



## Virat Crane Industries Ltd.

### **NOTICE:**

Notice is hereby given that 21<sup>st</sup> Annual General Meeting of the members of **VIRAT CRANE INDUSTRIES LIMITED** will be held on Monday the 30<sup>th</sup> September 2013 at 10.00 A.M at NH-5, Ankireddypalem Village, Chilakaluripet Road, Guntur (Crane Infrastructure Ltd., premises) to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013 and Profit & Loss Account for the year ended 31<sup>st</sup> March 2013 and the Reports of the Directors and Auditors Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Sri Raja Jagadeesh Kumar who retires by rotation and being eligible offers himself for re-election.
4. To appoint a Director in the place of Sri Venkata Srihari Puvvada who retires by rotation and being eligible offers himself for re-election.
5. To re-appoint M/s. Nagaraju & Co (FRN: 002271S), a firm of Chartered Accountants, as Statutory Auditors of the Company, for the period commencing from conclusion of this meeting till the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors.

### **SPECIAL BUSINESS:**

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. G.V.S.L. Kantha Rao, be and is hereby re-appointed as Managing Director of the Company for a period of five years with effect from and including 1<sup>st</sup> November, 2013 upon the terms and conditions set out in the agreement entered into with him, which agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or Agreement in such manner as may be agreed to between the Board of Directors and Mr. G.V.S.L. Kantha Rao.”

By Order of the Board  
For Virat Crane Industries Ltd.

Place: Guntur

Date: 12<sup>th</sup> August 2013.

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 25<sup>th</sup> September 2013 to 30<sup>th</sup> September 2013 (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: 91-40-2337 0295  
E-mail: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)

### **ANNEXURE TO NOTICE**

EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT 1956 & INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE-APPOINTMENT OF DIRECTORS

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

#### **Item No. 3:**

Sri Raja Jagadeesh Kumar, aged 54 years is an engineering graduate and past president of the Bangalore Stock Exchange Limited. He has 24 years of experience in the fields of investment and finance. He is the Member of Legislative Assembly of Karnataka. He is the Chairman of the Audit Committee and member of the Remuneration Committee of the Company.



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### Item No. 4:

Sri Venkata Srihari Puvvada aged 42 years is a Graduate in Commerce and has experience in business of finance and investments. He has rich experience in trading and marketing business.

### Item No. 5:

Mr. G.V.S.L. Kantha Rao was re-appointed as the managing Director of the company for a period of five years with effect from 1<sup>st</sup> November 2013 by the board of Director at their meeting held on 12<sup>th</sup> August 2013 on the terms and conditions and remuneration as mentioned in the agreement entered into by the board of Directors and the said Mr. G.V.S.L. Kantha Rao. The remuneration of Mr. G.V.S.L. Kantha Rao has been approved by the remuneration committee at their meeting held on 12<sup>th</sup> August 2013. The abstract of the terms and conditions and remuneration of the agreement are as detailed below.

#### i. Remuneration:

- Salary Limit Range: Rs. 1,00,000/- to Rs. 2,00,000/- per month as may be determined by the Board.
- Commission: Commission is payable @1% on profits computed under section 349 of the Companies Act, 1956.
- Perquisites : Reimbursement of medical expenses for self and family, one month salary in a year or three months salary over a period of three years.
- Car : The company shall provide a car
- Telephone :The company shall provide a telephone at residence and further agrees to provide one mobile phone.
- Accidental Insurance Premium: The company agrees to bear Health insurance premium for self and Family subject to maximum Rs. 5000/- p.m
- The Company also agrees to reimburse the additional Medical expenditure, if any, incurred in excess of the Insurance claim with approval of Board
- Club fees: Fees of one club in Guntur city. No admission and membership fees will be paid.
- Payment of Gratuity at the end of the tenure shall not exceed 15 days salary for each completed year of service or at the rate as may be notified by the government from time to time.

- Reimbursement of leave travel concession for self and family once in a year subject to a maximum of one month salary.

