



## V.S.T. Tillers Tractors Ltd

52<sup>nd</sup> Annual Report  
2019-20

**GEARED TO  
GROW**



## **LORD GANESHA**



**Idol of Lord Ganesha at  
VST Tillers Tractors Limited**

# Corporate Information

## Board of Directors

**Mr. V.K. Surendra**  
Chairman

**Mr. R. Subramanian**  
Independent Director

**Mr. M.K. Bannerjee**  
Independent Director

**Mr. K.M. Pai**  
Independent Director

**Ms. Siva Kameswari Vissa**  
Independent Director

**Mr. Bijanki Jagannath**  
Independent Director

**Mr. V.P. Mahendra**  
Vice Chairman & Managing Director

**Mr. V.V. Pravindra**  
Non-Executive Director

**Mr. V.T. Ravindra**  
Executive Director

**Mr. Arun V Surendra**  
Non-Executive Director

## Chief Executive Officer

**Mr. Antony Cherukara**

## Company Secretary and Compliance Officer

**Mr. Chinmaya Khatua**

## Statutory Auditors

M/s. K.S. Rao & Co., Bengaluru  
Chartered Accountants

## Internal Auditors

M/s. Brahmayya & Co., Bengaluru  
Chartered Accountants

## Cost Auditors

M/s. Rao, Murthy & Associates,  
Bengaluru, Cost Accountants

## Secretarial Auditors

Thirupal Gorige & Associates LLP,  
Bengaluru, Practising Company  
Secretaries

## Bankers

Canara Bank  
State Bank of India  
HDFC Bank

## Regd. Office

Plot No.1, Dyavasandra Industrial  
Layout, Whitefield Road,  
Mahadevapura Post,  
Bengaluru - 560 048  
Ph : 080-67141111  
E-mail: [vstgen@vsttractors.com](mailto:vstgen@vsttractors.com)  
website: [www.vsttractors.com](http://www.vsttractors.com)

## Factory Addresses

### PLANT LOCATIONS

#### BENGALURU

Plot No-1,  
Dyavasandra Indl. Layout, Whitefield  
Road, Mahadevapura Post,  
Bengaluru-560048, Karnataka

#### HOSUR

Plot No:39, Sipcot – Phase I,  
Mookandapalli Post,  
Hosur - 635 126. Tamil Nadu

#### MYSORE

No.20, Plot No.42/43, Metagalli  
Industrial Area, Mysuru -570016.  
Karnataka

#### MALUR

Plot No-222-224 & 229-232,  
KIADB Industrial Area, Malur III Phase,  
Malur -563130, Karnataka



# Inside the Report

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For additional information about the company log on to: [www.vsttractors.com](http://www.vsttractors.com)

#### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward looking statement, whether as a result of new information, future events, or otherwise.



**We are driven by a purpose to find solutions and sustain success for small and marginal farmers.**

**While our strategies and tactics evolve, our pursuit for growth remains intact. For growing is the way forward.**

Over the last couple of years, our ambitions have been coloured by our aspirations to explore novel frontiers for farmers. From developing innovative products in power tiller and compact tractors to fostering exceptional R&D capabilities to expand into Higher HP tractors, our effort to emerge stronger never ceases. Resting on the strength of our portfolio, our robust performances and years of expertise, we consciously envision a brighter future and realize the need to accelerate and expand- to unravel opportunities and uncover avenues of growth. We are geared to grow.





# Our Company

One of the leading power tiller and compact tractor manufacturer in India, VST Tillers Tractors Limited (VST) was established in 1967. With a consistent focus on innovative and technologically advanced products, we have emerged as the most preferred brand for power tillers and compact tractors, enjoying a sustained market leadership in key geographies we operate.

Over the years, we have diversified our offerings into high horse power tractors and precision component parts to further improve our product portfolio. Resting on our differentiated product pipeline, superior in-house R&D facility, an extensive distribution network and our relentless focus on achieving operational excellence, we strive to capitalize on growing opportunities and expand our presence in domestic as well as international markets.



## Vision

We aspire to be a 3000 Cr global brand in diversified farm mechanization products and solutions by 2025.



## Mission

We will accomplish our vision with undivided and undeterred commitment towards innovative quality products through inspired individuals, simplified systems and 5X leadership.



## Values

### Customer Centricity

Make every interaction count, even the smallest one

### Integrity

Doing the right thing, even when no one is watching

### Synergy

Together we achieve more

### Speed

It's not the big, but the fast that wins

### Stretch

Go the extra mile, it is never crowded

### Go Green

Conserve to serve





## Core Competencies

**5+**

Decades of experience and expertise

**R&D Capability**

Ability in Frugal engineering

**Brand**

VST Shakti is a well-known and established brand in the domestic market

**Distribution**

Robust network ensuring uninterrupted supply

**Four**

State-of-the-art manufacturing facilities

**Superior quality and affordable**

Products and solutions

## Certification



ISO 9001: 2015



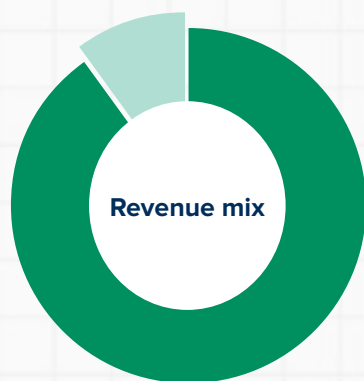
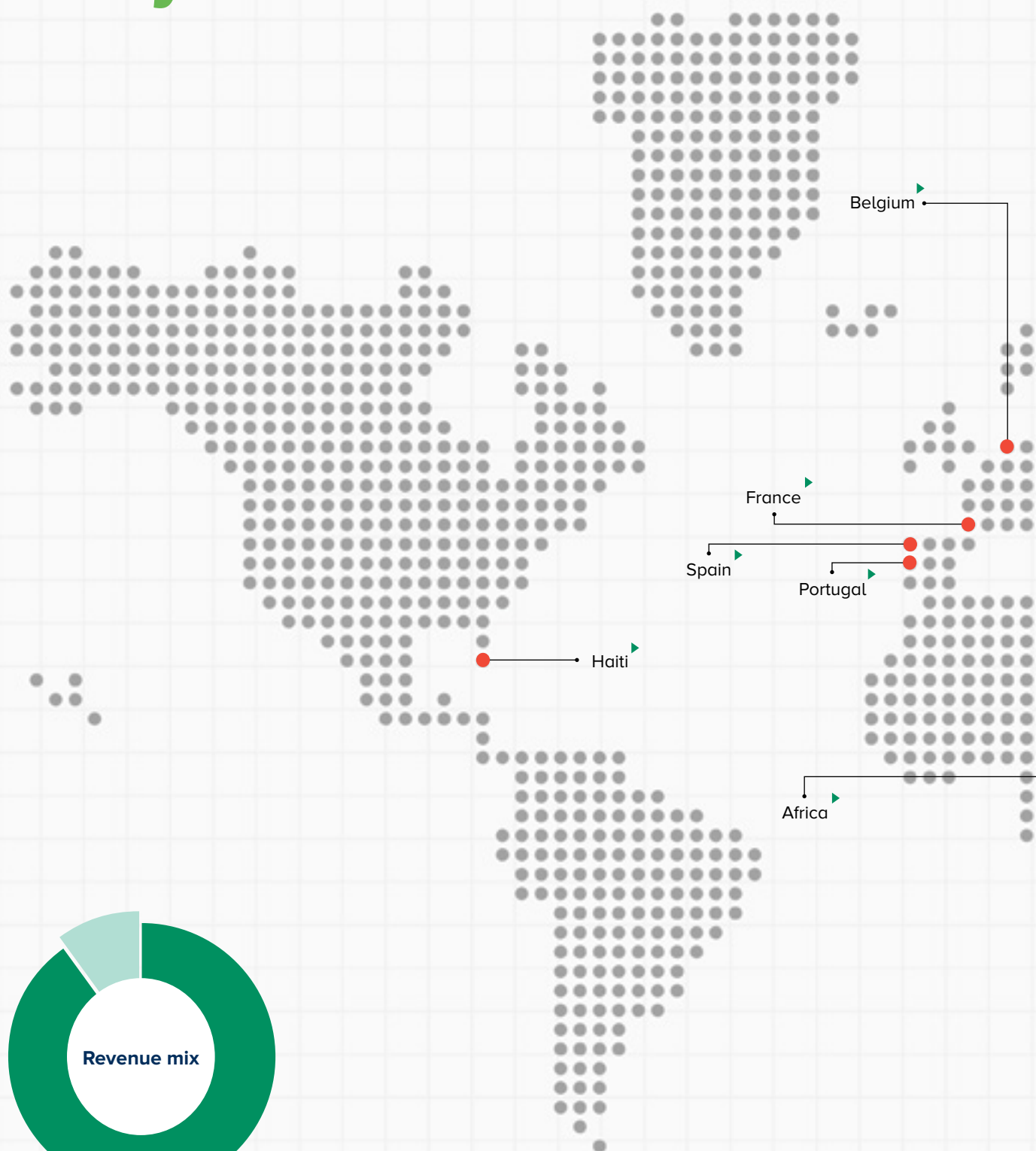
ISO 14001:2015



ISO 45001:2018

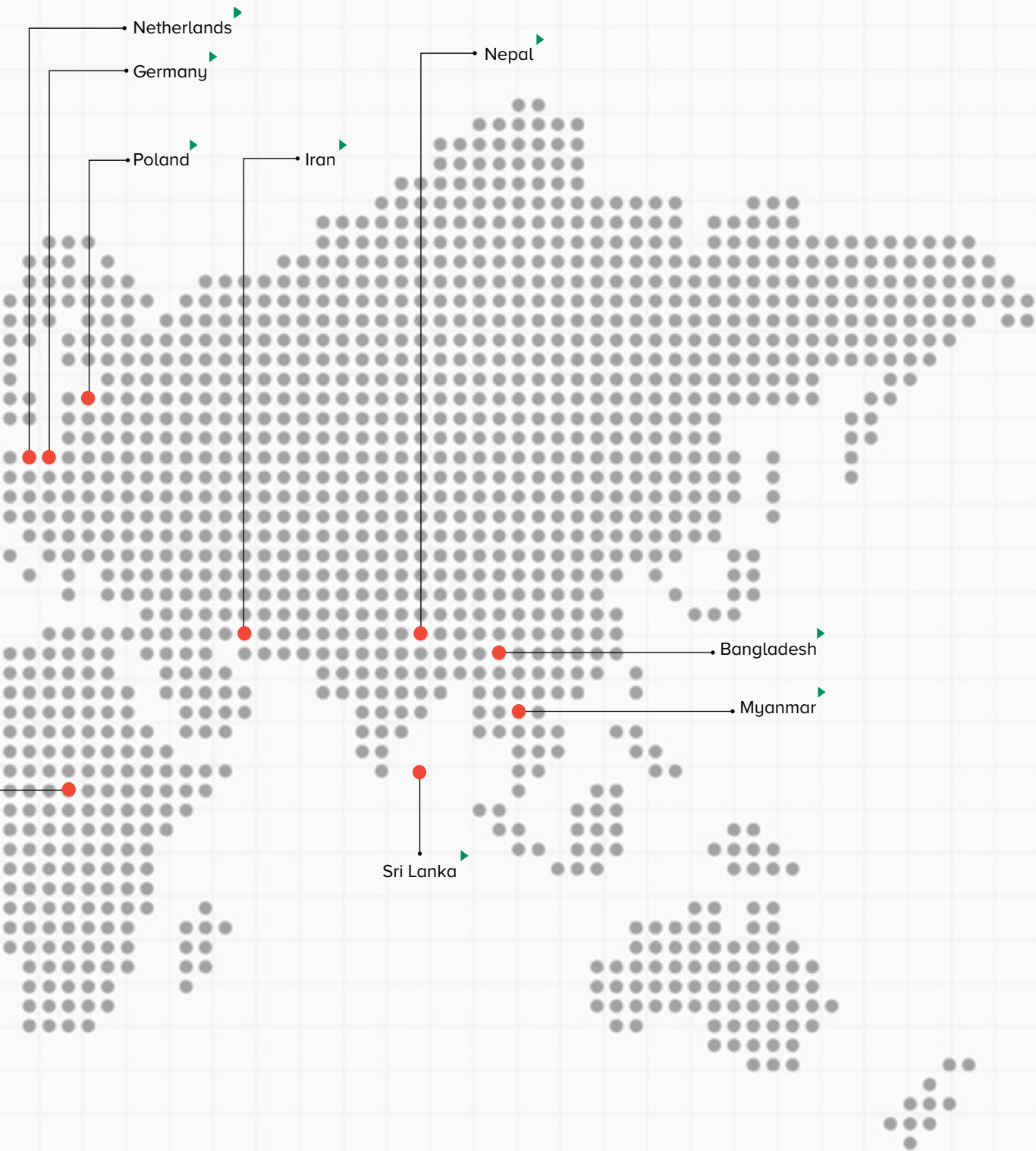


# Growing Footprints Globally



● Domestic ● International







# Our Portfolio – Blending Convenience and Quality

Since our inception, we have relentlessly focused on building a strong product portfolio that is unique, innovative, technologically advanced and complies to stringent quality standards. At VST, we strive to earn the trust of our customers across the globe and continue to fortify our testing and R&D efforts to deliver an exceptional range of products, designed to cater varied needs.



## Power tillers

Power tillers are affordable farm mechanisation equipment, highly preferred by small and marginal farmers. Our renowned VST SHAKTI range, India's number 1 brand in the power tiller segment, offers more than 3 models of power tillers.

## Tractors

We offer 11 models of compact tractors through our 'VST SHAKTI' and 'FIELDTRAC' brands, for domestic as well as international markets. During the year under review, we have also forayed into the high horsepower tractor segment with 8 models.



## Precision Components

VST Tillers Tractors supplies precision components to the automotive as well as tractor industry. Our portfolio includes crank shafts, HP cylinder blocks, connecting rods, main cam shafts and transmission case.

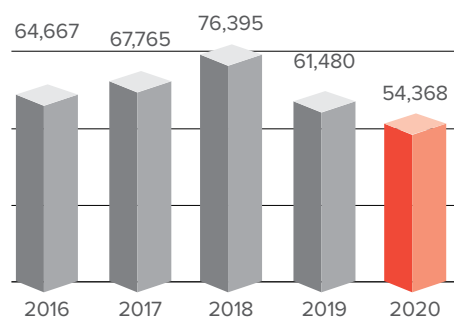




# Measuring Progress

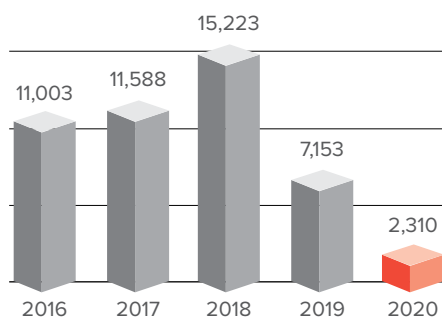
## Operational Income

(₹ in Lakhs)



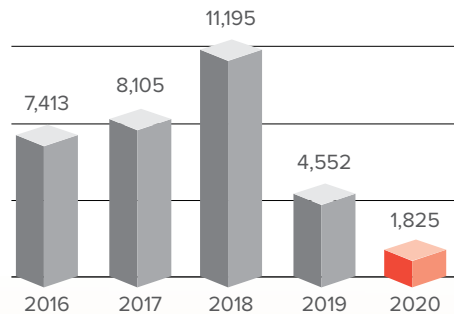
## PBT

(₹ in Lakhs)



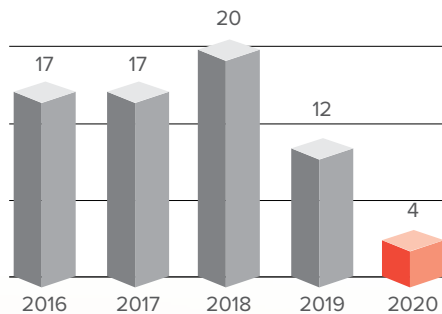
## PAT

(₹ in Lakhs)



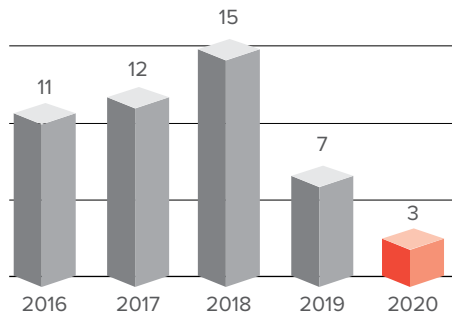
## PBT Margin

(in %)

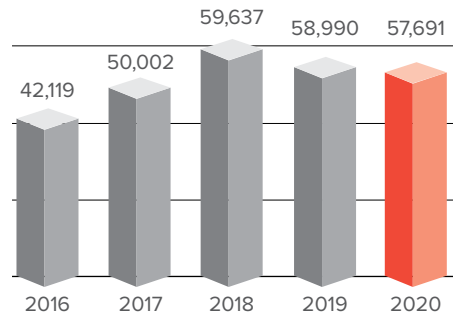


**PAT Margin**

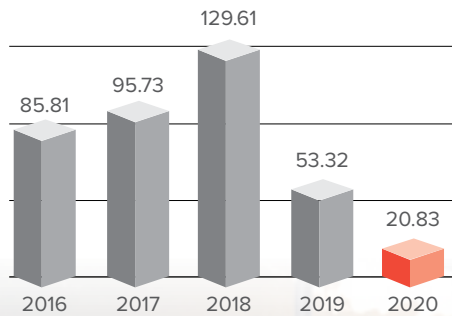
(in %)

**Net Worth**

(₹ in Lakhs)

**EPS**

(₹ in Lakhs)





# Chairman's Message



**We have revisited our vision and mission to set an ambitious target for the future.**



## Dear Shareholders,

It gives me immense pleasure to present the Annual Report of VST and share an insight about the year gone by. As a valued brand in the power tiller and compact tractor segment, VST is widely accepted and preferred by generations of farmers. With over 50 years of experience, we have developed a portfolio of superior quality products and solutions designed to meet diverse customer requirements.

Fiscal year 2019-20 was a year of strategic changes at VST. We not only welcomed our new leadership team, we streamlined our product portfolio and aligned our future goals to fulfil our objectives for sustaining long-term growth.

During the year under review, the global economy was significantly impacted due to escalation of trade wars between major economies, uncertainties around BREXIT, geopolitical tensions and stress in key emerging market economies which resulted in subdued economic growth. Besides, the outbreak of COVID-19 further complicated the

global economic scenario as most countries were immensely affected by the pandemic. Economic activity also halted completely as countrywide lockdowns disrupted production and supply chains.

The Indian economy too witnessed a slump in FY 2019-20 owing to varied macroeconomic factors. Decreasing consumer spending, a slowdown in the agriculture sector and the unprecedented outbreak of COVID-19 adversely impacted the Indian economy. The subsequent lockdowns further hampered growth prospects as businesses came to a standstill.

Many countries, including India, approved favourable fiscal policies and injected monetary stimulus to revive growth. The Indian government also announced a stimulus package of ₹ 20 lakh crore to bring back the economy on track.

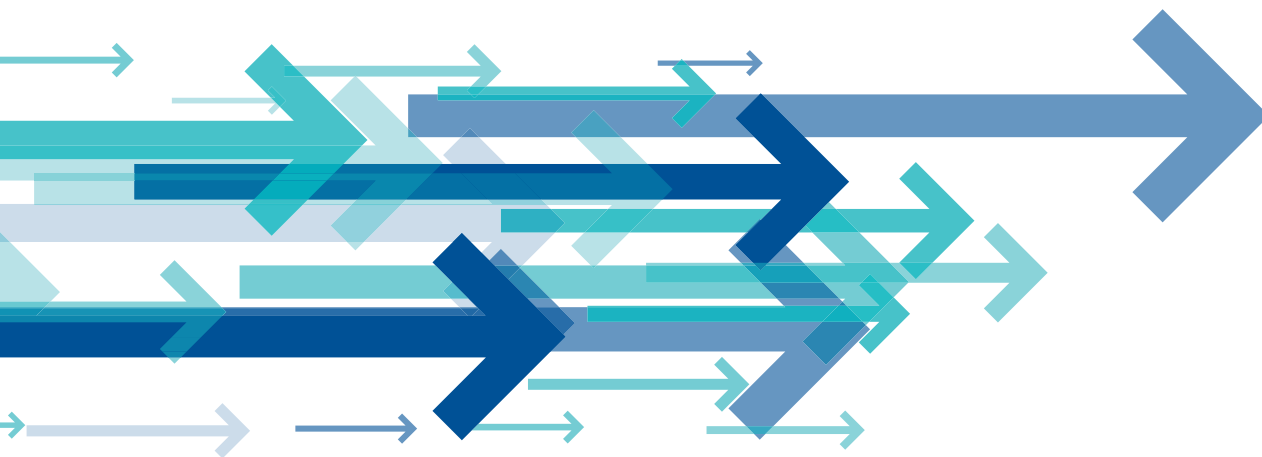
The agriculture sector is considered a silver lining for the Indian economy. As a result, the government strives to provide necessary impetus to the sector through structural reforms that

augur well for agriculture as well as the agricultural equipment and other allied sectors.

Due to rising input cost and scarcity of agricultural labour, a significant proportion of Indian farmers have resorted to mechanical farm equipment to enhance productivity and improve yields. However, small and marginal farmers often find it difficult to procure affordable farm equipment. Power tillers can be an excellent choice for these farmers. It is cost-effective, durable and offers excellent performance, thereby addressing the most common concerns faced by farmers. Therefore, we remain hopeful about the growth of our industry, especially with the prediction of favourable monsoons this year which is likely to boost agricultural productivity and enhance demand for better farm mechanization equipment.

During the year under review, we recorded operational income of ₹ 54,368 lakhs as compared to ₹ 61,480 lakhs in the previous fiscal year. Further, our PAT decreased from ₹ 4,552 lakhs in FY 2018-19 to





₹ 1,825 lakhs in FY 2019-20. Our revenue was slightly impacted mainly on account of strict credit policies and lower subsidies from the government. Furthermore, the unanticipated lockdown implemented due to the COVID-19 pandemic also led to a significant loss of sales in the month of March.

In FY 2019-20, we continued to consolidate our market position with a 46% and 10% share in the power tiller and compact tractors segments, respectively. This was largely due to our efforts to further strengthen our distribution network and establish a strong rapport with our customers. In the international market, we have forayed into Western Europe and Africa and going forward, plan to explore opportunities in Eastern Europe as well.

In order to strengthen our supply chain, we undertook initiatives to optimise cost and rationalize the supplier base. We have adopted the Total Quality Management (TQM) approach and aspire to submit applications for CII audit within the next two years. We remain motivated to adopt practices that ensure optimum inventory levels, enable quality improvement and reduce lead time significantly.

In line with our endeavours to strengthen our market leadership and

develop advanced solutions for Indian farmers, I am proud to inform you about our alliance with Pubert, for the distribution of power weeders. We have also signed a MoU with Zetor, Czech Republic to jointly develop higher horsepower tractors for the Indian and overseas market. These strategic steps are anticipated to significantly contribute towards the growth of our company in the years to come.

Our relentless focus on developing sustainable solutions for marginal and small farmers have enabled us to launch 'GroTech', our unique, mechanized crop specific solution that enhances productivity and saves time.

As we plan to scale newer heights of success, we have revisited our vision and mission to set an ambitious target for the future. We aspire to achieve the same on the strength of our product pipeline, our distribution reach and our enthusiasm to explore newer business segments. With our constant focus on empowering farmers with technologically advanced solutions, we continue to work towards the development of new generation tractors and tailored solutions for the compact tractor segment. We also remain poised to further improve our higher horsepower tractors range.

Our relentless efforts to enable growth wouldn't have been possible without

the hard work, dedication and sincerity of our team and I would take this opportunity to appreciate our people. I am also grateful to all our shareholders, investors, customers, suppliers, dealers and other stakeholders for their continued support and faith in VST. The company is now prepared to take the next step forward, to transform its vision into reality

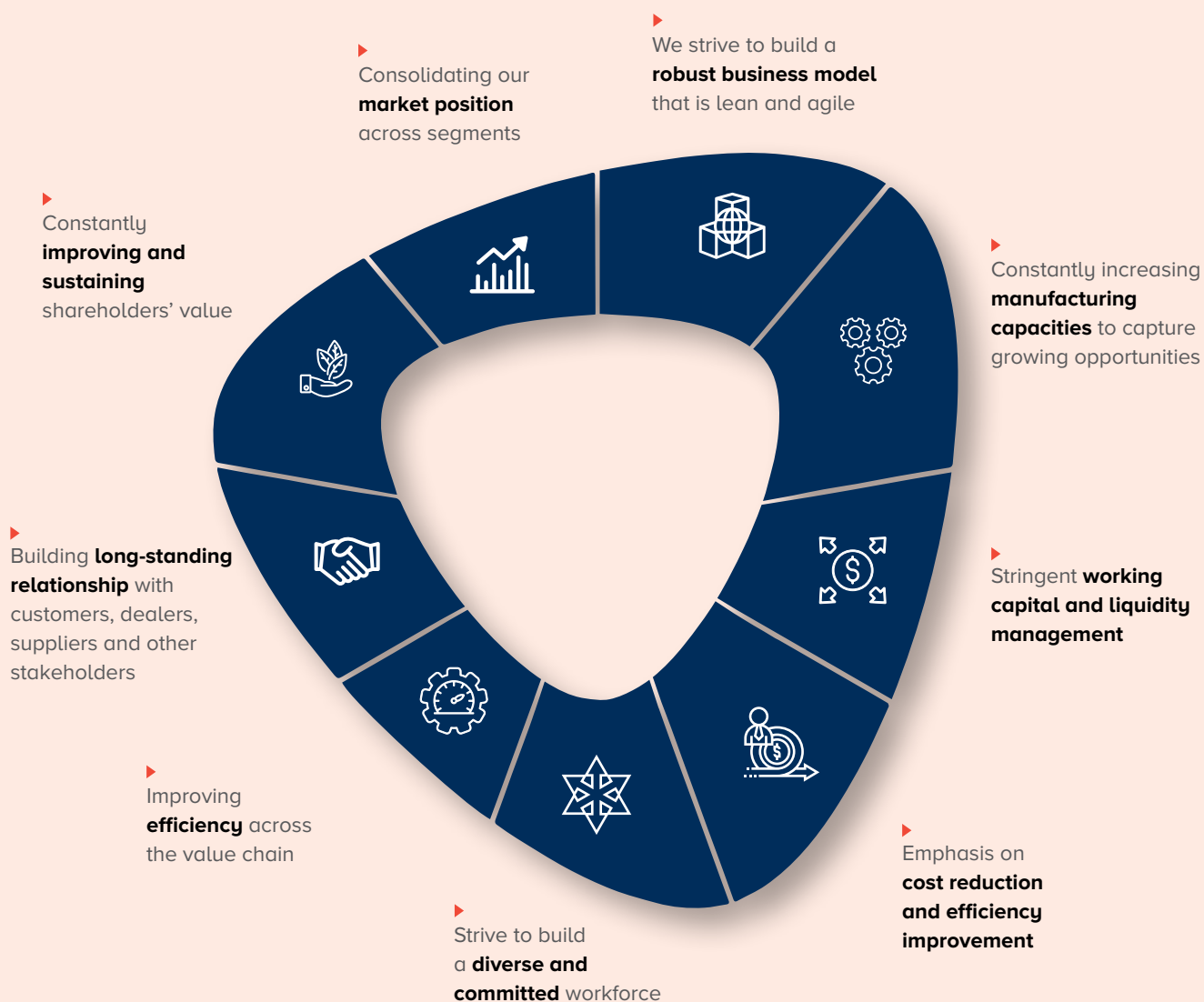
Wish us luck!

Regards,

**Mr. V K Surendra**  
Chairman



# Key Facts About Us



# Aiding Productivity- with GroTech

Owning an affordable and technology advanced farm equipment is still not feasible for majority of farmers in India. As a result, it was imperative for us to design and develop products that meet their requirements while being cost-effective.

During the year under review, we initiated a unique solution, 'GroTech', that perfectly blends technology and improves yield. It aims to provide an end-to-end solution for improving

agricultural productivity while saving labour, water, time and fuel. To take our GroTech solutions to a larger number of farmers especially small & marginal farmers, we are working in

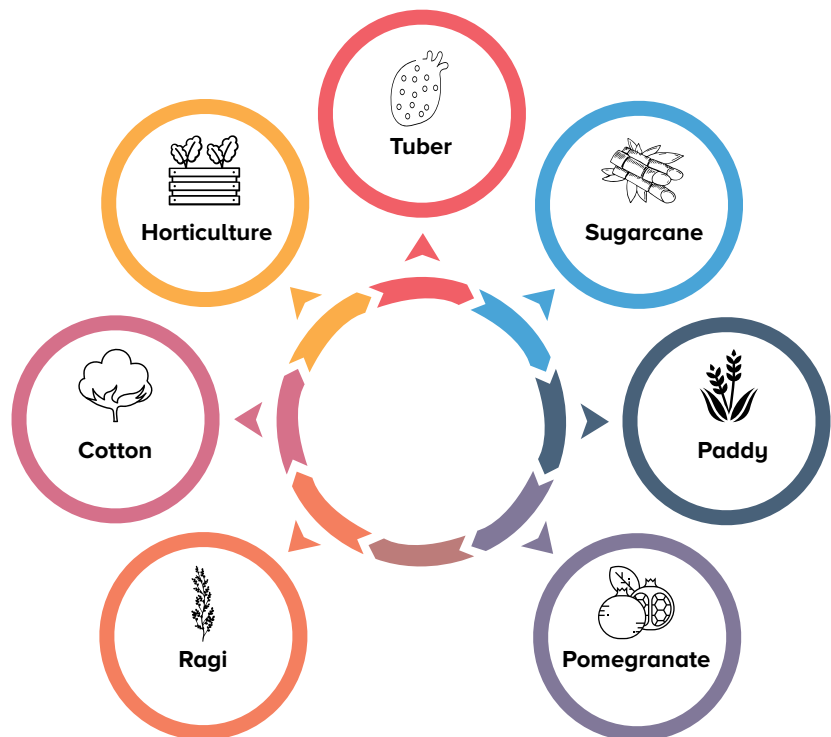
collaboration with Farmer Producer Organisations (FPOs) and other agencies to improve its popularity and preference in the farming community.

