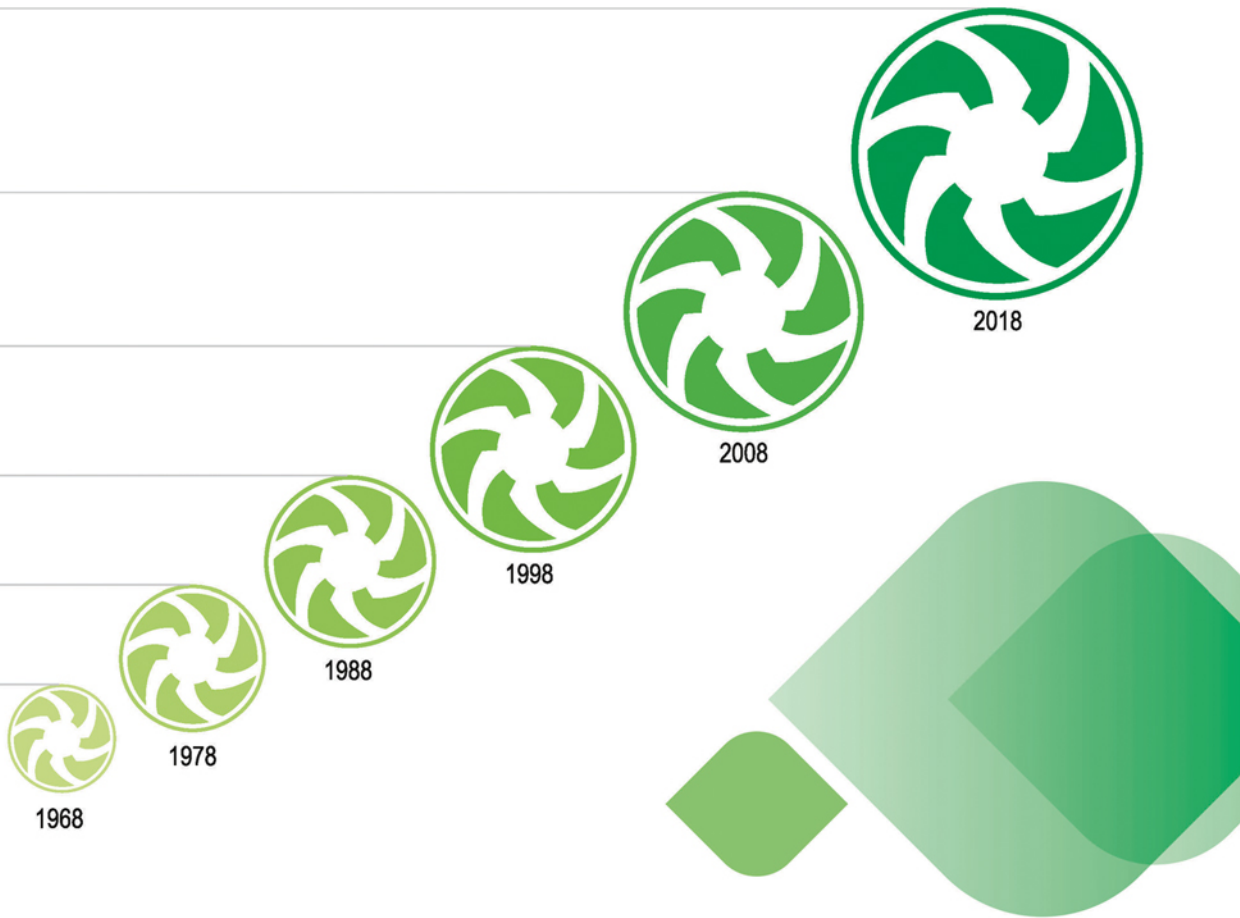




# 51<sup>st</sup> ANNUAL REPORT | 2018-19



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



## **LORD GANESHA**



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

<b>Board of Directors</b>	: Mr. V.K. Surendra - <i>Chairman</i> Mr. R. Subramanian - <i>Independent Director</i> Mr. M.K. Bannerjee - <i>Independent Director</i> Mr. K.M. Pai - <i>Independent Director</i> Ms. Siva Kameswari Vissa - <i>Independent Director</i> Mr. Bijanki Jagannath- <i>Independent Director</i> Mr. V.P. Mahendra - <i>Vice Chairman &amp; Managing Director</i> Mr. V.V. Pravindra - <i>Non-Executive Director</i> Mr. V.T. Ravindra - <i>Executive Director</i> Mr. Arun V Surendra - <i>Non-Executive Director</i>
<b>Chief Executive Officer</b>	: Mr. Antony Cherukara
<b>Chief Financial Officer</b>	: Mr. P.M. Keshava
<b>Company Secretary and Compliance Officer</b>	: Mr. Chinmaya Khatua
<b>Statutory Auditors</b>	: M/s. K.S.Rao & Co., Bengaluru Chartered Accountants
<b>Internal Auditors</b>	: M/s. Brahmayya & Co., Bengaluru Chartered Accountants
<b>Cost Auditors</b>	: M/s. Rao, Murthy & Associates, Bengaluru Cost Accountants
<b>Secretarial Auditors</b>	: Thirupal Gorige & Associates LLP, Bengaluru Practising Company Secretaries
<b>Bankers</b>	: M/s. Canara Bank, Contonment Branch, M.G. Road, Bengaluru - 560 001 M/s. State Bank of India, SME Branch, Mahadevapura, Bengaluru - 560 048
<b>Regd. Office</b>	: Plot No.1, Dyavasandra Industrial Layout, Whitefield Road, Mahadevapura Post, Bengaluru - 560 048 Ph : 080-67141111 e-mail: vstgen@vstillers.com website: www.vstillers.com

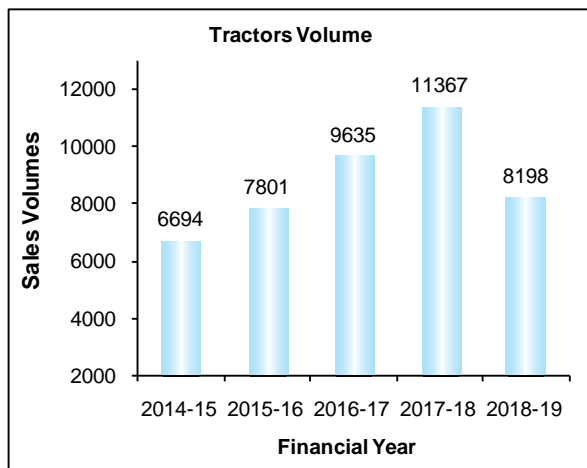
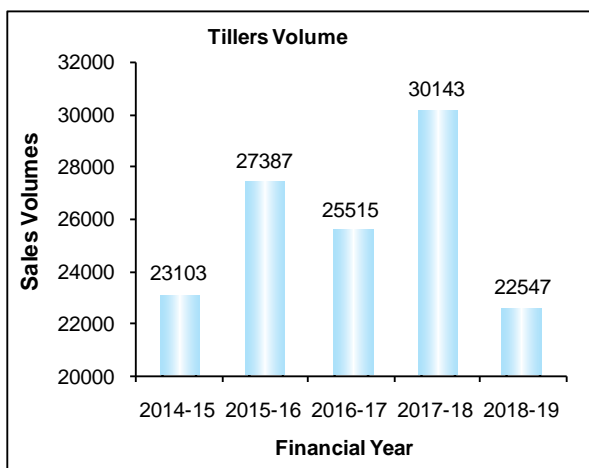
## INFORMATION

