

Growing Day by Day



23rd
ANNUAL REPORT
2014 - 2015



VIRAT CRANE INDUSTRIES LIMITED
GUNTUR



Durga Dairy

Nunna, Nuziveedu Road, Vijayawada

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CORPORATE INFORMATION

Board of Directors

Mr. G. Subba Rao, Chairman
Mr. G. V. S. L. Kantha Rao, Managing Director
Mrs. G. Himaja
Mr. P. V. Srihari
Mr. P. Bhaskara Rao
Mr. M. V. Subba Rao

Key Managerial Personnel

Mr. G. V. S. L. Kantha Rao, MD
Mr. P. V. Srihari, Chief Financial Officer

Stock Exchange:

Bombay Stock Exchange

Statutory Auditors

M/s Nagaraju & Co.,
Chartered Accountants,
D.No. 5-50-91
4/14, Brodipet
Guntur-522002

Cost Auditors

M/s Annavarapu & Co.,
Cost Accountants,
D.No. 5-2-11(100)
2/1, Brodipet
Guntur-522002

Secretarial Auditors

M/s K. Srinivasa Rao & Co.,
Company Secretaries,
D.No. 6-13-14A,
13/3, Arundel Pet,
Guntur-522002

Registrars & Share Transfer Agents

M/s Big Share Services Private Limited
306, 3rd floor, Right Wing, Amrutha Ville,
Opp: Yasodha Hospital, Rajbhavan Road,
Somajiguda,
Hyderabad- 500082

Depositories:

Central Depository Services Limited
National Securities Depository Services Ltd.

Bankers

HDFC Bank, Lakshmipuram, Guntur
ING Vysya Bank, Arundelpet, Guntur
Canara Bank, Hindu College, Guntur
Oriental Bank of Commerce, Vijayawada

Registered Office

D.No. 25-2-1,
G.T.Road,
Opp: Masthan Durga,
Guntur-522004
Email: viratcraneindustriesltd@gmail.com

Factory Address

Nunna,
Nuziveedu Road,
Vijayawada





CHAIRMAN'S MESSAGE

Dear Stakeholders,

As you all know that, your company incorporated in 1992 continues to achieve corporate excellence. Your company has overcome various obstacles since its formation and has yet set new goals and achieved them resulting in a successful journey.

The strength of our brand, manufacturing facility and distribution network can truly take your Company to new heights in domestic market. Growth plans chalked out by the company have the potential to make your company from a regional brand to national brand.

Our aim for the coming year is to not only focus on geographical expansion but also on product diversification through brand extension.

I take pleasure in thanking each stakeholder for their trust placed, for their hard work and perseverance.

Grandhi Subba Rao
Chairman



MANAGING DIRECTOR'S MESSAGE

Dear Stakeholders,

I am delighted to update you on the performance of Our Company - Virat Crane Industries Limited.

The financial year 2014-15 has been a new milestone for your Company's performance. During the financial year 2014-15, your Company's performance achieved new heights with respect to revenue and profits.

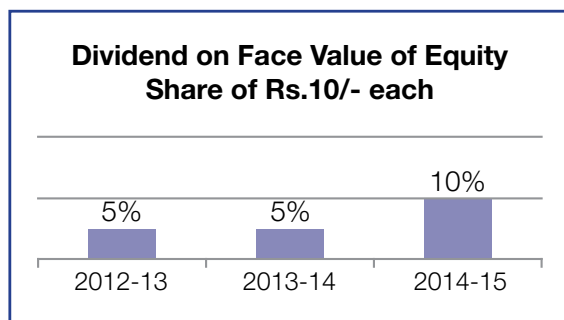
I am pleased to inform you that your Company earned revenue of INR 63.2 crore and achieved its highest ever net profit of INR 5.4 crore during the financial year 2014-15 as against revenue of INR 45.9 crore and net profit of INR 1.4 crore in financial year 2013-14.

This wouldn't have been possible without the efforts of each of our stakeholder. My heartiest congratulations to one and all.

Since last three financial years, your company has constantly declared dividend to its shareholders. For the financial year 2014-15 too, the board is happy to announce a final dividend of 10% on face value

During the year, ghee manufacturers faced challenges due to increased price of milk, cream and butter. Your Company however managed to not only smooth-out the effect of these fluctuations but also deliver a net profit margin of 8.5% as against 3.1% in financial year 2013-14.