## Objectives:

- ▶ To sensitize the farming community and other stakeholders about the benefits of sustainable agricultural practices and farm mechanization
- ▶ To train farmers on optimal utilization of farm mechanization equipment
- ▶ To establish pilot projects for crop specific farming in various districts across the country
- ▶ To promote agri-entrepreneurship, strengthen market linkages in rural areas and other service centres
- ▶ To ensure sustainability through case study documentation and an equipment rental portal that will promote the solutions and Custom Hire and Service Centres with farmers

## Crop solutions launched

We have introduced end-to-end mechanized farming solutions for the following crops:







# Strategic Alliances

At VST, we have successfully expanded our product portfolio to deliver incredible value to our stakeholders. In line with our commitment to deliver superior quality products and solutions to our customers, we constantly seek to collaborate and partner with reputed industry players to significantly strengthen our offerings. Our strategic alliances not only enable us to further consolidate our position in the market but, also gives us a competitive edge over our peers.

## Strategic Alliance with Pubert

To enhance our business and improve our range of offerings, we joined hands with Pubert, a leading power weeder manufacturer, to improve supply of farm machines like **ARO PRO, MAESTRO and WEEDER W4.**

### Synergies of the deal

- ▶ Strengthened our focus to deliver exceptional and cost-efficient solutions to marginal farmers
- ▶ Enabled us to offer better quality and effective alternatives to cheaper varieties
- ▶ Ensured delivery of affordable equipment to farmers amidst growing concerns of rising cost and an acute shortage of agricultural labour

## Memorandum of Understanding (MoU) with Zetor, Czech Republic

To develop advanced, technology driven products for our customers, we have entered MOU with Zetor, a renowned manufacturer of tractors, components, engines and transmission components from Czech Republic to develop higher horsepower tractors. The association is aimed at introducing better technology to the tractor segment, for developing tractors with 36 horsepower and above capacity.

### Scope of the MoU

- ▶ Joint development of products
- ▶ Manufacture tractors at our new manufacturing facility
- ▶ Market jointly developed products in India and abroad, by leveraging our domestic distribution channel and Zetor's reach in the international market.



# Accelerating Innovation for a Better Tomorrow

At VST, research and development forms the cornerstone of our success. We continue to invest in latest technology and advanced methodologies to develop and deliver outstanding products that meet the highest quality standards

## Our Focus Areas:

- ▶ Design and development of new products
- ▶ Improvement of existing products
- ▶ Enhancing the quality of products
- ▶ Develop eco-friendly products and technologies
- ▶ Monitor stack 5 emission level of engines

## New products developed in FY 2019-20



Reaper



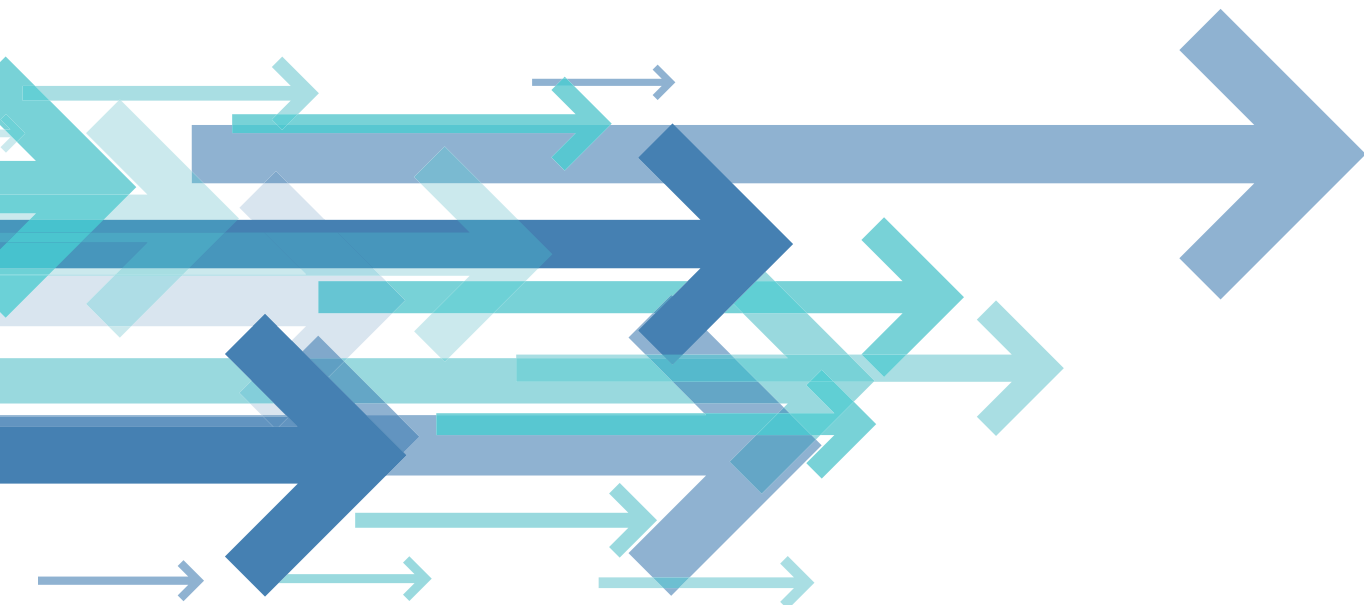
16 HP Power Tiller



27 HP High Torque Tractor



30 HP Tractor





# Fostering Sustainability, Responsibly

As a responsible organization, we strive for excellence and sustainability across our operations. We realize that our facilities and products may adversely affect the ecosystem and the communities in which we operate. Therefore, we remain committed to reduce our impact on the environment and strive to adopt eco-friendly measures to ensure ecological sustainability.

## Our Focus Areas:



Water  
Management



Reduction in  
Air Pollution



Energy  
Management



Increased use of  
Renewable Energy



Efficient and  
responsible waste  
disposal and  
management

## Key statistics for FY 2019-20

₹ **67.96** Lakhs

Amount invested in adopting eco-friendly initiatives

Installed **700** KW of Solar  
Power on Opex model

**26**

Number of stacks installed to reduce air pollution across our operations

Installed Water treatment system which

allows us to re-use **70%** of  
water requirement per day

**20,000** ltrs

of solar panel washed water is reused for the garden and STP plant in Malur unit in a month





# Management Discussion and Analysis

## The Global Economy

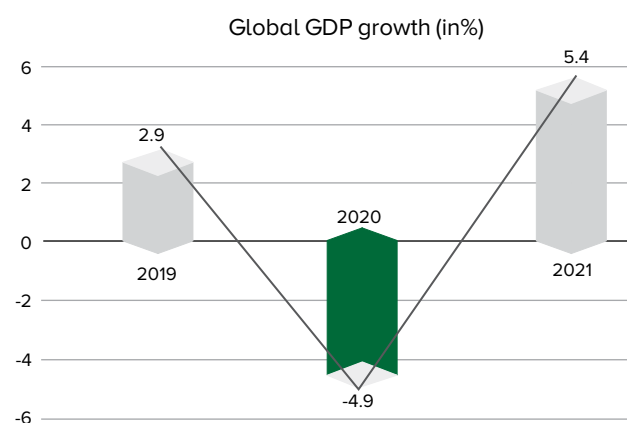
The global economy was stable throughout 2019, until it was impacted in the last quarter due to the rapid spread of the Covid-19 pandemic. The global GDP growth stood at 2.9% in 2019, recording slower growth in comparison to the previous year. Vulnerabilities in global growth were mainly exposed on account of trade conflicts and a sustained dependence on the US. As Asia's biggest economies faltered and Germany barely dodged a recession, an escalation in the trade war between the world's biggest economies, the US and China, was one of the major reasons for the slowdown.

Amidst elevated uncertainty on trade policy, business sentiment across major economies continued to deteriorate, contributing significantly to a global economic weakness. Besides, reservations around BREXIT, geopolitical tensions, and stress in key emerging market economies continued to weigh on global economic activity.

### Outlook

The recent Covid-19 pandemic has posed previously unseen and unfathomable challenges. Not only is the global economy reeling under its pressures, job losses, pay cuts and loss of lives continue to inflict a heavy toll on human beings. As business activities across the world halted, owing to countrywide lockdowns, it added on to the struggles of an already slowing economy. Many countries have introduced new policies and stimulus packages to reinstate the economy back on track.

However, keeping in mind an extremely challenging scenario, global growth is expected to soften over the course of the next two years. It is projected to de-grow to -4.9% in 2020 due to major disruptions in global supply chains and international trade due to the Covid-19 outbreak. Supportive macroeconomic policies can help to restore confidence and aid economic recovery as it is expected to improve sentiments gradually, to register growth of 5.4% in 2021.<sup>1</sup>



(Source: IMF world outlook report June, 2020)

<sup>1</sup>IMF world outlook report June, 2020

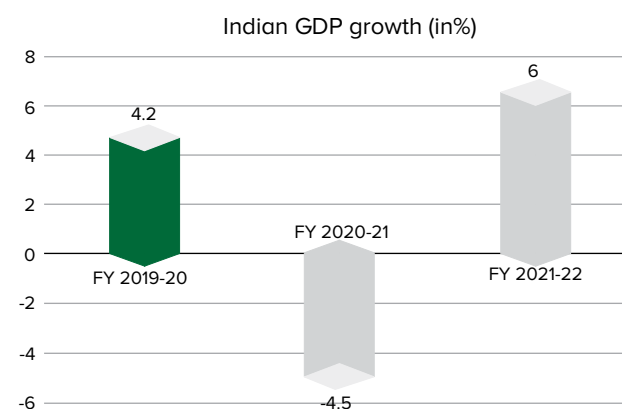
## The Indian Economy

Recognized as one of the fastest-growing emerging economies in the world, the Indian economy recorded a GDP of 4.2 % in FY 2019-20, declining in comparison to the previous year.<sup>1</sup> India's economic growth decelerated from mid-2018 and GDP growth slipped throughout 2019. One of the major reasons for this decline was the overall slowdown in the global economy. Domestic factors like slowdown in manufacturing and construction and a steep decline in consumption adversely affected small, medium and large enterprises, resulting in a negative impact on the GDP.

Even before the COVID-19 pandemic, the economy continued to witness turbulence. The situation has been further aggravated by the demand, supply and liquidity shocks inflicted by the virus outbreak. The nationwide lockdown added fuel to fire, as economic activity came to a complete standstill, adversely affecting the GDP.

### Outlook

The pandemic is expected to have far-reaching economic and social consequences for the region, with strong cross-border spill over effects from trade, tourism and financial linkages. The Indian economy is projected de-grow by -4.5% in FY 2020-21, but, its economic recovery is anticipated to be smoother and faster than many other advanced countries. The growth rate of the Indian economy is projected to be 6% in FY 2021-22, with government initiatives playing a crucial role in its road to recovery. The government has announced major initiatives to revive the economy and improve investor sentiments. The ₹ 20 lakh crore stimulus package, investments in industries and the agricultural sector, is expected to enable recuperation of the Indian economy. Reforms, fiscal measures and a greater thrust on digitization is likely to create new opportunities of growth and is anticipated to further accelerate FDI inflows to the country.<sup>1</sup>



(Source: IMF world outlook report June, 2020)



## The Indian Agriculture Equipment Industry

India is the second largest market for agriculture equipment in the Asia Pacific region. Northern States such as Punjab, Haryana, Uttar Pradesh (particularly Western and Tarai belt) have been witnessing growth at a faster pace in mechanization, than Western and Southern states of the country like Gujarat, Maharashtra and Rajasthan.

Across the entire farming life cycle from tilling, seed bed preparation to harvesting & threshing, different mechanized and semi mechanized, self-propelled and tractor powered agriculture equipment are used across India. A significant proportion of farmers in the country are shifting their preferences from manual to mechanical equipment, to enhance efficiency and improve productivity. Given that nearly 85% of the land holding is less than 10-hectare, demand for smaller horsepower tractors and power tillers is steadily increasing. Easy financing options, government support in the form of subsidies through Sub-Mission on Agriculture Mechanization Scheme, a growing population and an increasing demand for food continues to augur demand in the agriculture equipment market. The Indian agricultural equipment market was worth ₹ 977 billion in 2019<sup>2</sup>.

India is also one of the largest tractor markets in the world, selling 600,000 to 700,000 tractors per annum, on an average. Tractorization has been happening at a faster pace than the overall mechanization process, which is evident through the increase in sales of tractors over the years. The country remains a highly lucrative tractor market as shortage of agricultural labour becomes profound and farmers continue to invest in innovative business models such as custom hiring solutions for tractors.

Demand for tillers is placed next to that of tractors as they are predominantly used in small fields where usage of tractors is not viable. Power tillers have higher demand in low land flooded rice fields, and hilly terrains. Hence, the market for power tillers in India is mainly concentrated in the eastern and southern parts of the country owing to the small land holdings per farmer in these regions and high cultivation of rice crops.

The COVID-19 outbreak had a negative impact on the agriculture equipment industry, given the countrywide lockdowns imposed from the end of March. However, the agriculture equipment industry plays a vital role to bridge the gaps in the food value chain by offering necessary equipment, maintenance and support. New strategy, innovation and digital technologies are likely to have a positive impact on the sector.

The Union Home Ministry, in a very significant move, has excluded movement of farmers, farm labourers and harvesting and sowing-related machines from the purview

**₹ 977 billion**

Value of Indian agricultural equipment market in 2019

of the lockdown. Apart from this, the government declared a financial package of ₹ 1.7 trillion<sup>3</sup>, mostly to protect the vulnerable sections, including farmers, from any adverse impacts of the pandemic. These measures are likely to revive the agricultural industry, which in turn is expected to be beneficial for the Indian agriculture equipment industry.

### Industry Growth Drivers

- **Labour Shortage:** Labour shortage is one of the prime reasons for resorting to mechanical tools and techniques. As large scale migration continues from rural to urban areas along with a preference for other means of livelihood among agricultural labour, acute shortage of manpower has been noticed in the agricultural sector. As a result, demand for farm machines have risen significantly.
- **Ease of Financing:** In the past few years, a number of banks and microfinance institutions have been set up across rural India. This has provided easy access to credit facilities for farmers, allowing them to easily purchase farm tractors.
- **Government Incentives:** The Indian Government has provided incentives in the form of subsidies and easy financing schemes to drive growth of the farm equipment market in India.
- **Emergence of Contract Farming:** Contract farming is opening new opportunities for farmers and it is expected to boost the agricultural equipment market. Farmers get the benefit of technology, training and financing with the help of contractors and it supports them to adopt mechanized farming practices with greater ease.
- **Large Untapped Market:** The market for tractors and other agricultural machineries is vast but, a large portion remains untapped due to lack of awareness. In the days ahead, it is likely to be a major growth driver for the industry.
- **Rising incomes:** Strong economic growth and improved agricultural productivity has increased income levels of rural households over the last few years. Rising incomes have enabled farmers to spend on agricultural mechanization procedures.

<sup>2</sup> <https://www.imarccgroup.com/farm-agricultural-equipments-industry-india>

<sup>3</sup> <https://www.icrisat.org/>

## Outlook

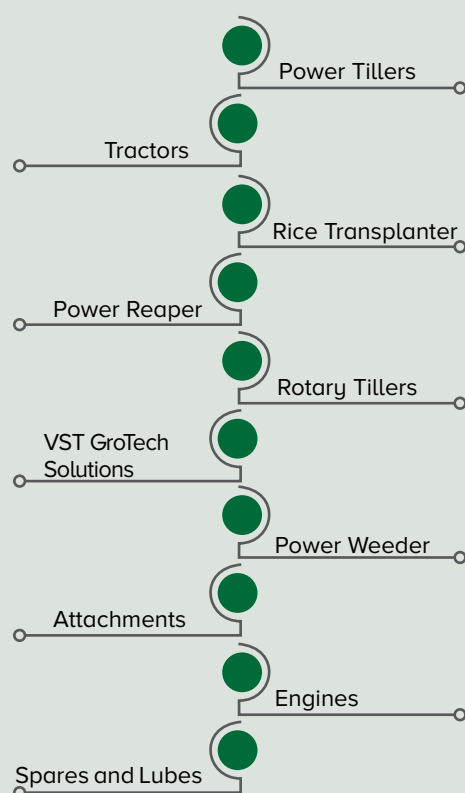
The Indian agriculture equipment market is expected to grow at a slower pace till 2022. But, the market is anticipated to witness considerable growth on account of government initiatives which aim to double farmers' income in the country by 2025. It has been projected to grow at a CAGR of 9.9%<sup>4</sup> during the period from 2019-2025. Meanwhile, the agricultural tractors market is projected to witness a CAGR of 4.5% during 2020-2025<sup>5</sup>. Government initiatives for rural development and farm mechanization, enhanced rural wages and scarcity of farm labour is expected to further contribute to the growth of tractor and power tiller volumes over the long term.

## Company Overview

### About Us

Established in 1967, VST Tillers Tractors Ltd. belongs to the renowned, century old business house VST Group of companies. A reputed group from South India, it started business as a retailer of petroleum products and distributor of Automobiles in Karnataka and Tamil Nadu. VST Tillers Tractors Ltd. was promoted by VST Motors as a joint venture with Mitsubishi Heavy Industries Ltd, Japan. The company is now the largest manufacturer of Power Tillers in India. Introduced over five decades ago, VST SHAKTI is India's No 1 Power Tiller brand. With a continuous focus on growing opportunities in the global arena, the company has expanded its presence in more than 20 countries and established itself as the most preferred brand for compact tractors.

### Products offered by the company –



## 4.5%

Expected CAGR growth between 2020-2025 of agricultural tractors market

## SCOT Analysis

### Strength

The Company has experience of more than 5 decades in the industry along with strong pipeline of products in both tiller and tractor segment giving it an edge over its competitors. Further, it has entered into various collaborations and strategic alliances with key players enabling it to efficiently pursue its growth strategy. It enjoys sustained market share in domestic and international market and has a strong network of dealers and vendors enabling it to ensure steady supply of its products. The manufacturing facilities of the Company are equipped with state-of-the art machineries enabling to produce superior quality and cost effective products.

### Opportunities

Majority of farmer community in India comprises of small and marginal farmers and only affordable farm mechanisation solution is the power tiller. Thereby, demand for power tillers is expected to further increased with the rising cost of labour and scarcity of machine on hire during the season time. Further, agriculture equipment market is expected to rebound, after temporary slowdown, on the back of healthy monsoon prediction and favourable government policy. This is likely to give a favourable push to the Company's operations in near future.

### Threat

For power tillers, farmers are dependent on government subsidy. Moreover, non-availability of retail finance may hamper the demand for power tillers. The tractor industry consists of many small and big players, thereby the company faces high competition in tractor industry. This may result in pressure on margin and profitability.

## Business segment overview

### Power Tiller Business

The company is one of the largest manufacturer of Power Tillers in India with market share ~46% in FY 2019-20. VST's brand 'VST SHAKTI', introduced five decades ago, is country's number 1 Power Tiller brand. Power tillers are best fit for small farms as they are cost effective, consumes less fuel, has lower horsepower and low maintenance. Over the years, the company has built a strong distribution network with 321 dealers enabling it to ensure steady and uninterrupted supply of its products to the remotes village of the country. The company has also established a strong distribution network in the overseas market including Africa.

<sup>4</sup> Globe Newswire Research

<sup>5</sup> <https://www.mordorintelligence.com/industry-reports/india-agricultural-tractor-machinery-market>



During the year under review, sales volume of tillers stood at 19,302 tillers as compared to 22,547 tillers in the previous year. The marginal slowdown was on account of loss of sale in the month of March 2020 due to outbreak of Covid-19 leading to country wide lockdown. Further, lower release of subsidy from the government also impacted the growth of the segment.

However, the company has been working on expanding its product offerings into value added products which will lead to reduce dependency on subsidy from the government. VST also plans to further consolidate its market presences in the low horsepower farm mechanization segment.

#### Tractor Business

The company has pioneered in the compact tractor segment with a strong emphasis on providing technologically

advanced solutions to farmers. VST has built a strong network of distributors in domestic as well as international market. In domestic market, the company has 296 distributors. While, in the overseas market the company has established a strong distribution network in various countries of Western Europe including Netherlands, Germany, Belgium, France, Spain, Portugal. The Company is planning to foray Eastern Europe countries as well in the near future.

During the year under review, the company has initiated production & sale of high horse power tractor. With the endeavour to be present across all categories of tractor segment in India, the Company is planning to launch new generation tractors and tailored solutions in the compact segment. The number of tractor sold in FY 2019-20 stood at 7,147 tractors as compared to 8,198 tractors in FY 2018-19.

### Financial Review

The information provided in this section relate to the financial results pertaining to the year ended 31st March 2020. The financial statements of the Company has been prepared in accordance with the Indian Accounting standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The table below provides an overview of key financial parameters

Particular	(₹ in lakhs)		
	2019-20	2018-19	YoY Change (in %)
Revenue from operation	54368	61480	(12)%
PBT	2310	7153	(68)%
PAT	1825	4552	(60)%
Net Worth	57691	58990	(2)%



## Risk and concern

### Dependency on government subsidy

Significant percentage of total products i.e. power tillers and compact tractors of the Company are sold under the government's subsidy scheme. In case of reduction in subsidy allocation might negatively impact the sales volume of the Company.

**Mitigation:** The Company has joined hands with NBFCs and banks to ensure easy availability of credit to its customers. Further, it is also planning to diversify its products offering into various value added products which are not linked with government subsidy.

### Competition

The Company faces stiff competition from both domestic as well as international players. This may result in stress on profit margin or loss of sales to peers.

**Mitigation:** On the back of its rich experience, expertise and technical know-how, it has established a strong market position and brand loyalty for its products in domestic and international market. Further, its ability to offer unique, innovative and cutting-edge technology products gives it a competitive edge over its competitors.

### Talent retention and acquisition

Given the nature of the Company's operation, it is very vital to attract and retain employees with the required skill set, expertise and knowledge. Inability to retain or attract key industry talents might have adverse impact on Company's operation.

**Mitigation:** The company has a strong human resource team which constantly work towards attracting, nurturing and retain key talents. Further, it also invests significantly in various training and development initiatives to upgrade the skills of its employees at par with the changing business environment.

### Rising input cost

Hike in price of key raw materials due to demand and supply gap may lead to rise in input cost, putting pressure on the Company's margin and profitability.

**Mitigation:** VST's main focus has always been on cost optimisation thereby creating value for customers. It undertakes several cost optimisation projects focused on material costs, employee costs and other fixed & overhead costs. Through its cost optimisation strategies, it ensure products are reasonably price without putting pressure on the margin or profitability level of the Company.

### Outlook

The outbreak of COVID-19 pandemic has caused unprecedented challenges on economies across the globe. However, the Farm sector is expected to grow at a faster pace than last year on the back of favourable monsoon condition and government policies. The Company plans to invest significantly towards ramping up its production and focus on new product development. It aims to maintain its leadership

position in the market as well as increase its market share further to more than 50% in power tiller segment. It also aims to provide complete solution in the high horsepower tractor segment. The company has set an ambitious target of being ₹ 3000 crore company by 2025 in diversified farm mechanisation products and solutions.

### Human Resource

The Company considers its people strategy, capabilities and well-being of its employees as a key enabler to achieve organizational goals. The people strategies of the company are in alignment with company's vision of being ₹ 3000 crore company by 2025. The Company strives to create a work culture that is open, inclusive and promotes diversity. It also significantly invest towards training and development of new as well as existing employees in order to upgrade their skills in line with changing business environment. As on 31st March 2020, the employee strength of the company was 758 employees. As part of the vision of the Company the focus is to create a large (5X) leadership pipeline.

### Internal control systems and their adequacy

The Company has put in place adequate internal financial controls over financial reporting Systems commensurate to the nature of its business and complexity of its operations. These are regularly tested for their effectiveness by Statutory as well as Internal Auditors. The Company periodically conducts physical verification of inventory, fixed assets and cash on hand and matches them with the books of account. Explanations are sought for any variance noticed from the respective functional heads. The Significant observations made by the Auditors and follow up actions there on reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's Internal Control Environment and monitors the implementation of the Audit recommendations.

### Disclaimer

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.



# Board's Report

Dear Members,

Your Directors have pleasure in presenting the 52nd Annual Report of the Company and the Audited Statement of accounts for the financial year ended March 31, 2020.

## FINANCIAL PERFORMANCE

Period	(₹ in lakhs)	
	Year 2019-20	Year 2018-19
Operating Income	54368	61480
Non-Operating Income	2358	4491
Total Income	56726	65971
Finance Cost	147	225
Depreciation	1635	1579
Total Expenses	54416	58818
Exceptional Item	-	-
Profit Before Tax	2310	7153
Tax	510	2547
Profit After Tax	1800	4606
Other Comprehensive Income	25	-54
Total Comprehensive Income	1825	4552
Earning Per Share (Basic and Diluted)	20.83	53.32

## PERFORMANCE HIGHLIGHTS:

During the year under review FY 2019-20, your Company's Operating income is ₹54368 lakhs as against ₹61480 lakhs in the previous year FY 2018-19 and the Profit Before Tax (PBT) for the FY 2019-20 is ₹2310 lakhs as against ₹7153 lakhs in the previous year FY 2018-19. Profit after Tax (PAT) for the FY 2019-20 is ₹1825 lakhs as against ₹4552 lakhs in the previous year FY 2018-19. With respect to volumes, your Company has done 19,302 Nos of tillers against the previous year of 22,547 Nos of tillers and on tractors, 7147 Nos against previous year of 8198 Nos of tractors.

Despite challenging market conditions, your Company's Compact Tractor market share stood at 10% and power tiller market share at 46%.

The Year under review was impacted due to various factors such as Monsoon failure in certain areas, non-availability of funds with various State Govts, issues w.r.t subsidy allocation in key states and implementation of direct billing of products from Company to subsidy customers. COVID-19 pandemic had also impacted the performance of the Company in Q4.

## COVID 19 IMPACT

The impact of COVID-19 on the economy is no doubt devastating. No sector has escaped its impact. Agriculture being a priority sector, COVID impact will be less compared to other sector. During the lock down the Company had adopted the work from Home policy. After relaxation, Company has

started its manufacturing activity as per Government norms by adopting social distancing and proper sanitization. This impact will reverberate across the larger economy and will linger longer than a few months.

However it is anticipated that performance of H1 of FY21 may be affected by COVID-19 situation. The main challenges will be the disruptions of supply chain.

## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Your Company deals with single segment only i.e. "Manufacturing of Agricultural Machineries".

## DIVIDEND:

Your Directors had declared interim dividend of ₹ 15/- (150%) per share for the financial year 2019-20 and the same was paid on 31/03/2020 to shareholders who were on the register of members as on 25th March, 2020, being the record date fixed for this purpose. The total outflow was ₹ 1562 lakhs including the dividend distribution tax ₹ 266 lakhs. The Board did not recommend a final dividend and the interim dividend of ₹ 15/- per equity share declared by the Board in March 2020 was considered as the final dividend for the financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains ₹ 15/- per equity share.

## TRANSFER TO RESERVES

"The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review."

## QUALITY INITIATIVES

The Company continues to sustain its commitment to the highest levels of quality. The year under reference, the Company successfully completed the annual ISO surveillance audit and retained the ISO certification for ISO 9001:2015, ISO14001:2015 & ISO 45001:2018

## SIGNIFICANT CHANGE IN KEY FINANCIAL RATIOS:

Ratio	2019-20	2018-19	Explanation
Debtors Turnover Ratio	5.65	6.38	Due to reduction in sales
Inventory Turnover Ratio	5.32	4.97	Due to reduction in sales
Interest Coverage Ratio	27.87	39.87	Due to Decrease in EBDITA
Current Ratio	4.08	4.31	Due to Decrease in Current Assets ( GST)
Gross Profit margin	36%	29%	Decrease in COGS and Net Sales
Net Profit margin	3.31%	7.49%	Due to reduction in sales and earning

## CHANGE IN RETURN ON NETWORTH:

The changes in return on net worth is mainly due to lower profit for the year under reference.

Compliance reports in respect of all laws applicable to the Company have been reviewed by the Board of Directors.

## DETAILS OF DIRECTORS AND KMP APPOINTMENT/ REAPPOINTMENT:

In accordance with the provisions of the Companies Act, 2013 Mr. V.T. Ravindra and Mr. V.S. Arun , Directors will retire at the ensuing AGM and they are eligible for reappointment. No Director has resigned during the year 2019-20.

Mr. Antony Cherukara was appointed as CEO w.e.f 25th April 2019. Mr. P M Keshava retired as CFO on 31st August 2019. Mr. Mahadevan GV was appointed as CFO on 9th August 2019 and resigned on 15th June 2020.

## KEY MANAGERIAL PERSONNEL (KMP)

The following persons are Key Managerial Personnel (KMP) of the Company under section 203 of the Companies Act, 2013, during the year 2019-20

1. Mr. V.P. Mahendra - Vice Chairman & Managing Director
2. Mr. Antony Cherukara, Chief Executive Officer
3. Mr. Mahadevan GV- Chief Financial Officer\*
4. Mr. Chinmaya Khatua - Company Secretary

\*Mr. Mahadevan GV resigned as CFO on 15th June 2020

## CORPORATE GOVERNANCE:

The Company strives to ensure good in Corporate Governance and levels of transparency with all the provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015. A certificate from the Auditors to this effect forms part of Corporate Governance Report.

## DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors to the best of their knowledge and belief and according to the information and explanations obtained by them make the following statement:

- (a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the annual accounts have been prepared on a going concern basis;
- (e) That the internal financial controls to be followed by the company have been laid down and that such internal financial controls are adequate and were operating effectively.
- (f) That proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.



Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors including the audit of internal financial controls over financial reporting by the Internal Auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020.

