

Business Responsibility & Sustainability Report

(Business Responsibility and Sustainability Reporting (BRSR) is the practice of companies disclosing information about their environmental, social, and governance (ESG) performance. It goes beyond financial reporting to provide stakeholders with a comprehensive view of a company's non-financial impacts and contributions to sustainable development. BRSR covers topics such as environmental impact, social responsibility, and governance practices, aiming to promote transparency and accountability).

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	FY 2023-2024
1	Corporate Identity Number (CIN) of the Listed Entity	L34101KA1967PLC001706
2	Name of the Listed Entity	VST TILLERS TRACTORS LIMITED
3	Year of incorporation	December 18, 1967
4	Registered office address	Plot No-1, Dyavasandra Indl Layout, Whitefield Road, Mahadevapura Post, Bengaluru-560048
5	Corporate address	Plot No-1, Dyavasandra Indl Layout, Whitefield Road, Mahadevapura Post, Bengaluru-560048
6	E-mail	chinmaya@vsttractors.com
7	Telephone	(91) 8067141111
8	Website	http://www.vsttractors.com/
9	Financial year for which reporting is being done	1st April 2023 to 31st March 2024
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Ltd.
11	Paid-up Capital	₹ 8,63,95,280/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Chinmaya Khatua Company Secretary Email: chinmaya@vsttractors.com Tel No. (91)-080-67141111
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14	Name of assurance provider	NA
15	Type of assurance obtained	NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing and Trading	VST Tillers Tractors Limited is engaged in the manufacturing and trading of tractor, power tiller and other agricultural machineries and their spare parts	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Tractor and Spares	28211	37%
2.	Power tiller and other Small Farm Machineries and Spares	28212	63%

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III. Operations
18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices*	Total
National	3	23	26
International	0	0	0

*This includes 8 sales offices and 15 stockyards.

19. Markets served by the entity:
a. Number of locations

Locations	Number
National (No. of States)	28 states and 8 Union Territories
International (No. of Countries) *	40

*The Company operates through distributors in these countries.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

13.46%

c. A brief on types of customers

VST is a leading player in the Indian farm mechanization sector and the largest producer of power tillers and pioneers of 4WD compact tractors in India. The Company has established itself as a leading brand in agricultural equipment within the country. VST has expanded its reach to over 40 countries, becoming a recognized name. The Company maintains a strong distribution network of dealers and distributors, providing tractors, tillers, small farm machinery, automotive lubricants, electric pumps, precision components, and spare parts in both domestic and international markets. In Karnataka, the Company engages in direct sales to small and marginal farmers.

IV. Employees
20. Details as at the end of Financial Year:
a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	528	511	96.78%	17	3.22%
2	Other than Permanent (E)	25	17	68.00%	8	32.00%
3	Total employees (D + E)	553	528	95.48%	25	4.52%
WORKERS						
4	Permanent (F)	227	226	99.56%	1	0.44%
5	Other than Permanent (G)	390	378	96.92%	12	3.08%
6	Total workers (F + G)	617	604	97.89%	13	2.11%

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	1	1	100%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total differently abled employees (D + E)	1	1	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	0	0	0%	0	0%
5	Other than Permanent (E)	0	0	0%	0	0%
6	Total differently abled workers (F + G)	0	0	0%	0	0%

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21. Participation/Inclusion/Representation of women

Particular	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	9	1	11.11%
Key Management Personnel	4	0	0%

22. Turnover rate for permanent employees and workers

Particular	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	39.73%	35.29%	39.59%	46.69%	51.85%	46.69%	50.54%	53.85%	50.63%
Permanent Workers	0%	0%	0%	0.55%	0%	0.55%	13.57%	0%	13.5%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1.	VST ZETOR PRIVATE LIMITED	Subsidiary	51%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

a. Turnover (in ₹)	9,68,04,78,045
b. Net worth (in ₹)	9,24,06,73,000

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *	FY 2023-24			FY 2022-23		
		Current Financial Year			Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	Nil	0	0	Nil
Investors (other than shareholders)	Yes	0	0	Nil	0	0	Nil
Shareholders**	Yes	0	0	Nil	1	0	Nil
Employees and workers	Yes	0	0	Nil	0	0	Nil
Customers	Yes	4,463	0	Nil	5,469	15	Nil
Value Chain Partners	No	0	0	Nil	0	0	Nil
Other (please specify)							

* Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)

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Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	https://www.vsttractors.com
Investors (other than shareholders)	
Shareholders	
Employees and workers	
Customers	
Value Chain Partners	
Other (please specify)	

* The Policies of the Company are placed on the Company's website under investors tab and the same can be accessed through the weblink: <https://www.vsttractors.com/investor/>. Further, there are some internal policies placed on the intranet of the Company.