VCIL has displayed strong financial prudence as can be seen from the strength of our Balance Sheet. We are virtually a zero debt Company. Our return on average equity for FY2014-15 stood at 21.1% and return on average capital employed at 30.9%.



The new government in the State of Andhra Pradesh took office in FY2014-15 with new policies, programmes and emphasis on enhancing the growth of economy. During the year, the state government of Andhra Pradesh distributed free ghee packets to people with white ration cards on the occasion of Sankranti festival. It not only led to increased consumption of ghee in Andhra Pradesh but also drew people's interest in usage of Ghee for preparation of various food items.

For the financial year 2014-15, we decided to consolidate our market position in the core markets of Andhra Pradesh and Odisha. In the beginning of financial year 2015-16, we conducted a pilot project in the state of Karnataka and have received a very positive response from customers. We are building a robust distribution network in the state of Karnataka in the current financial year FY2015-16. We are also aiming at enhancing our distribution network to reach rural regions of Andhra Pradesh and Odisha as well as Karnataka. We also endeavor to foray into adjoining geographies of West Bengal, Maharashtra, Chattisgarh etc in the coming days.

Your Company also has plans to foray into north Indian states with a new brand of cooking Ghee.

Product diversification:

Your Company has decided to tap the power of Brand Durga by foraying into Curd and Paneer. We believe that premium brand image and customer loyalty for Durga ghee will attract premium customers to Durga brands of Curd and Paneer.

New production facility in the state of Odisha:

Your Company has increased its market share in the state of Odisha over the years. We believe that a production facility in Odisha would not only help us reduce the cost of transportation, and give us tax benefits but will also support our strategy of foraying into other Eastern Indian states.

Streamlining the distribution network:

As part of our mission to reach remote markets in the states of our current presence, VCIL intends to sign an MOU with Crane Betel Nut Powder Works to leverage their robust distribution network which shall enhance our presence in the sub-urban and rural markets.

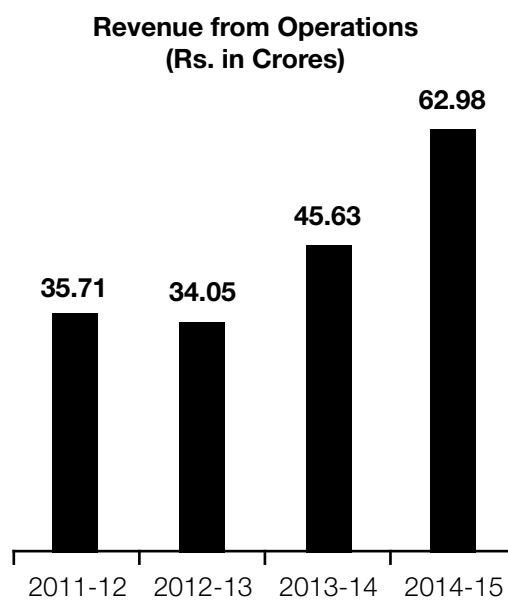
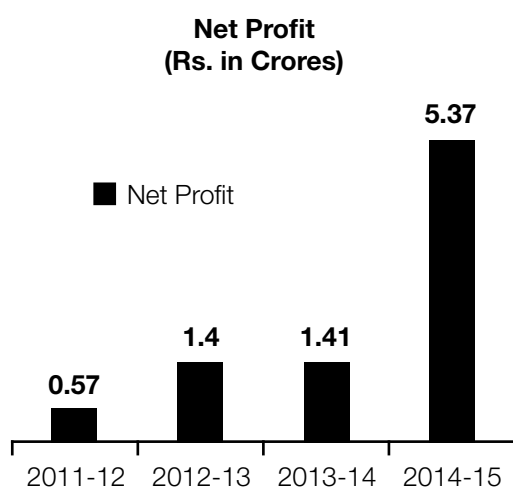
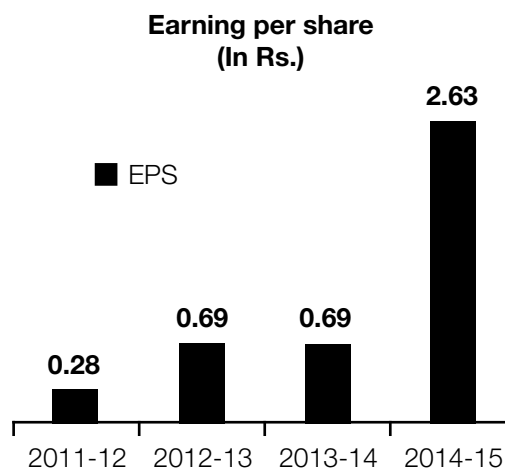
I would like to thank all my colleagues for their constant dedication, commitment and contribution for strengthening the growth prospectus of Virat Crane Industries Limited.