### AUDITORS:

M/s. K.S. Rao & Co, Chartered Accountants (Firm Regn No. 003109S) were appointed as Auditors of the Company for five financial years w.e.f FY 2016-17, at the 48th Annual General Meeting of the Company.

### COST AUDITORS:

Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Rao, Murthy & Associates, Cost Accountants to audit the cost records of the Company for the financial year 2020-21 on a remuneration of ₹2,50,000/- (Exclusive of applicable taxes) plus out of pocket expenses. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their approval. Accordingly, a Resolution seeking Member's approval for the remuneration payable to M/s. Rao, Murthy & Associates., Cost Auditors is included in the Notice of the Annual General Meeting.

The Company has made and maintained cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

### INTERNAL AUDITORS

M/s. Brahmayya & Co, Chartered Accountant were appointed as Internal Auditors under section 138 of the Companies Act, 2013 for the financial year 2019-20.

### SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and read with Rules made there under, the Board had appointed Thirupal Gorige & Associates LLP, Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report is enclosed herewith as Annexure-4.

### PARTICULARS OF EMPLOYEES:

As required by provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The salary details of designated employees are given in Annexure-1.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information under Section 134 Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 is enclosed as Annexure-2.

### DEPOSITS:

Your Company has not accepted any deposits within the meaning of Chapter- V of the Companies Act, 2013 and rules made thereunder.

### INDUSTRIAL RELATION

Industrial relations have been cordial at the Bengaluru, Mysore, Malur and Hosur plants during the year.

There were 758 Nos. of permanent employees on roll as on 31st March 2020.

### SAFETY, HEALTH AND ENVIRONMENT:

V.S.T. TILLERS TRACTORS LIMITED is a safe work place and the Safety & Health of our employees as per the requirement of the Factories Act are ensured. Our motto is "Zero Accident". Our commitment is to protect the environment as per the policy. The Company has been taking adequate safety measures for prevention of COVID 19 at all our locations.

### INFORMATION TECHNOLOGY

Your Company's operations are supported by a full fledged Data Centre. Your company has a well planned Business Continuity Plan Set-up for all critical applications with near real-time data replication.

The delivery centers meet the Information Security Management System and CIA (Confidentiality, Integrity and Availability) Standards. To cater to the ever-changing customer needs, the IT infrastructure is being constantly upgraded with new / enhanced features to facilitate smooth functioning of operations and deliver customer satisfaction. We are using industry best standard mailing solutions with compliance and availability of mails which controls various spam mails.

The Company has implemented new ERP system (SAP) during the year 2019-20 to further strengthen the internal control system of the Company. Along with 24\*7 availability of critical application and standard business analytical tools.

### BOARD MEETING

Seven meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance of this Annual Report.



**Disclosure of relationships between directors**

Mr. V.K. Surendra, V.P. Mahendra, Mr. V.V. Pravindra, Mr. V.T. Ravindra and Mr. V S Arun are promoters. Apart from the promoter directors, none of the other Directors are related to each other.

**DECLARATION OF INDEPENDENT DIRECTORS.**

The Company has received declarations from Independent directors as mentioned in sub-section (6) of section 149 of the Companies Act, 2013, Schedule- IV of the Act and relevant provision of SEBI (LODR) Regulations 2015. The online proficiency self-assessment test conducted by Indian Institute of Corporate Affairs, is yet to be undertaken by the Independent Directors and same will be completed within the prescribed time frame.

**COMMITTEES.**

The Company has constituted Audit Committee, CSR Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee. The details of the Committees are mentioned in Corporate Governance Report.

**VIGIL MECHANISM CUM-WHISTLE BLOWER POLICY**

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It is to protect employees wishing to raise a concern about serious irregularities within the Company.

The Company has vigil mechanism cum whistle blower policy to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism are explained in the Corporate Governance Report and also posted on the website <http://www.vsttractors.com/investors/policies> of the Company. The Company has not received any complaint during the year 2019-20.

**AUDITORS QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER**

There was no qualification, reservation or adverse remark or disclaimer from Statutory & Secretarial Auditors.

There was no fraud reported by the auditors under section 143(12) of the Companies Act, 2013.

**LOANS, GUARANTEE & INVESTMENT**

The Company has made investment during the year 2019-20. The investments details forms part of the notes to the financial statements provided in this Annual Report. The company has not given any Loan or Guarantee during the year 2019-20.

**RELATED PARTY TRANSACTIONS**

All related party transactions that are entered into during the financial year were on an arm's length basis. There are no materially significant related party transactions made by the company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also before the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their information and approval. The policy on dealing with Related Party Transactions as approved by the Board can be accessed at <http://www.vsttractors.com/investors/policies>.

The Related Party Transaction details including the transaction(s) of the Company with a person/entity belonging to the promoter/promoter group which hold(s) more than 10% shareholding in the Company as required pursuant to para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the notes to the financial statements provided in this Annual Report. Please refer the details in Annexure -6 for AOC-2 Form.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION**

There are no material changes and commitments affecting the financial position of the company which have occurred between end of the financial year of the company to which the financial statements relate and the date of the report;

**RISK MANAGEMENT**

The Company has risk management policy. The risk pertaining to business of the Company is discussed at the Risk Management Committee, Audit Committee and at the Board Meetings on regular basis.

There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms a part of this report.

**COMPOSITION OF RISK MANAGEMENT COMMITTEE**

Mr. M.K. Bannerjee, Chairman, Mr. V. K. Surendra, Member, Mr. K.M. Pai, Member, Mr. V.P. Mahendra, Member. Mr. V S Arun, Member (appointed on 17th March 2020)

The Risk Management Policy as approved by the Board is uploaded on the Company's website <http://www.vsttractors.com>.



com/investors/policies During the year under review the committee met on 27/09/2019, 18/12/2019 & 17/03/2020 attended by all the members.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has formed CSR policy and Committee details as required by the Act are available in Company website i.e. <http://www.vsttractors.com/investors/policies>. The Company has spent ₹4.58 Crores out of the previous years unspent amount, in CSR activities during the financial year 2019-20.

## EVALUATION OF BOARD PERFORMANCE.

The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive/non-executive/independent directors through a peer-evaluation excluding the director being evaluated. The

evaluation of Board, Committees and Individual Directors was conducted on June 2019. Further evaluation was not conducted due to COVID -19 situation and same will be completed during this financial year.

**There is no change in nature of the business during the year.**

**Details of subsidiary, Associate or joint Venture Company.**

The company has no subsidiary company.

## SIGNIFICANT AND MATERIAL ORDERS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

The ratio of the remuneration of each Director and KMP to the median remuneration of the employees of the company for the financial year as follows:

Sl. No.	Name	Designation	Remuneration 2019-20 (in ₹)	Remuneration 2018-19 (in ₹)	Increase / Decrease in Remuneration (in ₹)	Increase / Decrease in Remuneration (%)	Ratio/Times per Median of employee remuneration
1	Mr. V.P Mahendra	Vice Chairman & Managing Director	88,50,000	1,04,33,291.00	(15,83,291)	-15%	21.06
2	Mr. V.T. Ravindra	Executive Director	63,00,000	58,23,643.00	4,76,357	8%	15.00
3	* Mr. Antony Cherukara	CEO	1,13,12,000	-	-	-	26.92
4	*Mr. P M Keshava	CFO	15,87,941	53,23,555.00	(37,35,614)	-70%	3.78
5	**Mr. Mahadevan GV	CFO	37,54,952	-	-	-	8.93
6	Mr. Chinmaya Khatua	Company Secretary	19,28,450	19,25,808.00	2,642	0.13%	4.59
7	Mr. V K Surendra	Chairman	8,00,000	5,10,000	2,90,000	56%	1.90
8	Mr. R. Subramanian	Director	5,50,000	5,80,000	(30,000)	-5%	1.30
9	Mr. M.K. Bannerjee	Director	11,50,000	8,50,000	3,00,000	35%	2.73
10	Mr. K M Pai	Director	10,50,000	14,10,000	(3,60,000)	-25%	2.49
11	Ms. Siva Kameswari Vissa	Director	4,00,000	4,80,000	(80,000)	-16%	0.95
12	Mr. B. Jagannath	Director	2,50,000	1,00,000	1,50,000	150%	0.59
13	Mr. V V Pravindra	Director	3,50,000	1,80,000	1,70,000	94%	0.83
14	Mr. V S Arun	Director	2,00,000	1,50,000	50,000	33%	0.47

Note:

\* Mr. Antony Cherukara was appointed as CEO w.e.f. 25th April 2019

\*Mr. P M Keshava retired as CFO w.e.f. 31st August 2019

\*\*Mr. Mahadevan GV was appointed as CFO w.e.f. 9th August 2019 and resigned on 15th June 2020.

Non-Executive directors get sitting fees only and same has been shown for comparison.

The Company's PAT has decreased from ₹ 4,552 lakhs to ₹ 1825 lakhs. The marginal increase in KMP remuneration is in line with the current market scenario and with Company's policy. However, salaries of Vice Chairman & Managing Director and Executive Director were approved by the shareholders.

The Company has given about 6.5% average increase in salaries to the employees keeping in view the overall industry standard and interest of the employees. The unionized employees of the Company are eligible for salary increment as per the terms and conditions of their wage settlement. There is no exceptional circumstances of increase in the managerial remuneration.

The Company has 758 Nos permanent employees on roll as on 31st March 2020. The Company fixes salary of the employees on the basis of Remuneration Policy of the Company. The average increase in median remuneration of employees during the year 2019-20 is 7%.

Payment of Commission to Managing Director and Whole time Director - The Managing Director and whole time director are being paid commission on net profit of the Company as approved by the shareholders.

Name	Designation	Commission
V.P. Mahendra	Vice Chairman & Managing Director	One percent on the net profit of the Company subject to a maximum of one and half times of annual basic salary drawn
V T Ravindra	Executive Director	One percent on the net profit of the Company subject to a maximum of one and half times of annual basic salary drawn

Mr Antony Cherukara, CEO received remuneration in excess of the highest paid director during the year considering his salary for the full year, the details are given in Page No.31.

### VARIATION IN MARKET CAPITALISATION :

Date	Paid up Capital (in ₹)	Closing Market Price per share	EPS	PE Ratio	Market Capitalisation (₹ in crore)
31.03.2019	86395280	1314.20	53.32	24.70	1135
31.03.2020	86395280	672.05	20.83	32.26	580
Increase/Decrease	NIL	-642.15	-32.49	7.56	555
% Increase/Decrease	NIL	-48.86	-60.93	30.60	49
No of issue of shares during the year	-	-	-	-	-

### Internal Complaint Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has formed Internal Complaint Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaint was received during the year 2019-20.

### OTHER DISCLOSURES

No disclosure or reporting is required with respect to the following items, as there were no transactions during the year under review:

- The issue of equity shares with differential rights as to dividend, voting or otherwise.
- The issue of shares to the employees of the company under any scheme (sweat equity or stock options). There is no change in the Share Capital Structure during the year under review.
- The company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees.

### Extract of Annual Return

Annual Return of the Company is available in Company website i.e. [www.vsttractors.com](http://www.vsttractors.com), extract of Annual Return is annexed herewith as Annexure 5 to this report.

### Secretarial Standards:

The Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) have been duly complied by the Company.

### Investor Education And Protection Fund

Company has transferred ₹5,64,444/- unpaid and unclaimed dividend to Investor Education and Protection Fund and 3812 Nos of shares to IEPF Authority as per IEPF Rules. As per said rule, any benefits such as dividend shall be transferred to IEPF with respect to shares transferred to IEPF and accordingly dividend of the corresponding shares transferred to IEPF, has also been transferred to IEPF. The details of such Dividends and shares are available in Company website at [www.vsttractors.com](http://www.vsttractors.com). Mr. Chinmaya Khatua has been appointed as nodal officer under IEPF Rule.



The details of unclaimed dividends as on 31/03/2020 is given below:

SL. No.	Financial Year	Unclaimed Dividend Amount (in ₹)	No of corresponding Shares	Due date of Transfer to IEPPF
1	2012-13	764703.00	85502.00	14/09/2020
2	2013-14	1,139,340.00	75956.00	14/09/2021
3	2014-15	1,038,510.00	69234.00	11/09/2022
4	2015-16	1,016,295.00	67753.00	28/04/2023
5	2016-17	1,124,835.00	74989.00	11/09/2024
6	2017-18	2,374,550.00	47491.00	11/09/2025
7	2018-19	772,665.00	51511.00	12/09/2026

**Details of Nodal officer:**

Name- Mr. Chinmaya Khatua, Company Secretary

Email- [investors@vsttractors.com](mailto:investors@vsttractors.com)

Phone No- 080-67141111

The above details are available in Company website:  
[www.vsttractors.com](http://www.vsttractors.com)

**ACKNOWLEDGEMENTS:**

The Directors wish to convey their gratitude for the faith reposed in your Company by employees, dealers, vendors, Bankers and the customers at large.

for **V.S.T. TILLERS TRACTORS LTD.**

Place: Bengaluru

Date : 11th August 2020

**V. K.Surendra**

Chairman



# ANNEXURE-1

Information as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Designation	Remuneration for year 2019-20 (in ₹)	Remuneration for year 2018-19 (in ₹)	Qualification	Date of Commence-ment of employment at VST	Age	Last employ-ment	% of equity share held	Whether relative of Director or Manager
V.P. Mahendra	Vice Chairman & Managing Director	8850000	1,04,33,291	BE (Electrical)	20.02.1984	78	NA	7.4%	No
V T Ravindra	Executive Director	6300000	58,23,643	Graduate, PGDM	27.05.2016	51	NA	0.32%	No
Mr. Antony Cherukara	CEO	11312000	NA	BE (Mechanical) Adv. Dip. in Business Management	25.04.2019	46	Kirloskar Oil Engines Ltd	0.001%	No

Note:

1. All the appointments are permanent in nature & as per the service contract of the Company and can be terminated by giving notice by either party.
2. Mr. V.P. Mahendra & Mr. V.T. Ravindra are belong to promoter and promoter group.

The information required under Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure (s) forming part of the Annual Report. In terms of the first proviso to Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the members excluding the aforesaid full Annexure (s). Any member interested in obtaining the same may write to the Company Secretary at [vstagn@vsttractors.com](mailto:vstagn@vsttractors.com).

## Sitting fees paid to Non-Executive / Independent Directors during the year 2019-20 :

Name of the Director	Category	Sitting Fees (in ₹)
Mr. V. K. Surendra	Chairman	8,00,000
Mr. R. Subramanian	Independent Director	5,50,000
Mr. M. K. Bannerjee	Independent Director	11,50,000
Mr. K.M. Pai	Independent Director	10,50,000
Ms. Siva Kameswari Vissa	Independent Director	4,00,000
Mr. Bijanki Jagannath	Independent Director	2,50,000
Mr. V.V. Pravindra	Non-Executive Director	3,50,000
Mr. V S Arun	Non-Executive Director	2,00,000



# ANNEXURE-2

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

### 1. CONSERVATION OF ENERGY:

#### a. Malur Plant:

- i. Installed 250 KW of Solar Power Opex model and on Nett metering.
- ii. Installed Water treatment system which allows us to re-use 64 to 70% of water requirement per day.

#### b. MYSORE:

- i. Installed 450 KW of Solar Power Opex model and on Nett metering.
- ii. Installed Water treatment system which allows us to re-use 60 to 65% of water requirement per day.

### 2. RESEARCH AND DEVELOPMENT (R&D):

#### a) TRACTORS:

##### 1) Higher HP Tractors 45HP & 49HP:

The Product Portfolio has been expanded with the introduction of Higher HP series of Tractors. These tractors are designed and developed Indigenously and are released to Market.

New Aesthetic design conceptualized and introduced in the product.

##### 2) 30 HP TRACTOR:

New series of 30HP Tractor is under development.

The New premium version of 30 HP Tractor with latest technological features such as High torque engine, 9+3 synchromesh gearbox, 1250 Kg hydraulic, Mid PTO and Reverse PTO -This tractor proto successfully validated in the actual field conditions and the first seeding batch of tractors are ready for dispatch to market.

### 3) EXISTING TRACTOR SERIES 18, 22 & 24HP:

- a. New concept of Power steering with priority valve was conceptualized and validated successfully for 18 and 22 HP models of Tractors and released to Export Market.

Conceptualised and developed New Generation Tractor of 24 HP with totally New aesthetics and best ergonomics. This tractor was showcased in the Hannover trade fair held during Nov. 2019.

- b. 22HP Tractor with 8+2 transmission and with oil immersed brake released to Market and has shown good market acceptability.
- c. Gear Type Rotavator designed, developed and released to Market which can be used along with our existing series of Tractors.
- d. Existing Tractors of 18/22 and 27 HP tractors were upgraded with Higher Back Up torque. Min. Back up torque requirement was made evaluative, through New release of IS Std which was made mandatory.

#### b) POWER TILLERS & OTHERS:

##### 1) Higher HP Power Tiller

- a. Higher HP Power Tiller 16HP with New engine developed, tested successfully. This 16HP engine power tiller has been successfully validated and first seeding batch has been released to market.

##### 2) Self Propelled Reaper:

- a. New variant of self propelled weeder without side clutch developed and released for production as an economy model.

#### c) DIESEL ENGINES:

- a. 18.5 HP, 22 HP & 24 HP Engines are upgraded and Approved for rEuro-5 Emission Norms.

18.5HP, 22HP and 27 HP engines were upgraded to meet the Higher Back up torque requirements as mandated by the Govt.

- b. COP approval for all the engines were obtained from M/s. ARAI. This is as per statutory requirement.

**d) TECHNOLOGY ABSORPTION:**

- a. New R&D Engine testing facility for Testing engines to Stage 5 Emission Standards with Base Emission setup is being established.
- b. New PLM implementation in Design center has been completed this will enhance the capability of design of New variants of existing products as well as New Products.
- c. FEA analysis and Adams (for load extraction with linkages) Introduced for validation of design before release.
- d. Higher HP Tractor PTO Dynamometer under installation. Which will support testing of the higher hp tractors for PTO and validation for certification.

### 3. BENEFITS DERIVED:

- a. New dynamometers facility will improve the optimization capabilities as well as New product quality.
- b. New PLM software will systematize the design and drawing release process which will reduce the drawing release lead time as well as streamline the release process thereby protecting the intellectual property.

### 4. APPLICATION ENGINEERING:

Validation of New attachments mounted on our Tractors and Tillers has been taken up on a continual basis

like Tractor mounted combine harvester, Laser leveler, Trenchers etc. on all models of tractors etc. which will enable the Company to provide total crops solutions to the farming community.

### 5. FUTURE PLANS:

**a. TRACTOR**

- i. New Technology based Electronic Hitch control system for Tractor.
- ii. Transient dynamometer planned to test higher HP engines to Transient cycle.
- iii. Introduction New Variants in the Higher HP Tractor segment with additional features.

**b. Procurement of new Software for R&D**

- i. Additional licenses of design software has been procured for design process.
- ii. Software procured for creating sheet metal design and A class surfaces in 3D.
- iii. Software procured for Kinematic study of linkages and load analysis.

**Expenditure on R&D:**

The Companies expenditure on R&D (including revenue expenditure) during the year was ₹ 6,99,27,422 (refer note no-44, page no-109 of Annual Report)

Foreign exchange earnings and outgo: Total foreign exchange used and earned:

Foreign exchange earnings: ₹ 22,31,55,714

Foreign exchange outgo : ₹ 9,49,12,739/-



# ANNEXURE-3

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The Company has formed CSR policy and Committee as per the Act and details of CSR policy is available in your Company web site i.e. <http://www.vsttractors.com/investors/policies>

### Composition of the CSR Committee:

Mr. V.K. Surendra, Chairman  
Mr. M.K. Bannerjee, Member  
Mr. V.P. Mahendra, Member  
Mr. V.V. Pravindra, Member

### Average net profit of the Company for last three financial years:

Average net profit for last three years: ₹ 106,18,02,250

### Prescribed CSR Expenditure (two percent of the average net profit):

Based on the above, the Company is required to spend ₹ 2,12,36,045 towards CSR activities.

### Details of CSR spend for the financial year

- Total amount spent for the financial year: ₹ 4,58,00,000 (from the unspent amount of previous years)
- Amount unspent: ₹ 2,12,36,045
- Manner in which the amount spent during the financial year is detailed below. (Please refer note no-43, page no-109 of the annual report)

Sl. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or programs 1) Local area or 2) Specify the State and projects or programs was undertaken	Amount outlay (budget) project program wise	Amount spent of the projects or programme Sub-heads: (1) Direct on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Direct or through implementing agency
1	Educating Children, women, scholarships, etc.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Local Area	100 Lakhs	100 Lakhs	450 Lakhs (Includes ₹ 350 Lakhs spent in previous years)	Through Implementing Agency
2	- Do -	To Provide scholarships to deserving students of Technical, Medical, Engineering, Diploma courses etc.	Local Area	338 Lakhs	338 Lakhs	528 Lakhs (Includes ₹ 190 Lakhs spent in previous years)	Through Implementing Agency
3	Enhance livelihood of the physically disabled.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Local Area	20 Lakhs	20 Lakhs	65 Lakhs (Includes ₹ 45 Lakhs spent in previous years)	Through Implementing Agency

### Reason for not spending :

The Company has already spent ₹ 4.58 crores during the year under review. The unspent amount for the year 2019-20 will be spent after identifying the appropriate projects.

### Responsibility Statement :

Implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and policy of the Company.

Sd/-

**V.P. Mahendra**  
Vice Chairman & Managing Director

Date: 11th August 2020

Sd/-

**V. K. Surendra**  
CSR Committee Chairman



# ANNEXURE-4

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

### VST TILLERS TRACTORS LIMITED

Regd. Office: Plot No-1, Dyavasandra Indl Area,  
Whitefield Road, Mahadevapura P.O,  
Bangalore - 560 048.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VST TILLERS TRACTORS LIMITED (CIN: L34101KA1967PLC001706) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on, 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the audit period);
- (d) Securities and Exchange Board of India (Shares Based Employee Benefits) Regulations, 2014; **(Not applicable during the audit period)**;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the audit period)**;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable during the audit period)** and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not applicable during the audit period)**.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing obligations and disclosure Requirements) Regulation 2015 (LODR Regulations).



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. as mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws / guidelines/rules applicable specifically to the Company:

NIL

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there are no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards taken place.

For **Thirupal Gorige & Associates LLP**  
Practising Company Secretaries

**CS Thirupal Gorige**

Designated Partner

FCS No. 6680; CP No.6424

UDIN. F006680B000410281

Place: Bengaluru

Date: 02/07/2020

Note: This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

## ANNEXURE-A

To

The Members

**VST TILLERS TRACTORS LIMITED**

Regd. Office: Plot No-1,Dyavasandra Indl Area,  
Whitefield Road, Mahadevapura P.O, Bangalore - 560 048.

Our report of even date is to be read along with this letter.

- (1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- (4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management as conducted the affairs of the company.

For **Thirupal Gorige & Associates LLP**  
Practising Company Secretaries

**CS Thirupal Gorige**  
Designated Partner

FCS No. 6680; CP No.6424  
UDIN. F006680B000410281

Place: Bengaluru  
Date: 02/07/2020



# ANNEXURE-5

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L34101KA1967PLC001706
ii	Registration Date	18-12-1967
iii	Name of the Company	V.S.T. Tillers Tractors Limited
iv	Category/Sub-category of the Company	Public Company / Limited by Shares
v	Address of the Registered office & contact details	Plot No-1, Dyavasandra Indl Layout, Whitefield Road, Mahadevapura Post, Bangalore - 560048 Phone- 080-67141111, email- <a href="mailto:investors@vsttractors.com">investors@vsttractors.com</a>
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Registry Management Services Pvt Ltd., No-30, Ramana Residency, Gr Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560003 Phone- 080-23460815, email- <a href="mailto:irg@intergatedindia.in">irg@intergatedindia.in</a>

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	POWER TILLER	2821	49%
2	TRACTOR	2821	39%

#### III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
	NIL				

#### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year- 01.04.2019				No. of Shares held at the end of the year - 31.03.2020				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>	3674297	-	3674297	42.53	3714002	-	3714002	42.99		0.46
a) Individual/HUF	-	-	-	-	-	-	-	-		-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-		-
c) Bodies Corporates	764663	-	764663	8.85	764663	-	764663	8.85		0.00
d) Bank/FI	-	-	-	-	-	-	-	-		-
e) Any other	-	-	-	-	-	-	-	-		-
<b>SUB TOTAL:(A) (1)</b>	<b>4438960</b>	<b>-</b>	<b>4438960</b>	<b>51.38</b>	<b>4478665</b>	<b>-</b>	<b>4478665</b>	<b>51.84</b>		<b>0.46</b>
<b>(2) Foreign</b>										
a) NRI- Individuals	-	-	-	-	-	-	-	-		-
b) Other Individuals	-	-	-	-	-	-	-	-		-
c) Bodies Corp.	253125	-	253125	2.93	253125	-	253125	2.93		0.00
d) Banks/FI	-	-	-	-	-	-	-	-		-
e) Any other...	-	-	-	-	-	-	-	-		-
<b>SUB TOTAL (A) (2)</b>	<b>253125</b>	<b>-</b>	<b>253125</b>	<b>2.93</b>	<b>253125</b>	<b>-</b>	<b>253125</b>	<b>2.93</b>		<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>4692085</b>	<b>-</b>	<b>4692085</b>	<b>54.31</b>	<b>4731790</b>	<b>-</b>	<b>4731790</b>	<b>54.77</b>		<b>0.46</b>
<b>B. Public Shareholding</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	899084	-	899084	10.41	1074108	-	1074108	12.43		2.02
b) Banks/FI	2463	1575	4038	0.05	3184	1575	4759	0.06		0.01
c) Cenntral govt	-	-	-	-	-	-	-	-		-
d) State Govt.	-	-	-	-	-	-	-	-		-
e) Venture Capital Fund	-	-	-	-	-	-	-	-		-
f) Alternative Investment Funds	321086	-	321086	3.72	269362	-	269362	3.12		-0.60
g) Insurance Companies	-	-	-	-	-	-	-	-		-
h) FIIS	496584	-	496584	5.75	371986	-	371986	4.31		-1.44
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-		-
j) Others (specify)	-	-	-	-	-	-	-	-		-
<b>SUB TOTAL (B)(1):</b>	<b>1719217</b>	<b>1575</b>	<b>1720792</b>	<b>19.92</b>	<b>1718640</b>	<b>1575</b>	<b>1720215</b>	<b>19.91</b>		<b>-0.01</b>
<b>(2) Non Institutions</b>										
a) Bodies corporates										
i) Indian	234367	93	234460	2.71	184622	67	184689	2.14		-0.57
ii) Overseas	-	-	-	-	-	-	-	-		-
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	1465701	146912	1612613	18.67	1535229	125003	1660232	19.22		0.55
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	229557	-	229557	2.66	194288	-	194288	2.25		-0.41
c) Others (specify)										
V.S.T. Tillers Tractors Ltd - Unclaimed Suspense Account	2986	-	2986	0.03	1996	-	1996	0.02		-0.01
NRI	102888	-	102888	1.19	107705	-	107705	1.25		0.06
Clearing Member	16587	-	16587	0.19	6781	-	6781	0.08		-0.11
Trust	2311	-	2311	0.03	2642	-	2642	0.03		0.00
IEPF	25227	-	25227	0.29	29039	-	29039	0.34		0.05
LLP	22	-	22	0.00	151	-	151	0.00		0.00
<b>SUB TOTAL (B)(2):</b>	<b>2079646</b>	<b>147005</b>	<b>2226651</b>	<b>25.76</b>	<b>2062453</b>	<b>125070</b>	<b>2187523</b>	<b>25.32</b>		<b>-0.44</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3798863</b>	<b>148580</b>	<b>3947443</b>	<b>45.69</b>	<b>3781093</b>	<b>126645</b>	<b>3907738</b>	<b>45.23</b>		<b>-0.46</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
<b>Grand Total (A+B+C)</b>	<b>8490948</b>	<b>148580</b>	<b>8639528</b>	<b>100.00</b>	<b>8512883</b>	<b>126645</b>	<b>8639528</b>	<b>100.00</b>		<b>0.00</b>




**(i) SHARE HOLDING OF PROMOTER**

SL. No	Shareholders Name	Shareholding at the beginning of the year - 01.04.2019			Shareholding at the end of the year - 31.03.2020			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	V K Surendra	45000	0.52	-	45000	0.52	-	-
2	V K Surendra	190424	2.20	-	190424	2.20	-	-
3	V K Surendra	596401	6.90	-	621735	7.20	-	0.30
4	V K Surendra	1004875	11.63	-	1004875	11.63	-	-
5	V S Arun	84595	0.98	-	89595	1.04	-	0.06
6	V S Arun	127535	1.48	-	127535	1.48	-	-
7	S Mahalakshmi	75375	0.87	-	75375	0.87	-	-
8	V P Mahendra	45000	0.52	-	45000	0.52	-	-
9	V P Mahendra	906	0.01	-	906	0.01	-	-
10	V P Mahendra	131896	1.53	-	131896	1.53	-	-
11	V P Mahendra	975	0.01	-	975	0.01	-	-
12	V P Mahendra	451753	5.23	-	460124	5.33	-	0.10
13	M Bharathi	61200	0.71	-	61200	0.71	-	-
14	Amritha V M Ward	4330	0.05	-	4330	0.05	-	-
15	V M Vishnu	15150	0.18	-	15150	0.18	-	-
16	V M Anand	15220	0.18	-	15220	0.18	-	-
17	V V Pravindra	179146	2.07	-	179146	2.07	-	-
18	V V Pravindra	45000	0.52	-	45000	0.52	-	-
19	P Jayalakshmi	33750	0.39	-	33750	0.39	-	-
20	V P Rahul	18076	0.21	-	18076	0.21	-	-
21	V P Karan	750	0.01	-	750	0.01	-	-
22	V P Karan	14964	0.17	-	14964	0.17	-	-
23	V V Vijayendra	138888	1.61	-	138888	1.61	-	-
24	V V Vijayendra	27000	0.31	-	27000	0.31	-	-
25	V V Sujay	63624	0.74	-	63624	0.74	-	-
26	V V Sujay	9040	0.10	-	9040	0.10	-	-
27	V Lakshmi	33007	0.38	-	33007	0.38	-	-
28	V V Anjali	30123	0.35	-	30123	0.35	-	-
29	V P Tiruvengadaswamy	119978	1.39	-	119978	1.39	-	-
30	V P Tiruvengadaswamy	2700	0.03	-	2700	0.03	-	-
31	T Jayshree	77014	0.89	-	77014	0.89	-	-
32	V T Anusuya	2250	0.03	-	2250	0.03	-	-
33	V T Ravindra	26852	0.31	-	27852	0.32	-	0.01
34	Sita Rajgopal	1500	0.02	-	1500	0.02	-	-
35	Vijayendra Brothers Investments Private Limited	52470	0.61	-	52470	0.61	-	-
36	V T Velu Investments Private Limited	67725	0.78	-	67725	0.78	-	-
37	Gove Finance Limited	66082	0.76	-	66082	0.76	-	-
38	V. S. T. Motors Limited	356385	4.13	-	356385	4.13	-	-
39	Mitsubishi Heavy Industries Engine and Turbocharger Ltd	253125	2.93	-	253125	2.93	-	-
40	K S and Sons LLP	85690	0.99	-	85690	0.99	-	-
41	Padmanaban Motors LLP	136311	1.58	-	136311	1.58	-	-
<b>Total</b>		<b>4692085</b>	<b>54.31</b>	-	<b>4731790</b>	<b>54.77</b>	-	<b>0.46</b>