** The Company has a dedicated team exclusively responsible for monitoring and addressing shareholder complaints in a timely manner, ensuring prompt resolution to the satisfaction of the complainant without delay. Any complaints received from shareholders in a quarter, along with the corresponding actions taken, are presented before the Board and stakeholder relationship committee established under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 178 of the Companies Act, 2013 before the Board.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	GHG and Climate Change	R	VST majorly rely on non-renewable fuel and energy sources which result in GHG emissions. Also climate change poses various emerging risk for VST business. These include transitional risk such as business impact due to reduced agricultural productivity due to shifting weather patterns, increased operational costs from extreme weather events, and changing market demands. Regulatory changes may also necessitate modifications in design to meet emissions standards. Additional carbon taxes may require company to opt for clean energy solution in order to reduce cost. There are also growing physical	To achieve environmental excellence, business units have improved energy efficiency and increased renewable energy use. Measures include energy audits, LED street lights, Power Factor Panels, and solar power at Hosur, Malur, and Mysore plants. VST reduces greenhouse gas emissions from diesel and electricity, aiming to cut waste emissions and adopt green technology. Additionally, VST planted 346 trees at Malur and 865 plants at Hosur to positively impact the environment.	Negative

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			risk like flash flood, seasonal water scarcity, and heat waves impacting operations. Reliance on non-renewable sources of fuel and energy can also impact the reputation and result in loss of business		
2.	Waste Management	R	Waste generation can have a significant impact on the environment and our overall efficiency. VST during its operations generate non-hazardous wastes like metal scrap from Machining and fabrication processes, packaging waste, and non-hazardous waste like painting, and coating waste. These waste if not handled appropriately have a potential of detrimental impact on ecosystems and society. This can also result in non-compliance and reputational damages to the organization.	Our facilities have implemented waste management programs to adhere to regulations and boost recycling efforts. We partner with authorized suppliers for proper recycling or reuse after waste segregation. Future efforts will focus on minimizing waste generation rather than disposal. We are committed to reducing waste intensity and encouraging recycle and reuse of materials.	Negative
3.	Water Management	R	Water is an important resource for VST's operations and also a critical driving factor for its business. However, factors like droughts, extreme weather events, and increasing demand create water scarcity, impacting farmers, communities, and also VST's operations as few of our location are in water scare zones. Additionally, company's operation also generates hazardous water which require treatment before discharge. If non properly managed this can result in non-compliances.	We minimize freshwater use through optimization, touch sensors, awareness, and reuse. Rainwater is collected and reused, and all three Manufacturing facilities maintain a zero-discharge plants. Wastewater is treated and reused, with sludge managed by third-party vendors. Office and canteen wastewater is treated and recycled for gardening, with sludge used as fertilizer.	Negative

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Reducing Life Cycle Emission	O	Agriculture's contribution to greenhouse gas emissions is significant, accounting for roughly one-quarter. This necessitates a material focus on mitigation strategies. VST can address this challenge through targeted actions contributing to reduction of life cycle emission of its products with initiatives such as improving fuel efficiency, reducing its own emission and energy consumption. By making investments in renewable energy solutions to power operations can further enhance energy efficiency. Other than positive impact on environment it will also help VST to attract climate conscious customer and build reputation	NA	Positive
5.	Sustainable Supply Chain	R	Supply chain contributes to a very critical element in VST's business operations. Hence sourcing efficiency are critical aspects of sustainability strategy. Failure to effectively monitor ESG risk within supply chain may lead to legal penalties, reputational damage, and consumer backlash from issues such as non-compliance with regulations, corruption, human rights violations, and environmental harm within the supply chain. These risks also threaten, disrupt operations, and hinder long-term viability, highlighting the imperative for rigorous monitoring and proactive measures to uphold ethical standards, resulting from supply disruptions and fluctuating input costs.	The Company has implemented a Supplier Risk Management and Mitigation (SRMM) process to reduce supply chain vulnerabilities. Supplier development programs enhance supplier capacity, boosting transparency and operational efficiency. These strategies collectively mitigate supply chain risks and improve overall performance. The Company is also in the process for developing and implementing supplier code of conduct integrating ESG parameters in it.	Negative

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Human Rights Management	R	VST operates from multiple plants. Non-standard practices toward Human rights and labor management may lead to forced labor, child labor, and unsafe working conditions, leading to physical and mental harm to employees. Additionally, failure to provide fair wages, reasonable working hours, and proper benefits can perpetuate socioeconomic inequality and contribute to social unrest. Such violations tarnish the Company's reputation, lead to legal repercussions, and erode trust among stakeholders, ultimately undermining organizational sustainability and ethical credibility.	The Company is committed to strengthening systems for implementing VST's Sustainability Policies, particularly regarding human rights and labour practices. These policies ensure adherence to applicable laws and uphold human rights. Employees are responsible for maintaining the standards of honour and integrity outlined in the Code of Business Conduct, which they must review and integrate into their work and conduct. This approach mitigates risks related to human rights and labour practices.	Negative
7.	Occupational health & safety	R	From managing raw material to manufacturing, testing and dispatch, VST's operation exposes employees and worker to heavy load and precision operations. This may result in risk of health and safety risk for employee and workers. If not mitigated it may result in high impact on individual working in the field and shop floor. This can further result in reduced efficiency, burden of compliance.	The Company maintains a notice board detailing the required PPEs for specific tasks. Additionally, we offer non-occupational health services, such as eye check-ups and blood tests, to employees. This approach ensures that safety and health standards are met, reduces risks and promotes overall employee and worker well-being.	Negative
8.	Employee satisfaction and wellbeing	O	A focus on employee well-being and capability development is considered a critical approach to achieving organizational goals. This necessitates fostering an inclusive and diverse work environment. Comprehensive wellness programs promote physical and mental health, fostering a happier and	NA	Positive

