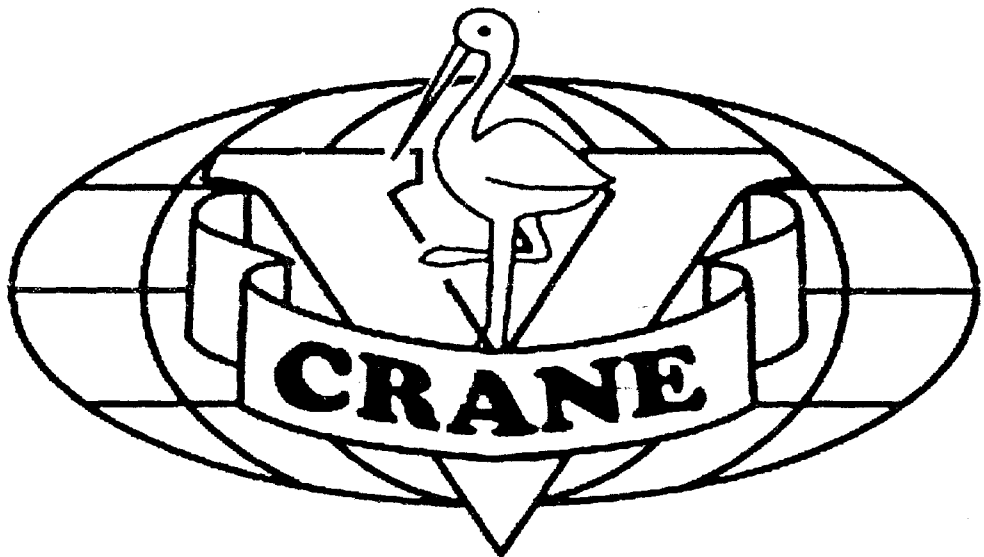


**20th ANNUAL REPORT**  
**2012 - 2013**



**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 Big share Services Private Limited,  
306, 3<sup>rd</sup> Floor, Ring Wing, Amrutha Ville,  
Opp. Yashodha Hospital, Raj Bhavan Road,  
Somajiguda, Hyderabad – 500082.  
Tel: 91-40-2337 4967/23370295  
FAX:91-40-23370295  
E-mail: bsshyd@bigshareonline.com

REGISTERED OFFICE : D.No. 25-2-1,  
GT. ROAD,  
Opp.: MASTAN DARGA  
GUNTUR.

FACTORY : Nunna, Nuzividu Road,  
Vijayawada.



## Virat Crane Industries Ltd.

### **NOTICE:**

Notice is hereby given that 20<sup>th</sup> Annual General Meeting of the Company will be held at the factory premises of the Company at Ankireddypalem Village, Chilakaluripet Road, Guntur, on Saturday the 29<sup>th</sup> September 2012 at 10.00 A.M to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2012 and Profit & Loss Account for the year ended 31.03.2012 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 K. Nagaraju & Co., (FRN: 002271S), Guntur, Chartered Accountants, as auditors of the company in the place of retiring auditors M/s Jawahar & Associates, 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 : 30.08.2012

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 27.09.2012 to 29.09.2012 (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. Big share Services Private Limited., are Registrars and Transfer Agents for both 'Demat' and physical form of shares. The members may contact in future.  
M/S Big share Services Private Limited,  
306, 3<sup>rd</sup> Floor, Ring Wing, Amrutha Ville,  
Opp. Yashodha Hospital, Raj Bhavan Road,  
Somajiguda, Hyderabad – 500082.  
Tel: 91-40-2337 4967 | 2337 0295  
Fax: 91-40-23370295  
E-mail: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)

### **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 81 years is pioneer in Betelnut Industry and is managing "Crane Betelnut Powder Works" 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 58 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.

#### **Item No. 4:**

The present auditors M/s. **Jawahar & Associates.**, Chartered Accountants, Hyderabad, who are going to be retiring at AGM, had tendered their unwillingness to act as Statutory Auditors of the Company for financial year 2012-13 due to their inability under the Companies Act 1956. The Company has approached M/s. K. Nagaraju & Co., Chartered Accounts, to appoint them as Statutory Auditors for which they had given their consent. They also confirmed that, if they are appointed as Statutory Auditors of the Company, the appointment would be within the provisions of section 224(1B) of the Companies Act, 1956.

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

PLACE: GUNTUR  
DATE : 30.08.2012.

Sd/-  
G.V.S.L. Kantha Rao  
Managing Director



## **DIRECTOR REPORT** **FINANCIAL RESULTS:**

Your directors have pleasure in presenting the Twentieth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2012.

	(Rs. In Lacs)	
	2011-2012	2010-2011
Sales and Other Income	3578.62	3143.13
Profit/(Loss) before Interest & Depreciation	108.30	263.51
Interest	13.52	8.85
Depreciation	16.46	28.87
Profit before exceptional and extraordinary items	76.63	225.78
Profit/(Loss) before Tax	70.56	147.72
Deferred-tax (expenses) / Income	21.17	179.38
Income-tax – (Current Tax)	(34.00)	(53.00)
Profit (Loss) after Taxation	57.73	174.10

During the year under review, the Company has achieved turnover of Rs. 3578.62 lakhs and earned a profit of Rs. 108.30 lakhs before interest and depreciation. The net profit after providing for interest of Rs. 13.52 lacs and depreciation of Rs. 16.46 lacs is Rs. 76.63 lakhs. The net profit after taxation is Rs. 57.73 lakhs is carried forward to balance sheet.