## (ii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Sl. No	Shareholders Name	Share holding at the beginning of the Year - 01.04.2019		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share holding during the year - 31.03.2020		Reason
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	
1	V K Surendra	45000	0.52	01.04.2019		No Movement During The Year			
				31.03.2020			45000	0.52	
2	V K Surendra	190424	2.20	01.04.2019		No Movement During The Year			
				31.03.2020			190424	2.20	
3	V K Surendra	596401	6.90	30.08.2019	4500	PURCHASE	600901	6.96	
				20.09.2019	13749	PURCHASE	614650	7.11	
				27.03.2020	6960	PURCHASE	621610	7.19	
				31.03.2020	125	PURCHASE	621735	7.20	
4	V K Surendra	1004875	11.63	01.04.2019		No Movement During The Year			
				31.03.2020			1004875	11.63	
5	V S Arun	84595	0.98	20.09.2019	5000	PURCHASE	89595	1.04	
				31.03.2020			89595	1.04	
6	V S Arun	127535	1.48	01.04.2019		No Movement During The Year			
				31.03.2020			127535	1.48	
7	S Mahalakshmi	75375	0.87	01.04.2019		No Movement During The Year			
				31.03.2020			75375	0.87	
8	V P Mahendra	45000	0.52	01.04.2019		No Movement During The Year			
				31.03.2020			45000	0.52	
9	V P Mahendra	906	0.01	01.04.2019		No Movement During The Year			
				31.03.2020			906	0.01	
10	V P Mahendra	131896	1.53	01.04.2019		No Movement During The Year			
				31.03.2020			131896	1.53	
11	V P Mahendra	975	0.01	01.04.2019		No Movement During The Year			
				31.03.2020			975	0.01	
12	V P Mahendra	451753	5.23	20.09.2019	1204	PURCHASE	452957	452957	
				27.09.2019	7167	PURCHASE	460124	460124	
				31.03.2020			460124	460124	
13	M Bharathi	61200	0.71	01.04.2019		No Movement During The Year			
				31.03.2020			61200	0.71	
14	Amritha V M Ward	4330	0.05	01.04.2019		No Movement During The Year			
				31.03.2020			4330	0.05	
15	V M Vishnu	15150	0.18	01.04.2019		No Movement During The Year			
				31.03.2020			15150	0.18	
16	V M Anand	15220	0.18	01.04.2019		No Movement During The Year			
				31.03.2020			15220	0.18	



SL. No	Shareholders Name	Share holding at the beginning of the Year - 01.04.2019		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share holding during the year - 31.03.2020		Reason
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	
17	V V Pravindra	179146	2.07	01.04.2019		No Movement During The Year			
				31.03.2020			179146	2.07	
18	V V Pravindra	45000	0.52	01.04.2019		No Movement During The Year			
				31.03.2020			45000	0.52	
19	P Jayalakshmi	33750	0.39	01.04.2019		No Movement During The Year			
				31.03.2020			33750	0.39	
20	V P Rahul	18076	0.21	01.04.2019		No Movement During The Year			
				31.03.2020			18076	0.21	
21	V P Karan	750	0.01	01.04.2019		No Movement During The Year			
				31.03.2020			750	0.01	
22	V P Karan	14964	0.17	01.04.2019		No Movement During The Year			
				31.03.2020			14964	0.17	
23	V V Vijayendra	138888	1.61	01.04.2019		No Movement During The Year			
				31.03.2020			138888	1.61	
24	V V Vijayendra	27000	0.31	01.04.2019		No Movement During The Year			
				31.03.2020			27000	0.31	
25	V V Sujay	63624	0.74	01.04.2019		No Movement During The Year			
				31.03.2020			63624	0.74	
26	V V Sujay	9040	0.10	01.04.2019		No Movement During The Year			
				31.03.2020			9040	0.10	
27	V Lakshmi	33007	0.38	01.04.2019		No Movement During The Year			
				31.03.2020			33007	0.38	
28	V V Anjali	30123	0.35	01.04.2019		No Movement During The Year			
				31.03.2020			30123	0.35	
29	V P Tiruvengadaswamy	119978	1.39	01.04.2019		No Movement During The Year			
				31.03.2020			119978	1.39	
30	V P Tiruvengadaswamy	2700	0.03	01.04.2019		No Movement During The Year			
				31.03.2020			2700	0.03	
31	T Jayshree	77014	0.89	01.04.2019		No Movement During The Year			
				31.03.2020			77014	0.89	
32	V T Anusuya	2250	0.03	01.04.2019		No Movement During The Year			
				31.03.2020			2250	0.03	
33	V T Ravindra	26852	0.31	27.09.2019	1000	PURCHASE	27852	0.32	
				31.03.2020			27852	0.32	

Sl. No	Shareholders Name	Share holding at the beginning of the Year - 01.04.2019		Date	Increase/Decrease in Share Holding	Reason	Cumulative Share holding during the year - 31.03.2020		Reason
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	
34	Sita Rajgopal	1500	0.02	01.04.2019		No Movement During The Year			
				31.03.2020			1500	0.02	
35	Vijayendra Brothers Investments Pvt Ltd	52470	0.61	01.04.2019		No Movement During The Year			
				31.03.2020			52470	0.61	
36	V T Velu Investments Pvt Ltd	67725	0.78	01.04.2019		No Movement During The Year			
				31.03.2020			67725	0.78	
37	Gove Finance Limited	66082	0.76	01.04.2019		No Movement During The Year			
				31.03.2020			66082	0.76	
38	V.S.T. Motors Limited	356385	4.13	01.04.2019		No Movement During The Year			
				31.03.2020			356385	4.13	
39	Mitsubishi Heavy Industries Engine and Turbocharger Ltd	253125	2.93	01.04.2019		No Movement During The Year			
				31.03.2020			253125	2.93	
40	K S and Sons LLP	85690	0.99	01.04.2019		No Movement During The Year			
				31.03.2020			85690	0.99	
41	Padmanaban Motors LLP	136311	1.58	01.04.2019		No Movement During The Year			
				31.03.2020			136311	1.58	

## (iii) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs and ADRs):

Sl. No	Shareholders Name	Share holding at the beginning of the Year - 01.04.2019		Date	Increase/Decrease in Share Holding	Reason	Cumulative Share holding during the year - 31.03.2020	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	KOTAK SMALL CAP FUND	226597	2.62	01.04.2019	0		226597	2.62
				10.05.2019	6000	TRANSFER	232597	2.69
				17.05.2019	4000	TRANSFER	236597	2.74
				31.05.2019	22000	TRANSFER	258597	2.99
				07.06.2019	2040	TRANSFER	260637	3.02
				14.06.2019	2757	TRANSFER	263394	3.05
				21.06.2019	284	TRANSFER	263678	3.05
				29.06.2019	54	TRANSFER	263732	3.05
				05.07.2019	1831	TRANSFER	265563	3.07
				12.07.2019	2925	TRANSFER	268488	3.11
				19.07.2019	2217	TRANSFER	270705	3.13
				26.07.2019	2629	TRANSFER	273334	3.16
				02.08.2019	7625	TRANSFER	280959	3.25
				09.08.2019	17000	TRANSFER	297959	3.45
				16.08.2019	9000	TRANSFER	306959	3.55



SL. No	Shareholders Name	Share holding at the beginning of the Year - 01.04.2019		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share holding during the year - 31.03.2020	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				23.08.2019	7025	TRANSFER	313984	3.63
				30.08.2019	5500	TRANSFER	319484	3.70
				06.09.2019	7150	TRANSFER	326634	3.78
				13.09.2019	9000	TRANSFER	335634	3.88
				27.09.2019	17792	TRANSFER	353426	4.09
				11.10.2019	401	TRANSFER	353827	4.10
				18.10.2019	8559	TRANSFER	362386	4.19
				25.10.2019	397	TRANSFER	362783	4.20
				01.11.2019	636	TRANSFER	363419	4.21
				22.11.2019	1970	TRANSFER	365389	4.23
				29.11.2019	5000	TRANSFER	370389	4.29
				06.12.2019	1083	TRANSFER	371472	4.30
				13.12.2019	5122	TRANSFER	376594	4.36
				20.12.2019	1776	TRANSFER	378370	4.38
				27.12.2019	2733	TRANSFER	381103	4.41
				17.01.2020	3779	TRANSFER	384882	4.45
				24.01.2020	3430	TRANSFER	388312	4.49
				31.01.2020	11749	TRANSFER	400061	4.63
				07.02.2020	7770	TRANSFER	407831	4.72
				14.02.2020	8383	TRANSFER	416214	4.82
				21.02.2020	13550	TRANSFER	429764	4.97
				27.03.2020	800	TRANSFER	430564	4.98
				<b>31.03.2020</b>			<b>430564</b>	<b>4.98</b>
2	FIRST STATE INVESTMENTS ICVC-STEWART INVESTORS INDIAN SUBCONTINENT	145049	1.68	01.04.2019	0		145049	1.68
				03.05.2019	20300	TRANSFER	165349	1.91
				31.05.2019	15974	TRANSFER	181323	2.10
				07.06.2019	4944	TRANSFER	186267	2.16
				20.09.2019	49662	TRANSFER	235929	2.73
				27.09.2019	2008	TRANSFER	237937	2.75
				04.10.2019	50001	TRANSFER	287938	3.33
				15.11.2019	6810	TRANSFER	294748	3.41
				29.11.2019	24542	TRANSFER	319290	3.70
				<b>31.03.2020</b>			<b>319290</b>	<b>3.70</b>
3	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA	0	0.00	01.04.2019	0		0	0.00
				10.01.2020	199900	TRANSFER	199900	2.31
				13.03.2020	5210	TRANSFER	205110	2.37
				<b>31.03.2020</b>	0		<b>205110</b>	<b>2.37</b>
4	INDIA WHIZDOM FUND	202248	2.34	01.04.2019	0		202248	2.34
				18.10.2019	-5540	TRANSFER	196708	2.28
				<b>31.03.2020</b>	0		<b>196778</b>	<b>2.28</b>



Sl. No	Shareholders Name	Share holding at the beginning of the Year - 01.04.2019		Date	Increase/Decrease in Share Holding	Reason	Cumulative Share holding during the year - 31.03.2020	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
5	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING OPPORTUNITIES FUND	163682	1.89	01.04.2019	0		163682	1.89
				29.06.2019	-10000	TRANSFER	153682	1.78
				01.11.2019	-12000	TRANSFER	141682	1.64
				31.01.2020	48317	TRANSFER	189999	2.20
				<b>31.03.2020</b>			<b>189999</b>	<b>2.20</b>
6	HDFC TRUSTEE COMPANY LTD - HDFC LONG TERM ADVANTAGE	270625	3.13	01.04.2019	0		270625	3.13
				13.09.2019	-26625	TRANSFER	244000	2.82
				20.09.2019	-79000	TRANSFER	165000	1.91
				27.09.2019	-8400	TRANSFER	156600	1.81
				<b>31.03.2020</b>			<b>156600</b>	<b>1.81</b>
7	ICICI PRUDENTIAL SMALLCAP FUND	0	0.00	01.04.2019	0		0	0.00
				14.06.2019	178	TRANSFER	178	0.00
				21.06.2019	50192	TRANSFER	50370	0.58
				31.01.2020	2015	TRANSFER	52385	0.61
				13.03.2020	6862	TRANSFER	59247	0.69
				27.03.2020	400	TRANSFER	59647	0.69
				<b>31.03.2020</b>	0		<b>59647</b>	<b>0.69</b>
8	N G N PURANIK	45700	0.53	01.04.2019	0		45700	0.53
				06.03.2020	-1980	TRANSFER	43720	0.51
				<b>31.03.2020</b>			<b>43720</b>	<b>0.51</b>
9	DIVYANG D PAREKH	43065	0.50	01.04.2019		NO MOVEMENT DURING THE YEAR		
				<b>31.03.2020</b>			<b>43065</b>	<b>0.50</b>
10	ICICI PRUDENTIAL LEAP FUND - SERIES I	42141	0.49	01.04.2019		NO MOVEMENT DURING THE YEAR		
				<b>31.03.2020</b>			<b>42141</b>	<b>0.49</b>



#### (iv) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year - 01.04.2019		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share holding during the year - 31.03.2020	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	V.P. Mahendra	630530	7.3		0.10		638901	7.40
2	V T Ravindra	26852	0.31		0.01		27852	0.32
3	Antony Cherukara	0	0		nil		100	0.001
4	P.M. Keshava	0	0		nil		0	0
5	Mahadevan GV	0	0		nil		0	0
6	Chinmaya Khatua	0	0		nil		0	0
7	V K Surendra	1836700	21.26		0.29		1862034	21.55
8	V V Pravindra	224146	2.59		nil		224146	2.59
9	V S Arun	212130	2.46		0.05		217130	2.51

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
Additions				
Reduction				
Net Change				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

NIL

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Director and/or Manager :

Sl. No.	Particulars of Remuneration	Name of the MD/WT/Manager		Total Amount
1	Gross salary	V P Mahendra	V T Ravindra	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	5325000	3600000	8925000
	(b) Value of perquisites u/s 17(2) of the Income tax Act,1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock option			
3	Sweat Equity			
4	Commission as % of profit others (specify)	3525000	2700000	6225000
5	Others, (leave encashment)			
	<b>Total (A)</b>	8850000	6300000	15150000
	Ceiling as per the Act			35250000

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration				Name of the Directors					
1	Independent Directors				R. Subramanian	M.K. Bannerjee	K.M. Pai	Siva Kameswari Vissa	Bijanki Jagannath	Total
	(a) Fee for attending board committee meetings				550000	1150000	1050000	400000	250000	3400000
	(b) Commission				-	-	-	-	-	-
	(c) Others, please specify				-	-	-	-	-	-
	<b>Total (1)</b>				<b>550000</b>	<b>1150000</b>	<b>1050000</b>	<b>400000</b>	<b>250000</b>	<b>3400000</b>
2	Other Non Executive Directors	V.K. Surendra	V.V. Pravindra	V S Arun						
	(a) Fee for attending board committee meetings"	8,00,000	350000	200000						
	(b) Commission	-	-							
	(c) Others, please specify.	-	-							
	<b>Total (2)</b>	<b>8,00,000</b>	<b>350000</b>	<b>200000</b>						<b>1350000</b>
	<b>Total (B)=(1+2)</b>	<b>8,00,000</b>	<b>350000</b>	<b>200000</b>	<b>550000</b>	<b>1150000</b>	<b>1050000</b>	<b>400000</b>	<b>250000</b>	<b>4750000</b>
	<b>Total Managerial Remuneration</b>									<b>19900000</b>
	Overall Ceiling as per the Act.									38775000

Note: All the managerial remuneration is within the limit specified by the Act.

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
1	Gross salary	Company Secretary	CFO	CEO	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1928450	3754952	11312000	16995402
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	
2	Stock option	0	0	0	
3	Sweat Equity				
4	Commission as % of profit others (specify)	0	0	0	
5	Others, (leave encashment)	0	0	0	
	<b>Total (A)</b>	<b>1928450</b>	<b>3754952</b>	<b>113120000</b>	<b>16995402</b>

**VII PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES - NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



# ANNEXURE-6

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

**1 Details of contracts or arrangements or transactions not at arm's length basis: V.S.T. Tillers Tractors Ltd** (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not at arm's length during FY 2019-20.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/ transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

**2. Details of material contracts or arrangement or transactions at arm's length basis - the company has not entered into any material related party transactions:**

- a. Name(s) of the related party and nature of relationship: Not Applicable
- b. Nature of contracts / arrangements / transactions: Not Applicable
- c. Duration of the contracts / arrangements / transactions: Not Applicable
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- e. Date(s) of approval by the Board, if any: Not Applicable
- f. Amount paid as advances, if any: None

on behalf of Board of Directors

Place: Bengaluru  
Date: 11th August 2020

**V. K. Surendra**  
Chairman

# ANNEXURE-7

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

**VST TILLERS TRACTORS LIMITED**

Regd.Off.: Plot No-1, Dyavasandra Indl. Layout,

Whitefield Road, Mahadevapura Post, Bengaluru - 560048, Karnataka.

In pursuance of Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have examined the relevant registers, records, forms, returns and disclosures received from the Directors of VST TILLERS TRACTORS LIMITED having CIN L34101KA1967PLC001706 and having registered office at Plot No-1, Dyavasandra Indl. Layout, Whitefield Road, Mahadevapura Post, Bengaluru - 560048, Karnataka (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate.

On the basis of the written disclosures/declaration received from the Directors of the Company and according to the verifications (including view Director Master Data & DIN status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and to the best of our information, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of the Director	DIN	Designation	Date of appointment in Company
1	Mr. V K Surendra	00459069	Chairman, Non Executive Director	29/09/1980
2	Mr. V P Mahendra	00033270	Vice Chairman & Managing Director	20/02/1984
3	Mr. V V Pravindra	00239888	Non Executive Director	28/07/2008
4	Mr. V T Ravindra	00396156	Whole-time Director	27/05/2016
5	Mr. V S Arun	01617103	Non Executive Director	11/05/2018
6	Mr. M K Bannerjee	00219178	Independent Director	12/06/1990
7	Mr. R Subramanian	00357153	Independent Director	12/10/1990
8	Mr. Kashinath M Pai	01171860	Independent Director	05/08/2015
9	Mrs. Siva Kameswari Vissa	02336249	Independent Director	29/07/2016
10	Mr. Bijanki Jagannath	00396161	Independent Director	27/12/2018

For **Thirupal Gorge & Associates LLP**  
Practising Company Secretaries

Place: Bengaluru

Date: 10/07/2020

**CS Thirupal Gorge**  
Designated Partner  
FCS No. 6680; CP No.6424  
UDIN. F006680B000439002





## Chief Executive Officer (CEO) Certification

To,  
The Board of Directors  
**V.S.T. TILLERS TRACTORS LTD**

I/We, the undersigned, in our respective capacities as Chief Executive Officer of V.S.T. Tillers Tractors Limited ("the Company"), certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violate of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee wherever applicable:
  - (1) Significant changes in internal control over financial reporting during the year;
  - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal controls stem over financial reporting.

Place : Bengaluru  
Date : 18th June 2020

**Antony Cherukara**  
Executive Officer

## Auditors' Certificate on Corporate Governance

To

The Members of

**V.S.T. Tillers Tractors Limited**

1. We have examined the compliance of conditions of Corporate Governance by V.S.T. Tillers Tractors Limited ("the Company"), for the year ended on March 31, 2020, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2020.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s K. S. Rao & Co**

Firm Reg. No. : 003109S

Chartered Accountants

**Hitesh Kumar P**

Partner

Membership No.233734

UDIN: 20233734AAAAES5505

Place : Bengaluru

Date : 11th August 2020



# Corporate Governance Report

## Philosophy on Corporate Governance

V.S.T. Tillers Tractors Limited is committed to good Corporate Governance practices aimed at increasing value for all stakeholders. The company believes that, corporate governance is the relationship between corporate managers, directors, and the providers of equity, people and institutions who save and invest their capital to earn a return. The Company also endeavor to enhance long term shareholder value and also respect minority shareholder value. The Company has a well-informed and Independent Board for ensuring the same.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and other provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

## BOARD OF DIRECTORS:

The Board of Directors along with various Committees provides guidance to the management and directs, supervises and controls the performance of the Company. Information provided to the Board includes quarterly and yearly results of the Company, Minutes of Audit and other Committees, information on recruitment and remuneration of senior officers just below the Board, review of annual operating plans and compliance report etc.

### (a) Composition of the Board:

Listing Regulation mandates that for a Company with non-executive Chairman, who is a Promoter, at least half of the Board should be Independent Directors. The composition and category, shareholdings, the attendance at Board Meetings and last AGM, number of Directorships in other Public Companies is as follows:

Name of the Director	Share Holdings	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of other Public Limited Companies in which Director	Chairman/ Member of the committees
Mr. V. K. Surendra	1862034*	Non-Executive	7	Yes	1	2
Mr. R. Subramanian	Nil	Independent	5	Yes	1	2
Mr. M. K. Bannerjee	Nil	Independent	7	Yes	-	2
Mr. K.M. Pai	Nil	Independent	7	Yes	1	3
Ms. Siva Kameswari Vissa	Nil	Independent	4	Yes	7	7
Mr. Bijanki Jagannath	Nil	Independent	4	Yes	-	-
Mr. V. P. Mahendra	638901*	Vice Chairman & Managing Director	7	Yes	2	3
Mr. V. V. Pravindra	224146*	Non-Executive	6	Yes	-	-
Mr. V.T. Ravindra	27852*	Executive Director	7	Yes	-	-
Mr. V S Arun	217130*	Non-Executive	4	Yes	-	-

\*holding individually / jointly. Mr.V K Surendra, Mr.V P Mahendra, Mr.V V Pravindra, Mr.V.T. Ravindra & Mr.V S Arun are belong to promoter group.

Note :

Committee Membership / Chairman of Audit Committee and Stake Holders Relationship Committee of Public Companies are considered.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director.

Based on the declarations received from the Independent Directors, the Board confirms that they meet the criteria of independence as mentioned under SEBI (LODR) Regulations and that they are independent of the management.

- Apart from Mr. V.K. Surendra, V.P. Mahendra, Mr. V.V. Pravindra, Mr. V.T. Ravindra and Mr. V S Arun none of the other Directors are related to each other.

### List of other listed Companies in which Directors holding Directorship.

Name of the Director	Name of the other Listed Company	Category of Directorship
Mr.R.Subramanian	Lotus Eye Hospital & Institute Ltd	Independent Director
Mr. K M Pai	Oriental Bell Limited	Non-Executive Director
Ms.Siva Kameswari Vissa	GMR Infrastructure Limited	Independent Director
Mr.V P Mahendra	Kirloskar Electric Company Limited	Independent Director

**Brief list of Skills/Expertise/Competencies identified by the Board:****Business:**

1. Business Management & Administration
2. Experience in Automobile/Farm Equipment Marketing
3. Technical

Finance & Taxation.

**Governance:**

Developing governance practices, serving the best interests of all stakeholders, and driving corporate ethics and values.

**Integrity and ethical standards:**

Adherence to compliance and defined procedure, protecting shareholder interests and observing appropriate governance practices.

**Leadership:**

Extended leadership experience for, resulting in a practical understanding of organizations, processes, strategic planning and risk management.

**Directors expertise and skills:**

Name of the Directors	Business Management & Administration	Experience in Automobile/Farm Machinery Marketing	Technical	Finance and Taxation	Governance	Integrity and ethical standards	Leadership
MR.V K SURENDRA	✓	✓		✓	✓	✓	✓
MR.R SUBRAMANIAN	✓			✓	✓	✓	✓
MR.MOLOY KUMAR BANNERJEE	✓	✓	-	✓	✓	✓	✓
MR.K M PAI	✓		-	✓	✓	✓	✓
MS. SIVA	✓			✓	✓	✓	✓
KAMESWARI VISSA							
MR.V P MAHENDRA	✓	✓	✓		✓	✓	✓
MR.V V PRAVINDRA	✓	✓	✓	✓	✓	✓	✓
MR.V T RAVINDRA	✓	✓	✓	✓	✓	✓	✓
MR. V S ARUN	✓	✓	✓	✓	✓	✓	✓
MR. B JAGANNATH	✓	✓	✓		✓	✓	✓

In the table, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

**(b) Details of Board Meetings:**

During the year under review the Board met 7 times on 24/04/2019, 10/05/2019, 04/06/2019, 09/08/2019, 05/11/2019, 11/02/2020 & 17/03/2020.

**(c) Code of Conduct:**

The Company has formulated and implemented Code of Conduct for Board Members and Senior Management of the Company in compliance with SEBI (LODR) Regulation, 2015 and same is available in Company website i.e. [www.vsttractors.com](http://www.vsttractors.com).

The certificate by CEO of the Company on compliance with the code of conduct is given below:

To,  
The Board of Directors,  
**V.S.T. TILLERS TRACTORS LTD**

It is hereby confirmed that the Directors and Senior Management have duly complied with the code of conduct laid down by the Company during the financial year ended March 31, 2020.

Place: Bengaluru  
Date: 11th August 2020

**Antony Cherukara**  
Chief Executive Officer



## COMMITTEE MEETINGS :

### Audit Committee Composition

At present the Audit Committee comprises of four independent Directors of the Company. All the members of Audit Committee are financially literate. The Company Secretary acts as the Secretary of the Committee.

### Terms of Reference:

Audit Committee is vested with the powers and the role that are in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Companies Act, 2013 and code of conduct for Insider Trading. The terms of reference of the Audit Committee, inter alia, include

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible;
2. Recommend appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;

### Details of Audit Committee Meetings:

During the year under review the Audit Committee met five times on May 10, 2019, June 04 2020, August 9th 2019, November 5, 2019 & February 11 2020. Required quorum was present for all the meetings.

Sl. No.	Name of the Member	Designation	Attended
1	Mr. R. Subramanian	Chairman	5
2	Mr. M. K. Bannerjee	Member	5
3	Mr K M Pai	Member	5
4	Ms.Siva Kameswari Vissa	Member	4

### Corporate Social Responsibility (CSR) Committee

The Committee is authorized to formulate the CSR policy and undertake CSR activity as specified in Schedule VII of the Companies Act, 2013. The CSR policy is available in your Company website i.e. <http://www.vstractors.com/investors/policies>

### Composition

Mr. V.K. Surendra, Chairman  
Mr. M.K. Bannerjee, Member  
Mr. V.P. Mahendra, Member  
Mr. V V Pravindra, Member

During the year under review the Committee meeting held on 07/08/2019 & 27/09/2019 with presence of all the members.

## NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act. The Key Objectives of the Committee includes 1. Formulate a criteria for determining qualifications, positive attributes and independence of a director. 2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. 3. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company; and 4. Undertake any other matters as the Board may decide from time to time. The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management. The Policy is available on the website of the Company at <http://www.vstractors.com/investors/policies>. The details of the remuneration paid to directors mentioned in page no- 55&56.

### Composition

The Nomination and Remuneration Committee comprises of three non-executive directors out of which two are independent directors.

Mr. M.K. Bannerjee, Chairman (Independent Director)  
Mr. V.K. Surendra, Member  
Mr. K.M. Pai, Member (Independent Director)

During the year under review the Committee met on 05/04/2019, 04/06/2019 & 07/08/2019 attended by all the members.

### Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders integrity and maintenance of confidentiality and independence of behavior and judgment.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is primarily responsible for review all matters connected with redressal of shareholders complaint. The terms of reference of the Committee includes enquiring into and redressing complaints of shareholders and investors and to resolve their grievances.



## Composition

The Stakeholders Relationship Committee comprises of three Directors of the Company.

Mr. K.M. Pai, Chairman

Mr. M. K. Bannerjee, Member

Mr. V.K. Surendra, Member

During the year under review the Committee met on 07/08/2019 attended by all the members.

Name of the Compliance Officer - Mr. Chinmaya Khatua, Company Secretary

The details of the shareholder's complaints mentioned in page no- 56 of the Annual Report

protect employees wishing to raise a concern about serious irregularities within the Company. The details of the policy is available in company website i.e <http://www.vsttractors.com/investors/policies>

## CONTACT DETAILS OF COMPLIANCE OFFICER:

Mr. Chinmaya Khatua, Company Secretary and Compliance Officer can be contacted:

Chinmaya Khatua,  
No.1, Dyavasandra Indl. Layout,  
Whitefield Road, Mahadevapura Post, Bengaluru – 560 048 .  
Ph. No. 080-67141111  
E-mail: [chinmaya@vsttractors.com](mailto:chinmaya@vsttractors.com)

## INDEPENDENT DIRECTORS MEETING

The Independent Directors held their meeting on 11/02/2020 without presence of any body from management side. Leave of absence was granted to Ms. Siva Kameswari Vissa.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarization programme imparted to independent directors is displayed in Company website and can be accessed at <http://www.vsttractors.com/investors/policies>

## VIGIL MECHANISM

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It is to

## INSIDER TRADING REGULATIONS:

The Company has prescribed code of conduct and disclosure practice to prevent insider trading. No violation of Insider trading was reported during the year 2019-20.

## POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

The policy on dealing with related party transactions can be accessed at <http://www.vsttractors.com/investors/policies>

## OTHER POLICIES

The Company has formulated other policies as required under Companies Act, 2013 and SEBI (LODR) Regulation 2015 and the same have been disclosed in Company Website: <http://www.vsttractors.com/investors/policies>

## DIRECTORS REMUNERATION

The non-executive Directors are not paid any remuneration other than the sitting fees which is within the limits prescribed under Companies Act, 2013.