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			more engaged workforce. Through mentorship, training initiatives, and flexible work arrangements, the Company nurtures talent and encourages continuous learning. This can result in attrition cost and reduce the turnover rate.		
9.	Product Quality and Safety	R	Instances of faulty or unsafe products can lead to accidents, injuries, or even fatalities for users or bystanders. Beyond the immediate human toll, such incidents can result in costly lawsuits, damage to the VST's reputation, and loss of consumer trust. Additionally, regulatory fines and penalties may be imposed, along with the expenses associated with product recalls and replacements. VST also does the white label manufacturing and lapse in quality can result in impact on third party brand as well.	Our product development and design process strictly adhere to our Product Safety regulations, ensuring that designs do not pose unreasonable risks to users or those nearby. We consider various factors, including individuals, environmental conditions, and interactions with other products, to enforce these regulations effectively. This approach underscores our commitment to mitigating risks and maintaining high standards of product quality and safety.	Negative
10.	Product Stewardship and Innovation	O	Implementing robust product stewardship practices, such as sustainability focused design and innovation, the Company can enhance its reputation. Additionally, innovation in product design and technology can lead to more efficient, safer, and environmentally friendly tractors, improving customer satisfaction and market competitiveness. Furthermore, by staying ahead of regulatory requirements and consumer expectations, the Company can mitigate risks and seize new market opportunities, fostering long-term growth and success	NA	Positive

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11.	Customer Satisfaction	R	By developing innovative solutions that address the challenges faced by farmers, while simultaneously contributing to a more sustainable future. Continuously developing and expanding the Company's operations in areas that generate substantial returns for farmers and ensure profitable growth for stockholders, providing affordable and reliable SMART farm mechanization solutions to small and marginal farmers, a meaningful impact on the lives of these farmers is pursued. By strengthening the dealership network, the growing demand can be effectively catered to, while also providing enhanced customer service. This, in turn, elevates customer satisfaction and ultimately fuels overall sales growth.	In response to emerging product demands, the Company is actively involved in the research, development, production, and marketing of eco-friendly products. Our commitment to innovation and our comprehensive product portfolio positions us to effectively seize opportunities and ensure customer satisfaction.	Negative
12.	Community Engagement	O	Through targeted investments in farmer-focused initiatives and proactive participation in philanthropic endeavors, companies have the potential to make a positive and lasting impact on neighboring communities and the broader network of farming communities they serve. These impact-driven agricultural initiatives empower farmers and foster sustainable practices, ultimately transforming lives worldwide through collaboration with dealer and distributor networks.	NA	Positive

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
13.	Diversity, Equity, & Inclusion	O	Fostering diversity and inclusion within an organization not only nurtures innovation, creativity, and a positive work culture but also extends the Company's reach in terms of talent acquisition.	NA	Positive
14.	Business Ethics and Compliance	R	To ensure the organization fulfills its mission and maintains stakeholder trust, ethical conduct of business and compliance to law is important. Failure to comply law and address critical issues like bribery and corruption risks can undermine this foundation, potentially leading to regulatory fines, legal repercussions, and reputational damage. This, in turn, can erode customer confidence and decrease investor interest, ultimately impacting the sector's integrity and profitability.	VST is dedicated to maintaining the highest ethical standards, actively encouraging employees to report any concerns or potential violations of the Code of Conduct, policies, or laws without fear of retaliation. Our vigilant approach to business ethics is supported by a robust corporate governance framework, ensuring consistent adherence to evolving laws and regulations in a dynamic business environment.	Negative
15.	Corporate Governance	O	Long-term shareholder value is achieved through robust, ethical, and sustainable corporate governance practices. By ensuring fairness for all stakeholders and prioritizing compliance with the law, companies demonstrate their commitment to integrity. This focus on strong corporate governance fosters investor confidence, ultimately creating long-term value for shareholders.	NA	Positive

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SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sr. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Policy and management processes											
1.	a	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
	b	Has the policy been approved by the Board? (Yes/No/NA)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
	c	Web Link of the Policies, if available	https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab								
2	Whether the entity has translated the policy into procedures. (Yes / No/ NA)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	
3	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Yes	No	No	No	No	No	No	No	No	
4	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	ISO 9001:2015	ISO 45001:2018	-	-	ISO 14001:2015	-	-	ISO 9001:2015	
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	We are committed to upholding ethical standards, fostering openness, and promoting responsibility in all our endeavors as per our established policies. We are engaged in various initiatives and plan to conduct comprehensive studies to set clear, measurable goals. Our dedication to providing health and safety benefits to our employees and workers remains steadfast. We pledge to uphold a stance against all forms of discrimination and ensure our interactions adhere to our Code of Conduct. Additionally, we are committed to allocating our CSR funds towards societal development and maintaining a customer-focused approach.									
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-	

7 Governance, leadership and oversight**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).**

At VST, we recognize the need to align our operations with sustainable development principles, hence our commitment to the ESG (Environmental, Social, Governance) framework.