### REQUEST TO MEMBERS

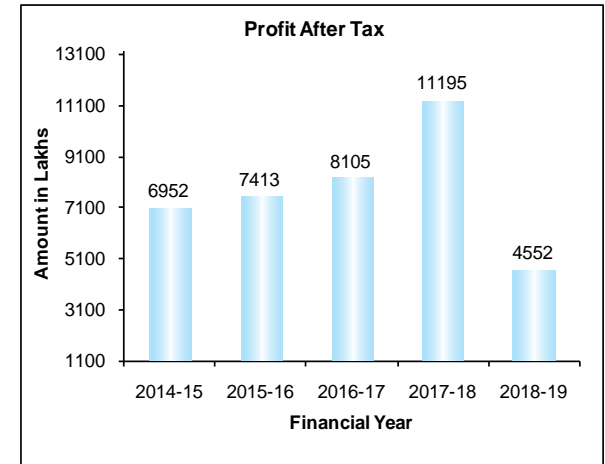
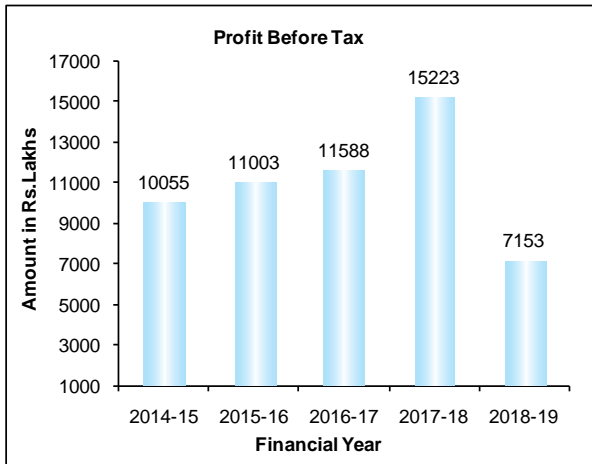
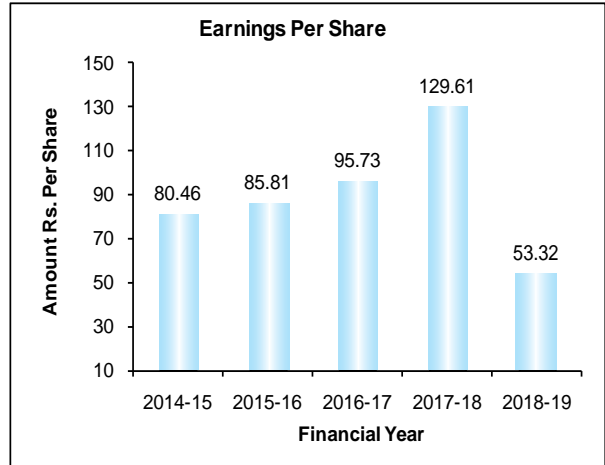
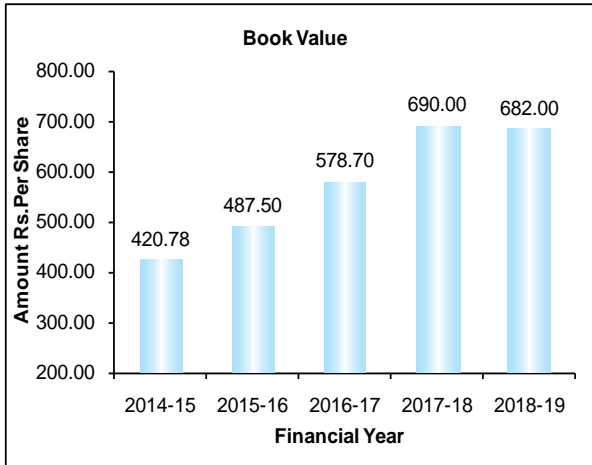
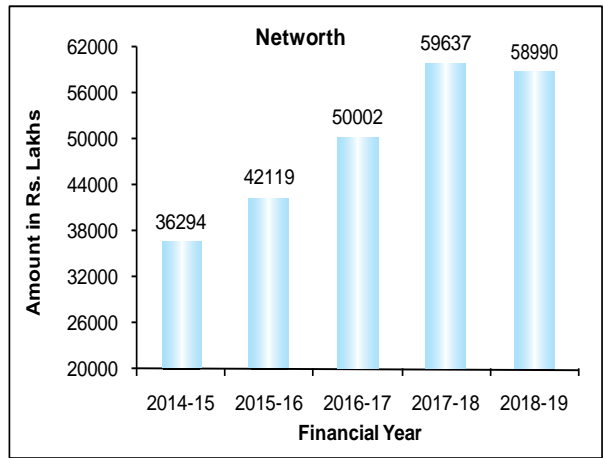
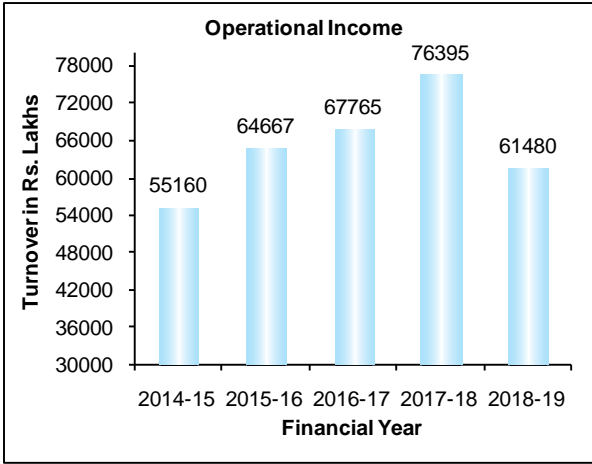
1. Please bring your copy of the Annual Report to the meeting as no extra copies will be distributed owing to limited number of copies printed.
2. Members are requested to send their queries, if any, relating to the annual accounts and reports atleast one week prior to the date of meeting to facilitate compilation of information.
3. Members/their proxies/representatives are advised to bring their Attendance Slip duly filled in for attending the meeting.

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## FINANCIAL INDICATORS



The previous years financial indicators have been re-arranged as per IndAS wherever required.

Dear Members,

Your Directors have pleasure in presenting the 51st Annual Report of the Company and the Audited Statement of accounts for the financial year ended March 31, 2019.

**FINANCIAL PERFORMANCE**

(Rupees in lakhs)

Period	Year 2018-19	Year 2017-18
OPERATING INCOME	61480	76395
NON-OPERATING INCOME	4366	4521
TOTAL INCOME	65846	80916
FINANCE COST	225	169
DEPRECIATION	1579	1086
TOTAL EXPENSES	58693	65693
EXCEPTIONAL ITEM	-	-
PROFIT BEFORE TAX	7153	15223
TAX	2547	4025
PROFIT AFTER TAX	4606	11198
OTHER COMPREHENSIVE INCOME	-54	-3
TOTAL COMPREHENSIVE INCOME	4552	11195
EARNING PER SHARE (Basic and Diluted)	53.32	129.61

**MANAGEMENT DISCUSSION & ANALYSIS**
**ECONOMY & THE MARKETS**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. Second Advance Estimates of Gross Domestic Product (GDP) released by the Central Statistics Office (CSO), estimated the growth rate of GDP at constant (2011-12) market prices for FY 2018-19 at 7.0 per cent.