During 2019-20, the Company has not given any loan to any of its Directors. The remuneration paid to the Managing Director/ Executive Director for the year 2019-20 is given below:

Name of the Director	Category	Salary	Commission	(In ₹)
				Total
Mr. V.P Mahendra	Vice Chairman & Managing Director	5325000	3525000	8850000
Mr, V T Ravindra	Executive Director	3600000	2700000	6300000

Mr. V.P. Mahendra was reappointed as Vice Chairman & Managing Director by the shareholders of the Company through postal ballot for two years effective from 20/02/2019. Mr. V.T. Ravindra was appointed by the shareholders as executive director of the Company for five years effective from 11/05/2018. The commission is being paid as approved by the shareholders. The details of the commission criteria are mentioned in page no- 29 of the annual report.

**Sitting fees paid to Non-Executive Directors during the year 2019-20 :**

Name of the Director	Category	Sitting Fees (in ₹)
Mr. V. K. Surendra	Chairman	8,00,000
Mr. R. Subramanian	Independent Director	5,50,000
Mr. M. K. Bannerjee	Independent Director	11,50,000
Mr. K.M. Pai	Independent Director	10,50,000
Ms. Siva Kameswari Vissa	Independent Director	4,00,000
Mr. Bijanki Jagannath	Independent Director	2,50,000
Mr. V.V. Pravindra	Non-Executive Director	3,50,000
Mr. V S Arun	Non-Executive Director	2,00,000

During the year, no non-executive director had any pecuniary relationship or transactions with the Company other than the sitting fees and reimbursement of expenses incurred by them for attending meetings of the Company.

**MEANS OF COMMUNICATION:**

The outcome of the Board Meeting, quarterly and annual financial results are sent to Stock Exchanges immediately after the Board approval. The quarterly and annual financial results are also available in Company web-site i.e., [www.vsttractors.com](http://www.vsttractors.com).

The quarterly and annual financial results are published in Financial Express & Business Standard (English) and SanjeVani (Kannada) newspapers. The Company's announcement and outcome of the investors meet are also published in Company website.

**DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS ON 31ST MARCH 2020**

Category	No. of Shareholders	% to total No. of shareholders	Shares Amount (₹)	% to total shares amount
Upto 5,000	15504	95.23	8989500	10.41
5,001 - 10, 000	369	2.27	2619600	3.03
10,001 - 20,000	217	1.33	3022420	3.50
20,001 - 30,000	58	0.36	1432350	1.66
30,001 - 40,000	32	0.20	1118270	1.29
40,001 - 50,000	14	0.09	670690	0.78
50,001 - 1,00,000	25	0.15	1876660	2.17
1,00,001 and above	61	0.37	66665790	77.16
	<b>16280</b>	<b>100.00</b>	<b>86395280</b>	<b>100.00</b>

**DETAILS OF REQUEST/COMPLAINTS RECEIVED DURING THE YEAR 2019-20**

Nature of Request	OB	Received	Attended	Pending
Change of Address	-	3	3	-
Bank Mandate	-	14	14	-
Revalidation of Warrants	-	44	44	-
Duplicate Share Certificates	-	38	38	-
Transfer/Transmission	-	14 Tr / 10 Tm	14 Tr / 10 Tm	-
Dematerialisation	-	121	121	-
Rematerialisation	-	-	-	-

**SHAREHOLDING PATTERN AS ON 31ST MARCH 2020**

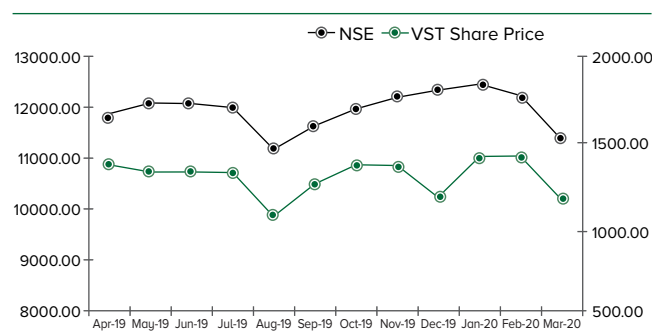
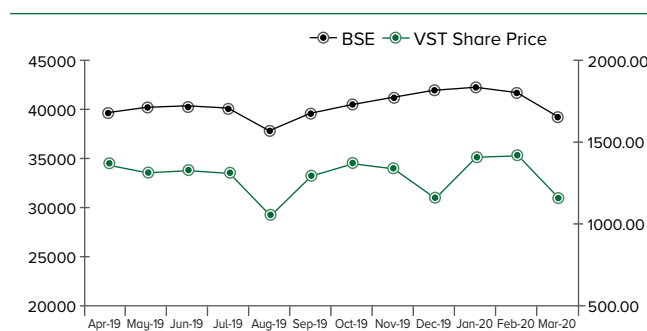
Category	No. of Shareholders	No. of shares held	% to total No. of shares
Promoters/Associates	40	4478665	51.84
Foreign Promoters	1	253125	2.93
Bodies Corporate	298	184689	2.14
Mutual Funds	14	1074108	12.43
Alternate Investment Funds	6	269362	3.12
Banks	4	4534	0.05
Financial Institutions	1	225	0.00
Foreign Financial Institutions	12	371986	4.31
Non-Resident Indians	847	107705	1.25
Clearing Members	46	6781	0.08
Public/Others	15011	1888348	21.86
<b>Total</b>	<b>16280</b>	<b>8639528</b>	<b>100.00</b>

## Market Price Data Information(BSE)

MONTH	HIGH	LOW	MONTH	HIGH	LOW
Apr-19	1,352.35	1,269.00	Oct-19	1,357.95	1,150.00
May-19	1,306.00	1,096.00	Nov-19	1,333.65	1,080.00
Jun-19	1,315.55	1,202.60	Dec-19	1,155.00	1,036.00
Jul-19	1,311.60	1,010.00	Jan-20	1,406.95	1,082.00
Aug-19	1,040.00	901.05	Feb-20	1,413.95	1,129.85
Sep-19	1,287.00	1,022.55	Mar-20	1,155.00	601.00

## Market Price Data Information(NSE)

MONTH	HIGH	LOW	MONTH	HIGH	LOW
Apr-19	1,355.55	1,261.10	Oct-19	1,358.25	1,152.30
May-19	1,309.00	1,094.95	Nov-19	1,350.00	1,080.20
Jun-19	1,314.90	1,203.15	Dec-19	1,160.00	1,052.25
Jul-19	1,309.95	1,005.00	Jan-20	1,407.95	1,082.25
Aug-19	1,045.00	921.00	Feb-20	1,412.00	1,122.20
Sep-19	1,239.95	1,000.00	Mar-20	1,154.65	588.40



Source: Web-sites of BSE and NSE

## Dematerialization of Shares and Liquidity:

Trading in equity shares of the Company became mandatory in dematerialized form. To facilitate trading in demat form, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both these NSDL and CDSL. Shareholders can open their accounts with any of the Depository Participants to hold their shares in dematerialized form. About 98.53% of the Equity Shares of the Company are held in the dematerialized form.

## Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2020, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

Commodity price risk or foreign exchange risk Please refer Note No- 37 Page no- 105 of the Annual report. Company is not doing hedging activities.

## DETAILS OF UNCLAIMED SHARES

Particulars	As on 31.03.2019		Transferred during the Year		As on 31.03.2020	
	No. of S/h's	No. of Shares	No. of S/h's	No. of Shares	No. of S/h's	No. of Shares
Unclaimed Shares	32	2986	6	990	26	1996

The voting rights on the above Shares shall remain frozen till the rightful owner of such Shares claims the Shares.

## DETAILS OF UNCLAIMED DIVIDEND TRANSFERRED TO INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

During the year 2019-20, ₹ 5,64,444 unclaimed dividend has been transferred to Investors Education & Protection Fund (IEPF) and ₹ 3,78,405/- was transferred to IEPF towards dividend for the shares transferred to the IEPF authority. There is no amount which were to be transferred to IEPF but have not been transferred. The details of the unpaid and unclaimed dividend are available in the company website i.e. [www.vstractors.com](http://www.vstractors.com) and IEPF website.



## DETAILS OF SHARES TRANSFERRED TO INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

During the year 3812 Nos of shares have been transferred to IEPF to comply with IEPF Rules. The details of the such shares is available in Company website at [www.vsttractors.com](http://www.vsttractors.com).

## GENERAL SHARE HOLDER INFORMATION

Date, Time and Venue of the 52nd Annual General Meeting	24th September, 2020 At 11:00 A.M. Through Video Conferencing / OAVM deemed to be held At Registered Office: Plot No.1, Dyvasandra Indl Layout, Mahadevapura Post, Whitefield Road, Bangalore – 560 048
Book Closure Dates	18th September, 2020 to 24th September, 2020
Dividend Payment	Interim Dividend of ₹ 15/- per equity share was paid on 31/03/2020 for the financial year 2019-20. No further dividend was recommended for the year 2019-20
Financial Year	1st April to 31st March
E-voting date	21-09-2020 (from 9 a.m IST) to 23-09-2020 (upto 5 pm IST)
E-voting cutoff date	17-09-2020

### Financial Calendar (tentative) Results for the quarter ending:

June 30, 2020 - Second week of August, 2020  
 September 30, 2020 - Second week of November, 2020  
 December 31, 2020 - Second week of February, 2021  
 March 31, 2021 - Last week of May, 2021

**Payment of Listing Fees :** Annual listing fee for the year 2020-21 has been paid by the Company to BSE &NSE.

**Payment of Depository Fees:** Annual Custody/Issuer fee for the year 2020-21 has been paid by the Company to NSDL &CDSL.

## SHARE TRANSFER SYSTEM:

As per SEBI circular, there will be no transfer of physical shares effective from 1st April 2019 and intimation was sent to shareholders in this regard.

The Company has appointed M/s. Integrated Registry Management Services Private Limited, Registrar & Share Transfer Agents for handling all matters relating to share transfers including transfer/transmission of shares, de-materialization of share certificates, sub division / consolidation of share certificate etc.

Share Holders desiring to communicate on any matter relating to the shares of the Company may either visit in person or write to the Company's Share Transfer Agent quoting their Folio No./ DP ID & Client ID number at the following address.

### M/s. Integrated Registry Management Services Private Limited

# 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003  
 Phone Nos. 080-23460815-18,  
 Fax: 080-23460819  
 e-mail : [irg@integratedindia.in](mailto:irg@integratedindia.in)

### Stock Exchanges Address:

National Stock Exchange of India Ltd,  
 Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra( E )  
 MUMBAI – 400 051  
 Tel No- 022-26598235

### BSE Limited

25 Floor, P. J. Towers,  
 Dalal Street, Fort, MUMBAI – 400 001 Ph-022-22721234.

### STOCK CODE:

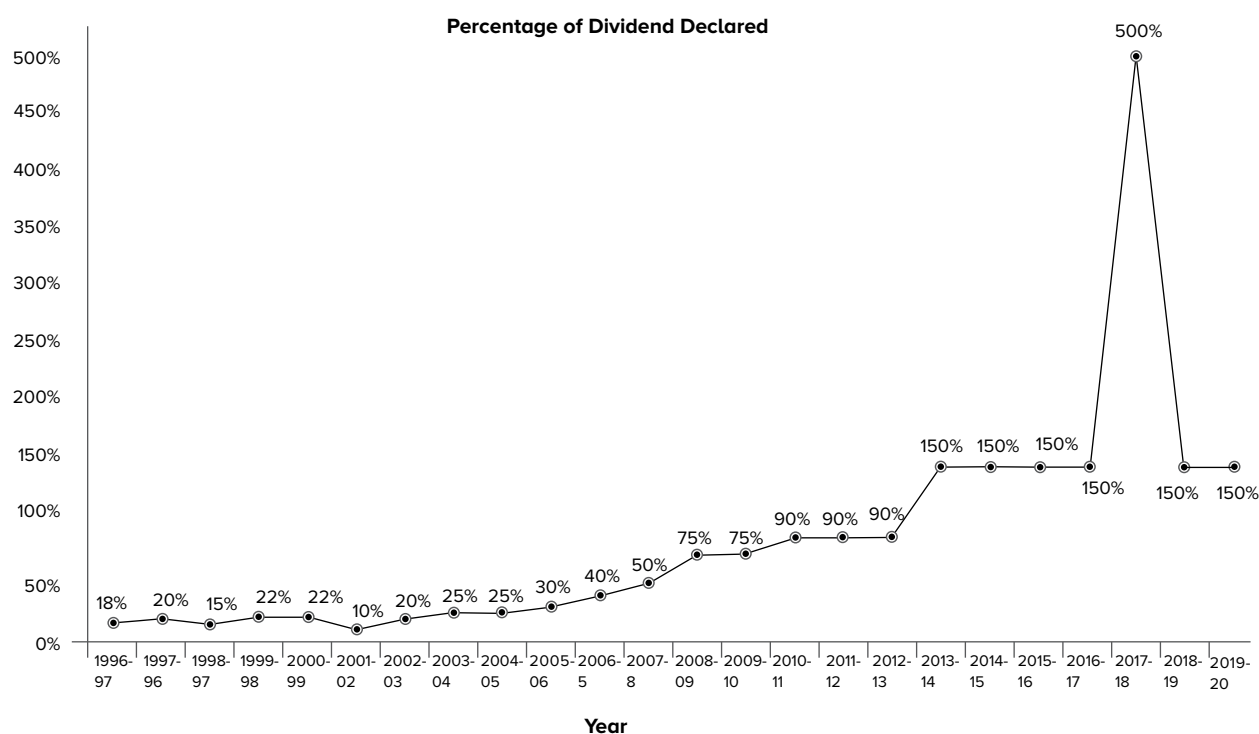
BSE Ltd : 531266

**National Stock Exchange of India Ltd. : VSTTILLERS ISIN : INE 764D01017.**

CIN- L34101KA1967PLC001706

### ADDRESS FOR CORRESPONDENCE

The Company Secretary  
 M/s. V.S.T. Tillers Tractors Ltd,  
 Plot No-1, Dyavasandra Indl Layout, Whitefield Road, Mahadevapura Post, Bengaluru- 560048.  
 Ph : 080-67141111  
 E-mail : [investors@vsttractors.com](mailto:investors@vsttractors.com)

**Particulars of last 3 Annual General Meetings**

Date/Time	Location	Summary of Special Business
09.08.2019 3.30 p.m.	Woodlands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bengaluru - 560 025	<ul style="list-style-type: none"> <li>• Ratification of Cost Auditor's remuneration</li> <li>• Re-appointment of Mr. R. Subramanian as an Independent Director of the Company.</li> <li>• Re-appointment of Mr. M.K. Bannerjee as an Independent Director of the Company</li> <li>• Re-appointment of Mr. K.M. Pai as an Independent Director of the Company.</li> </ul>
11.08.2018 3:30 p.m.	"Rohini Hall", Hotel Ajantha, 22-A, Mahatma Gandhi Bengaluru - 560 001.	<ul style="list-style-type: none"> <li>• Ratification of Cost Auditor's remuneration</li> <li>• Appointment of Mr. V.T. Ravindra as Whole-time Director.</li> <li>• Appointment of Mr. Arun V. Surendra as a Director</li> </ul>
11.08.2017 3:30 p.m.	Woodlands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bengaluru - 560 025.	<ul style="list-style-type: none"> <li>• Ratification of Cost Auditor's remuneration</li> <li>• Alteration of Articles of Association.</li> <li>• Ratification of Whole-time Director appointment.</li> </ul>

No postal ballot was conducted during the year 2019-20. There is no special resolution proposed to be conducted through postal ballot.

**PLANT LOCATIONS:**

BENGALURU	HOSUR	MYSORE	MALUR
Plot No-1, Dyavasandra Indl. Layout, Whitefield Road, Mahadevapura Post, Bengaluru-560048, Karnataka	Plot No:39, Sipcot – Phase I, Mookandapalli Post, Hosur – 635 126. Tamil Nadu	No.20, Plot No.42/43, Metagalli Industrial Area, Mysuru -570016. Karnataka	Plot No-222-224 & 229-232, KIADB Industrial Area, Malur III Phase, Malur -563130, Karnataka

**DISCLOSURES**

- During the year under review, besides the transactions mentioned under note no.36 page no- 103 of Annual Report, there were no materially significant related party transactions that may have potential conflict with the interest of the company at large. The policy is available at <http://www.vsttractors.com/investors/policies>



- There are no instances of non-compliance on any matter relating to the capital market during the last three years and no penalty was levied.
- The Company has not adopted then non-mandatory requirements as stated in SEBI (LODR) Regulation, 2015.
- The Company has formulated whistle-blower policy and vigil mechanism and no person has been denied access to the Audit Committee with regard to whistle-blower policy.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standard.
- The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:
  - o The auditors' report on statutory financial statements of the Company are unmodified.
  - o The Company has appointed separate persons to the post of chairperson and managing director or chief executive officer.
  - o The internal auditor reports directly to the audit committee.
- The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses(b) to(i) of sub-regulation(2) of regulation 46 of SEBI (Listing Regulation and Disclosure Requirement) Regulations, 2015.

- Credit rating - The Company has not obtained credit rating for the year 2019-20 and same is under process.
- The Company has taken a certificate from Thirupal Gorige & Associates LLP practicing company secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority (Please refer Annexure-7).
- During the financial year 2019-20, the Board has accepted all the recommendations of its Committees.
- The company's share has not been suspended for trading.

**Fees paid to statutory Auditors:**

Type of Service	For the Financial Year (in ₹)
Audit Fees	1750000
Tax Audit Fees	400000
GST Audit Fees	600000
Reimbursement of expenses	160000
<b>Total</b>	<b>2910000</b>

For **V.S.T. TILLERS TRACTORS LTD**

Place: Bengaluru  
Date: August 11th 2020

**V K Surendra**  
Chairman



# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company : L34101KA1967PLC001706
- Name of the Company : **V.S.T. TILLERS TRACTORS LTD.**
- Registered address : Plot No- 1, Dyavasandra Indl. Layout, Whitefield Road, Mahadevapura Post, Bangalore-560048
- Website : [www.vsttractors.com](http://www.vsttractors.com)
- E-mail id : [investors@vsttractors.com](mailto:investors@vsttractors.com)
- Financial Year reported : 1st April 2019 to 31st March 2020
- Sector(s) that the Company is engaged in (industrial activity code-wise)

Manufacturing of Agricultural Machineries

Products	NIC Code of the product
Power Tiller	2821
Tractor	2821

- List three key products/services that the Company manufactures/provides (as in balance sheet)
  - Power Tiller
  - Tractors
  - Diesel Engines
- Total number of locations where business activity is undertaken by the Company
  - Number of International Locations : Nil
  - Number of National Locations : 4 Locations (i.e. Bangalore, Malur, Hosur & Mysore)
- Markets served by the Company – Local/State/National/International
 

National / International

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR) : ₹ 86395280
- Total Turnover (INR) : ₹ 543 Crores
- Total profit after taxes (INR) : ₹ 18 Crores
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : Please refer Annexure-2 of the Annual Report.
- List of activities in which expenditure in 4 above has been incurred:- Please refer Annual Report on CSR Activities

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies? : No
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) : NA
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] : No

## SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR
  - Details of the Director/Director responsible for implementation of the BR policy/policies

- DIN Number : 00396156
- Name : Mr. V.T Ravindra
- Designation: Executive Director

- Details of the BR head

No	Particulars	Details
1	DIN Number (if applicable)	00396156
2	Name	Mr. V.T Ravindra
3	Designation	Executive Director
4	Telephone number	91-80-67141111
5	e-mail id	<a href="mailto:investors@vsttractors.com">investors@vsttractors.com</a>

- Principle-wise (as per NVGs) BR Policy/policies

Principles to assess compliance with environmental, social and governance norms

- Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.
- Businesses should provide goods and services in a manner that is sustainable and safe and contribute to sustainability throughout their life cycle.
- Businesses should respect and promote the well-being of all employees.
- Businesses should respect the interests of, and be responsive to all their stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- Businesses should respect and promote human rights.



6. Businesses should respect and make efforts to protect and restore the environment.
7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
8. Businesses should support inclusive growth and equitable development.
9. Businesses should engage with and provide value to their consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

Sl. No.	Question	Business ethics	Product responsibility	Well being of employees	Stakeholder engagement	Human rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	-	-	Y	-	Y	-
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	-	-	Y	-	-	-
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	-	Y	-	-	Y	-	-	-
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	-	Y	-	-	Y	-	Y	-
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	-	Y	-	-	Y	-	Y	-
6	Indicate the link for the policy to be viewed online?	-	-	-	-	-	-	-	www.vsttractors.com	-
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	-	-	Y	-	-	-
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	-	-	Y	-	Y	-
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Y	Y	-	-	Y	-	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	-	-	-	-	-	-	-	-	-

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles The company has not understood the Principles	---	---	---	---	---	---	---	---	---
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	---	---	---	---	---	---	---	---	---
3	The company does not have financial or manpower resources available for the task	---	---	---	---	---	---	---	---	---
4	It is planned to be done within next 6 months	---	---	---	---	---	---	---	---	---
5	It is planned to be done within the next 1 year	---	---	---	---	---	---	---	---	---
6	Any other reason (please specify):	Other policies will be implemented as per the requirement of the company in future								

**Governance related to BR**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

There is no defined frequency. Assessment is an on going exercise and is an inherent part of corporate functions.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

No.

The Company has been sourcing indirect materials which are recyclable.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors? - The Company is procuring materials from local vendor if they meet quality standard. Continuous interaction with them to increase their capabilities.

Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. The Company has the water treatment system. please refer Annual Report.

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The Company's policy relating to ethics, bribery and corruption extends to employees and representatives which include dealers, distributors, agents,

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. Nil

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities - No risk/concern

(a). Tractor

(b). Power Tillers

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? - NA

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? - NA

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.:

**Principle 3: Businesses should promote the well-being of all Employees**

1. Please indicate the Total number of employees. - 1287
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. -529
3. Please indicate the Number of permanent women employees. -24
4. Please indicate the Number of permanent employees with disabilities - 01
5. Do you have an employee association that is recognized by management. - Yes
6. What percentage of your permanent employees is members of this recognized employee association? - 23%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil



8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees- 58%
- (b) Permanent Women Employees- 54%
- (c) Casual/Temporary/Contractual Employees- 56%
- (d) Employees with Disabilities- NA

**Principle 4: Businesses should respect the interests of, and be responsive towards all Stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

1. Has the company mapped its internal and external stakeholders? Yes/No- NA
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.- NA
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?- NA
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?- Nil

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

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.- Internal Company Policy
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.- No
3. Does the company identify and assess potential environmental risks? Y/N- Yes
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?- No
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy,

etc. Y/N. If yes, please give hyperlink for web page etc.- Please refer the Annual Report

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?- Yes
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.- No

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

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
  - (a). CII
  - (b). FKCCI
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)- No

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.- provide education facility, livelihood of physically disabled.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?- Through Registered Trusts
3. Have you done any impact assessment of your initiative?- Yes
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.- Please refer our Annual Report
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so -NA.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Number of complaints pending as on the end of financial year.- About 5 consumer cases.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)- Yes

Yes, apart from the mandated declarations, additional declarations are furnished on the products/labels relating to the products and their usage.

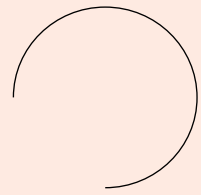
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes

# Financial Statements





# Independent Auditor's Report

To  
The Members of  
**V.S.T. Tillers Tractors Limited.**

## Report on the Ind AS Financial Statements

### Opinion

1. We have audited the accompanying Ind AS financial statements of **V.S.T. Tillers Tractors Limited** (the "**Company**"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of cashflows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "Ind AS financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements for the year ended 31st March, 2020 give the information required by the companies Act, 2013 as amended (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2020, and profit, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion:

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of

the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

### Key Audit Matters

4. Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements for the year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key Audit Matters

##### Migration to SAP HANA

At the beginning of the year the Company has implemented SAP a new Enterprise Resource Planning (ERP) System. The new system is fully Integrated Financial Accounting and reporting system.

The Implementation of ERP has a risk of loss of Integrity of Key Financial data being migrated and elimination of traditional controls without replacing them with the new effective controls measures monitoring of IT controls which are relating to critical business processes such as Purchase, Production, Sales, Inventory and Including Recording of Transactions which could lead to financial errors or Mis-statements and Inaccurate Financial Reporting and also there is risk that automated accounting procedures and related IT manual controls might not work.

Accordingly, we have designated the above matter as a Key audit matter in the Audit.

#### How the matter was addressed in our Audit

##### Our procedures included:

We have performed procedures to ensure the migration of financial data between old System and new system.

Our audit approach consisted testing of design and operating effectiveness of Internal Controls and substantive testing around the new ERP system. We also performed sufficient test of details as a part of our audit.

We have performed the test of details for areas where the management has implemented manual controls during the year including the continuing manual controls as at the year end.

We have performed the test of controls regarding the appropriateness of system access and an effective maker and checker system built in the ERP system for proper authorizations of transactions and posting of accounting entries.

The combination of these tests of controls and procedures performed gave us a Sufficient Evidence to enable us to rely on the operations of ERP system for the purpose of the audit of the Financial Statements.



## Information Other than the Financial Statements and Auditor's Report Thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance.

## Management's Responsibility for the Ind AS Financial Statements:

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Ind AS Financial Statements:

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication
- c) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of written representations received from the directors as on 31st March 2020 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2020 from being appointed as directors in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – (Refer Note 41 of the Ind AS financial statements).
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- Report on Other Legal and Regulatory Requirements:**
15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Annexure - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- Place: Bengaluru  
Date: June 18, 2020
- For **K.S. Rao & Co.,**  
Chartered Accountants,  
Firm Registration No: 003109S
- Hitesh Kumar P**  
Partner  
Membership No. 233734  
UDIN: 20233734AAAADF7815



## Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2020 we report that:

(i) In respect of the Company's fixed assets

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (b) The Company has the program of physical verification of fixed assets to cover all the items of Property, Plant and Equipment of the Company in a phased manner over a period of three years which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and any material discrepancies noticed have been properly dealt in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, Limited Liability Partnership or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clauses from (iii) (a) to (iii) (c) of paragraph 3 of the Order is not applicable to the Company.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grants of loans, making investment and providing guarantees and securities as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, in respect of the Company's services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we have not conducted a detailed examination of the same.
- (vii) a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, there were no undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and other material statutory dues which were outstanding, as at 31 March, 2020 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Wealth Tax, Service Tax, Excise Duty, and Cess which have not been deposited on account of dispute except for the below:

Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates to	Amount involved in ₹
The Income Tax Act, 1961	Disallowance of Marketing Expenses	Income Tax Appellate Tribunal	2011-12	3,44,94,802
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Commission of Income Tax (Appeals)	2012-13	4,05,486
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	ACIT (TDS)	2012-13	1,96,68,882
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Commission of Income Tax (Appeals)	2013-14	16,45,492

Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates to	Amount involved in ₹
The Income Tax Act,1961	Disallowance of expenditure incurred in connection with earning exempted income.	Commission of Income Tax (Appeals)	2015-16	2,32,90,910
The Income Tax Act,1961	Disallowance of expenditure incurred in connection with earning exempted income.	Commission of Income Tax (Appeals)	2016-17	59,20,917
The Customs Act,1962	Disallowance of Concessional Custom Duty availed under Customs Notification No.12/2012 for Reaper Combinder	Appellate Tribunal	2014-2017	25,68,156

- (viii) The Company has not taken any loan or borrowings from a financial institution or bank and the Government. The Company has not issued any debentures during the year. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, we report that managerial remuneration has been paid/provided in accordance with the Sec 197 read with Schedule V of the Act.
- (xii) The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **K.S. Rao & Co.,**  
Chartered Accountants,  
Firm Registration No: 003109S

**Hitesh Kumar P**  
Partner

Place: Bengaluru  
Date: June 18, 2020

Membership No. 233734  
UDIN: 20233734AAAADF7815



## Annexure - B to the Independent Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **V.S.T. Tillers Tractors Limited** ("the Company") as at March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements.

