	174.10	26.04

During the year under review, the Company has achieved turnover of Rs. 3122.00 lakhs and earned a profit of Rs. 85.44 lakhs before interest and depreciation. The net profit after providing for interest of Rs. 8.85 lacs and depreciation of Rs. 28.87 lacs is Rs. 47.71 lakhs. The Current tax provision is of Rs. 53.00 lakhs and deferred tax expense (income) for the year is Rs. 179.38 lakhs and the profit of Rs.174.10 lakhs is carried forward to balance sheet.

MERGER AND DEMERGER:

During the year, 1) The infra division of the company has been demerged and the assets and liabilities related to the infra division have been transferred to Crane Infra structure Limited pursuant to the scheme of arrangement approved by the Hon'ble High Court of Andhra Pradesh
2) The subsidiary company i.e Durga Dairy Limited was merged into the Company as per the order of the Honorable High Cour of Andhra Pradesh

The Accounts for the financial year have been prepared for the company post demerger/merger.

DIVIDENDS:

Due to mishap in Ghee Division and to strengthen the Financial Position, your directors could not

recommend dividend for the financial year ending 31st March, 2011.

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 Mumbai Stock Exchange Ltd., Jeejee Bhoy Towers, Dalal Street, Mumbai-400 001.

DIRECTORS

Sri R. Jagadish Kumar and Sri P.V. Srihari, 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 2010-2011 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 31.03.2011 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.



Virat Crane Industries Ltd.

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 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 insignificant, for the company's production. 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.BHASKARARAO G.V.S.L.KANTHA RAO
DIRECTOR MANAGING DIRECTOR

PLACE: GUNTUR

DATE : 02.12.2011.

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

Sl. No	Name of the Director	Category	Attendance particulars of Board Meeting			No.of other Directorship/ Committee Membership	
			Held	Attend ed	Last AGM	Direct Ship	Com. men/Chair
1	Sri G.Subba Rao	Promoter	7	7	No	1	2
2	Sri R Jagadish kumar	Non-Executive Independent	7	4	No	-	3
3	Sri P Bhaskara Rao	Non-Executive Independent	7	7	Yes	2	3
4	Sri P V Sri Hari	Non-Executive	7	6	Yes	1	-
5	SRI G V L S Kantha Rao	Executive Promoter	7	7	Yes	4	1



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attendance are as under:

During the year the Board meetings were held on – 30th April 2010, 03rd May 2010, 07th June 2010, 31st July 2010, 30th October 2010, 02nd December 2010 & 31st January 2011.

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:

- 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.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- 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.

- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- 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.
- Discussion with internal auditors of any significant findings and follow up there on.
- 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.
- 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.
- Reviewing the Company's financial and risk management policies.
- 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 31st July 2010, 30th October 2010, 02nd December 2010 & 31st January 2011. 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 & NED	4
Sri P. Bhaskara Rao	Member	I & N.E.D.	4
Sri G. Subba Rao	Member	N.E.D.	4

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 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 2011 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.	2007-2008	Factory premises Ankireddypalem Chilakaluripet Road, Guntur.	31.12.2008 at 10.00 AM	No postal ballot
2.	2008-2009	— DO —	30.11.2009 At 10.00 AM	No postal ballot
3.	2009-2010	— DO—	31.12.2010 At 10.00 AM	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 2010-11 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 : 31.12.2011 at 10.00 A.M

Place : Premises at Crane Infrastructure Ltd,
NH-5, Ankireddypalem Village,
Chilakaluripet Road, Guntur,

Financial Calendar:

April 2010 to March 2011

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 : August / September

Dates of book closure : 29.12.2011 to 31.12.2011

Listing on Stock Exchanges: Hyderabad and Bombay Stock Exchanges.

Stock Code : HSE: VCI

BSE: 519457.

ISIN of Dematerialised shares: INE 295C 01014.

**STOCK PRICE DATA :**

Monthly High and Low quotations in BSE for the financial year 2010-2011.

Month	Open (Rs.)	High (Rs.)	Low(Rs.)	Close (Rs.)	No. of Shares
April 2010	12.65	16.45	12.00	13.50	121798
May 2010	13.99	19.26	13.47	18.00	309586
June 2010	18.15	18.25	7.50	8.50	459823
July 2010	8.50	9.70	7.05	8.75	106938
August 2010	9.00	10.76	8.16	8.76	158618
September 2010	9.00	11.00	8.12	8.51	46744
October 2010	8.52	9.40	7.72	7.92	50032
November 2010	7.62	9.99	7.40	8.08	111446
December 2010	8.09	8.30	6.98	7.92	53457
January 2011	7.65	8.62	6.05	6.50	44513
February 2011	6.50	7.95	6.04	7.45	12459
March 2011	6.55	7.05	5.90	6.45	64519

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.

CATEGORY	NO.OF SHARES HELD	%OF SHARE HOLDERS
INDIVIDUALS	3245379	44.81
COMPANIES	375887	5.19
FI / BANKS	22300	0.31
PROMOTERS/ DIRECTORS AND THEIR RELATIVES	3593434	49.62
MUTUAL FUNDS	5000	0.07
TOTAL	7242000	100.00

Distribution of Shares:

The share holding pattern as on 31.03.2011 is as follows.

The distribution of share holding as 31.03.2011 is as follows:

No.of equity Shares held	No.of share holders	%of total shareholder	No.of shares held	% of total shares
1-5000	6129	85.48	13925450	19.23
5001-10000	510	7.11	4270260	5.90
10001-20000	230	3.21	3466320	4.79
20001-30000	111	1.55	2842180	3.92
30001-40000	34	0.47	1188540	1.64
40001-50000	64	0.89	3085910	4.26
50001-100000	58	0.81	4345160	6.00
100001 & above	34	0.47	39296180	54.26
Tota	7170	100.00	7242000	100.00

Dematerialization of shares: The shares fall under compulsory dematerialization.

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