Our sustainability approach focuses on bringing positive environmental changes by identifying specific ESG parameters. We have made notable progress in water conservation, increasing renewable energy consumption, and managing hazardous waste effectively. In renewable energy, we have installed solar panels at our Mysore, Malur, and Hosur plant locations, enabling us to meet a substantial part of our power requirements from renewable sources. Our water conservation efforts include recycling and reusing water within our facilities. Additionally, we have installed stacks to

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reduce air pollution and created a green belt around our Malur plant. We have also addressed material ESG issues with potential financial implications by calculating emissions from energy consumption, allowing us to track, monitor, and aim to reduce our carbon footprint continuously. This year, we have also conducted assessment of our Scope 3 emissions.

On the governance front, we maintain our commitment to transparent and ethical practices, as demonstrated by our recertification for QMS - ISO 9001:2015, EMS - ISO 14001:2015, and Safety - ISO 45001:2018. We believe that effective corporate governance is the foundation of a successful enterprise, and we are proud of our strong legacy in this area.

Our social responsibility efforts focus on the wellbeing of our employees. We strive to foster an inclusive culture that encourages diversity and offers training and development opportunities. Ensuring the mental and physical health of our employees is a top priority, and we aim to maintain a safe workplace in accordance with the Factories Act. Our motto, "Zero Accident," underscores this commitment.

The publication of the Business Responsibility and Sustainability Report is a testament to our robust corporate sustainability strategy, emphasizing environmental stewardship, social responsibility, and good governance. Our goal is to create a sustainable future for our company, stakeholders, and the communities we serve. We appreciate your support in this endeavour and look forward to your active engagement as we continue to refine our sustainability strategy and strive to make a significant difference.

8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Board of Directors
9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/ NA).

Yes

If Yes please provide details

Mr. V. T. Ravindra, Managing Director

10 Details of Review of NGRBCs by the Company

Subject for Review		Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	Performance against above policies and follow up action	Committee of the Board								
b.	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Committee of the Board								

Subject for Review		Frequency (Annually / Half yearly /Quarterly/ Any other-please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	Performance against above policies and follow up action	Annually								
b.	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Quarterly								

11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).	No	Yes	Yes	No	No	Yes	No	No	Yes
	If yes, provide name of the agency.		TUV NORD	TUV NORD			TUV NORD			TUV NORD

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12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	No	NA	NA	No	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	No	NA	NA	No	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	No	NA	NA	No	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	Yes	NA	NA	Yes	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

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SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE
PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions)

Essential Indicators
1. Percentage coverage by training and awareness programmes on any of the principles during the Financial Year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	7	Nature of Industry, Business model, roles, rights, responsibilities, regulatory updates	100%
Key Managerial Personnel	4	Governance, Compliances, Business Related	100%
Employees other than BOD and KMPs	50	Soft skills, Basic software skills, Posh awareness and training sessions, Skill upgradation, Health and safety, Business and financial acumen	100%
Workers	10	Machine operation and maintenance, Multi Machining Skills, Process or Method, Training on Health and Safety, Skill upgradation	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

Monetary					
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR) (For Monetary Cases only)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	NA	NA	NA
Settlement	NA	NA	NA	NA	NA
Compounding fee	NA	NA	NA	NA	NA

Non-Monetary				
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

Note – No such instance where fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions in FY 2023-24.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

Note - No such instance has taken place in FY 2023-24.

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4. Does the entity have anti-corruption or anti-bribery policy? (Yes/ No)

Yes

If Yes, provide details in brief

The company has implemented protocols to address anti-corruption and anti-bribery concerns. The Company is committed to uphold the highest moral and ethical standards, rejecting any form of bribery or corruption.

If Yes, Provide a web link to the policy, if available -Web link anti-corruption or anti bribery policy is place

<https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particular	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Case Details	FY 2023-24		FY 2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Nil	0	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Nil	0	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No such issue related to corruption and conflict of interest has taken place in FY 2023-24.

8. Number of days of accounts payables in the following format:

Particular	FY 2023-24	FY 2022-23
Number of days of accounts payables	55	68

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	93.11%	92.28%
	b. Number of dealers / distributors to whom sales are made	1,234	1,162
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	21.86%	23.34%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.65%	0.52%
	b. Sales (Sales to related parties / Total Sales)	0.14%	0.11%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	0%
	d. Investments	2.00%	0%

Business Responsibility & Sustainability Report (Contd.)
PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimize the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator
1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Sr. No.	Particular	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
1	R&D	Nil	Nil	NA
2	Capex	1.41%	2.47%	Development of Trem 4, Trem V, Stage V Technologies

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No

b. If yes, what percentage of inputs were sourced sustainably?