### II. MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Mr. G.V.S.L. Kantha Rao, the company has no profits or its profits are inadequate the company will pay remuneration by way of salary, incentive, remuneration benefits perquisites and allowances as specified above.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under section 198,309,310 and all other applicable provisions, if any, of the act read with Schedule XIII of the Act, as amended and as in force from time to time.

In compliance with the provisions of section 309,310 and 311 read with schedule XIII of the act, the re-appointment of Mr. G.V.S.L. Kantha Rao are now being placed before the members in general meeting for their approval. The board commends the resolution for acceptance by the members.

The above details may please be treated as an abstract of terms of re-appointment of Mr. G.V.S.L. Kantha Rao as Managing Director under section 302 of the companies act, 1956.

Mr. G.V.S.L. Kantha Rao has over 29 years of experience in business management. He has managing the company, even in adverse market conditions. He is also the Managing Director of M/s. Virat Crane Agri-Tech Ltd., without any remuneration.

None of the Directors, except Mr. G.V.S.L. Kantha Rao is concerned or interested in the resolution.

Your Directors recommend resolution for your approval.

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

Place: Guntur

Date: 12<sup>th</sup> August 2013.

Sd/-

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

### DIRECTOR REPORT

#### FINANCIAL RESULTS:

Your directors have pleasure in presenting the Twenty-First Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2013.



	(Rs. In Lacs)	
	2012-2013	2011-2012
Sales and Other Income	3429.72	3578.62
Profit/(Loss) before Interest & Depreciation	298.93	106.39
Interest	51.70	13.30
Depreciation	17.93	16.46
Profit before exceptional and extraordinary items	229.30	76.63
Profit/(Loss) before Tax	217.68	70.56
Deferred-tax (expenses) / Income	(2.57)	21.17
Income-tax – (Current Tax)	(75.00)	(34.00)
Profit (Loss) after Taxation	140.11	57.73
EPS – Basic	0.69	0.28
EPS – Diluted	0.69	0.28

During the year under review, the Company has achieved turnover of Rs. 3429.72 lakhs as compared to the previous year Rs. 3578.62 lakhs. The profit before interest and depreciation is Rs. 298.93 lakhs as compared to the previous year of Rs. 106.39 lakhs. The net profit after providing for interest and depreciation is Rs. 229.30 lakhs as compared to the previous of Rs. 76.63 lakhs. The net profit after taxation Rs. 140.11 lakhs is carried forward to balance sheet. The Directors of your company are of the view that the performance of your company would improve in the next financial year.

#### **DIVIDENDS:**

In view of the Company's profitable performance, your directors are pleased to recommend for approval of shareholders a Final Dividend of 5% (Re 50 paise per share) on 2,04,20,300 Equity shares of the company in respect of the financial year 2012-2013. The final Dividend if declared as above, would involve an outflow of Rs 102.10 Lakhs towards Dividend and Rs. 16.56 lakhs towards Dividend Tax resulting total outflow of Rs. 118.66 Lakhs. (Approx).

The paid up capital of your company remained unchanged at Rs. 20,42,03,000/-. Earning per share was Rs 0.69.

#### **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-400001.

#### **DIRECTORS:**

Mr. Raja Jagadeesh Kumar and Mr. Venkata Srihari Puvvada, retires by rotation in accordance with Articles of Association of the Company and being eligible for reappointment offers themselves for reappointment.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 274 of the Companies Act, 1956.

#### **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 2012-2013 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 31.03.2013 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.

#### **STATUTORY AUDITORS:**

The Statutory Auditors M/s. Nagaraju & Co (FRN: 002271S) Chartered Accountants, Guntur, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, your Directors propose the reappointment of M/s. Nagaraju & Co, as Statutory Auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

**COST AUDITORS:**

Pursuant to the provisions of the Section 233B of the Companies Act, 1956 and other applicable rules, the Board of Directors of your Company had appointed, subject to the approval of the Central Government Mr. Chandra Sekhar.A, Annavarapu & Co, Cost Accountants, Guntur to carry out an audit of Cost accounts of the Company for accounting year ending 31<sup>st</sup> March 2014.