**ROAD AHEAD**

India's gross domestic product (GDP) is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

Agriculture being the primary source of livelihood for about 58 per cent of India's population, Government of India has introduced several projects to assist the agriculture sector. They are Pradhanmantri Gram Sinchai Yojana: Scheme aims to irrigate the field of every farmer and improve water use efficiently to achieve the motto 'Per Drop More Crop'. Government of India is also aiming to double farmers' income by 2022, these augur well for the farm mechanisation industry.

**INDUSTRY AND COMPANY OVERVIEW**

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. Your company managed trade receivables efficiently and consequently, the receivables were reduced from Rs.186 Crs as of March 31st, 2018 to Rs 96 Crs as of March 31st 2019.

**A. POWER TILLER BUSINESS**

During the year 2018-19 the Power Tiller industry witnessed around 7.5 % de-growth. This sector relies heavily on Government subsidies and any delay in implementing schemes in various states leads to demand distortions. The number of Power Tillers sold during the year was 22547 units as against the previous year sale of 30,143 units, our market share being reduced to 44% in the current year.

Our business continues to grow in the new product segments such as Rice Transplanter, which grew by 157 % and the Power Reaper segment which grew by 26 %.

**B. TRACTOR BUSINESS**

In the financial year 2018-19 the total tractor industry in India grew by 6.7%, however, your

company (primarily in the compact category) registered a degrowth of 28%. The number of Tractors sold was 8,198 Nos during the year as against 11,367 tractors in 2017-18. There has been a degrowth in the 0-20HP segment of compact tractor industry by about 2.7%, as this segment of the industry was affected due to drought in Maharashtra, Gujarat (Saurashtra region) and delay in subsidy in certain states. The industry degrowth in the areas where VST products were popular impacted our volumes leading to an overall drop in market share to 8.3% in the compact segment category.

The Custom Hire & Service Centres that have been under the VST umbrella under the scheme launched by the Government of Karnataka are running satisfactorily.

#### **FUTURE OUTLOOK:**

Your company continues to be the market leader in power tillers and will now focus on introduction of new products in this segment. Your company believes that the power tiller industry would continue to grow considering the need for affordable mechanization for small and marginal farmers. The key driver for growth would be subsidy and retail finance availability and for this your company has tied up with major banks and NBFCs and will continue to work with them to arrange funding for this segment of customers. The Company will simultaneously continue to expand its dealer network across the country.

Your company has undertaken to invest Rs.210 crores on long term capex plan for infrastructure, product upgradation and new product development. During the year 2018-19 your company launched three higher HP Tractor Models i.e. 45 & 50 HP Viraj and 47HP VST Shakti Branson. Simultaneously, your company will ramp up the volumes in the higher HP segment in the new financial year. Your company will also launch new models in the compact segment.

#### **C. PRECISION COMPONENT DIVISION, MYSORE**

The performance of the Component Division, Mysore recorded a marginal growth in domestic business however export business was lower compared to the earlier. The turnover for 2018-19 was Rs. 7.88 crores as compared to Rs.8.30 crores for 2017-18.

Your company has invested Rs. 24 Crs to modernise this facility and plans are under implementation to ensure profitable growth of this business in the medium and long term.

#### **RISK & CONCERN**

Majority portion of Power Tillers and Compact Tractors in some states are sold under government subsidy schemes. In case of reduction in subsidy allocation the demand of these products will be affected. Most of the State Governments are switching over to DBT (Direct Benefit Transfer) scheme for subsidy which would mean the farmer has to pay 100% to buy the product. This scheme may affect the liquidity of the farmers although they will get the subsidy portion later. To mitigate this situation your Company has made the arrangement for retail finance support to farmers.

Competition in power tillers and compact segment tractors requires your company to come out with suitable variants to counter the same.

#### **OPPORTUNITIES & THREATS**

There is a need to mechanize agriculture due to unavailability & high cost of labour. Your company is offering solutions to the small and marginal farmers through power tillers and compact tractors optimized with various applications. Your company is also in the process of launching complete range of higher HP Agriculture tractors.

Dependency on favourable Monsoon and delay in release of Subsidy by the Government will be the key threat for the business of the Company. Unstable prices for farm produce and unforeseen natural calamities in the recent past have impacted small and marginal farmers since they suffer the most during such situations.

#### **CURRENT YEAR OUTLOOK**

With prediction of normal monsoon, stable government and continued focus on farm mechanisation by the Government, we expect our revenue growth will be par with the overall industry growth.

In fiscal year 2019, loan waivers have been announced by newly elected governments in few states such as Karnataka, Madhya Pradesh, Rajasthan and Chattisgarh, which constitute to farmers to tide over losses incurred due to uneven monsoon and drought conditions. This will boost the morale of the farmer and may encourage them to purchase Tractor and Power tillers.



Scarcity of farm labour and increase in farm mechanization, may spur the demand for Power Tillers and Tractors. The Company has been expanding its product portfolio keeping in mind the growth potential of the farm equipment industry including localization of 47 HP VST Shakti Branson Model to make it economical for Indian market. The Company has introduced specific model of spare parts distribution and with increase in farm equipment volume, increase is also expected in the spare parts business.

Your Company is committed to focus on export sales which includes introduction of new models and expansion of export network. Your Company continues its focus on cost optimization, productivity improvement, supply chain management and value engineering.

## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

## DIVIDEND:

"The Board of Directors of your company is pleased to recommend a dividend of Rs.15/- per equity share of

the face value of Rs. 10 each i.e. @ 150%, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure / Record Date.

The Dividend will be disbursed on or after 12th August 2019, if approved by the shareholder at the 51st AGM. The total outflow will be Rs 1562 lakhs including the dividend distribution tax of Rs. 266 lakhs,

## 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

## AWARDS

We are pleased to inform you that your Company has received following awards by ITOTY.

Power tiller of the year- 135 DI ultra model.

Best Tractor under 20 HP- MT 180 DI model

## SIGNIFICANT CHANGE IN KEY FINANCIAL RATIOS:

Ratio	2018-19	2017-18	Explanation
Debtors Turnover Ratio	6.47	4.10	Outstanding has come down due to implementation of strict credit policy
Inventory Turnover Ratio	5.04	9.75	Buildup of inventory at the year end was due to lower off take and weak market conditions
Interest Coverage Ratio	39.87	97.30	Lower turnover and profitability during the year has resulted in a lower interest coverage ratio
Current ratio	4.31	3.45	Better working capital management has resulted in improved current ratio
Gross Profit ratio	11%	19%	Lower margins on account of reduction in sales has resulted in lower gross profit percentage on turnover
Net Profit ratio	7%	14%	Lower margins on account of reduction in sales has resulted in lower net profit percentage on turnover

## CHANGE IN RETURN ON NETWORTH:

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

## DETAILS OF DIRECTORS APPOINTMENT/ REAPPOINTMENT:

In accordance with the provisions of the Companies Act, 2013 Mr. V V Pravindra, Director and Mr. V.P. Mahendra, Vice Chairman & Managing Director will retire at the ensuing AGM and are eligible for

reappointment. However Mr. V.P. Mahendra was reappointed by the shareholders of the Company through postal ballot as Vice Chairman & Managing Director 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 11/05/2018. Mr. V.S. Arun was appointed as non-executive director of the Company effective 11/05/2018.

Mr. Bijanki Jagannath was appointed by the Board of Directors of the Company as an Additional Director of



the Company effective 27/12/2018. His appointment as Non-Executive Independent Director was approved by the members through postal ballot for three years effective 27/12/2018,

During the year under review, special resolutions through postal ballot were passed for continuation of Directorship of Mr.V.K. Surendra, Mr. R.Subramanian and Mr. Bijanki Jagannath, Non-Executive Directors who had attained the age over 75 years as per Regulation 17(1A) of SEBI(LODR) Amendment Regulation.