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that,

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls with reference to financial statements.**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to

financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K.S. Rao & Co.,**  
Chartered Accountants,  
Firm Registration No: 003109S

**Hitesh Kumar P**  
Partner  
Membership No. 233734  
UDIN: 20233734AAAADF7815

Place: Bengaluru  
Date: June 18, 2020



# Balance Sheet

as at March 31, 2020

(Amount in ₹.)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>A ASSETS</b>			
<b>1. Non-current assets</b>			
a) Property, plant and equipment	4	1,71,94,47,761	1,72,08,16,480
b) Capital work-in-progress		47,67,61,866	34,79,26,737
c) Investment property	5	22,32,36,217	22,58,51,120
d) Other Intangible assets	6	11,97,04,430	10,98,67,866
e) Financial assets			
i) Investments	7	35,34,58,678	43,93,14,740
ii) Loans	8	34,87,773	62,23,726
iii) Other financial assets	9	2,64,14,444	2,63,77,285
f) Other non-current assets	10	11,09,24,063	6,05,44,381
<b>Total non-current assets</b>		<b>3,03,34,35,232</b>	<b>2,93,69,22,335</b>
<b>2. Current assets</b>			
a) Inventories	11	1,02,26,96,874	1,23,65,94,186
b) Financial assets			
i) Investments	7	1,21,11,04,634	1,21,31,41,466
ii) Trade receivables	12	96,15,76,534	96,39,70,094
iii) Cash and cash equivalents	13	23,15,35,599	16,52,42,550
iv) Bank balances other than (iii) above	14	2,67,60,959	2,31,06,415
v) Loans	8	38,75,776	4,09,853
vi) Other financial assets	9	4,29,12,154	4,34,69,002
c) Other current assets	10	54,77,93,882	68,56,81,786
d) Current tax asset (net)		20,47,24,761	21,39,86,152
<b>Total current assets</b>		<b>4,25,29,81,174</b>	<b>4,54,56,01,504</b>
<b>Total assets</b>		<b>7,28,64,16,406</b>	<b>7,48,25,23,839</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
a) Equity share capital	15	8,63,95,280	8,63,95,280
b) Other equity	16	5,68,26,93,707	5,81,25,99,182
<b>Total equity</b>		<b>5,76,90,88,987</b>	<b>5,89,89,94,462</b>
<b>2. Liabilities</b>			
<b>Non current liabilities</b>			
a) Financial liabilities			
Other financial liabilities	17	40,37,74,591	45,96,15,387
b) Deferred tax liabilities (net)	19	1,35,41,952	7,00,07,042
c) Other Non current liabilities	20	6,61,412	11,28,744
<b>Total non current liabilities</b>		<b>41,79,77,955</b>	<b>53,07,51,173</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Trade payables	21		
-total outstanding dues of micro enterprises and small enterprises		10,22,40,330	7,04,75,110
-total outstanding dues of creditors other than micro enterprises and small enterprises		47,54,71,708	27,23,24,737
ii) Other financial liabilities	17	40,44,59,311	41,06,52,276
b) Provisions	18	1,68,43,411	1,54,32,785
c) Other current liabilities	20	10,03,34,704	28,38,93,296
<b>Total current liabilities</b>		<b>1,09,93,49,464</b>	<b>1,05,27,78,204</b>
<b>Total liabilities</b>		<b>1,51,73,27,419</b>	<b>1,58,35,29,377</b>
<b>Total equity and liabilities</b>		<b>7,28,64,16,406</b>	<b>7,48,25,23,839</b>

See accompanying notes forming part of financials statements

As per our report of even date  
**For K.S. Rao & Co.,**  
Chartered Accountants  
Firm Registration No. 003109S

**Hitesh Kumar. P**  
Partner  
Membership No:233734

Place : Bengaluru  
Date : June 18, 2020

For and on behalf of the Board of Directors of  
**V.S.T. Tillers Tractors Limited**

**V.P.Mahendra**  
DIN:00033270  
Vice Chairman & Managing Director

**Antony Cherukara**  
Chief Executive Officer

Place : Bengaluru  
Date : June 18, 2020

**K.M. Pai**  
DIN:01171860  
Director

**Chinmaya Khatua**  
ACS - 21759  
Company Secretary

# Statement of Profit and Loss

for the year ended March 31, 2020

(Amount in ₹.)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	22	5,43,67,62,300	6,14,79,93,704
II Other income	23	23,58,41,068	44,90,70,630
<b>III Total Revenue (I+II)</b>		<b>5,67,26,03,368</b>	<b>6,59,70,64,334</b>
<b>IV Expenses</b>			
a) Cost of materials consumed		3,47,66,64,722	4,39,24,81,942
b) Change in inventories of finished goods, work in progress and Stock in Trade	24	24,66,40,739	(31,77,16,860)
c) Employee benefit Expenses	25	68,29,53,327	66,10,57,702
d) Finance costs	26	1,46,83,746	2,24,66,183
e) Depreciation and amortisation expenses	27	16,34,99,020	15,78,55,166
f) Other expenses	28	85,71,28,119	96,55,92,997
<b>Total Expenses</b>		<b>5,44,15,69,673</b>	<b>5,88,17,37,129</b>
V Profit before exceptional items and tax (III-IV)		23,10,33,695	71,53,27,205
VI Exceptional Items		-	-
<b>VII Profit before tax (V+VI)</b>		<b>23,10,33,695</b>	<b>71,53,27,205</b>
<b>VIII Tax expense:</b>			
Current tax		10,80,00,000	24,04,69,473
Deferred tax		(5,70,25,357)	1,42,24,846
<b>IX Profit for the year (VII-VIII)</b>		<b>18,00,59,052</b>	<b>46,06,32,886</b>
<b>X OTHER COMPREHENSIVE INCOME</b>			
A (i) Items that will be reclassified to the profit or loss		-	-
B (i) Items that will not be reclassified to the statement of profit or loss			
a) Remeasurement of Defined employee benefit plans	29	30,57,614	(83,28,415)
(ii) Income tax on items that will not be reclassified to the profit or loss		(5,60,270)	29,10,281
<b>Total Other Comprehensive Income (net of taxes)</b>		<b>24,97,344</b>	<b>(54,18,134)</b>
<b>Total Comprehensive Income for the year</b>		<b>18,25,56,396</b>	<b>45,52,14,752</b>
XI Earnings per Equity share-Basic and diluted	30	20.83	53.32
<b>See accompanying notes forming part of financials statements</b>			

As per our report of even date

**For K.S. Rao & Co.,**

Chartered Accountants

Firm Registration No. 003109S

**Hitesh Kumar. P**

Partner

Membership No:233734

Place : Bengaluru

Date : June 18, 2020

For and on behalf of the Board of Directors of

**V.S.T. Tillers Tractors Limited****V.P.Mahendra**

DIN:00033270

Vice Chairman &amp; Managing Director

**Antony Cherukara**

Chief Executive Officer

Place : Bengaluru

Date : June 18, 2020

**K.M. Pai**

DIN:01171860

Director

**Chinmaya Khatusa**

ACS - 21759

Company Secretary



# Cash Flow Statement

for the year ended March 31, 2020

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>I Cash flow from operating activities:</b>		
<b>A. Profit before tax</b>	23,10,33,695	71,53,27,204
<b>B. Adjustment for:</b>		
a. Depreciation and amortisation	16,34,99,020	15,78,55,166
b. Interest income	(1,80,37,019)	(5,58,63,808)
c. Dividend Income	(3,58,84,102)	(4,22,44,343)
d. (Profit)/Loss on sale of fixed assets	(56,19,983)	(3,84,075)
e. Provisions for bad and doubtful debts	8,16,02,774	6,82,04,092
f. Rent received	(1,18,75,400)	(1,79,05,400)
g. (Profit)/Loss on Sale of Investment	20,37,965	(94,61,800)
h. Provisions Written back	(14,17,03,884)	(24,81,71,480)
i. Unrealized foreign exchange (gain)/loss	37,99,139	31,48,455
j. Finance cost	1,40,46,376	2,17,45,095
k. Interest income on security deposit given	(1,29,178)	(1,22,667)
l. Deferred rental income on security deposits received	(6,63,448)	(7,93,393)
m. Unrealised (gain)/Loss on Investments	12,29,88,569	5,71,66,907
n. Interest expense on security deposit	6,37,370	7,21,088
o. Amortisation of Prepaid lease rentals	1,08,361	1,18,693
	<b>40,58,40,255</b>	<b>64,93,39,735</b>
<b>C. Adjustment for movements in Working capital</b>		
a. Trade payables, Other liabilities and Provisions (Net of fair value adjustment on deposits)	13,55,75,932	(8,70,02,171)
b. Trade receivables	(8,30,08,353)	88,79,75,960
c. Inventories	21,38,97,312	(45,26,45,831)
d. Financial and other current assets	14,98,63,481	(22,12,48,569)
<b>D. Cash generated from Operations</b>	<b>82,21,68,626</b>	<b>77,64,19,124</b>
Less: Direct taxes Paid	(9,87,38,609)	(34,46,00,325)
<b>Net cash flow from operating activities (I)</b>	<b>72,34,30,017</b>	<b>43,18,18,799</b>
<b>II Cash flows from investing activities</b>		
a. Purchase of fixed assets, including CWIP	(35,62,62,038)	(45,28,69,304)
b. Proceeds from sale of fixed assets	1,33,12,196	39,51,257
c. Purchase of Investment property	-	(26,54,947)
d. Redemption/maturity of bank deposits	(36,54,545)	(1,30,08,511)
e. Sale/(Purchase) of investments	(3,50,95,685)	33,16,04,829
f. Interest received	58,75,045	10,36,53,730
g. Income from investment	3,58,84,102	4,22,44,343
h. Rent Received	1,18,75,399	1,79,05,400
i. Profit on sale of Investment	(20,37,965)	94,61,800
j. Proceeds from Inter corporate loan	-	7,00,00,000
<b>Net cash flow from/ (used in) investing activities (II)</b>	<b>(33,01,03,491)</b>	<b>11,02,88,596</b>

# Cash Flow Statement

for the year ended March 31, 2020

(Amount in ₹.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>III Cash flows from financing activities</b>		
a. Interest paid	(1,40,46,376)	(2,17,45,095)
b. Dividends paid on equity shares	(25,97,11,070)	(43,00,92,532)
c. Tax on equity dividend paid	(5,32,76,031)	(8,79,40,231)
<b>Net cash flow from/ (used in) financing activities (III)</b>	<b>(32,70,33,477)</b>	<b>(53,97,77,858)</b>
<b>IV Net (decrease) in cash and cash equivalents (I + II + III)</b>	6,62,93,049	23,29,537
Cash and cash equivalents at the beginning of the year	16,52,42,550	16,29,13,013
<b>V Cash and cash equivalents at the end of the year</b>	<b>23,15,35,599</b>	<b>16,52,42,550</b>
<b>VI Components of cash and cash equivalents:</b>		
a. Cash on hand	77,002	97,136
b. Cheques on hand	-	-
c. With banks	-	-
i. on current account	23,14,58,597	16,51,45,414
<b>Total cash and cash equivalents (note no.13)</b>	<b>23,15,35,599</b>	<b>16,52,42,550</b>

As per our report of even date

**For K.S. Rao & Co.,**

Chartered Accountants

Firm Registration No. 003109S

**Hitesh Kumar. P**

Partner

Membership No:233734

Place : Bengaluru

Date : June 18, 2020

For and on behalf of the Board of Directors of

**V.S.T. Tillers Tractors Limited**

**V.P.Mahendra**

DIN:00033270

Vice Chairman & Managing Director

**Antony Cherukara**

Chief Executive Officer

Place : Bengaluru

Date : June 18, 2020

**K.M. Pai**

DIN:01171860

Director

**Chinmaya Khatua**

ACS - 21759

Company Secretary



# Statement of Changes in Equity

for the year ended March 31, 2020

## I Equity Share capital

(Amount in ₹.)			
Particulars	At the beginning of the year	Changes during the year	At the end of the year
For the year ended March 31, 2019	8,63,95,280	-	8,63,95,280
For the year ended March 31, 2020	8,63,95,280	-	8,63,95,280

## II Other Equity

(Amount in ₹.)					
Particulars	Capital Reserve	General reserve	Surplus in Statement of Profit and Loss	Other comprehensive Income	Total
<b>As at March 31, 2019</b>	<b>2,64,04,870</b>	<b>3,00,00,00,000</b>	<b>2,80,85,44,586</b>	<b>(2,23,50,274)</b>	<b>5,81,25,99,182</b>
Profit for the year			18,00,59,052		18,00,59,052
Other comprehensive income				24,97,344	24,97,344
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>18,00,59,052</b>	<b>24,97,344</b>	<b>18,25,56,396</b>
Dividends			25,91,85,840		25,91,85,840
Dividend distribution tax			5,32,76,031		5,32,76,031
<b>As at Mar 31, 2020</b>	<b>2,64,04,870</b>	<b>3,00,00,00,000</b>	<b>2,67,61,41,767</b>	<b>(1,98,52,930)</b>	<b>5,68,26,93,707</b>

The accompanying notes form an integral part of Financial Statements

As per our report of even date

**For K.S. Rao & Co.,**

Chartered Accountants

Firm Registration No. 003109S

**Hitesh Kumar. P**

Partner

Membership No:233734

Place : Bengaluru

Date : June 18, 2020

For and on behalf of the Board of Directors of

**V.S.T. Tillers Tractors Limited****V.P.Mahendra**

DIN:00033270

Vice Chairman &amp; Managing Director

**Antony Cherukara**

Chief Executive Officer

Place : Bengaluru

Date : June 18, 2020

**K.M. Pai**

DIN:01171860

Director

**Chinmaya Khatua**

ACS - 21759

Company Secretary



# Notes to the Financial Statements

for the year ended March 31, 2020

## 01. Corporate information:

V.S.T. Tillers Tractors Limited (VTTL) was incorporated on December 18, 1967 in Bangalore, India. It was promoted by the VST Group, a well-known business house in South India, in technical collaboration and joint venture with Mitsubishi Heavy Industries and Mitsubishi Corporation, Japan for the manufacture of Power Tillers and Diesel Engines. The plant went into production in the year 1970.

In 1984, an additional technical and financial collaboration with Mitsubishi Agricultural Machinery Company Ltd, Japan for the manufacture of 18.5 HP, 4 wheel drive Tractor was entered into.

The company was incorporated for the purpose of manufacture and to deal with Tractor, Tillers, Diesel Engines, Harvesters, Reapers, Binders, Transplanters / planters, Trench Cutters, Front end Loaders and all kinds of allied agricultural, plantation and horticultural machinery including attachments, components, accessories, spares implements and other equipment's required for the satisfactory functioning of the agricultural equipment.

## 02. Basis of preparation:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

These Financial Statements were approved by the Company's Board of Directors and authorized for issue on June 18, 2020.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

## 03. Significant Accounting policies:

### a) Significant accounting estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosures of contingencies at the end of the each reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes that requiring a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

## Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates made by the company based on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### i. Impairment of non-current assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposals and its value in use. The fair value less costs of disposal is calculated based on available data from binding sales transactions, conducted at arm's length price, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The value in use is sensitive to the discount rate (generally weighted average cost of capital) used for the DCF model as well as the expected future cash-inflows and the growth rate used for exploration purposes.

### ii. Defined Benefit Plans:

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

### iii. Fair Value measurement of financial instruments:

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active



# Notes to the Financial Statements

for the year ended March 31, 2020

markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

#### iv. Contingencies:

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claim/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

#### v. Property, Plant and Equipment:

Based on evaluations done by technical assessment team, the management has adopted the useful life and residual value of its Property, Plant and Equipment. Management believes that the assigned useful lives and residual value are reasonable.

#### vi. Intangibles:

Internal technical or user team assesses the useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

#### vii. Income Taxes:

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

#### viii. Provision for Warranty expenditure:

Due to the nature of industry the company operates, it needs to incur warranty expenditure on regular basis. Company applies rational judgement and past experience in determining the extent of provision to be created at the end of each reporting period.

#### b) Current Vs Non-current classifications:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it satisfies below criteria:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies below criteria:

- Expected to settle the liability in normal operating cycle;
- Held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### c) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost net of GST input credit, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price, any attributable cost of bringing the asset to its working condition for its intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

The company adopted cost model as its accounting policy, in recognition of the Property, Plant and Equipment and recognises at the transaction value as the cost.

# Notes to the Financial Statements

for the year ended March 31, 2020

Direct expenditure incurred and other attributable costs on projects under construction or in the process of installation are termed as Capital work in progress and shown at cost in the Balance Sheet.

Depreciation is provided on the straight line method as per the useful life prescribed in the schedule II to the Companies Act, 2013 except in respect of the following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance supports etc.

**Estimated useful life of the assets are as follows:**

Type of the Asset	Method of Depreciation	Useful life considered
Buildings	Straight line Method	3 – 60 Years
Plant and Machinery	Straight line Method	5 - 15 Years
Data processing equipment	Straight line Method	3 Years
Furniture and fixtures	Straight line Method	10 Years
Vehicles	Straight line Method	8 Years
Office Equipment	Straight line Method	5 Years

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value if any is charged to Statement of Profit and Loss.

## Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant, and equipment recognised as at March 31, 2016 measured as per Previous GAAP as the deemed cost of property plant and equipment.

## d) Intangible Assets:

Intangible assets are carried at cost, net of accumulated amortisation expenses and impairment losses, if any. Cost of an intangible asset comprise of purchase price and attributable expenditure on making the asset ready for its intended use.

Computer software:

Costs incurred towards purchase of computer software are amortised over the useful life as estimated by the Management which is about 3-6 years for all of the intangible computer software assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognised.

## e) Investment Properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefit associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight – line method over their estimated useful lives. The estimated useful life of buildings, classified as investment properties, ranges from 30 - 60 years. The useful life has been determined based on technical evaluation performed by the management's expert.



# Notes to the Financial Statements

for the year ended March 31, 2020

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of Profit and Loss in the period of derecognition.

**f) Impairment of tangible and intangible assets:**

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discounting factor. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. When there is an indication previously recognised impairment losses no longer exists or may have decreased such reversal of impairment loss is recognised in the profit and loss account.

**g) Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

**h) Inventories:**

**i. Stock-in-Trade:**

Stock-in-Trade are stated at the lower of cost and net realizable value. Net realizable value

represents the estimated selling price of inventories less estimated costs of completion and costs necessary to make the sale. Cost is determined on weighted Average basis.

**ii. Stores and Spares:**

Spare parts, stand-by equipment and servicing equipment are recognised in accordance with Ind AS 16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory. Spare parts, stand-by equipment and servicing equipment classified as inventory are stated at the lower of cost or net realisable value. Cost is determined on Weighted Average basis.

**i) Fair Value Measurement:**

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these financials statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2, or value in use in Ind AS 36.

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

# Notes to the Financial Statements

for the year ended March 31, 2020

- i. Level 1 – Quoted (unadjusted market prices) in active markets for identical assets or liabilities.
- ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
- iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## j) Revenue recognition:

### i. Revenue from operations:

Revenue is recognized only when it can be reliably measured, and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods and services, net of Goods and Service Tax (GST) and trade discounts, cash discounts and other discounts.

- ii. **Interest/dividend:** Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive payment is established by the balance sheet date.

### iii. Rental income from Investment Property:

Rental income is recognised on accrual basis, based on agreements entered by the company as on the reporting date.

## k) Foreign currency transactions:

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

## l) Retirement and other employee benefits:

- i. Employer's contribution to Provident Fund, Employee State Insurance and Labour Welfare Fund which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

- ii. Gratuity liability is in the nature of defined benefit obligation. The company's Plan Assets comprise of Gratuity fund maintained by Life Insurance Corporation of India and liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each reporting period as per the requirements of Ind AS 19 on "Employee Benefits".

Actuarial gain/(loss) in the valuation are recognised as other comprehensive income for the period.

- iii. Compensated absences which are in the nature of defined benefit obligation are provided for based on estimates and provided for on the basis of independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 on "Employee Benefits".

## m) Earnings Per Share:

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## n) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.



# Notes to the Financial Statements

for the year ended March 31, 2020

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

## o) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of balance sheet and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

## p) Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods.

Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax

losses, all deferred tax assets are recognised only if it is probable that they can be utilised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company can write-off the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-off is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

## q) Prior period items:

In case prior period adjustments are material in nature the company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". In case of immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

## r) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash as are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the Statement of Cash Flows, cash and cash equivalents consists of short term deposits, as defined above, net of outstanding bank overdraft (if any) as they being considered as integral part of the company's cash management.

## s) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial Assets:

#### A. Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial



# Notes to the Financial Statements

for the year ended March 31, 2020

assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

## B. Subsequent measurement:

For subsequent measurement, financial assets are classified into following categories:

- a. Debt instruments at amortised cost
- b. Debt instruments at fair value through profit and loss
- c. Equity instruments at fair value through profit and loss

### a. Debt Instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

### b. Debt instrument at fair value through profit and loss (FVTPL):

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization

as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### c. Equity Instruments at fair value through profit and loss (FVTPL):

Equity instruments/Mutual funds in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the statement of profit and loss.

## C. Derecognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise



# Notes to the Financial Statements

for the year ended March 31, 2020

the transferred asset to the extent of the company's continuing involvement.

## D. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet it is shown as reduction from the specific financial asset.

## Financial liabilities:

### A. Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

### B. Subsequent measurement:

#### a. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses

on liabilities held for trading are recognised in the statement of profit and loss.

The company doesn't designate any financial liability at fair value through profit or loss.

#### b. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss.

Financial liability with maturity of less than one year is shown at transaction value.

### C. Derecognition:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other income or finance costs.

#### t) Warranty:

The company periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past experience of claims.

#### u) Segment reporting:

The Company has only one reportable business segment, which is manufacturing and trading of agriculture machinery and operates in a single business segment. Accordingly, the amounts appearing in the financial statements relate to the company's single business segment.

#### v) Exceptional Items

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional Item'.

# Notes to the Financial Statements

for the year ended March 31, 2020

## 4.1 Tangible assets

Particulars	Land	Buildings	Plant & Machinery	Computer Equipments	Office Equipments	Vehicles	Furniture & Fixtures	Total
(Amount in ₹.)								
<b>Gross Block</b>								
<b>At March 31, 2018</b>	<b>48,89,25,717</b>	<b>53,31,38,279</b>	<b>1,00,79,77,533</b>	<b>6,58,81,056</b>	<b>1,42,56,796</b>	<b>1,03,76,854</b>	<b>1,94,43,610</b>	<b>2,13,99,99,844</b>
Additions	-	26,90,49,509	21,08,70,867	1,09,93,286	56,51,018	-	66,09,613	50,31,74,294
Disposals	-	(38,47,973)	(3,38,56,755)	(23,74,190)	(2,78,652)	(24,47,220)	(6,14,871)	(4,34,19,661)
Regrouping	-	2,39,529	(29,97,426)	(9,68,533)	7,55,555	29,70,875	-	-
Written off	-	-	(8,55,092)	-	-	-	-	(8,55,092)
<b>At March 31, 2019</b>	<b>48,89,25,717</b>	<b>79,85,79,344</b>	<b>1,18,11,39,127</b>	<b>7,35,31,618</b>	<b>2,03,84,718</b>	<b>1,09,00,509</b>	<b>2,54,38,352</b>	<b>2,59,88,99,385</b>
Additions	-	56,58,376	11,08,01,246	1,53,56,265	7,20,049	40,06,790	8,78,461	13,74,21,186
Less: Disposals	-	21,13,616	2,74,39,635	51,500	-	11,03,849	-	3,07,08,600
<b>At March 31, 2020</b>	<b>48,89,25,717</b>	<b>80,21,24,104</b>	<b>1,26,45,00,738</b>	<b>8,88,36,384</b>	<b>2,11,04,766</b>	<b>1,38,03,456</b>	<b>2,63,16,808</b>	<b>2,70,56,11,971</b>
<b>Accumulated Depreciation</b>								
<b>At March 31, 2018</b>	-	<b>14,32,88,520</b>	<b>56,56,33,070</b>	<b>5,30,65,271</b>	<b>94,49,710</b>	<b>70,01,870</b>	<b>65,58,579</b>	<b>78,49,97,020</b>
Charge for the year	-	2,79,06,574	9,27,90,039	67,27,445	31,10,665	14,32,171	18,26,564	13,37,93,458
Regrouping	-	(4,12,482)	12,49,351	(1,93,191)	(34,414)	(6,09,509)	245	-
Written off	-	-	(8,55,092)	-	-	-	-	(8,55,092)
Disposals	-	(34,72,505)	(3,16,56,510)	(23,74,190)	(2,78,484)	(14,68,282)	(6,02,509)	(3,98,52,480)
Adjustments	-	-	-	-	-	-	-	-
<b>At March 31, 2019</b>	-	<b>16,73,10,107</b>	<b>62,71,60,859</b>	<b>5,72,25,335</b>	<b>1,22,47,477</b>	<b>63,56,250</b>	<b>77,82,879</b>	<b>87,80,82,906</b>
Charge for the year	-	3,06,57,505	8,47,99,963	94,80,922	23,67,605	13,52,753	24,38,961	13,10,97,708
Disposals	-	1,94,617	2,16,86,195	31,742	-	11,03,849	-	2,30,16,403
<b>At March 31, 2020</b>	-	<b>19,77,72,994</b>	<b>69,02,74,627</b>	<b>6,66,74,515</b>	<b>1,46,15,082</b>	<b>66,05,153</b>	<b>1,02,21,840</b>	<b>98,61,64,212</b>
<b>Net Block</b>								
<b>At March 31, 2019</b>	<b>48,89,25,717</b>	<b>63,12,69,238</b>	<b>55,39,78,269</b>	<b>1,63,06,282</b>	<b>81,37,241</b>	<b>45,44,259</b>	<b>1,76,55,474</b>	<b>1,72,08,16,480</b>
<b>At March 31, 2020</b>	<b>48,89,25,717</b>	<b>60,43,51,110</b>	<b>57,42,26,110</b>	<b>2,21,61,869</b>	<b>64,89,684</b>	<b>71,98,303</b>	<b>1,60,94,968</b>	<b>1,71,94,47,761</b>

## 4.2 Capital Work -in-Progress

Particulars	As at March 31, 2020	As at March 31, 2019
(Amount in ₹.)		
Capital Work In progress	47,67,61,866	34,79,26,737
	<b>47,67,61,866</b>	<b>34,79,26,737</b>



# Notes to the Financial Statements

for the year ended March 31, 2020

## 5. Investment Property

(Amount in ₹.)

Particulars	Land	Buildings	Total
<b>Gross Block</b>			
At April 1, 2018	13,89,17,710	9,61,53,922	23,50,71,632
Additions	-	26,54,947	26,54,947
Less: Disposals	-	-	-
<b>At March 31, 2019</b>	<b>13,89,17,710</b>	<b>9,88,08,869</b>	<b>23,77,26,579</b>
Additions	-	-	-
Less: Disposals	-	-	-
Less: Transfer to Intangible Asset	-	-	-
<b>At March 31, 2020</b>	<b>13,89,17,710</b>	<b>9,88,08,869</b>	<b>23,77,26,579</b>
<b>Depreciation</b>			
At April 1, 2018	-	90,09,614	90,09,614
Charge for the year	-	28,65,845	28,65,845
Disposals	-	-	-
<b>At March 31, 2019</b>	<b>-</b>	<b>1,18,75,459</b>	<b>1,18,75,459</b>
Charge for the year	-	26,14,902	26,14,902
Disposals	-	-	-
<b>At March 31, 2020</b>	<b>-</b>	<b>1,44,90,361</b>	<b>1,44,90,361</b>
<b>Net Block</b>			
<b>At March 31, 2019</b>	<b>13,89,17,710</b>	<b>8,69,33,410</b>	<b>22,58,51,120</b>
<b>At March 31, 2020</b>	<b>13,89,17,710</b>	<b>8,43,18,508</b>	<b>22,32,36,217</b>

## 6. Other Intangible Assets

(Amount in ₹.)