**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 G.V.S.L.KANTHA RAO

DIRECTOR MANAGING DIRECTOR

Place: Guntur

Date: 12<sup>th</sup> August 2013.**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 are as under:

Sl. No	Name of the Director	Category	Attendance particulars of Board Meeting			No.of other Directorship/Committee Membership	
			Held	Attended	Last AGM		
1	Sri G.Subba Rao	Promoter	5	5	No	2	2
2	Sri R Jagadish kumar	Non – Executive Independent	5	5	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

During the year the Board meetings were held on – 15<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 30<sup>th</sup> August 2012, 15<sup>th</sup> November 2012 and 14<sup>th</sup> Feb 2013.

**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.



- 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 meet 4 times during the year on 15<sup>th</sup> May 2012, 14<sup>th</sup> August 2012, 15<sup>th</sup> November 2012 and 14<sup>th</sup> Feb 2013. 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	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.

### (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.



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### (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 2013 to Sri G.V.S.L.Kantha Rao, Managing Director is Rs 2,79,000/-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.	2009-2010	Factory premises Ankireddypalem Chilakaluripet Road, Guntur.	31.12.2010 at 10.00 AM	No postal ballot
2.	2010-2011	—do—	31.12.2011 at 10.00 AM	No postal ballot.
3.	2011-2012	—do—	29.09.2012 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.

### 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 : 30.09.2013 at 10.00 A.M

Place : Factory premises (Crane Infrastructure Ltd.) at Ankireddypalem village, Chilakaluripet Road, Guntur .

#### Financial Calendar:

April 2012 to March 2013

1st 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 : Last Week of May

Dates of book closure: 25.09.2013 to 30.09.2013 (Both Days Inclusive)

Listing on Stock Exchange: Bombay Stock Exchange (BSE).

Stock Code: BSE: 519457.

ISIN of Dematerialized shares: INE 295C 01014.

## STOCK PRICE DATA:

### Monthly High and Low quotations in BSE for the financial year 2012-2013.

Month	Open (Rs.)	High (Rs.)	Low(Rs.)	Close (Rs.)	No. of Shares
April 2012	4.61	4.64	4.11	4.15	9684
May 2012	4.10	4.20	3.73	3.73	4616
June 2012	3.73	3.90	3.56	3.75	11532
July 2012	3.93	6.56	3.93	6.23	9883
August 2012	6.44	6.44	4.00	4.00	11755
September 2012	3.82	4.15	3.66	3.79	10100
October 2012	3.97	8.12	3.97	7.41	94657
November 2012	7.78	7.78	5.76	6.34	58836
December 2012	6.65	7.30	5.99	5.99	58615
January 2013	5.71	6.51	5.27	5.55	65611
February 2013	5.55	7.00	4.80	5.74	15081
March 2013	5.46	6.02	4.69	5.40	35245



**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)

CATEGORY	No. of Share Share Holders	Total No of Shares held	% of Share Holding
Individuals	6840	4567286	22.36
Companies	81	449114	2.20
FI / Banks	2	22300	0.11
Promoters/ Directors and their Relatives	129	15299823	74.91
Mutual Funds	1	5000	0.02
NRI's/OCB's/Clearing Members	60	80227	0.40
<b>TOTAL</b>	<b>7185</b>	<b>20423750</b>	<b>100.00</b>

**The distribution of share holding as 31.03.2013 is as follows:**

No. of equity Shares held (Range)	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1-5000	6053	85.0977	1370070	6.7082
5001-10000	512	7.1981	429085	2.1009
10001-20000	236	3.3179	357125	1.7486
20001-30000	115	1.6168	292052	1.4300
30001-40000	32	0.4499	111952	0.5481
40001-50000	61	0.8576	293972	1.4394
50001-100000	61	0.8576	446557	2.1865
100001 & above	43	0.6044	17122937	83.8383
<b>Total</b>	<b>7173</b>	<b>100.00</b>	<b>20423750</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.

**Plant Location:** Nunna, Nuzvid Road, Vijayawada.

**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 .

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.2042.03 lacs

- 2) Loan Profile: Nil

- 3) Assets: The Company is having net tangible fixed assets of Rs. 149.48 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.