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.

Mr. R. Subramanian, Mr. M.K. Bannerjee & Mr. K M Pai will be reappointed as Independent Directors after completion of their 1st term and same is forming part of the AGM Notice. The reappointment of Independent directors were made on the basis of requirement of their services and based on recommendation of Nomination & Remuneration Committee and performance evaluation by the Board.

No Director has resigned during the year 2018-19.

#### **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 2018-19

1. Mr. V.P. Mahendra - Vice Chairman & Managing Director
2. Mr. P.M.Keshava - Chief Financial Officer
3. Mr. Chinmaya Khatua - Company Secretary

Mr. K.U. Subbaiah resigned from the post of CEO w.e.f 1st January 2019 and Mr. Antony Cherukara was appointed by the Board of Directors as CEO and KMP w.e.f 25th April 2019.

#### **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.

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

#### **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 2019.

**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 2019-20 on a remuneration of Rs. 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.

**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 2018-19.

**SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and read with Rules made thereunder, the Board had appointed Thirupal Gorige & Associates LLP, Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2018-19. 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.

**INTERNAL CONTROL SYSTEM 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.

**INDUSTRIAL RELATION**

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

There were 724 Nos. of permanent employees on roll as on 31st March 2019.

**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 Miss Accident". Our commitment is to protect the environment as per the policy.

**FORWARD-LOOKING STATEMENTS**

Statements in this release that are "forward-looking statements" are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially from those either expressed or implied due to factors such as Raw material prices, Government policies, Competition, tax regime, market acceptance of new products and services, continued acceptance of existing products

and services, changes in licensing programs, product price discounts, delays in product development and related product release schedules, sales and vendor channel disruption.

All information in this release is as of June 04, 2019, The Company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations.

### **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**

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

### **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.

### **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**

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.vstillers.com/investors/policies> of the Company.

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

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

There was no fraud reported by the auditors under section 143 (12) of the Companies Act, 2013 other than those which are reportable to the Central Government.

The Secretarial Auditors have made the following observation.

*Composition of board of directors: In terms of regulation 17(1) of LODR Regulations, during period between 11th May 2018 to 27th December 2018, as regular non-executive chairperson was promoter; the board was required to consist of half of the board independent directors. For this non-compliance the stock exchanges imposed a fine of rupees 10,74,100 each. The company paid the same and sought for waiver of the same from stock exchange.*

Management Response:

Finding a suitable person with respect to our nature of business had taken time and same was compiled with by appointing a suitable person as Independent Director on 27th December 2018. The management is confident of receiving waiver of penalty sought from the Stock Exchanges.

### **LOANS, GUARANTEE & INVESTMENT**

The Company has made investment during the year 2018-19. The investments and Loan formed 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 2018-19.

### **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.vstillers.com/investors/policies>.

There were no transactions during the year which would require to be reported in Form AOC-2.

### **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 a risk management policy. The risk pertaining to business of the Company are 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.

### **THE COMMITTEE COMPOSITION :**

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

The Risk Management Policy as approved by the Board is uploaded on the Company's website <http://www.vstillers.com/investors/policies> During the year under review the committee met on 10/05/2018 & 18/01/2019 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.vstillers.com/investors/policies>. The Company has spent Rs.165 lakhs in CSR activities during the financial year 2018-19.

### **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 all the Directors, Committees and the Board as a whole was conducted based on the criteria and frame work adopted by the Board.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

**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	Salary 2018-19 (in Rs)	Salary 2017-18 (in Rs)	Increase in salary	Ratio/Times per Median of employee remuneration
1	Mr.V.P. Mahendra	Vice Chairman & Managing Director	1,04,33,291	77,10,739	27,22,552	22.50
2	Mr. V.T. Ravindra	Whole Time Director	58,23,643	-	NA	12.55
3	Mr. P M Keshava	Chief Financial Officer	53,23,555	35,38,136	17,85,419	11.26
4	Mr. Chinmaya Khatua	Company Secretary	19,25,808	15,37,589	3,82,194	4.15

Note: 1) Leave encashment & Gratuity included in the salary (2018-19) of Mr.Keshava  
2) Leave encashment included in the salary (2018-19) of Mr V P Mahendra & Mr.Chinmaya.

The Company's PAT has decreased from Rs. 11195 lakhs to Rs. 4552 lakhs. The 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 10% 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 724 Nos permanent employees on roll as on 31st March 2019. 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 2018-19 is 14%.

#### **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 K.U.Subbaiah, 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.13.

#### **VARIATION IN MARKET CAPITALISATION :**

Date	Paid up Capital (in Rs)	Closing Market Price per shares	EPS	PE Ratio	Market Capitalisation (Rs. in crore)
31.03.2018	86395280	2511.75	129.61	19.38	2170
31.03.2019	86395280	1317.20	53.32	24.70	1138
Increase/Decrease	NIL	1194.55	-76.31	5.32	-1032
% Increase/Decrease	NIL	47.55	58.87	27.45	-47.55
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 2018-19.

## 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.

The details of unclaimed dividends as on 31/03/2019 is given below:

Sl. No.	Financial Year	Unclaimed Dividend Amount (in Rs)	No of Shares	Due date of Transfer to IEPF
1	2011-12	591,525.00	65725	13/09/2019
2	2012-13	769518.00	85502	14/09/2020
3	2013-14	1,139,490.00	75966	14/09/2021
4	2014-15	1,055,895.00	70393	11/09/2022
5	2015-16	1,027,275.00	68485	28/04/2023
6	2016-17	1,135,470.00	75698	11/09/2024
7	2017-18	2,490,900.00	49818	11/09/2025

## Details of Nodal officer:

Name- Mr. Chinmaya Khatua, Company Secretary  
Email- investors@vsttillers.com  
Phone No- 080-67141111

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

## Extract of Annual Return

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

## Secretarial Standards:

During the year under review, the Company was in compliance with the Secretarial Standards. i.e. SS-1, SS-2 and SS-3 relating to “Meetings of the Board of Directors” “General Meetings” and dividend respectively.

## Investor Education And Protection Fund

Company has transferred Rs.5,86,988/- unpaid and unclaimed dividend to Investor Education and Protection Fund and corresponding shares of 913 Nos 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. The details of such Dividends and shares are available in Company website at [www.vsttillers.com](http://www.vsttillers.com). Mr. Chinmaya Khatua has been appointed as nodal officer for IEPF Regulations.

## 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 : 4th June 2019

**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 2018-19 (in Rs)	Remuneration for year 2017-18 (in Rs)	Qualification	Date of Commencement of employment at VST	Age	Last employment	% of equity share held	Whether relative of Director or Manager
V.P. Mahendra	Vice Chairman & Managing Director	1,04,33,291	77,10,739	BE (Electrical)	20.02.1984	77	NA	7.3%	No
V T Ravindra	Executive Director	58,23,643	NA	Graduate, PGDM	27.05.2016	50	NA	0.31%	No
K U Subbaiah	CEO	82,89,933	1,22,42,575	BE (Mechanical)	17.08.2015	60	Pricol Ltd	Nil	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 comes under promoter group.  
 3. Mr. K U Subbaiah has resigned from post of CEO w.e.f. 1st January 2019.

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 [investors@vststillers.com](mailto:investors@vststillers.com) and same shall be available at the Registered Office of the Company for inspection by Members.