Particulars	Technical Knowhow	Software	Total
<b>Gross Block</b>			
At April 01, 2018	-	-	-
Addition	12,31,31,000	79,32,728	13,10,63,728
Less: Disposal	-	-	-
<b>At March 31, 2019</b>	<b>12,31,31,000</b>	<b>79,32,728</b>	<b>13,10,63,728</b>
Addition	19,00,000	3,77,22,974	3,96,22,974
Less: Disposal	-	-	-
<b>At Mar 31, 2020</b>	<b>12,50,31,000</b>	<b>4,56,55,702</b>	<b>17,06,86,702</b>
<b>Amortisation</b>			
At April 1, 2018	-	-	-
Charge for the year	2,05,03,110	6,92,752	2,11,95,862
Less: Disposal	-	-	-
<b>At March 31, 2019</b>	<b>2,05,03,110</b>	<b>6,92,752</b>	<b>2,11,95,862</b>
Charge for the year	2,22,83,042	75,03,368	2,97,86,410
Disposals	-	-	-
<b>At Mar 31, 2020</b>	<b>4,27,86,152</b>	<b>81,96,120</b>	<b>5,09,82,272</b>
<b>Net Block</b>			
<b>At March 31, 2019</b>	<b>10,26,27,890</b>	<b>72,39,976</b>	<b>10,98,67,866</b>
<b>At March 31, 2020</b>	<b>8,22,44,848</b>	<b>3,74,59,582</b>	<b>11,97,04,430</b>

# Notes to the Financial Statements

for the year ended March 31, 2020

## 7. Financial Assets - Investments

(Amount in ₹.)		
Particulars	As at March 31, 2020	As at March 31, 2019
Investments consists of the following		
<b>Non - Current Investments</b>		
a) Investments carried at fair value through profit or loss		
- Fully paid Equity shares (quoted)	9,97,95,552	18,47,51,661
- Fully paid Equity shares (unquoted)	5,36,63,127	5,45,63,080
b) Investments carried at Amortized Cost		
- Non Convertible Debentures	20,00,00,000	20,00,00,000
	<b>35,34,58,678</b>	<b>43,93,14,740</b>
<b>Current Investments</b>		
a) Investments carried at fair value through profit or loss		
- Mutual funds (quoted)	1,21,11,04,634	1,21,31,41,466
	<b>1,21,11,04,634</b>	<b>1,21,31,41,466</b>
Aggregate amount of Quoted Investments and market value thereof	1,31,09,00,186	1,39,78,93,127
Aggregate amount of Un-Quoted Investments	25,36,63,126	25,45,63,079
<b>Refer Note No. 31 for detailed disclosure of Investments</b>		

## 8. Financial Assets - Loans

(Amount in ₹.)		
Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured Loans consists of the following		
<b>Non - Current</b>		
Considered , good		
- Loans to employees	34,87,773	62,23,726
	<b>34,87,773</b>	<b>62,23,726</b>
<b>Current</b>		
Considered , good		
- Loans to employees	38,75,776	4,09,853
	<b>38,75,776</b>	<b>4,09,853</b>

## 9. Financial Assets - Others

(Amount in ₹.)		
Particulars	As at March 31, 2020	As at March 31, 2019
Other financial assets consists of the following		
<b>Non - Current</b>		
a) Deposits with Original maturity more than 12 months	1,50,000	1,50,000
b) Security Deposits	2,62,64,444	2,62,27,285
	<b>2,64,14,444</b>	<b>2,63,77,285</b>
<b>Current</b>		
a) Security Deposits	-	60,46,323
b) Accrued Interest but not due	2,70,31,616	1,48,69,641
c) CHSC Deposit	1,58,80,538	2,25,53,038
	<b>4,29,12,154</b>	<b>4,34,69,002</b>



# Notes to the Financial Statements

for the year ended March 31, 2020

## 10. Other Assets

(Amount in ₹.)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non - Current</b>		
Considered good		
a) Capital advances	11,09,24,063	6,05,41,315
b) Prepaid Lease Rentals	-	3,067
	<b>11,09,24,063</b>	<b>6,05,44,381</b>
<b>Current</b>		
Considered good		
a) Advance to suppliers	7,45,49,012	5,66,12,537
b) Advances to employees	39,36,463	26,36,087
c) Prepaid expense	2,37,47,410	2,22,10,873
d) Indirect tax recoverable	44,45,86,588	60,41,14,108
e) Prepaid Lease Rentals	2,890	1,08,181
f) Others	9,71,519	-
	<b>54,77,93,882</b>	<b>68,56,81,786</b>

## 11. Inventories

(Amount in ₹.)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Raw materials and components	47,47,42,858	46,87,85,493
b) Work-in-progress	11,46,64,506	8,24,73,765
c) Finished goods	32,46,30,671	42,75,18,474
d) Stock in Trade	4,63,93,574	22,23,37,251
e) Loose Tools	4,83,89,065	2,25,07,476
f) Machinery Spares and Others	1,38,76,201	1,29,71,727
	<b>1,02,26,96,874</b>	<b>1,23,65,94,186</b>

## 12. Trade Receivables

(Amount in ₹.)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Secured, Considered Good	19,34,78,044	28,24,99,163
b) Unsecured, Considered Good	76,80,98,490	68,14,70,931
c) Unsecured, Considered Doubtful	10,25,77,386	2,09,74,614
	<b>1,06,41,53,920</b>	<b>98,49,44,708</b>
-Allowance for credit losses	10,25,77,386	2,09,74,614
	<b>96,15,76,534</b>	<b>96,39,70,094</b>



# Notes to the Financial Statements

for the year ended March 31, 2020

## 13. Cash and Cash Equivalents

(Amount in ₹.)		
Particulars	As at March 31, 2020	As at March 31, 2019
a) Balances with Banks		
- On Current Accounts	23,14,58,597	16,51,45,414
b) Cash on Hand	77,002	97,136
	<b>23,15,35,599</b>	<b>16,52,42,550</b>

## 14. Other Bank Balances

(Amount in ₹.)		
Particulars	As at March 31, 2020	As at March 31, 2019
a) Earmarked balances with banks (unpaid dividend)	76,84,843	82,10,073
b) Marginal money deposits	1,90,76,116	1,48,96,342
	<b>2,67,60,959</b>	<b>2,31,06,415</b>

## 15. Share Capital

(Amount in ₹.)		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>A. Authorised Share Capital</b>		
10,000,000 Equity Shares of ₹ 10/- each	10,00,00,000	10,00,00,000
<b>B. Issued, Subscribed and Fully Paid up:</b>		
86,39,528/- Equity Shares of ₹ 10/- each	8,63,95,280	8,63,95,280
<b>C. Reconciliation of the shares outstanding at the beginning and at the end year</b>		
In No. of Shares		
At the Beginning of the year	86,39,528	86,39,528
During the year	-	-
At the end of the year	86,39,528	86,39,528
In Value of Shares		
At the Beginning of the year	8,63,95,280	8,63,95,280
During the year	-	-
At the end of the year	8,63,95,280	8,63,95,280

### D. Rights attached to the Equity Shares

The company has only one class of equity shares having a face value of ₹ 10/- per share with one vote per each share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### E. Details of Shareholders holding more than 5% shares in the company

(Amount in ₹.)		
Particulars	As at March 31, 2020	As at March 31, 2019
Equity Shares		
Mr. V.P.Mahendra	6,38,901	6,30,530
- In No's		
- In %	7.40%	7.30%
Mr. V.K.Surendra	18,62,034	18,36,700
- In No's		
- In %	21.55%	21.26%



# Notes to the Financial Statements

for the year ended March 31, 2020

## 16. Other Equity

(Amount in ₹.)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>(A) Capital Reserve</b>		
At the beginning of the year	2,64,04,870	2,64,04,870
During the year		
At the end of the year	<b>2,64,04,870</b>	<b>2,64,04,870</b>
<b>(B) General Reserve</b>		
At the beginning of the year	3,00,00,00,000	3,00,00,00,000
Transfer from profit or loss		
At the end of the year	<b>3,00,00,00,000</b>	<b>3,00,00,00,000</b>
<b>(C) Retained Earnings</b>		
At the beginning of the year	2,80,85,44,586	2,86,78,28,331
Add: Profit for the year	18,00,59,052	46,06,32,886
Add: Adjustments due to adoption of Ind AS		
	<b>2,98,86,03,638</b>	<b>3,32,84,61,217</b>
Less: Appropriations		
a) Dividend on Equity shares	25,91,85,840	43,19,76,400
b) Tax on dividend	5,32,76,031	8,79,40,231
	<b>2,67,61,41,767</b>	<b>2,80,85,44,586</b>
<b>(D) Other comprehensive income</b>		
On Actuarial Gain/(loss) on post employment benefits		
At the beginning of the year	(2,23,50,274)	(1,69,32,140)
Add: Actuarial Gain/(loss) for the year	24,97,344	(54,18,134)
At the end of the year	<b>(1,98,52,930)</b>	<b>(2,23,50,274)</b>
	<b>5,68,26,93,707</b>	<b>5,81,25,99,182</b>

## 17. Financial Liabilities - Others

(Amount in ₹.)

Particulars	As at March 31, 2020	As at March 31, 2019
Other financial liabilities consists of the following		
<b>Non-Current</b>		
a) Dealer Deposits	39,77,25,792	45,59,53,390
b) Rental Deposits	60,48,799	36,61,997
	<b>40,37,74,591</b>	<b>45,96,15,387</b>
<b>Current</b>		
a) Unclaimed Dividends	76,84,784	82,10,014
b) Rental Deposits	46,890	35,96,323
c) Outstanding expense	31,89,24,311	31,21,45,282
d) Incentives and marketing expenses payable	6,37,62,980	7,33,18,943
e) Employee cost payable	1,40,40,346	1,33,81,714
	<b>40,44,59,311</b>	<b>41,06,52,276</b>

# Notes to the Financial Statements

for the year ended March 31, 2020

## 18. Provisions

(Amount in ₹.)

Particulars	As at March 31, 2020	As at March 31, 2019
Provisions consists of the following		
<b>Current</b>		
a) Provision for gratuity	56,58,982	11,30,076
b) Provision for leave benefits	17,36,104	37,20,515
c) Provision for warranty	94,48,325	1,05,82,194
	<b>1,68,43,411</b>	<b>1,54,32,785</b>

## 19. Deferred tax balances

(Amount in ₹.)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax balances consists of the following		
<b>Deferred tax assets</b>		
a) Employee Benefits	43,92,543	57,85,448
b) Provision for credit losses	3,38,06,733	1,84,23,001
c) Fair valuation of financial assets	1,90,67,403	(40,00,890)
	<b>5,72,66,679</b>	<b>2,02,07,559</b>
<b>Deferred tax liabilities</b>		
a) Depreciation and amortisation	7,08,08,631	9,02,14,601
	<b>7,08,08,631</b>	<b>9,02,14,601</b>
<b>Net Deferred tax Liability</b>	<b>1,35,41,952</b>	<b>7,00,07,042</b>

## 20. Other Liabilities

(Amount in ₹.)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
a) Deferred Rental Income	6,61,412	11,28,744
	<b>6,61,412</b>	<b>11,28,744</b>
<b>Current</b>		
a) Statutory dues	7,54,33,152	15,70,38,587
b) TDS Payable	1,23,99,651	1,10,01,018
c) CSR expenditure	-	3,39,86,037
d) Deferred Revenue	4,66,057	6,62,173
e) Advance Received-Customers	1,16,41,169	8,08,10,805
f) Advance Received-Others	3,94,675	3,94,675
	<b>10,03,34,704</b>	<b>28,38,93,296</b>

## 21. Trade payables

(Amount in ₹.)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Micro, small and Medium Enterprises	10,22,40,330	7,04,75,110
b) Others	47,54,71,708	27,23,24,737
	<b>57,77,12,038</b>	<b>34,27,99,847</b>



# Notes to the Financial Statements

for the year ended March 31, 2020

## 22. Revenue from Operations

(Amount in ₹.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Sale of products	5,41,71,92,632	6,09,74,22,226
b) Sale of services	57,24,572	2,37,01,712
c) Other operating income	1,38,45,095	2,68,69,767
	<b>5,43,67,62,300</b>	<b>6,14,79,93,704</b>

## 23. Other Income

(Amount in ₹.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Dividend Income	3,58,84,102	4,22,44,343
b) Income from Investments		
i. Change in Fair Value	-	4,26,31,754
ii. Gain on Sale of Investments	-	94,61,800
c) Rent Income		
i. Rental Income	1,18,75,400	1,79,05,400
ii. Deferred Rental Income	6,63,448	7,93,393
d) Interest Income		
i. From investments	1,80,37,019	2,22,52,826
ii. Others	1,29,178	3,37,33,649
e) Gain on Sale of Property, Plant and Equipment (Net)	56,19,983	3,84,075
f) Insurance Claim	14,92,357	13,64,217
g) Sundry credit balances written back		
i. Service Coupon	2,41,82,016	8,02,41,052
ii. AIP Provision	-	2,64,41,553
iii. Special Discount	7,62,66,846	8,45,42,227
iv. Dealer Discount	1,72,63,052	1,91,48,780
v. Bonus and Business and Promotion	2,11,93,369	37,74,761
vi. Others	27,98,601	23,36,907
h) Reversal of Expenses (Embezzlement)	-	3,16,86,200
i) Bill Discounting	59,59,263	1,24,40,023
j) Miscellaneous Income	1,44,76,434	1,76,87,670
	<b>23,58,41,068</b>	<b>44,90,70,630</b>

## 24. Changes in inventories

(Amount in ₹.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Inventory at the beginning of the year		
- Finished goods	42,75,18,474	12,52,20,389
- Stock in Trade	22,23,37,251	18,38,54,358
- Work in progress	8,24,73,765	10,55,37,883
	<b>73,23,29,490</b>	<b>41,46,12,630</b>
b) Inventory at the end of the year		
- Finished goods	32,46,30,671	42,75,18,474
- Stock in Trade	4,63,93,574	22,23,37,251
- Work in progress	11,46,64,506	8,24,73,765
	<b>48,56,88,751</b>	<b>73,23,29,490</b>
<b>(Increase) / Decrease in Stocks</b>	<b>24,66,40,739</b>	<b>(31,77,16,860)</b>

# Notes to the Financial Statements

for the year ended March 31, 2020

## 25. Employee Benefit Expenses

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Salaries, Wages and Bonus	63,11,95,085	60,44,28,780
b) Contribution to Provident and Other Funds	3,10,22,771	2,95,96,531
c) Staff Welfare Expenses	2,07,35,470	2,70,32,390
	<b>68,29,53,327</b>	<b>66,10,57,702</b>

## 26. Finance costs

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Interest	1,40,46,376	2,17,45,095
b) Interest Cost - Security Deposits	6,37,370	7,21,088
	<b>1,46,83,746</b>	<b>2,24,66,183</b>

## 27. Depreciation and Amortization Expenses

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Depreciation on Property, Plant and Equipment	13,10,97,708	13,37,93,458
b) Depreciation on Intangible Assets	2,97,86,410	2,11,95,862
c) Depreciation on Investment Property	26,14,902	28,65,846
	<b>16,34,99,020</b>	<b>15,78,55,166</b>

## 28. Other Expenses

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Power and Fuel	2,70,76,292	4,39,84,188
b) Stores & Tools Consumed	4,64,90,570	3,94,60,592
c) Warranty Expenses	27,39,247	1,21,03,220
d) Consultancy and Legal Charges	3,35,98,594	3,48,79,670
e) Payment to Statutory Auditors		
- Audit Fee	17,50,000	17,50,000
- Tax Audit Fee	4,00,000	4,00,000
- GST Audit Fee	6,00,000	3,00,000
- Reimbursement of expenses	1,60,000	1,47,865
f) Fees, Rates and Taxes	43,73,681	1,22,51,464
g) Directors sitting fees	47,50,000	43,00,000
h) Insurance	82,57,778	72,78,711
i) Rental expenditure		
- Rent	1,49,98,302	77,96,016
- Amortisation of Prepaid Lease Rentals	1,08,361	1,18,693
j) Repairs and maintenance		
- Buildings	8,38,392	79,26,495
- Machinery	2,45,83,034	2,58,54,343
- Others	2,87,50,795	2,78,26,665



# Notes to the Financial Statements

for the year ended March 31, 2020

## 28. Other Expenses (Contd..)

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
k) Research and Development	1,22,82,711	2,01,52,903
l) Bank Charges	16,02,616	24,49,371
m) Travelling and Conveyance	7,06,17,095	6,61,81,975
n) Communication expenses	1,61,14,181	1,00,76,637
o) Loss on sale of investments (Net)	20,37,965	-
p) Conference Expenses	-	1,09,67,822
q) Advertisement & Promotion	5,83,67,775	5,89,00,551
r) Freight and Distribution	15,33,78,343	21,94,60,897
s) Selling Expenses	4,36,45,801	9,50,95,273
t) Service Expenses	4,37,87,450	4,53,84,445
u) Provision for bad and doubtful advance		
i. Embezzlement	-	2,72,65,175
ii. Others	-	3,17,46,887
v) Loss on Fair valuation of Investments at FVTPL	12,29,88,569	9,97,98,662
w) Loss on foreign exchange fluctuation (net)	37,99,139	31,48,455
x) CSR Expenditure	1,18,13,963	1,65,00,000
y) Warehousing & Man power Services for spares	1,27,06,738	-
z) Miscellaneous Expenses	2,29,07,953	2,28,93,993
aa) Provision for bad and doubtful debts	8,16,02,774	91,92,030
	<b>85,71,28,119</b>	<b>96,55,92,997</b>

## 29. Other Comprehensive Income

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Actuarial Gain/(Losses) on Gratuity Expense for the period	30,57,614	(83,28,415)
b) Taxes on above	(5,60,270)	29,10,281
	<b>24,97,344</b>	<b>(54,18,134)</b>

## 30. Earnings per Equity Share

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Profit for the period attributable to equity share holders	18,00,59,052	46,06,32,886
b) Weighted average number of equity shares of ₹ 10/-each	86,39,528	86,39,528
c) Earnings per equity share (Basic and Diluted) = (a/b)	<b>20.83</b>	<b>53.31</b>



# Notes to the Financial Statements

for the year ended March 31, 2020

## 31. Financial Assets (Investments):

(Amount in ₹.)

Particulars	Face value	As at March 31, 2020		As at March 31, 2019	
		No. of Shares/units	Fair Value	No. of Shares/units	Fair Value
Non-Current Investments:					
I Investment in Equity Shares					
Investments in Equity instruments (trade - quoted)					
1. Rane Holdings Limited	10	86,686	2,79,47,566	86,686	10,32,64,698
2. Asian Paints Limited	1	5,000	83,32,500	5,000	74,63,500
3. Infosys Limited	5	12,000	76,98,000	12,000	89,26,200
4. Larsen & Toubro Limited	2	9,000	72,76,500	9,000	1,24,67,700
5. Sundaram Finance Limited	10	6,000	72,19,500	6,000	93,52,200
6. Sundaram Finance Holdings Limited	5	-	-	5,000	4,26,750
7. TATA Consultancy Services Limited	1	7,000	1,27,82,700	7,000	1,40,11,550
8. CIPLA Limited	2	10,000	42,28,500	10,000	52,89,000
9. Pidilite Industries Limited	1	6,900	93,59,160	6,900	85,99,125
10. HDFC Bank Limited	2	3,750	61,24,125	3,750	73,80,938
11. HDFC Life Insurance Co. Ltd.	10	20,000	88,27,000	20,000	75,70,000
Sub-Total			9,97,95,551		18,47,51,660
Investment in Equity instruments (unquoted)					
1. MHI - VST Diesel Engines Private Limited	10	41,50,000	5,36,63,127	41,50,000	5,45,63,080
Total (I)		41,50,000	15,34,58,678	41,50,000	23,93,14,740
II Investment in Non-Convertible Debentures					
1. VST Motors Private Limited	1,00,000	2,000	20,00,00,000	2,000	20,00,00,000
Total of Non-Current Investments (I+II+III)			35,34,58,678		43,93,14,740
Current Investments:					
I. Investment in Mutual Funds					
(a) Investments in Balanced and Equity Mutual funds					
1. IDFC Low Duration Fund-Daily Dividend-Regular Plan		38,44,235	10,98,18,634	58,95,136	5,93,93,493
2. Reliance Money Market Fund		6,348	1,92,49,610	18,217	1,82,71,739
3. HDFC Floating Rate Income Fund Short Term Plan		55,67,054	19,54,73,748	1,83,26,738	18,47,50,018
4. ICICI Prudential Savings Fund-Growth		2,10,033	8,13,56,037	2,60,409	2,75,45,966
5. SBI Magnum Ultra Short Duration Fund-Growth		16,934	7,53,25,230	42,707	7,15,35,536
6. ICICI Prudential Money Market Fund-Growth		11,48,232	11,49,71,907	10,95,046	10,97,60,663
7. HDFC Liquid Fund - Growth		18,522	7,19,32,459	98,122	10,00,66,797
8. Kotak Savings fund-Growth		16,23,862	5,21,15,418	-	-
Sub-Total (a)			72,02,43,043		57,13,24,211



# Notes to the Financial Statements

for the year ended March 31, 2020

## 31. Financial Assets (Investments): (Contd..)

(Amount in ₹.)

Particulars	Face value	As at March 31, 2020		As at March 31, 2019	
		No. of Shares/units	Fair Value	No. of Shares/units	Fair Value
(b) Investments in Debt Mutual funds					
1. HDFC Credit Risk Debt Fund		50,79,596	8,45,55,456	50,79,596	7,74,89,739
2. Franklin India Dynamic Accrual Fund		-	-	8,30,844	5,53,90,309
3. Franklin India Credit Risk Fund - Growth		-	-	27,72,285	5,42,78,577
4. ICICI Medium Term Bond Fund		9,22,743	2,88,98,475	9,22,743	2,62,51,125
5. Kotak Medium Term Plan		17,16,930	2,79,72,392	17,16,930	2,62,41,211
6. L & T Credit Risk Fund-Growth		-	-	11,56,089	2,43,81,463
Sub-Total (b)			14,14,26,323		26,40,32,424
(c) Investments in Equity Mutual funds					
1. ICICI Prudential Blue Chip Fund		8,89,926	2,82,90,736	6,53,015	2,75,50,702
2. Kotak Standard Multi Cap Fund		10,78,445	2,91,28,805	7,97,617	2,82,97,856
3. HDFC Equity Fund		43,626	1,99,68,950	28,865	1,96,62,866
4. Birla Sunlife Frontline Equity		-	-	95,365	2,16,23,146
5. Franklin Templeton India Prima Plus Fund		-	-	22,726	1,36,95,458
6. L & T India Value Fund		3,70,463	91,71,934	3,70,463	1,33,86,697
7. Aditya BSL MNC Fund		8,843	56,42,645	8,843	68,11,692
8. IDFC Core Equity Fund - Growth (Regular Plan)		3,77,692	1,20,59,707	1,33,849	60,87,457
9. HDFC Small Cap Fund		5,58,619	1,45,19,632	5,58,619	2,49,36,207
10. DSP Blackrock India Enhanced Equity Fund		5,00,000	5,80,90,000	5,00,000	5,53,25,000
11. TATA Equity P/E Fund		-	-	72,743	98,44,425
12. L & T Infrastructure Fund		-	-	4,51,213	72,32,939
13. IDFC Infrastructure Fund		-	-	4,27,417	65,22,378
14. ICICI Prudential Value Discovery Fund - Growth		69,686	73,67,247	69,686	1,01,94,425
15. Kotak Blue chip fund		38,965	71,56,851	-	-
16. Franklin India Bluechip Fund		25,489	85,90,582	-	-
17. SBI Large & Mid Cap Fund Regular Growth		48,717	80,00,394	-	-
18. DSP Equity Mutual Fund		2,97,442	96,44,854		
Sub-Total (c)			21,76,32,337		25,11,71,248
(d) Investments in Balanced Mutual funds					
1. HDFC Balanced Fund		1,34,387	57,05,000	1,34,387	73,16,570
Sub-Total (d)			57,05,000		73,16,570
(e) Investments in Arbitrage Mutual funds					
1. Kotak Equity Arbitrage Fund		9,45,559	2,65,20,861	9,45,559	2,49,46,221
2. Reliance Arbitrage Fund		12,80,539	2,57,55,740	22,92,886	2,43,64,892
3. HDFC Arbitrage Fund		10,91,179	2,53,77,543	23,19,302	2,40,48,843
4. IDFC Arbitrage Fund		19,63,155	4,84,43,787	36,06,532	4,59,37,122
Sub-Total (e)			12,60,97,931		11,92,97,078
Total of Investment in Mutual Funds (a+b+c+d+e)			1,21,11,04,634		1,21,31,41,532
Grand total of Current Investments ( I )			1,21,11,04,634		1,21,31,41,532

# Notes to the Financial Statements

for the year ended March 31, 2020

## 32. Retirement Benefit Obligations:

(Amount in ₹.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Defined Contribution Plan (Expenses):</b>		
Contribution to Provident Fund	2,24,17,912	2,18,33,851
Contribution to Employee State Insurance	9,46,359	18,25,424
Contribution to Labour Welfare Fund	71,980	60,490
<b>B. Defined Benefit Plans (Gratuity):</b>		
<b>1. Movement in Obligation – Gratuity:</b>		
Present Value of Obligation at the beginning of year	8,67,62,067	8,99,32,562
Current Service Cost	78,68,013	63,30,911
Interest Cost	66,19,946	69,24,807
Benefits Paid	(1,11,55,091)	(2,29,20,791)
Past Service Cost (Vested and Non-Vested)	-	-
Actuarial (Gain)/Loss on Obligation	(39,81,591)	64,94,578
Present Value of Obligation at the end of year	8,61,13,344	867,62,067
<b>2. Movement in Plan Assets – Gratuity:</b>		
Fair Value of Planned assets at the beginning of the year	8,56,31,991	9,59,31,394
Return of Plan Assets (excl. int. income)	65,33,721	73,86,717
Actuarial Gain/(Loss)	(9,23,977)	(18,33,837)
Contributions during the year	3,67,718	70,68,508
Benefits Paid during the year	(1,11,55,091)	(2,29,20,791)
Fair Value of Planned assets at the end of the year	8,04,54,362	8,56,31,991
<b>3. Expenses recognized in Profit and Loss Statement:</b>		
<b>Gratuity: -</b>		
Current Service Cost	78,68,013	63,30,911
Net Interest Cost	86,225	(4,61,910)
Past Service Cost	-	-
Expense for the year	79,54,328	58,69,001
<b>4. Recognized in Other Comprehensive Income:</b>		
Actuarial (Gain)/Loss for the year	(30,57,614)	83,28,415
<b>5. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:</b>		
a. Attrition Rate	1.00%	1.00%
b. Discount Rate	6.90%	7.63%
c. Expected Rate of Increase in Salary	7.00%	7.00%
d. Expected Rate of return on Plan Assets	7.63%	7.70%
e. Mortality Rate	100% of IALM 2012-14	100% of IALM 2006-08
f. Decrement Adjusted Future Service	20.67	21.46
<b>6. Sensitivity Analysis:</b>		
<b>Sensitivity</b>	<b>Change</b>	<b>Effect on obligations</b>
Salary Escalation Rate	+1%	82,59,461
	-1%	(70,90,444)
Withdrawal Rate	+1%	(9,54,444)
	-1%	1,99,738
Discount Rates	+0.5%	(36,46,430)
	-0.5%	39,71,941



# Notes to the Financial Statements

for the year ended March 31, 2020

## 32. Retirement Benefit Obligations: (Contd..)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized in the Balance Sheet.

7. Expected Payout – Gratuity:	Amount in ₹
Expected payments – 1st Year	1,52,62,613
Expected payments – 2nd Year	7,13,600
Expected payments – 3rd Year	65,36,747
Expected payments – 4th Year	55,07,174
Expected payments – 5th Year	75,25,122
Expected payments – 6th year to 10th Year	16,20,86,889

### 8. Other Information:

i. The company has invested planned assets with Life Insurance Corporation of India. Expected Return on Assets is based on rate of return declared by fund managers.

#### ii. Present value of defined benefit obligation:

Present value of the defined benefit obligation is calculated by using Projected Unit Credit method (PUC Method). Under the PUC method a “projected accrued benefit” is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The “projected accrued benefit” is based on the Plan’s accrual formula and upon service as of the beginning or end of the year, but using a member’s final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the “projected accrued benefits” as of the beginning of the year for active members.

C. Compensated absences amounting to ₹ 83,19,940 (March 31, 2019: ₹ 92,52,894) is recognized as expense and included in the Note 25 ‘Salaries, Wages and Bonus’.

## 33. Income tax expense and Deferred Taxes:

(Amount in ₹.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income Tax Expense: -</b>		
a. Current Tax	10,80,00,000	24,04,69,473
b. Deferred Tax (arising on temporary differences)	(5,70,25,357)	1,42,24,846
<b>Total Tax Expense for the year</b>	<b>5,09,74,643</b>	<b>25,46,94,319</b>
<b>Effective Tax Reconciliation: -</b>		
a. Net Profit/(Loss) before taxes	23,10,33,695	71,53,27,204
b. Tax rate applicable to the company as per normal provisions	25.168%	34.944%
c. Tax expense on net profit (c = a*b)	<b>5,81,46,560</b>	<b>24,99,63,943</b>
d. Increase/(decrease) in tax expenses on account of:		
i. Effect of Income exempt from Tax	1,87,34,277	(13,62,433)
ii. Effect of expenses not deductible in determining taxable profits	5,39,06,716	10,06,11,608
iii. Effect for deduction for expenses earlier disallowed	(28,82,372)	(2,11,66,395)
iv. Effect of Income not forming part of Business income	(1,69,64,507)	(4,17,84,149)
v. Effect of Concessions (Research and Development)	-	(3,31,85,518)
vi. Net effect of deductible temporary differences recognized as deferred tax liabilities and assets	(5,70,25,357)	1,42,24,846
vii. Other adjustments	(29,40,675)	(1,26,07,581)
<b>Net Increase/(decrease) in tax expenses</b>	<b>(71,71,917)</b>	<b>47,30,376</b>

# Notes to the Financial Statements

for the year ended March 31, 2020

## 33. Income tax expense and Deferred Taxes: (Contd..)

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>e. Income Tax Expense as reported in Statement of Profit and Loss (c + d)</b>	<b>5,09,74,643</b>	<b>25,46,94,319</b>
<b>Expenses/(Income) Recognized for the year ended:</b>		
A. Deferred tax recognized in Profit and Loss	(5,70,25,357)	1,42,24,846
B. Deferred tax recognized in Other comprehensive income	5,60,270	(29,10,281)
C. Deferred tax recognized in Total comprehensive income	(5,64,65,087)	1,13,14,565

## 34. Fair Value of Financial Instruments:

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current assets and liabilities approximate to their carrying amount largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted instruments are based on price quotations at the reporting date. The fair value of unquoted instruments are based on the Net Asset Value provided by the Management as on the date of reporting.
- Fair value of Interest free Security deposits are calculated by discounting future cash flows using rates currently available for debt on similar terms credit risk and remaining maturities.

Description of significant observable inputs to valuation:

- Interest free Security Deposits (assets & liabilities):

Interest Rate factor has been considered at a rate of 12% p.a. by the company for discounting the amount receivable at the time of maturity.

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the financial statements is reasonable approximation of fair values.

Particulars	Carrying Value		Fair value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Financial Assets</b>				
<b>At Fair value through profit &amp; loss A/c</b>				
Investments	1,36,45,63,312	1,45,24,56,206	1,36,45,63,312	1,45,24,56,206
<b>At Amortised cost</b>				
Investments	20,00,00,000	20,00,00,000	20,00,00,000	20,00,00,000
Loans	73,63,549	66,33,579	73,63,549	66,33,579
Trade receivables	96,15,76,534	96,39,70,094	96,15,76,534	96,39,70,094
Cash and Bank Balances	25,82,96,558	18,83,48,965	25,82,96,558	18,83,48,965
Other Financial assets	6,93,26,598	6,99,75,465	6,93,26,598	6,98,46,287
<b>Total Financial Assets</b>	<b>2,86,11,26,551</b>	<b>2,66,55,72,414</b>	<b>2,86,11,26,551</b>	<b>2,88,12,55,131</b>
<b>Financial Liabilities</b>				
<b>At Amortised cost</b>				
Trade Payables	57,77,12,032	34,27,99,841	57,77,12,030	34,27,99,847
Other Financial liabilities	80,82,33,902	87,21,96,343	80,82,33,902	87,02,67,663
<b>Total Financial liabilities</b>	<b>1,38,59,45,934</b>	<b>1,21,49,96,184</b>	<b>1,38,59,45,934</b>	<b>1,21,30,67,510</b>



# Notes to the Financial Statements

for the year ended March 31, 2020

## 35. Fair Value hierarchy:

The following table provide the fair value measurement hierarchy of the company's financial assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2020:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
Financial Assets: -				
Designated at Fair Value through profit or loss:				
Investments in quoted instruments (Equity & Mutual Funds)	1,31,09,00,186	1,31,09,00,186	-	-
Investments in unquoted instruments	5,36,63,127	-	-	5,36,63,127
Designated at Amortized Cost:				
Investments in unquoted instruments	20,00,00,000	-	-	20,00,00,000
Loans	73,63,549	-	-	73,63,549
Trade Receivables	96,15,76,534	-	-	96,15,76,534
Cash and Bank Balances	25,82,96,558	-	-	25,82,96,558
Other Financial Assets	6,93,26,598	-	-	6,93,26,598
Financial Liabilities: -				
Designated at Amortized Cost:				
Trade Payables	57,77,12,032	-	-	57,77,12,032
Other Financial liabilities	80,82,33,902	-	-	80,82,33,902

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2019:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
Financial Assets: -				
Designated at Fair Value through profit or loss:				
Investments in quoted instruments (Equity & Mutual Funds)	1,39,78,93,127	1,39,78,93,127	-	-
Investments in unquoted instruments	5,45,63,080	-	-	5,45,63,080
Designated at Amortized Cost:				
Investments in unquoted instruments	20,00,00,000	-	-	20,00,00,000
Loans	66,33,578	-	-	66,33,578
Trade Receivables	96,39,70,094	-	-	96,39,70,094
Cash and Bank Balances	18,83,48,964	-	-	18,83,48,964
Other Financial Assets	6,98,46,286	-	-	6,98,46,286
Financial Liabilities: -				
Designated at Amortized Cost:				
Trade Payables	34,27,99,847	-	-	34,27,99,847
Other Financial liabilities	87,02,67,663	-	-	87,02,67,663

# Notes to the Financial Statements

for the year ended March 31, 2020

## 36. Related Party Transactions:

During the year under reference the Company has entered following transactions with Related Parties:

### Names of the Related parties and description of relationship:

#### i) Key Management Personnel

Name of the Key Managerial Personnel	Description of Relationship
Mr. V. K. Surendra	Chairman
Mr. V. P. Mahendra	Vice Chairman & Managing Director
Mr. Antony Cherukara *	Chief Executive Officer
Mr. G V Mahadevan **	Chief Financial Officer
Mr. Chinmaya Khatua	Company Secretary
Mr. V. V. Pravindra	Non-Executive Director
Mr. V. T. Ravindra	Whole Time Director
Mr. V. S. Arun	Non-Executive Director
Mr. K. M. Pai	Independent Director
Mr. M. K. Bannerjee	Independent Director
Mr. R. Subramanian	Independent Director
Mrs. Siva Kameswari Vissa	Independent Director
Mr. Bijanki Jagannath	Independent Director

#### ii) Enterprises over which the Shareholders of the Company, KMP/relatives of KMP exercise Control or significant influence:

1. VST Motors Private Limited
2. VST & Sons
3. Gove Finance Limited
4. Automobile Service Centre
5. Anand & Associates
6. Mitsubishi Heavy Industries-VST Diesel Engines Pvt.Ltd.