NA

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a)	Plastics (including packaging)	Currently, the Company does not reclaim products such as plastic, e-waste, or hazardous waste. However, it undertakes various initiatives to minimize waste production, promote reuse, and implement recycling. Carton boxes and wood waste are sent to vendors for reuse, and all hazardous waste generated is managed through authorized recyclers.
(b)	E-waste	
(c)	Hazardous waste	
(d)	other waste	

4. a Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No)

Yes*

b If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

No

c If not, provide steps taken to address the same

Not Applicable

*The Company has initiated the EPR submission process.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasizes the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators**1 a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	511	511	100%	511	100%	0	0%	511	100%	0	0%
Female	17	17	100%	17	100%	17	100%	0	0%	0	0%
Total	528	528	100%	528	100%	17	100%	511	100%	0	0%
Other than permanent employees*											
Male	17	0	0%	0	0%	0	0%	0	0%	0	0%
Female	8	0	0%	0	0%	0	0%	0	0%	0	0%
Total	25	0	0%	0	0%	0	0%	0	0%	0	0%

*All the eligible contractual employees are covered under ESI.

1. b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	226	226	100%	226	100%	0	0%	226	100%	0	0%
Female	1	1	100%	1	100%	1	100%	0	0%	0	0%
Total	227	227	100%	227	100%	1	100%	226	100%	0	0%
Other than permanent workers *											
Male	378	0	0%	0	0%	0	0%	0	0%	0	0%
Female	12	0	0%	0	0%	0	0%	0	0%	0	0%
Total	390	0	0%	0	0%	0	0%	0	0%	0	0%

*All the eligible contractual workers are covered under ESI.

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the Company	0.069%	0.050%

Business Responsibility & Sustainability Report (Contd.)
2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI *	100%	100%	Yes	7%	23%	Yes
Others - please specify						
Group Mediciclaim Cover (For Non-ESI)	100%	100%	NA	93%	77%	NA

*All the eligible employees and workers are covered.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

If not, whether any steps are being taken by the entity in this regard.

Our office is designed to be accessible to individuals with disabilities. We are committed to continuously improving our infrastructure to eliminate accessibility barriers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

If so, provide a web-link to the policy.

Our Code of Conduct for Directors and Senior Management outlines our commitment to providing equal employment opportunities and preventing illegal discrimination or harassment, including derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances.

The Code can be accessed at <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab> Additionally, our Recruitment Policy ensures non-discrimination and is accessible to internal stakeholders via the intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	VST emphasizes transparent communication and encourage staff and affiliates to report any ethical concerns or non-compliance with the Code promptly. The Company investigates all complaints thoroughly and adheres to Company policy for disciplinary action against violators. Employees should inform their supervisor or reporting manager about operational and performance issues. For complaints related to organizational matters, performance appraisals, or issues involving a supervisor or reporting manager, employees should contact the Human Resource Manager. Complaints under the whistle blower policy can be addressed with the assistance of counsellors. The Internal Complaints Committee handles and reports on complaints under POSH. Canteen Committee and Union meetings are convened as needed to resolve issues.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

Business Responsibility & Sustainability Report (Contd.)

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/c)
Total Permanent employees	528	0	0%	546	0	0%
Male	511	0	0%	531	0	0%
Female	17	0	0%	15	0	0%
Total Permanent Workers	227	151	66.52%	196	151	77.04%
Male	226	150	66.37%	195	151	77.04%
Female	1	1	100%	1	0	0%

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23*				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (C/D)
Employees										
Male	528	528	100%	528	100%	531	343	64.59%	140	26.37%
Female	25	25	100%	25	100%	15	2	13.33%	1	6.67%
Total	553	553	100%	553	100%	546	345	63.19%	141	25.82%
Workers										
Male	604	604	100%	604	100%	195	120	61.54%	130	66.67%
Female	13	13	100%	13	100%	1	1	100%	0	0%
Total	617	617	100%	617	100%	196	121	61.73%	130	66.33%

*FY 22-23 details are reported only for permanent employees and permanent workers.

9. Details of performance and career development reviews of employees and worker*:

Category	FY 2023-24			FY 2022-23**		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
Employees						
Male	528	511	96.78%	531	531	100%
Female	25	17	68%	15	15	100%
Total	553	528	95.48%	546	546	100%
Workers						
Male	604	226	37.42%	195	195	100%
Female	13	1	7.69%	1	1	100%
Total	617	227	36.79%	196	196	100%

*All the permanent employees and permanent workers receive performance and career development reviews.

** FY 22-23 details are reported only for permanent employees and permanent workers.

Business Responsibility & Sustainability Report (Contd.)

10. Health and safety management system
a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)

Yes

If Yes, the Coverage such systems?

VST Tillers Tractors being an ISO certified company ensures that employee health is given top priority. To ensure risk free work environment checks are in place. At all our facilities we strive to eliminate hazards and reduce OH&S risks through ongoing identification of hazards and assessing risks and through effective deployment of operational controls at the workplace. We are in the process of getting IMS certification for the VST Tiller and Tractor Group.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

To ensure safety, routine activities are monitored through Job Safety Analysis, Hazard Identification & Risk Assessment (HIRA), Standard Operating Procedures (SOPs), and Operational Control Procedures (OCPs) for the generation, collection, and disposal of hazardous and e-waste. Safety training is provided to personnel across all facilities for skill enhancement. Additionally, in accordance with ISO 45001, processes and SOPs are periodically updated to mitigate risks and ensure workplace safety.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Yes/ No)

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

VST is ISO 45001 and 14001 certified. The Company has established EHS policies, rules, and regulations applicable to all employees and workers. Various processes are implemented to eliminate workplace risks. Internal and external safety audits are conducted, and safety training is provided to develop competence. An induction program is offered to every new joiner.