**Sitting fees paid to Non-Executive / Independent Directors during the year 2018-19 :**

Name of the Director	Category	Sitting Fees (in Rs)
Mr. V. K. Surendra	Chairman	5,10,000
Mr. R. Subramanian	Independent Director	5,80,000
Mr. M. K. Bannerjee	Independent Director	8,50,000
Mr. K.M. Pai	Independent Director	14,10,000
Ms. Siva Kameswari Vissa	Independent Director	4,80,000
Mr.Bijanki Jagannath	Independent Director	1,00,000
Mr. V.V. Pravindra	Non-Executive Director	1,80,000
Mr. V.T.Ravindra*	Executive Director	40,000
Mr. V S Arun*	Non-Executive Director	1,50,000

\* Mr. V.T. Ravindra appointed as Executive Director and Mr. V.S. Arun appointed as non-executive director with effect from 11th May 2018.

## 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 39HP, 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.

##### 2) 47 HP VST Branson Tractors (Premium Segment):

Premium segment tractor introduced to the market with Technology Transfer Agreement with M/s.Kukje Machinery, Korea.

##### 3) 17 HP TRACTOR:

New variant of single cylinder (17 HP) 2W drive tractor has been conceptualized and released to Market.

##### 4) 30 HP TRACTOR:

New series of 30HP Tractor is under development.

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

- 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.
- 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.

##### b) POWER TILLERS & OTHERS:

##### 1) Higher HP Power Tiller

- a. Higher HP Power Tiller Development is in progress and will be launched in the coming financial year.

##### 2) Self Propelled Reaper:

- a. Productionized.
- b. New lower cost Reaper is under development.

##### c) DIESEL ENGINES:

- a. 18.5 HP, 22 HP & 24 HP Engines are upgraded and Approved for Euro 5 Emission Norms.
- b. COP approval of all the Engines obtained from M/s. ARAI.

##### d) TECHNOLOGY ABSORPTION:

- a. New R&D Engine testing facility for Testing engines to Stage 5 Emission Standards with Base Emission set up, 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.

## 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 crop 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 Rs. 6,83,05,952 (refer note no-44, page no. 86 of Annual Report)

## 3. Foreign exchange earnings and outgo:

Total foreign exchange used and earned:

Foreign exchange earnings : Rs. 28,16,84,986/-

Foreign exchange outgo : Rs. 4,20,48,098/-

**ANNEXURE-3**
**REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

The Company has formed CSR policy and Committee during the year and details of CSR policy is available in your Company website i.e. <http://www.vststillers.com/investors/policies>

**Composition of the CSR Committee:**

Mr. V.K. Surendra, Chairman  
 Mr. M.K. Bannerjee, Member (Independent Director)  
 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: Rs. 1,20,69,67,318

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

Based on the above, the Company is required to spend Rs. 2,41,39,346 towards CSR activities.

**Details of CSR spend for the financial year**

i. Total amount spent for the financial year - 165 lakhs

ii. Amount unspent- Rs. 3,39,86,037 (includes unspent amount of last years)

**iii. Manner in which the amount spent during the financial year is detailed below.  
 (Please refer note no-43, page no-85 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 Lakh	100 Lakh	350 Lakhs (Includes Rs.250 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	50 Lakh	50 Lakh	190 Lakhs (Includes Rs.140 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	15 Lakhs	15 Lakhs	45 Lakhs (Includes Rs.30 Lakhs spent in previous years)	Through Implementing Agency

**Reason for not spending :**

As the process of identifying potential recipients takes time, the Company has not disbursed the applicable CSR spend.

**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: 4th June 2019

Sd/-

**V. K. Surendra**

CSR Committee  
 Chairman

## ANNEXURE-4

## SECRETARIAL AUDIT REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

*[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

**V.S.T. TILLERS TRACTORS LIMITED**

Regd. Office: Plot No-1,

Dyavasandra Indl Layout,

Whitefield Road, Mahadevapura Post,

Bengaluru - 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 (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 my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019, 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, 2019 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, 2009/2018; (**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, 1998 /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 except the following.

*Composition of board of directors: In terms of regulation 17(1) of LODR Regulations, during period between 11th May 2018 to 27th December 2018, as regular non-executive chairperson was promoter, the board was required to consist of half of the board independent directors. For this non-compliance the stock exchanges imposed a fine of rupees 10,74,100 each. The company paid the same and sought for waiver of the same from stock exchange.*

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:

- (i) Design Act, 2000 & Design Rules, 2001;
- (ii) Foreign Trade Policy;
- (iii) Legal Metrology Act, 2009 & The Legal Metrology (General) Rules, 2011;

(iv) The Bangalore Water Supply and Sewerage Act, 1964; and

(v) Order/Regulations issued by the Govt. of India from time to time

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

Place: Bengaluru  
Date : May 30, 2019

CS Thirupal Gorige  
Designated Partner  
FCS No. 6680; CP No.6424



**ANNEXURE - A**

*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.*

To,

The Members

**V.S.T. TILLERS TRACTORS LIMITED**

Regd. Office: Plot No-1,  
Dyavasandra Indl Layout,  
Whitefield Road, Mahadevapura Post,  
Bengaluru - 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

Place: Bengaluru  
Date : May 30, 2019

CS Thirupal Gorige  
Designated Partner  
FCS No. 6680; CP No.6424

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2019

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- investors@vsttillers.com
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- irg@intergatedindia.in

**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	49.55%
2	TRACTOR	2821	38.40%

**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 - 01.04.2018				No. of Shares held at the end of the year - 31.03.2019				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/HUF	3646276	-	3646276	42.20	3674297	-	3674297	42.53		0.33
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>4410939</b>	<b>-</b>	<b>4410939</b>	<b>51.06</b>	<b>4438960</b>	<b>-</b>	<b>4438960</b>	<b>51.38</b>		<b>0.33</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>4664064</b>	<b>-</b>	<b>4664064</b>	<b>53.99</b>	<b>4692085</b>	<b>-</b>	<b>4692085</b>	<b>54.31</b>		<b>0.33</b>
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	1008168	-	1008168	11.67	899084	-	899084	10.41		-1.26
b) Banks/FI	5618	1575	7193	0.08	2463	1575	4038	0.05		-0.03
c) Central govt	-	-	-	-	-	-	-	-		-
d) State Govt.	-	-	-	-	-	-	-	-		-
e) Venture Capital Fund	-	-	-	-	-	-	-	-		-
f) Alternative Investment Funds	286904	-	286904	3.32	321086	-	321086	3.72		0.40
g) Insurance Companies	-	-	-	-	-	-	-	-		-
h) FIIS	379666	-	379666	4.39	496584	-	496584	5.75		1.36
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-		-
j) Others (specify)	-	-	-	-	-	-	-	-		-
<b>SUB TOTAL (B)(1):</b>	<b>1680356</b>	<b>1575</b>	<b>1681931</b>	<b>19.47</b>	<b>1719217</b>	<b>1575</b>	<b>1720792</b>	<b>19.92</b>		<b>0.45</b>
<b>(2) Non Institutions</b>										
a) Bodies corporates										
i) Indian	245860	2868	248728	2.88	234367	93	234460	2.71		-0.17
ii) Overseas	-	-	-	-	-	-	-	-		-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1401473	184312	1585785	18.35	1465701	146912	1612613	18.67		0.32
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	284094	-	284094	3.29	229557	-	229557	2.66		-0.63
c) Others (specify)										
V.S.T. Tillers Tractors Ltd - Unclaimed Suspense Account	3171	-	3171	0.04	2986	-	2986	0.03		-0.01
NRI	121500	-	121500	1.41	102888	-	102888	1.19		-0.22
Clearing Member	18365	-	18365	0.21	16587	-	16587	0.19		-0.02
Trust	7576	-	7576	0.09	2311	-	2311	0.03		-0.06
IEPF	24314	-	24314	0.28	25227	-	25227	0.29		0.01
LLP	-	-	-	0.00	22	-	22	0.00		0.00
<b>SUB TOTAL (B)(2):</b>	<b>2106353</b>	<b>187180</b>	<b>2293533</b>	<b>26.55</b>	<b>2079646</b>	<b>147005</b>	<b>2226651</b>	<b>25.76</b>		<b>-0.79</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3786709</b>	<b>188755</b>	<b>3975464</b>	<b>46.02</b>	<b>3798863</b>	<b>148580</b>	<b>3947443</b>	<b>45.69</b>		<b>-0.33</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
<b>Grand Total (A+B+C)</b>	<b>8450773</b>	<b>188755</b>	<b>8639528</b>	<b>100.00</b>	<b>8490948</b>	<b>148580</b>	<b>8639528</b>	<b>100.00</b>		<b>0.00</b>