I would like to place on record my sincere appreciation to the Board of Directors for their guidance. I would like to express my gratitude to all our Stakeholders for their continuing faith in Virat Crane Industries Ltd.

With best wishes,

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

KEY FINANCIAL INDICATORS



NOTICE OF THE 23rd ANNUAL GENERAL MEETING:

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of M/s. Virat Crane Industries Limited will be held on Monday, 28th September, 2015 at 10.00 A.M. at Crane Infrastructure Limited Premises, Ankireddypalem Village, NH-5, and Chilakaluripet Road, Guntur to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2015 and the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend on equity shares for the Financial Year ended 31st March, 2015.
3. To appoint a Director in place of Mr. Puvvada Venkata Srihari (DIN- 03452957) who retires by rotation being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s. Nagaraju & Co., Chartered Accountants, Guntur (Firm Registration No.002271S) as approved by Members at the Twenty Second Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of Twenty-Fifth Annual General Meeting of the company to be held in the Year 2017, at such remuneration as may be mutually agreed between the Board of Directors and Auditors.

SPECIAL BUSINESS:

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

“RESOLVED THAT in modification to the earlier resolutions passed in this regard and as per recommendation of the Remuneration Committee , pursuant to the provisions of Sections 197 and 198 read with the Schedule V and other applicable provisions , if any of the companies Act2013 (here in after referred to as “the said Act”(including any statutory modification(s), enactment(s) or re-enactments thereof for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of the central government, if any, approval of the members , be and is hereby accorded for payment of Remuneration up to Rs. 5,00,000 per month to Mr. G.V.S.L.Kantha Rao Managing Director of the Company resulting in revision of remuneration payable with effect from 1st April 2015, for his remaining tenure with the existing terms for his appointment and others remaining unaltered.

RESLOVED FURTHER THAT the Board be and is here by authorised to take all such steps as may be necessary, proper or expedient, to give effect to this resolution.

6. To consider and, if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution: -(Appointment of Grandhi Himaja as Director of the Company).

“RESOLVED that Mrs. Grandhi Himaja who was appointed by the Board of Directors as an Additional Director of the Company with effect from March 30, 2015 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.”

7. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution: -

“RESOLVED THAT pursuant to the provisions of section 180(1)(c) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose) of the Company, for borrowing/ Guarantee any sum or sums of money from time to time whether in Indian rupees or foreign currency from any one or more Company's bankers and /or from any one or more persons, firms, bodies corporate, financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, non-convertible debentures, bonds or otherwise and whether unsecured or secured notwithstanding that the moneys to be borrowed together with moneys already borrowed/ Guaranteed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount up to which the moneys may be borrowed by the Board of Directors and outstanding shall not exceed the sum of Rs.50.00 Crores (rupees fifty crores only) at any one time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things



as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

8. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution: -

“RESOLVED THAT pursuant to the provisions of section 180(1)(a) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding Rs. 50.00 Crores (rupees fifty crores only) at any one time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

By the Order of the Board

For Virat Crane Industries Ltd

Sd/-

Place: Guntur
Date: 10.08.2015

G.V.S.L. Kantha Rao
(Managing Director)
(DIN:01846224)

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2015 to, 28th September, 2015 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. The Final Dividend for the financial year ended 31st March, 2015, as recommended by the Board, if approved at the AGM, will be paid on or after 3rd October, 2015 to those Members whose name appears in the Register of Members of the Company as on the book closure dates.
5. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts; will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
6. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Big Share Services Private Limited / Investor Service Department of the Company immediately.