**Note:** The details of related parties with which the company has entered into transactions during the year or previous year have been disclosed.

(Amount in ₹.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>a) Enterprises over which the Shareholders of the Company, KMP/relatives of KMP exercise Control or significant influence:</b>		
<b>Services Rendered – Renting of Immovable property</b>		
Automobile Service Centre	26,60,000	24,00,000
Mitsubishi Heavy Industries-VST Diesel Engines Pvt.Ltd.	64,64,400	64,64,400
<b>Services Rendered – Job Work</b>		
Mitsubishi Heavy Industries-VST Diesel Engines Pvt.Ltd.	62,10,386	2,23,60,953
<b>Services Availed – Payment of royalty</b>		
VST & Sons	5,68,848	6,36,760
<b>Interest Received</b>		
VST Motors Private Limited (Debentures)	1,80,37,019	1,80,00,000
Gove Finance Limited (Loan)	-	32,79,452
<b>Loan Given</b>		
Gove Finance Limited (Loan)	-	(7,00,00,000)
<b>Architectural professional services</b>		
Anand Associates	17,34,480	31,23,748





# Notes to the Financial Statements

for the year ended March 31, 2020

## 36. Related Party Transactions: (Contd..)

### Remuneration to Key Managerial Personnel

(Amount in ₹.)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Short-term Benefits	Sitting Fee	Short-term Benefits	Sitting Fee
Mr. V.K. Surendra	-	8,00,000	-	5,10,000
Mr. V.P. Mahendra	88,50,000	-	1,04,33,291	-
Mr. V. T. Ravindra	63,00,000	-	58,23,643	40,000
Mr. K.U. Subbaiah	-	-	82,89,933	-
Mr. G.V. Mahadevan**	37,54,952	-	-	-
Mr. Keshava P M ***	15,87,941	-	53,23,555	-
Mr. Chinmaya Khatua	19,28,450	-	19,25,808	-
Mr. Antony Cherukara*	1,13,12,000	-	-	-
Sitting Fees paid to Independent and non-executive directors	-	39,50,000	-	37,50,000

(Amount in ₹.)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Amounts due to related parties</b>		
Anand Associates	-	4,53,600
VST & Sons	5,68,792	6,36,760
Key Managerial Personnel	62,25,000	56,51,526
<b>Amounts due from related parties</b>		
Automobile Service Centre	31,38,000	2,36,000
Mitsubishi Heavy Industries-VST Diesel Engines Pvt.Ltd.	35,31,329	-
<b>Deposits with related parties</b>		
VST Motors Private Limited	20,00,00,000	20,00,00,000

\* Mr. Antony Cherukara has been appointed as CEO with effect from April 25, 2019.

\*\* Mr. G.V. Mahadevan was appointed as CFO with effect from August 09, 2019 and has resigned as CFO with effect from June 15, 2020 i.e., subsequent to the reporting date.

\*\*\* Mr. P M Keshava has retired as CFO from August 31, 2019.

## 37. Financial Risk Management objectives and policies:

The company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, market risk, credit risk and liquidity risk. The company's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimize potential and guidelines and there has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risks or the manner in which it manages and measures the risks.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

# Notes to the Financial Statements

for the year ended March 31, 2020

## 37. Financial Risk Management objectives and policies: (Contd..)

### i. Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans and advances, deposits, investments in debt securities, mutual funds, and other equity funds.

#### a. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the investment in debt securities, investment in debt mutual funds and cash and cash equivalents.

The company's policy is to manage its interest rate risk by investing in fixed deposits, debt securities and debt mutual funds. Further, as there are no borrowings, the company's policy to manage its interest cost does not arise.

#### b. Foreign Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company has transactional currency exposures arising from Exports or imports that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly in US Dollars (\$). The Company's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

The following table demonstrates the sensitivity in the USD and GBP to the Indian Rupee with all other variables held constant. The impact on the company's profit before tax due to changes in the fair value of monetary assets is given below:

(Amount in ₹.)			
Particulars	Change in Rate	For the year ended March 31, 2020	For the year ended March 31, 2019
USD	+5.00 %	(7,15,503)	(2,66,479)
	-5.00 %	7,15,503	2,66,479
GBP	+5.00 %	4,91,982	1,48,647
	-5.00 %	(4,91,982)	(1,48,647)
Euro	+5.00 %	(42,459)	(2,405)
	-5.00 %	42,459	2,405

### ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposit), the Company minimizes the credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The Company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, Outstanding customer receivables are regularly monitored and any credit to new customers are generally covered by appropriate security in the form of deposits.



# Notes to the Financial Statements

for the year ended March 31, 2020

## 37. Financial Risk Management objectives and policies: (Contd..)

### a. Exposure to credit risk:

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognized in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

### b. Credit risk concentration profile:

At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognized financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

### c. Financial assets that are neither past due nor impaired:

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short-term deposits, investment securities that are neither past due nor impaired are placed with or entered with reputable banks, financial institutions or companies with high credit ratings and no history of default.

### d. Financial assets that are either past due or impaired:

Trade receivables that are past due or impaired at the end of the reporting period, for which lifetime expected credit loss has been provided by the company according to its policy. These are shown in the balance sheet at carrying value less impairment/expected credit loss (information provided in note no. 11).

### iii. Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The company ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in ₹.)				
Particulars	Less than 12 months	1 to 3 years	More than 3 years	Total
<b>As at March 31, 2020</b>				
Trade Payables	57,77,12,032			57,77,12,032
Security Deposits	46,890	40,37,74,591		40,38,21,481
Other Financial Liabilities	40,44,12,421			40,44,12,421
<b>As at March 31, 2019</b>				
Trade Payables	34,27,99,847			34,27,99,847
Security Deposits	35,96,323	45,96,15,387		46,32,11,710
Other Financial Liabilities	40,70,55,953			40,70,55,953

# Notes to the Financial Statements

for the year ended March 31, 2020

## 38. Investment Property:

The company as at the end of reporting period recognizes the income earned from renting of Investment property under the head other income with all the incidental expenditure in relation to the property under their respective sub-heads in Other expenses.

### Summary of Net Income recognized in Statement of Profit and Loss from Investment Property generating rental income

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Rental Income	1,18,75,400	1,79,05,400
Less: Direct operating expenses incurred		
i. Repairs and Maintenance	1,66,729	17,22,606
ii. Property Taxes Paid	10,23,651	7,73,782
(B) Total expenses	11,90,381	24,96,388
<b>Net Income / (expense) from Investment Property (A-B)</b>	<b>1,06,85,019</b>	<b>1,54,09,012</b>

### Fair Valuation of Investment Property:

Particulars	(Amount in ₹.)	
	As at March 31, 2020	As at March 31, 2019
a) Land	75,73,61,226	69,07,29,083
b) Building	13,92,04,475	14,39,18,475

**Note:** The fair values of investment properties have been determined by independent valuers. The main inputs used are the rental growth rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

**Depreciation and Useful Life:** Depreciation method used by the entity for Investment Property is Straight line method. Useful life of buildings is considered as 30-60 years.

### Transfer from PPE to Investment Property:

The company has transferred Land amounting to ₹ Nil (March 31, 2019: Nil) from Property Plant and Equipment to Investment Property which are held for earning income by way of rental or for capital appreciation based on Companies (Accounting Standards) Amendment Rules, 2016.

## 39. Capital Management:

Capital includes equity attributable to the equity holders of the parent. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder's value.

The company manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, company may adjust the dividend payment to shareholders return capital to shareholders or issue new shares.

Currently the company does not have any borrowings and maintains the entire capital in form of equity share capital.



# Notes to the Financial Statements

for the year ended March 31, 2020

## 40. Unhedged Foreign Currency Exposure:

(Amount in ₹.)

Particulars	As at March 31, 2020			As at March 31, 2019		
	#	Foreign Currency	Amount (₹)	#	Foreign Currency	Amount (₹)
Trade Receivables	\$	259	19,539	\$	24,472	16,95,426
	£	1,05,223	98,39,634	£	32,901	29,72,933
Trade Payables	\$	1,90,237	1,43,29,609	\$	1,01,400	70,24,992
	€	10,233	8,49,175	€	619	48,098

# denotes currency symbol

## 41. Contingencies and Commitments:

(Amount in ₹.)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Contingent Liabilities</b>		
a. Cases filed by customers in various consumer courts not acknowledged as debts	46,14,135	18,05,813
b. Appeals filed by the company in respect of Income tax matters	9,64,48,964	7,95,05,572
c. Appeals filed by the company in respect of Customs matters	25,68,155	25,68,155
d. Bank guarantees issued to Government agencies by way of security	1,73,67,120	1,74,95,850
e. Possible claim against company, not acknowledged as debt	4,37,68,606	4,37,68,606
<b>Commitments</b>		
a. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	39,94,54,287	45,26,22,039

## 42. Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

(Amount in ₹.)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Principal	Interest	Principal	Interest
Amount due to vendor	10,22,40,328	-	7,04,75,110	-
Principal amount paid (includes unpaid) beyond appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid	-	-	-	-

Based on the information available with the company there are no Micro, Small and Medium Enterprises, to which the company owes dues, which are outstanding for more than 45 days as at March 31, 2020. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company.

# Notes to the Financial Statements

for the year ended March 31, 2020

## 43. Corporate Social Responsibility (CSR) Expenditure:

CSR amount required to be spent by the Company during the year is ₹ 2,12,36,045/- which is yet to be spent by the company. Further, during the year company has spent an amount ₹ 4.58 crores related to liability of previous years (till March 31, 2019), Details of which are as follows:

(Amount in ₹.)			
Amount Spent During the Year	Paid	Yet to be paid	Total
On construction or acquisition of any asset	-	-	-
On Purpose other than above	4,58,00,000	-	4,58,00,000
<b>Total</b>	<b>4,58,00,000</b>	<b>-</b>	<b>4,58,00,000</b>

### Details of amount spent on each head:

(Amount in ₹.)			
Head	Paid in Cash	Yet to be paid in Cash	Total
Corpus Fund for CSR activities (Kamalabai Education Trust)	1,00,00,000	-	1,00,00,000
Corpus Fund for CSR activities (V.S.Thiruvengadaswamy Mudaliar Memorial Trust)	3,38,00,000	-	3,38,00,000
Enhancing livelihood of disabled (Association of people for disability)	20,00,000	-	20,00,000
<b>Total</b>	<b>4,58,00,000</b>	<b>-</b>	<b>4,58,00,000</b>

### Movement in the provision for CSR Expenditure during the years:

(Amount in ₹.)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Balance of Provision	3,39,86,037	3,39,86,037
Add: Provision created / Expense incurred during the year	1,18,13,963	1,65,00,000
Less: Amount spent during the year	4,58,00,000	1,65,00,000
<b>Closing Balance of Provision</b>	<b>-</b>	<b>3,39,86,037</b>

## 44. Expenditure on Research & Development:

(Amount in ₹.)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>a) Revenue expenditure</b>		
(i) Salaries & allowances of R&D Staff	5,20,05,741	3,36,92,199
(ii) Testing Fees paid	60,14,251	90,84,895
(iii) Development Charges	40,44,283	78,59,957
(iv) Others	22,24,177	32,08,050
(v) Depreciation on R&D Assets	56,98,370	49,94,143
<b>Total (a)</b>	<b>6,99,27,422</b>	<b>5,88,39,245</b>
<b>b) Capital Expenditure:</b>		
Plant & Machineries	-	94,66,707
<b>Total (b)</b>	<b>-</b>	<b>94,66,707</b>
<b>Grand Total (a) + (b)</b>	<b>6,99,27,422</b>	<b>6,83,05,952</b>



# Notes to the Financial Statements

for the year ended March 31, 2020

## 45. Disclosure pursuant to Indian Accounting Standard 37 “Provisions, Contingent Liabilities and Contingent Assets”

### a) Movement in provision for warranty

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Carrying amount as at the beginning of the year	1,05,82,193	1,37,43,292
Add: Additional provision made during the year	88,83,324	1,26,68,220
Less: Provision used during the year	1,00,17,194	1,58,29,319
Less: Unused amounts reversed during the year	-	-
Carrying amount as at the end of the year	94,48,323	1,05,82,193

### b) Nature of Obligation

The company gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. The provision made as at 31 March 2020 represents the amount of expected cost of meeting such obligations on account of rectification / replacement. The timing of outflow is expected to be within a period of one year from the end of the reporting period.

The company generally offers 12 months warranties for tiller products expect 135DI tiller, 17HP-30HP tractors which are offered 24 months warranties. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims.

## 46. Disclosure pursuant to Ind AS 115 – Revenue from contracts with customers

### 1. Disaggregation of Revenue

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>a) Revenue by type of goods &amp; Services</b>		
<b>Revenue from Products</b>		
- Tractors	2,13,47,01,364	2,36,10,99,036
- Tillers	2,65,27,01,822	3,04,62,00,326
- Others	89,86,12,351	94,61,56,860
<b>Revenue from Services</b>		
- Job Works	57,24,572	2,37,01,712
<b>Total</b>	<b>5,69,17,40,109</b>	<b>6,37,71,57,934</b>
<b>b) Revenue by geographical region</b>		
Domestic Sales	5,46,85,84,395	6,09,54,72,948
Export Sales	22,31,55,714	28,16,84,986
<b>Total</b>	<b>5,69,17,40,109</b>	<b>6,37,71,57,934</b>
<b>c) Revenue by sales Channel</b>		
Dealer Sales	4,90,51,64,694	5,93,00,89,830
End Customer Sales	69,31,65,852	42,01,98,338
Others	9,34,09,564	2,68,69,767
<b>Total</b>	<b>5,69,17,40,109</b>	<b>6,37,71,57,934</b>



# Notes to the Financial Statements

for the year ended March 31, 2020

## 46. Disclosure pursuant to Ind AS 115 – Revenue from contracts with customers (Contd..)

### 2. Contract Balance:

Of the customer advance as on 31st March 2019, amount recognized as revenue during the year amounts to ₹ 8,08,10,805.

### 3. Reconciliation of Revenue recognized in the statement of Profit & Loss with contract Price:

Particulars	(Amount in ₹.)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Contract Price	5,69,17,40,109	6,37,71,57,934
<b>Less:</b>		
Dealer Discount – Products	5,03,51,600	5,09,68,585
Dealer Discount – Spares	2,10,71,000	1,83,62,012
Special Discount	12,69,98,975	10,05,01,699
Cash Discount	5,65,56,235	5,93,31,933
<b>Transaction Price</b>	<b>5,43,67,62,300</b>	<b>6,14,79,93,704</b>

47. The Company is engaged only in business of manufacturing and trading of agriculture machinery and accordingly the business activity falls within a single business segment in terms of Ind AS 108 on Operating Segments.

48. The Board has not recommended any final dividend. The interim dividend of ₹ 15/- declared by the board at its meeting held on March 17, 2020 shall be considered as the final dividend for the financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains ₹ 15/- per equity share.

49. The Company has assessed the possible effects that may arise from the COVID-19 pandemic on the business. Under the operational guidelines announced by the Karnataka Government, the company has obtained necessary approvals and commenced its operations gradually from 04th of April 2020. As on the current date, based on the assessment, the Company has concluded that the impact of COVID - 19 pandemic is not material on the carrying value of the assets of the business, however this has effected the operation of the company and has had impact on sales and profitability among others. Due to the nature of the pandemic and the resultant operational guidelines that may be announced by the governments in future, the Company will continue to monitor the developments to identify significant impact, if any in the future period.

50. Corresponding previous year figures have been reclassified / regrouped wherever necessary.

As per our report of even date  
**For K.S. Rao & Co.,**  
 Chartered Accountants  
 Firm Registration No. 003109S

**Hitesh Kumar. P**  
 Partner  
 Membership No: 233734

Place : Bengaluru  
 Date : June 18, 2020

For and on behalf of the Board of Directors of  
**V.S.T. Tillers Tractors Limited**

**V.P. Mahendra**  
 DIN: 00033270  
 Vice Chairman & Managing Director

**Antony Cherukara**  
 Chief Executive Officer

Place : Bengaluru  
 Date : June 18, 2020

**K.M. Pai**  
 DIN: 01171860  
 Director

**Chinmaya Khatua**  
 ACS - 21759  
 Company Secretary



# NOTICE of the 52<sup>nd</sup> Annual General Meeting

Notice is hereby given that the 52<sup>nd</sup> Annual General Meeting (the "AGM") of the members of V.S.T. Tillers Tractors Ltd (the "Company") will be held on Thursday, the 24<sup>th</sup> day of September, 2020 at 11:00 a.m. through Video Conferencing (VC) or Other Audio Visual Means (OAVM), to transact the following businesses:

## Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 together with the Board's and Auditor's Report thereon.
2. To confirm the payment of Interim Dividend of ₹ 15 per equity share already paid during the year as the Final Dividend for the Financial Year 2019-20.
3. To Appoint a Director in place of Mr. V. T. Ravindra (DIN: 00396156), who retires by rotation and being eligible offers himself for reappointment.
4. To Appoint a Director in place of Mr. V.S. Arun (DIN: 01617103), who retires by rotation and being eligible offers himself for reappointment.

## Special Business:

### 5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2021.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Rao, Murthy & Associates, Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, be paid the remuneration of ₹ 2,50,000/- (Exclusive of applicable GST) per annum plus out of pocket expenses."

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution."

By Order of the Board  
for **V.S.T. TILLERS TRACTORS LTD.**

**Chinmaya Khatua**

Company Secretary

Place: Bengaluru

Date: August 11 2020

Membership No. ACS-21759

## NOTES:

1. Considering the present COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its General Circular dated May 5, 2020 read together with Circulars dated April 8, 2020 and April 13, 2020 (Collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the presence of the Members at a common venue. Further, Securities and Exchange Board of India ("SEBI") vide its Circular dated 12<sup>th</sup> May 12, 2020 ("SEBI circular") has also granted certain relaxations. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), this AGM of the Company is being held through VC/OAVM.

Central Depository Services (India) Limited shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 19 below.

2. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
3. The Company encourages the Members of the Company under the category of Institutional Shareholders to attend and participate in this AGM through VC/OAVM.
4. Since this AGM is being held through VC/OAVM pursuant to MCA Circulars, physical attendance of the Members has been dispensed with and accordingly, the facility for appointment of proxies by the Members is not available for this AGM. Hence Proxy Form, Attendance Slip and route map are not attached hereto.
5. The Board of Directors have decided to include the Item Nos. 5 of this Notice as it is unavoidable in nature.
6. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the proceedings of this Annual General Meeting will be deemed to be conducted at the Registered Office of the Company situated at Plot No-1, Dyavasandra Indl Layout, Whitefield Road, Mahadevapura Post, Bengaluru – 560 048.
7. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice calling AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. The Notice calling the

AGM and Annual Report have been uploaded on the website of the Company at [www.vstractors.com](http://www.vstractors.com). The Same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

8. The Register of Members and Share Transfer Books of the Company will be closed from 18th September, 2020 to 24th September, 2020 (both days inclusive) in connection with Annual General Meeting scheduled to be held on 24th September 2020.
9. Interim Dividend of ₹15/- (150%) per share was declared and paid on 31st March 2020, for the financial year 2019-20.
10. Unpaid/Unclaimed dividend details.

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or reenactment(s) thereof or the time being in force) any dividends unpaid or unclaimed for seven years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund established by the Central Government. The members are requested to claim their dividends who have not claimed so far. During the year 2019-20 the Company has transferred ₹5,64,444/- to Investor Education and Protection Fund. The details of the unclaimed dividend are uploaded in IEPF website and as well as website of the Company.

Accordingly, during the financial year 2020-21, the Company would be transferring unclaimed final dividend amount for the financial year ended 31st March, 2013 on or after 15th September, 2020. The Company has already sent notice to all such members to claim their unclaimed dividend before due date of transfer to IEPF.

#### Share Transfer to IEPF:

In accordance with Section 124(6) of the Companies Act, 2013 read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for 7 (seven) consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority. The Company has transferred 3812 Nos of shares to IEPF during the financial year 2019-20 after following the procedure.

The Company has already sent notices to all such members for the shares due for transfer to IEPF during the year 2020-21. In case the Company receives no communication from the members, necessary steps will be initiated by the Company to transfer shares held by the members to the IEPF without further notice. Please

note that no claim shall lie against the Company in respect of the shares so transferred to the IEPF.

The shares and dividends transferred to the IEPF can be claimed back by the concerned members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

11. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut off date of 17th September, 2020.
12. In case of joint holders, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
14. Members holding shares in electronic form are requested to update their E-mail ID with their respective depository participants and Members holding shares in physical form are requested to update their E-mail ID with the Company's registrar and transfer agent (RTA) to enable despatch the communication in electronic form from time to time. The Annual Report 2019-20 along with Notice are being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s). The members who have not registered their email addresses may download the Notice and Annual Report from the websites mentioned above.
15. Members holding shares in electronic form are requested to update their Bank Details with their respective depository participants and Members holding shares in physical form are requested to update their Bank Details with the Company's registrar and transfer agent (RTA) to receive the dividends by bank transfers.
16. Rule 3 of Companies (Management and Administration) Rules, 2014 (as amended) prescribes that Register of Members should include details pertaining to e-mail, PAN/CIN, UID, Occupation, Status and Nationality. We request all the Members of the Company to update the said details with their respective depository participants in case of shares held in electronic form and with the Company's Registrar and Transfer Agents in the case of physical holding.
17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act,



2013 and other related documents, will be available for inspection electronically. Members seeking to inspect such documents during the AGM can send their request at the mail Id [vstagm@vsttractors.com](mailto:vstagm@vsttractors.com).

18. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 5 of the Notice, is annexed hereto.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN). Members holding shares in electronic form are, therefore, requested to submit the PAN details to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar & Transfer Agent.

### 19. Voting through electronic means

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 of Companies (Management and Administration) Rules, 2014, and regulation 44 of the listing Regulation, the Company is pleased to provide members facility to exercise their right to vote in respect of resolutions which are being considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). Mr. Shylendrakumar T.R., Practicing Company Secretary (C P No-2453) has been appointed as scrutinizer for remote e-voting and e-voting at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 17th September, 2020 only shall be entitled to avail the facility of remote e-voting / voting at AGM and a person who is not a Member as on the cut off date should treat this Notice for information purposes only.

Procedure / Instructions for **shareholders voting electronically and attending the AGM through VC/OAVM** are as under:

- (i) The remote e-voting facility will be available during the following period:

Start of remote e-voting: From 9.00 a.m. (IST) on Monday, 21st, September, 2020.

End of remote e-voting: Up to 5.00 p.m. (IST) on Wednesday, 23rd, September, 2020.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

(i) Click on "Shareholders" module.

(ii) Now enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (iii) Next enter the Image Verification as displayed and Click on Login.

- (iv) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

- (v) If you are a first time user follow the steps given below:

Financial Year	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their names and the 8 digits of the sequence number in the PAN field. For sequence number, please write to RTA at <a href="mailto:irg@integratedindia.in">irg@integratedindia.in</a> .
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of VST TILLERS TRACTORS LTD on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

#### Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (iii) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [vstagm@vstractors.com](mailto:vstagm@vstractors.com) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
  - (iv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
- (v) Any person, who acquires shares of the Company and become a member after dispatch of the notice





and holding shares as on the cut-off date i.e., 17th September, 2020 may follow the same procedure as mentioned above for e-Voting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company on [vstagm@vstractors.com](mailto:vstagm@vstractors.com) /RTA on [irg@integratedindia.in](mailto:irg@integratedindia.in).
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company on [vstagm@vstractors.com](mailto:vstagm@vstractors.com) / RTA on [irg@integratedindia.in](mailto:irg@integratedindia.in).

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Facility of joining the AGM through VC / OAVM shall open 30 (thirty) minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members may note that the VC / OAVM Facility, provided by CDSL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship & Grievance Committee, Auditors, etc. can attend the 52nd AGM without any restriction on account of first-come-first-served principle.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at [vstagm@vstractors.com](mailto:vstagm@vstractors.com) from 17th September, 2020 (09:00 am IST) to 20th September, 2020 (05:00 pm IST). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance i.e. upto 20th September, 2020 mentioning their name, demat account number/folio number, email id, mobile number at [vstagm@vstractors.com](mailto:vstagm@vstractors.com). Shareholders who will participate in the AGM through VC/OAVM can also pose question / feedback through question box option. These queries will be replied by the company suitably depending on the availability of time at the AGM. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
20. The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website, i.e. [www.vsttractors.com](http://www.vsttractors.com) and on the website of CDSL within 48 hours of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
21. Corporate/ Institutional Members are entitled to appoint authorized representatives to attend the AGM through VC/OAVM on their behalf and cast votes through remote e-voting or at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board Resolution / Authorization letter to the Company at [vstagn@vsttractors.com](mailto:vstagn@vsttractors.com), authorizing its representative(s) to attend and vote through VC/OAVM on their behalf at the Meeting, pursuant to section 113 of the Act.





## ANNEXURE TO THE NOTICE

### Statement pursuant to section 102 of Companies Act, 2013.

#### Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Rao, Murthy & Associates, Cost Auditors (Firm Registration No.000065) to conduct the audit of the cost records of the Company for the financial year ending March 31,2021.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be determined by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending March 31,2021.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested (financially or otherwise) in the resolution asset out at Item No.5 of the Notice.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice for the approval of the Members.

## Annexure A

## Brief Resume of Directors seeking appointment / re-appointment at the ensuing AGM (Retiring by Rotation)

Name	Mr. V.T Ravindra	Mr. V. S. Arun
<b>Designation</b>	<b>Executive Director</b>	<b>Director</b>
Age	51 Years	45 Years
DIN	00396156	01617103
Date of Appointment	27/05/2016	11/05/2018
Relationship with Other Directors / KMP	Mr. V P Mahendra Mr. V.K. Surendra Mr. V.V. Pravindra Mr. V.S. Arun	Mr. V.K. Surendra Mr. V.P. Mahendra Mr. V.T. Ravindra Mr. V.V. Pravindra
Qualification	Graduate, PGDM.	MBA
Expertise	Having about 25 years' experience in Automobile Industries and Business Administration.	vast experience in automotive distribution business. Currently leads the VST Group's automobile franchise vertical and the financial services business (NBFC). Was also instrumental in establishing OE parts distribution in Karnataka and Tamil Nadu.
Directorship in Other Companies	V.S.T. Motors Private Limited Chennai Auto Agency Private Limited Crest Construction Private Limited V.S.T. & Sons Private Limited Bangalore Motors Private Limited V.S.T. Auto Ancilleries Private Limited Hotel Pearls Private Limited Pearls Estates Private Limited	V S T Motors Pvt. Ltd Chennai Auto Agency Pvt.Ltd. V S T & Sons Pvt.Ltd. V S T Auto Parts Pvt Ltd, Bangalore Motors Pvt.Ltd., V S T Auto Ancillaries Pvt.Ltd., Vst Titanium Motors Pvt Ltd Joshika Technologies Private Limited
Shareholding in the Company (in Nos) as Promoter	27852	217130
Chairman of Committees	Nil	Nil
Member of Committees	Nil	Risk Management Committee
No of Board Meeting attended	7	4
Term of Condition of Appointment	Appointed as executive director on 11th May 2018 for 5 years. The terms and conditions were approved by the shareholders.	Non-executive and non-independent director.
Salary*/Sitting fees paid during the year 2019-20.	63,00,000*	2,00,000

By Order of the Board  
for **V.S.T. TILLERS TRACTORS LTD.**

**Chinmaya Khatua**  
Company Secretary  
Membership No. ACS-21759

Place: Bengaluru  
Date: August 11, 2020

## NOTES





**VST SHAKTI**

**V.S.T. TILLERS TRACTORS LTD.**

**CIN-L34101KA1967PLC001706**

Regd. Office: Plot No. 1, Dyavasandra Indl. Layout,  
Whitefeild Road, Mahadevapura Post, Bangalore 560048

Phone: 91 80671 41111

E-mail: [sales@vsttractors.com](mailto:sales@vsttractors.com)

Website: [www.vsttractors.com](http://www.vsttractors.com)

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