## (ii) SHAREHOLDING OF PROMOTERS

Sl. No.	Shareholders Name	Shareholding at the beginning of the year - 01.04.2018			Shareholding at the end of the year - 31.03.2019			% 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	595380	6.89	-	596401	6.90	-	0.01
4	V K Surendra	977875	11.32	-	1004875	11.63	-	0.31
5	V S Arun	84595	0.98	-	84595	0.98	-	-
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	-	451753	5.23	-	-
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	21540	0.25	-	0	0.00	-	-0.25
25	V V Vijayendra	27000	0.31	-	27000	0.31	-	-
26	V V Sujay	63624	0.74	-	63624	0.74	-	-
27	V V Sujay	-	-	-	9040	0.10	-	0.10
28	V Lakshmi	33007	0.38	-	33007	0.38	-	-
29	V V Anjali	17623	0.20	-	30123	0.35	-	0.15
30	V P Tiruvengadaswamy	119978	1.39	-	119978	1.39	-	-
31	V P Tiruvengadaswamy	2700	0.03	-	2700	0.03	-	-
32	T Jayshree	77014	0.89	-	77014	0.89	-	-
33	V T Anusuya	2250	0.03	-	2250	0.03	-	-
34	V T Ravindra	26852	0.31	-	26852	0.31	-	-
35	Sita Rajgopal	1500	0.02	-	1500	0.02	-	-
36	Vijayendra Brothers Investments Private Limited	52470	0.61	-	52470	0.61	-	-
37	V T Velu Investments Private Limited	67725	0.78	-	67725	0.78	-	-
38	Gove Finance Limited	66082	0.76	-	66082	0.76	-	-
39	V P Mahendra Brothers Investments Private Limited	136311	1.58	-	0	0.00	-	-1.58
40	K S Investments Private Limited	85690	0.99	-	0	0.00	-	-0.99
41	V. S. T. Motors Limited	356385	4.13	-	356385	4.13	-	-
42	Mitsubishi Heavy Industries Engine and Turbocharger Ltd	253125	2.93	-	253125	2.93	-	-
43	K S and Sons LLP	0	0.00	-	85690	0.99	-	0.99
44	Padmanaban Motors LLP	0	0.00	-	136311	1.58	-	1.58
	<b>Total</b>	<b>4664064</b>	<b>53.99</b>	<b>-</b>	<b>4692085</b>	<b>54.31</b>	<b>-</b>	<b>0.32</b>

## (iii) Change in Promoters' Shareholding ( Specify if there is no change )

Sl. No.	Shareholders Name	Share holding at the beginning of the Year - 01.04.2018		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share holding during the year - 31.03.2019	
		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	01.04.2018		No Movement During The Year		
				31.03.2019			45000	0.52
2	V K Surendra	190424	2.20	01.04.2018		No Movement During The Year		
				31.03.2019			190424	2.20
3	V K Surendra	595380	6.89	18.01.2019	349	Transfer	595729	6.90
				25.01.2019	672	Transfer	596401	6.90
				31.03.2019	0		596401	6.90
4	V K Surendra	977875	11.32	04.01.2019	2541	Transfer	980416	11.35
				11.01.2019	15691	Transfer	996107	11.53
				18.01.2019	8768	Transfer	1004875	11.63
				31.03.2019	0		1004875	11.63
5	V S Arun	84595	0.98	01.04.2018		No Movement During The Year		
				31.03.2019			84595	0.98
6	V S Arun	127535	1.48	01.04.2018		No Movement During The Year		
				31.03.2019			127535	1.48
7	S Mahalakshmi	75375	0.87	01.04.2018		No Movement During The Year		
				31.03.2019			75375	0.87
8	V P Mahendra	45000	0.52	01.04.2018		No Movement During The Year		
				31.03.2019			45000	0.52
9	V P Mahendra	906	0.01	01.04.2018		No Movement During The Year		
				31.03.2019			906	0.01
10	V P Mahendra	131896	1.53	01.04.2018		No Movement During The Year		
				31.03.2019			131896	1.53
11	V P Mahendra	975	0.01	01.04.2018		No Movement During The Year		
				31.03.2019			975	0.01
12	V P Mahendra	451753	5.23	01.04.2018		No Movement During The Year		
				31.03.2019			451753	5.23
13	M Bharathi	61200	0.71	01.04.2018		No Movement During The Year		
				31.03.2019			61200	0.71
14	Amritha V M Ward	4330	0.05	01.04.2018		No Movement During The Year		
				31.03.2019			4330	0.05
15	V M Vishnu	15150	0.18	01.04.2018		No Movement During The Year		
				31.03.2019			15150	0.18
16	V M Anand	15220	0.18	01.04.2018		No Movement During The Year		
				31.03.2019			15220	0.18
17	V V Pravindra	179146	2.07	01.04.2018		No Movement During The Year		
				31.03.2019			179146	2.07
18	V V Pravindra	45000	0.52	01.04.2018		No Movement During The Year		
				31.03.2019			45000	0.52
19	P Jayalakshmi	33750	0.39	01.04.2018		No Movement During The Year		
				31.03.2019			33750	0.39
20	V P Rahul	18076	0.21	01.04.2018		No Movement During The Year		
				31.03.2019			18076	0.21
21	V P Karan	750	0.01	01.04.2018		No Movement During The Year		
				31.03.2019			750	0.01
22	V P Karan	14964	0.17	01.04.2018		No Movement During The Year		
				31.03.2019			14964	0.17
23	V V Vijayendra	138888	1.61	01.04.2018		No Movement During The Year		
				31.03.2019			138888	1.61
24	V V Vijayendra	21540	0.25	22.02.2019	-21540	Transfer	0	0.00
				31.03.2019	0		0	0.00
25	V V Vijayendra	27000	0.31	01.04.2018		No Movement During The Year		
				31.03.2019			27000	0.31
26	V V Sujay	63624	0.74	01.04.2018		No Movement During The Year		
				31.03.2019			63624	0.74
27	V V Sujay	0	0.00	22.02.2019	9040	Transfer	9040	0.10
				31.03.2019	0		9040	0.10