As a responsible organization, processes are rolled out in a manner that enables protection of the environment including prevention of pollution and provide a safe and healthy working condition to all personnel.

Periodic evaluation – we ensure that all the applicable legal requirements in relation to EH&S are complied by tracking changes and periodic evaluation.

Adoption of latest technology – we use latest technology to reduce or reuse waste arising from product.

Continual Improvement – EHS performance is continuously monitored. Any opportunity for improvement is identified through consultation and arrangements and establishing quantifiable objectives.

Business Responsibility & Sustainability Report (Contd.)

Elimination of hazards – Any OHS risks and hazards are mitigated through positioning of operational controls at the workplace.

Prevention of hazards – through awareness of EHS issues among personnel and related control measures, risk of pollution, injury and ill- health is prevented.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

14. Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%*
Working Conditions	100%*

*The assessment has been carried out by the Company and third parties.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

VST documents near misses and unsafe conditions, and for identified cases, the Company has a CAPA process in place. The system includes safety inspections, operational control, monitoring, and audits. Identified shortcomings, lessons, and areas for improvement are incorporated across the organization to prevent incident recurrence. Each site's head is responsible for implementing corrective measures.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company acknowledges the importance of stakeholder engagement and has established practices to identify and map all relevant internal and external stakeholders. Systems and procedures are in place to effectively identify, prioritize, and address stakeholder needs and concerns across all plant locations and operational areas. Mechanisms for stakeholder engagement include the implementation of the Theory of Constraints (TOC) and its integration with other software, ensuring a clear flow of information and visibility across the supply chain. Additionally, tools and portals such as Supplier Relationship Management (SRM), Product Lifecycle Management (PLM), Warehouse Management System (WMS), and Travel Management System have been developed to enhance transparency and operational efficiency.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders / Investors	No	Others - <ul style="list-style-type: none"> General Body Meetings Interaction with Investors Annual Report Press Release Company's website 	<ul style="list-style-type: none"> AGMs Quarterly Investor meets 	<ul style="list-style-type: none"> Discussion on financial & non-financial performance, market value of shares Effective & robust corporate governance
Employees	No	Others - <ul style="list-style-type: none"> Email Intranet Training and Safety Programmes Feedback sessions 	Regular	<ul style="list-style-type: none"> Meeting on regular basis and employees townhall Training & Development Performance review Grievance redressal mechanism
Customers	No	Others - <ul style="list-style-type: none"> Customer Satisfaction Survey Web Portals E-Catalogue/ Manual In person engagement 	Throughout the year	<ul style="list-style-type: none"> All means of communication throughout the year with our customers on: Updates on products Customer Satisfaction Customer complaints Extending product & services
Dealers	No	Others - <ul style="list-style-type: none"> Website Email 	Regular	<ul style="list-style-type: none"> Updates on products Service Quality, Sustainability Creating Customer Delight

Business Responsibility & Sustainability Report (Contd.)

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers	No	Others - <ul style="list-style-type: none"> • Website • Email 	Regular	<ul style="list-style-type: none"> • Supply Chain Management • Materials Sourcing and Material Efficiency
Local Community	No	Others- <ul style="list-style-type: none"> • CSR Initiatives • Public disclosure of company information • Local Employment • Website 	Periodic/ Need-based	<ul style="list-style-type: none"> • Creation of job opportunities • Relationship development • CSR Initiatives
Regulators/ Government	No	Others - <ul style="list-style-type: none"> • Regulatory compliance CSR initiatives • Representation through trade bodies 	Regular	<ul style="list-style-type: none"> • Obtaining permissions/licenses/clarifications/waivers/business development • Regulatory & Legal requirements • Technology & Innovation • Capacity expansion

Business Responsibility & Sustainability Report (Contd.)
PRINCIPLE 5 Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators
1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Benefits	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	528	528	100%	546	0	0%
Other than permanent	25	25	100%	21	0	0%
Total Employees	553	553	100%	567	0	0%
Workers						
Permanent	227	227	100%	196	0	0%
Other than permanent	390	390	100%	543	0	0%
Total Workers	617	617	100%	739	0	0%

2. Details of minimum wages paid to employees and workers

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	511	0	0%	511	100%	531	0	0%	531	100%
Female	17	0	0%	17	100%	15	0	0%	15	100%
Total	528	0	0%	528	100%	545	0	0%	545	100%
Other than Permanent										
Male	17	12	70.59%	5	29.41%	16	12	75%	4	25%
Female	8	5	62.5%	3	37.5%	5	5	100%	0	0%
Total	25	17	68%	8	32%	21	17	80.95%	4	19.05%
Workers										
Permanent										
Male	226	0	0%	226	100%	195	0	0%	195	100%
Female	1	0	0%	1	100%	1	0	0%	1	100%
Total	227	0	0%	227	100%	196	0	0%	196	100%
Other than Permanent										
Male	378	236	62.43%	142	37.57%	543	352	65%	191	35%
Female	12	8	66.67%	4	33.33%	0	0	0%	0	0%
Total	390	244	62.56%	146	37.44%	543	352	65%	191	35%

Business Responsibility & Sustainability Report (Contd.)