## **DIVIDENDS:**

Due to insufficient of profits, your directors could not recommend any dividend for the financial year ending 31<sup>st</sup> March, 2012.

## **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 G. Subba Rao and Sri 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 2011-2012 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 fair view of the state of affairs of the company as at 31.03.2012 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:**

The present auditors M/s. **Jawahar & Associates.**, Chartered Accountants, Hyderabad, who are going to be retiring at AGM, had tendered their unwillingness to act as Statutory Auditors of the Company for financial year 2012-13 due to their inability under the Companies Act 1956. The



## Virat Crane Industries Ltd.

Company has approached M/s. K. Nagaraju & Co., Chartered Accounts, to appoint them as Statutory Auditors for which they had given their consent. They also confirmed that, if they are appointed as Statutory Auditors of the Company, the appointment would be within the provisions of section 224(1B) of the Companies Act, 1956.

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

Sd/- Sd/-  
P.BHASKARARAO G.V.S.L.KANTHARAO  
DIRECTOR MANAGING DIRECTOR

PLACE: GUNTUR

DATE : 30-08-2012.

## **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	5	5	No	1	2
2	Sri R Jagadish kumar	Non-Executive Independent	5	3	No	-	3
3	Sri P Bhaskara Rao	Non-Executive Independent	5	5	Yes	2	3
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



attendance are as under :

During the year the Board meetings were held on – 29<sup>th</sup> April 2011, 30<sup>th</sup> July 2011, 31<sup>st</sup> October 2011, 18<sup>th</sup> Nov. 2011 and 15<sup>th</sup> Feb 2012.

### **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 29<sup>th</sup> April 2011, 30<sup>th</sup> July 2011, 31<sup>st</sup> October 2011, 18<sup>th</sup> Nov 2011 and 15<sup>th</sup> Feb 2012. 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	3
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

#### **(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 31<sup>st</sup> March 2012 to Sri G.V.S.L.Kantha Rao, Managing Director is Rs 2,25,000/-p.a.

### 4. Share holders and Share Transfers committee.

The Company has a shareholders and Share Transfers 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.	2008-2009	Factory premises Ankireddypalem Chilakaluripet Road, Guntur.	30.11.2009 at 10.00 AM	No postal ballot
2.	2009-2010	— DO —	31.12.2010 At 10.00 AM	No postal ballot
3.	2010-2011	— DO —	31.12.2011 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

### 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 : 29.09.2012 at 10.00 A.M

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

#### Financial Calendar:

April 2011 to March 2012

1<sup>st</sup> quarter results : Normally last week of July

2<sup>nd</sup> quarter results : Normally last week of October

3<sup>rd</sup> quarter results : Normally last week of January

4<sup>th</sup> quarter results : Normally last week of April

Audited Annual Results : August / September

Dates of book closure : 27.09.2012 to 29.09.2012  
(Both Days Inclusive)

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 2011-2012.

Month	Open (Rs.)	High (Rs.)	Low(Rs.)	Close (Rs.)	No. of Shares
April 2011	6.5	7.97	6.5	6.75	35821
May 2011	6.51	6.85	5.86	6.09	15339
June 2011	5.79	7.71	5.79	7.25	4120
July 2011	6.89	7.27	5.94	5.94	11259
August 2011	5.66	6.23	4.6	4.7	12230
September 2011	4.93	7.77	4.93	7.38	92781
October 2011	7.4	9.24	7.3	8.37	928
November 2011	7.96	10.5	7.2	9.59	679
December 2011	9.9	11.5	9.9	11.5	45847
January 2012	11.4	11.4	8.27	8.27	4022
February 2012	7.86	7.86	5.11	5.11	34332
March 2012	5.21	5.32	4.52	4.59	36335

**Registrars and Transfer Agents:**

Your Registrar and Share Transfer Agents of the Company M/s Big share Services Private Limited, 306, 3<sup>rd</sup> Floor, Ring Wing, Amrutha Ville, Opp. Yashodha Hospital, Raj Bhavan Road, Somajiguda, Hyderabad – 500082.

Tel: 91-40-2337 4967/23370295

Fax: 91-40-23370295

E-mail: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)**Distribution of Shares:**

The share holding pattern as on 31.03.2012 is as follows

Category	No. of Share Holders	Total No. of Shares Held	% of Share Holding
Individuals	6899	4531127	22.19
Companies	93	510004	2.50
Fi / Banks	2	22300	0.11
Promoters/Directors	130	15302423	74.92
And Their Relatives			
Mutual Funds	1	5000	0.02
NRI's & OCB's	60	52896	0.26
<b>Total</b>	<b>7185</b>	<b>20423750</b>	<b>100.00</b>

**The distribution of share holding as 31.03.2012 is as follows:**

No. of equity Shares held	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1-5000	6116	85.26419	13880700	6.79635
5001-10000	516	7.19364	4325180	2.11772
10001-20000	233	3.24829	3523740	1.72531
20001-30000	107	1.49171	2722760	1.33313
30001-40000	34	0.47400	1203980	0.58950
40001-50000	60	0.83647	2886570	1.41334
50001-100000	64	0.89223	4743370	2.32248
100001 & ABOVE	43	0.59947	170951200	83.70216
<b>TOTAL</b>	<b>7173</b>	<b>100.00</b>	<b>204237500</b>	<b>100.00</b>

Dematerialization of shares: The shares fall under compulsory dematerialization.

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