# BOARD'S REPORT



28	V Lakshmi	33007	0.38	01.04.2018		No Movement During The Year		
				<b>31.03.2019</b>			<b>33007</b>	<b>0.38</b>
29	V V Anjali	17623	0.20	22.02.2019	12500	Transfer	30123	0.35
				<b>31.03.2019</b>	<b>0</b>		<b>30123</b>	<b>0.35</b>
30	V P Tiruvengadaswamy	119978	1.39	01.04.2018		No Movement During The Year		
				<b>31.03.2019</b>			<b>119978</b>	<b>1.39</b>
31	V P Tiruvengadaswamy	2700	0.03	01.04.2018		No Movement During The Year		
				<b>31.03.2019</b>			<b>2700</b>	<b>0.03</b>
32	T Jayshree	77014	0.89	01.04.2018		No Movement During The Year		
				<b>31.03.2019</b>			<b>77014</b>	<b>0.89</b>
33	V T Anusuya	2250	0.03	01.04.2018		No Movement During The Year		
				<b>31.03.2019</b>			<b>2250</b>	<b>0.03</b>
34	V T Ravindra	26852	0.31	01.04.2018		No Movement During The Year		
				<b>31.03.2019</b>			<b>26852</b>	<b>0.31</b>
35	Sita Rajgopal	1500	0.02	01.04.2018		No Movement During The Year		
				<b>31.03.2019</b>			<b>1500</b>	<b>0.02</b>
36	Vijayendra Brothers Investments Pvt Ltd	52470	0.61	01.04.2018		No Movement During The Year		
				<b>31.03.2019</b>			<b>52470</b>	<b>0.61</b>
37	V T Velu Investments Pvt Ltd	67725	0.78	01.04.2018		No Movement During The Year		
				<b>31.03.2019</b>			<b>67725</b>	<b>0.78</b>
38	Gove Finance Limited	66082	0.76	01.04.2018		No Movement During The Year		
				<b>31.03.2019</b>			<b>66082</b>	<b>0.76</b>
39	V P Mahendra Brothers Investments Private Limited	136311	1.58	13.07.2018	-136311	Transfer	0	0.00
				<b>31.03.2019</b>	<b>0</b>		<b>0</b>	<b>0.00</b>
40	K S Investments Private Limited	85690	0.99	06.07.2018	-85690	Transfer	0	0.00
				<b>31.03.2019</b>	<b>0</b>		<b>0</b>	<b>0.00</b>
41	V.S.T. Motors Limited	356385	4.13	01.04.2018		No Movement During The Year		
				<b>31.03.2019</b>			<b>356385</b>	<b>4.13</b>
42	Mitsubishi Heavy Industries Engine and Turbocharger Ltd	253125	2.93	01.04.2018		No Movement During The Year		
				<b>31.03.2019</b>			<b>253125</b>	<b>2.93</b>
43	K S and Sons LLP	0	0.00	06.07.2018	-136311	Transfer	85690	0.99
				<b>31.03.2019</b>	<b>0</b>		<b>85690</b>	<b>0.99</b>
44	Padmanaban Motors LLP	0	0.00	13.07.2018	-136311	Transfer	136311	1.58
				<b>31.03.2019</b>	<b>0</b>		<b>136311</b>	<b>1.58</b>

## (iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) :

	Name of the Share Holder	Share holding at the beginning of the Year - 01.04.2018		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share holding during the year - 31.03.2019	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	PINEBRIDGE INVESTMENTS ASIA LIMITED A/C PINEBRIDGE	299406	3.47	01.04.2018	0	No Movement During The Year		
				<b>31.03.2019</b>			<b>299406</b>	<b>3.47</b>
2	HDFC TRUSTEE COMPANY LTD - HDFC LONG TERM ADVANTAGE	270625	3.13	01.04.2018	0	No Movement During The Year		
				<b>31.03.2019</b>			<b>270625</b>	<b>3.13</b>
3	KOTAK MIDCAP	232635	2.69	01.04.2018	0		232635	2.69
				06.04.2018	-2973	TRANSFER	229662	2.66
				13.04.2018	-2000	TRANSFER	227662	2.64
				20.04.2018	-3098	TRANSFER	224564	2.60
				27.04.2018	-8390	TRANSFER	216174	2.50
				04.05.2018	-2021	TRANSFER	214153	2.48



				11.05.2018	-648	TRANSFER	213505	2.47
				18.05.2018	-6591	TRANSFER	206914	2.39
				01.06.2018	2607	TRANSFER	209521	2.43
				08.06.2018	3727	TRANSFER	213248	2.47
				06.07.2018	-13666	TRANSFER	199582	2.31
				17.08.2018	3000	TRANSFER	202582	2.34
				24.08.2018	2000	TRANSFER	204582	2.37
				29.09.2018	2000	TRANSFER	206582	2.39
				05.10.2018	6995	TRANSFER	213577	2.47
				19.10.2018	10066	TRANSFER	223643	2.59
				15.02.2019	2954	TRANSFER	226597	2.62
				<b>31.03.2019</b>			<b>226597</b>	<b>2.62</b>
4	INDIA WHIZDOM FUND	203626	2.36	01.04.2018	0		203626	2.36
				08.03.2019	-378	TRANSFER	203248	2.35
				15.03.2019	-1000	TRANSFER	202248	2.34
				<b>31.03.2018</b>	<b>0</b>		<b>202248</b>	<b>2.34</b>
5	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING OPPORTUNITIES FUND	225143	2.61	01.04.2018	0		225143	2.61
				06.04.2018	849	TRANSFER	225992	2.62
				13.04.2018	5000	TRANSFER	230992	2.67
				20.04.2018	1642	TRANSFER	232634	2.69
				27.04.2018	4803	TRANSFER	237437	2.75
				04.05.2018	1000	TRANSFER	238437	2.76
				11.05.2018	2156	TRANSFER	240593	2.78
				18.05.2018	11682	TRANSFER	252275	2.92
				25.05.2018	1300	TRANSFER	253575	2.94
				08.06.2018	1835	TRANSFER	255410	2.96
				24.08.2018	-22150	TRANSFER	233260	2.70
				12.10.2018	-18000	TRANSFER	215260	2.49
				16.11.2018	-9626	TRANSFER	205634	2.38
				25.01.2019	-36952	TRANSFER	168682	1.95
				15.02.2019	-5000	TRANSFER	163682	1.89
				<b>31.03.2019</b>			<b>163682</b>	<b>1.89</b>
6	FIRST STATE INVESTMENTS ICVC- STEWART INVESTORS INDIAN SUBCONTINENT	0	0.00	01.04.2018	0		0	0.00
				30.06.2018	27686	TRANSFER	27686	0.32
				06.07.2018	8696	TRANSFER	36382	0.42
				13.07.2018	21483	TRANSFER	57865	0.67
				27.07.2018	17662	TRANSFER	75527	0.87
				29.09.2018	17686	TRANSFER	93213	1.08
				12.10.2018	20195	TRANSFER	113408	1.31
				22.03.2018	31641	TRANSFER	145049	1.68
				<b>31.03.2019</b>			<b>145049</b>	<b>1.68</b>
7	SUNDARAM MUTUAL FUND A/C SUNDARAM RURAL INDIA FUND	75152	0.87	01.04.2018	0		75152	0.87
				30.06.2018	20559	TRANSFER	95711	1.11
				<b>31.03.2019</b>			<b>95711</b>	<b>1.11</b>
8	HSBC SMALL CAP EQUITY FUND	85644	0.99	01.04.2018	0		85644	0.99
				22.06.2018	-6471	TRANSFER	79173	0.92
				20.07.2018	-377	TRANSFER	78796	0.91
				26.10.2018	2271	TRANSFER	81067	0.94
				02.11.2018	3933	TRANSFER	85000	0.98
				<b>31.03.2019</b>	<b>-12257</b>	<b>TRANSFER</b>	<b>72743</b>	<b>0.84</b>
9	RELIANCE EQUITY OPPORTUNITIES AIF SCHEME 1	26173	0.30	01.04.2018	0		26173	0.30
				24.08.2018	22144	TRANSFER	48317	0.56
				<b>31.03.2019</b>	<b>0</b>		<b>48317</b>	<b>0.56</b>
10	N G N PURANIK	45700	0.53	01.04.2018	-	No Movement During The Year		
				<b>31.03.2019</b>			<b>45700</b>	<b>0.53</b>