3. Details of remuneration/salary/wages**a. Median remuneration / wages:**

Particular	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	1	85,50,000	0	0
Key Managerial Personnel	4	76,27,767	0	0
Employees other than BoD and KMP	507	6,41,070	17	5,12,664
Workers	226	4,02,792	1	5,94,252

*Only Executive directors have been considered for median remuneration calculations.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	1.97%	1.76%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have an internal grievance committee and POSH committee which addresses such human right issues

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour/Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has established an Internal Complaints Committee (ICC) to address sexual harassment matters. The committee comprises both internal and external members with relevant expertise. Clear criteria have been set to handle cases of sexual harassment. The Company's Code of Conduct underpins a work environment that is productive, positive, and safe, ensuring freedom from harassment and discrimination for all employees. VST maintains that any form of discrimination is unacceptable, and all reported incidents are thoroughly investigated.

Business Responsibility & Sustainability Report (Contd.)

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)

No

10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No such risk or concern arose from the assessment.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

(This principle emphasizes the importance of environmental stewardship. Companies should minimize their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
From renewable sources (GJ)	3,615.24	2,597.13
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C.)		
Total energy consumed from renewable sources (A+B+C)	3,615.24	2,597.13
From non-renewable sources (GJ)		
Total electricity consumption (D)	9,925.39	9,436.43
Total fuel consumption (E)	28,373.81	32,654.85
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	38,299.20	42,091.28
Total energy consumed (A+B+C+D+E+F) (GJ)	41,914.44	44,688.41
Energy intensity per rupee of turnover (Total energy consumed in GJ / Revenue from operations in ₹)	0.00000433	0.00000444
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed in GJ/ Revenue from operations in ₹ adjusted for PPP)*	0.00008755	0.00008982
Energy intensity in terms of physical output (Total energy consumed in GJ /Total production in nos)	1.00110920	0.99039072

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

If yes, name of the external agency.

Not Applicable.

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor for India published by the World Bank for the year 2023, which is 20.22.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24*	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	20,932	16,601.41
(iii) Third party water	10,608	8,916
(iv) Seawater / desalinated water	0	0

Business Responsibility & Sustainability Report (Contd.)

Parameter	FY 2023-24*	FY 2022-23
(v) Others - Rain water	502	0*
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	32,042	25,517.41
Total volume of water consumption (in kilolitres)	32,042	25,517.41**
Water intensity per rupee of turnover (Total water consumption in KL / Revenue from operations in ₹)	0.00000331	0.00000254
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption in KL / Revenue from operations in ₹ adjusted for PPP)	0.00006693	0.00005129
Water intensity in terms of physical output (Total water consumption in KL / Total production in nos)	0.76531002	0.56552037

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)

No

If yes, name of the external agency.

Not Applicable

*Details of rainwater harvesting were not reported for FY 2022-23.

**Recycled water has been excluded from the total water consumption for FY 2022-23.

***For FY 2023-24, recycled water constitutes 44% of the total water withdrawal, and for FY 2022-23, it constitutes 39% of the total water withdrawal.

**** Water withdrawal for all three plants have been measured and reported by the company and water withdrawal for offices is calculated based on the National Building Code 2016.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	
With treatment – please specify level of treatment	0	
(ii) To Groundwater		
No treatment	0	
With treatment – please specify level of treatment	0	
(iii) To Seawater		
No treatment	0	
With treatment – please specify level of treatment	0	
(iv) Sent to third-parties		
No treatment	2,718*	
With treatment – please specify level of treatment	0	
(v) Others		
No treatment	0	
With treatment – please specify level of treatment	0	
Total water discharged (in kilolitres)	2,718	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

Not Applicable

*Water consumption at office locations of VST gets discharged into community sewage.

Business Responsibility & Sustainability Report (Contd.)

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

Yes

If yes, provide details of its coverage and implementation.

At VST Tillers Tractors Zero Liquid Discharge (ZLD) is implemented according to Pollution Control Board guidelines of the states. All three manufacturing plants have implemented ZLD to ensure that there will be no discharge of industrial wastewater into the environment. There is sewage treatment and the water used by employees are recycled for garden use.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	Mg/m ³	45.83	28.17
SOx	Mg/m ³	14.04	20.98
Particulate matter (PM)	Mg/m ³	30.46	28.18
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

National Analytical Laboratories and Research Center

Tejus Enterprises

Tamil Nadu Pollution Control Board

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,953.49	2,298.07
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,974.05	2,123.20
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions in MT / Revenue from operations in ₹)		0.00000041	0.00000044
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions in MT / Revenue from operations in ₹ adjusted for PPP)		0.00000820	0.00000889
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emissions in MT / Total production in nos)		0.09380768	0.09798480

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

Not Applicable

Business Responsibility & Sustainability Report (Contd.)
8. Does the entity have any project related to reducing Green House Gas emission? (Yes/ No)

Yes

If Yes, then provide details.

VST annually invests in energy conservation projects, resulting in a reduction of greenhouse gas emissions. All three plants of VST have roof top solar power plant which significantly reduces the energy consumption from non-renewable energy sources. The Company has deployed EV forklifts to reduce the fuel consumption. These efforts underscore VST's commitment to sustainable practices and environmental responsibility.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	21.57	6.161
E-waste (B)	0.22	0.306
Bio-medical waste (C)	0.02	0.020
Construction and demolition waste (D)	0	0
Battery waste (E)	0.16	3.48
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	28.95	80.73
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	268.19	477.06
Carton box	102.84	205.57
Wood scrap	108.53	150.97
Metal scrap	56.82	120.52
Total (A+B + C + D + E + F + G + H)	319.11	567.76
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (in ₹)	0.00000003	0.00000006
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (in ₹)	0.00000067	0.00000114
Waste intensity in terms of physical output (Total waste generated / Total production in nos)	0.00762181	0.01258278

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Recycled	319.09	473.18
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	319.09	473.18

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Incineration	0	50.23
(ii) Landfilling	0	0
(iii) Other disposal operations	0.02	32.78
Total	0.02	83.01

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

Not Applicable

Business Responsibility & Sustainability Report (Contd.)

- 10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

VST is an ISO 14001 certified company. Both hazardous and non-hazardous waste are managed in compliance with Hazardous Waste Management (HWM) under respective State Pollution Control Board (SPCB)'s regulations, e-manifests are maintained according to the norms. The Company has reduced paint sludge quantity by adopting process infraction.

- 11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
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VST does not have any operations or offices in ecologically sensitive area.

- 12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Environmental impact assessment has not been carried out for any project in FY 2023-24.

- 13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).**

Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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No such case of non-compliance has taken place.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators
1. a. Number of affiliations with trade and industry chambers/ associations.

5

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National/ International)
1.	Confederation of Indian Industry (CII)	National
2.	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3.	Mysore Chamber of Commerce	State
4.	Karnataka Employers Association	State
5.	WACIA - Whitefield Area Commerce & Industry Association	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No such adverse order has been received from regulatory authority on any issue related to anti-competitive conduct.		

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

(This principle emphasizes the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalized groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Social Impact Assessment (SIA) has not been conducted for any project in FY 2023-24.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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Rehabilitation and Resettlement (R&R) has not been undertaken for any of the project in FY 2023-24.

3. Describe the mechanisms to receive and redress grievances of the community.

VST has established a Grievance Redressal Policy and system to address inquiries or grievances from both internal and external stakeholders. Stakeholders can also find company contact information on the website. The Corporate Social Responsibility (CSR) division has implemented a community feedback system for its initiatives, allowing individuals or groups to voice concerns as needed.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particular	FY 2023-24	FY 2022-23*
Directly sourced from MSMEs/ small producers	45.90%	43.95%
Directly from within India	97.66%	98.03%

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Particular	FY 2023-24	FY 2022-23
Rural	10.64%	9.77%
Semi-urban	0%	0%
Urban	41.22%	39.19%
Metropolitan	48.14%	51.04%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban/metropolitan)

* FY 2022-23 details are updated

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a service team to handle consumer complaints. They have a system to promptly collect and address all consumer issues. For product complaints related to tractors after delivery, the process involves reporting the tractor to the dealership, where the complaints are registered through a job card.

The complaint attending process at the dealership or RSO begins with the receipt of the tractor from either the RSO or direct billing from the plant. On the same day, an inward PDI (Pre delivery inspection) is conducted, and any shortages or defects found in the tractors are immediately reported to VST through a PDI job card. Complaints are registered through a job card, and a PCIR (Product Concern Intimation Report) is raised for the reported issues. Based on approvals, the dealer carries out the necessary work and closes the complaint.

Complaint Attending process at HO.

- PDI - Pre-Delivery Inspections - Job card
- QCRS - Based on severity of PCIR (no of complaint reported) QCRS will raise.
- CFT - Already formed CFT team member review complaints and push to ORC.
- CAR - Once complaint closed CAR will be released by QA team.
- ORC - in ORC complaint will be tracked and revised - actions will be taken to closers.
- END - Once CAR released from Service Dept release Tech Bulletin field on actions taken.

Moreover, our customer care team is also receptive to feedback from customers, which is essential to our constant improvement and ensures we uphold our commitment to excellent customer service

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following:

Particular	FY 2023-24		Remark	FY 2022-23		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of essential services	0	0	Nil	0	0	Nil
Restrictive Trade Practices	0	0	Nil	0	0	Nil
Unfair Trade Practices	0	0	Nil	0	0	Nil
Other	4,463	0	Nil	5,469	15	Nil

Business Responsibility & Sustainability Report (Contd.)

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web link of the policy<https://www.vsttractors.com/wp-content/uploads/2024/02/Data-Privacy-Policy-9th-Feb-24-Domestic.pdf>**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

NA

No such corrective action has been taken by the Company in FY 2023-24.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact	0
b. Percentage of data breaches involving personally identifiable information of customers	0
c. Impact, if any, of the data breaches	NA

No such instance of data breach has taken place in FY 2023-24.