## (v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year - 01.04.2018		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share holding during the year - 31.03.2019	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	V.P. Mahendra	630530	7.30		nil		630530	7.30
2	P.M. Keshava	0	0		nil		0	0
3	Chinmaya Khatua	0	0		nil		0	0
4	V K Surendra	1808679	20.935%		0.320		1836700	21.26
5	V V Pravindra	224146	2.59		nil		224146	2.59
6	V T Ravindra	26852	0.03		nil		26852	0.03
7	V S Arun	212130	2.46		nil		212130	2.46

## 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>				

## 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/WTD/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.	4530017	3421224	7951241
	(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)	3249107	2402419	5651526
5	Others, (leave encashment)	2654167		2654167
	<b>Total (A)</b>	<b>10433291</b>	<b>5823643</b>	<b>16256934</b>
	<b>Ceiling as per the Act</b>			<b>77249411</b>

## 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				580000	850000	1410000	480000	100000	3420000
	(b) Commission				-	-	-	-	-	
	(c ) Others, please specify				-	-	-	-	-	
	<b>Total (1)</b>				580000	850000	1410000	480000	100000	3420000
2	Other Non Executive Directors	V.K. Surendra	V.V. Pravindra	V T Ravindra	V S Arun					
	(a) Fee for attending board committee meetings”	510000	180000	40000	150000					
	(b) Commission	-	-							
	(c ) Others, please specify.	-	-							
	<b>Total (2)</b>	510000	180000	40000	150000					880000
	<b>Total (B)=(1+2)</b>	510000	180000	40000	150000	580000	850000	1410000	480000	4300000
	<b>Total Managerial Remuneration</b>									4300000
	<b>Overall Ceiling as per the Act.</b>									84974352

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	<b>Gross salary</b>	<b>Company Secretary</b>	<b>CFO</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1803853	3804954	5608807
	(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)			
5	Others, (leave encashment)	121955	666990	788945
	Gratuity		851611	851611
	<b>Total</b>	<b>1925808</b>	<b>5323555</b>	<b>7249363</b>

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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					

NIL

## **CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To,

The Board of Directors  
V.S.T. TILLERS TRACTORS LTD

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial 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 fact or 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 violative 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 control system over financial reporting.

**Antony Cherukara**  
Chief Executive Officer

**P.M. Keshava**  
Chief Financial Officer

Place : Bengaluru

Date : May 10, 2019

## **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, 2019, 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, 2019.
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

Place : Bengaluru

Date : May 10, 2019

**Hitesh Kumar P**

Partner

Membership No. 233734

## PHILOSOPHY ON CORPORATE GOVERNANCE

V.S.T. Tillers Tractors Limited 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. It ensures that the board of directors is accountable for the pursuit of corporate objectives and that the corporation itself conforms to the law and regulations.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable, with regard to corporate governance except there was delay in appointment of one Independent Director to form the Board Composition and same was compiled in December 2018.

## 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	1836700*	Non-Executive	5	Yes	-	1
Mr. R. Subramanian	Nil	Independent	5	Yes	1	2
Mr. M. K. Bannerjee	Nil	Independent	5	Yes	-	2
Mr. K.M. Pai	Nil	Independent	5	Yes	1	3
Ms. Siva Kameswari Vissa	Nil	Independent	4	Yes	1	6
Mr. Bijanki Jagannath	Nil	Independent	1	No	-	-
Mr. V. P. Mahendra	630530*	Vice Chairman & Managing Director	5	Yes	1	2
Mr. V. V. Pravindra	224146*	Non-Executive	3	Yes	-	-
Mr. V.T. Ravindra	26852*	Executive Director	5	Yes	-	-
Mr. V S Arun	212130*	Non-Executive	3	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 of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing 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	Independent Director
Ms.Siva Kameswari Vissa	GMR Infrastructure Limited	Independent Director
Mr.V P Mahendra	Kirloskar Electric Company Limited	Independent Director

## List of Skills/Expertise/Competencies identified by the Board:

Business:

1. Business Management & Administration
2. Experience in Automobile Marketing
3. Technical Expertise
4. IT skill

Compliance:

Finance, Taxation, Corporate Laws, SEBI Regulations and other applicable Laws.

Governance:

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

## (b) Details of Board Meetings:

During the year under review the Board met five times on 11-05-2018, 11-08-2018, 23-08-2018, 09-11-2018 & 08-02-2019.

## (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.vsttillers.com](http://www.vsttillers.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, 2019.

Place: Bengaluru  
Date: May 10, 2019

**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 of the Board 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 over seeing financial reporting processes, reviewing periodic financial results, reviewing with the management the financial statements and adequacy of internal control systems, reviewing the adequacy of internal control function, discussions with the Internal and Statutory Auditors about the scope of audit including the observations of Auditors and discussion with them on any significant findings.

#### Details of Audit Committee Meetings:

During the year under review the Audit Committee met six times on May 11, 2018, August 11 2018, August 23 2018, November 9 2018, February 08 2019 and March 12, 2019. Required quorum was present for all the meetings.

Sl.No.	Name of the Member	Designation	Attended
1	Mr. R. Subramanian	Chairman	6
2	Mr. M. K. Bannerjee	Member	5
3	Mr K M Pai	Member	5
4	Ms.Siva Kameswari Vissa	Member	5

### 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.vstillers.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 10/05/2018 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.vstillers.com/investors/policies>. The details of the remuneration paid to directors mentioned in page no-34.

#### 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 10/05/2018, 10/12/2018 & 06/02/2019 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 judgement.

#### **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 08/02/2019 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- 35 of the Annual Report

#### **INDEPENDENT DIRECTORS MEETING**

The Independent Directors held their meeting on 08/02/2019 without presence of anybody from management side. All the Independent Directors had attended the Meeting.

#### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

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

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@vstillers.com](mailto:chinmaya@vstillers.com)

#### **INSIDER TRADING REGULATIONS:**

The Company has prescribed code of conduct and disclosure practice to prevent insider trading.

#### **POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS**

The policy on dealing with related party transactions can be accessed at <http://www.vstillers.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.vstillers.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 2018-19, the Company did not advance any loan to any of its Directors. The remuneration paid to the Managing Director / Executive Director for the year 2018-19 is given below:

Name of the Director	Category	Basic Salary	Allowances	Commission/ Incentive	P.F.	Leave encashment	Total (in Rs.)
1. Mr. V.P Mahendra	Vice Chairman & Managing Director	21,66,017	21,00,000	32,49,107	2,64,000	2,65,41,67	1,04,33,291
2 Mr, V T Ravindra	Executive Director	1,611,612	1,611,612	24,02,419	1,98,000	Nil	58,23,643

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- 11 of the annual report.

The Sitting Fees paid to the Non-Executive Directors for the year 2018-19 is given below :

Name of the Director	Category	Sitting Fees paid (In Rs)
Mr. V. K. Surendra	Chairman	5,10,000
Mr. R. Subramanian	Independent Director	5,80,000
Mr. M. K. Bannerjee	Independent Director	8,50,000
Mr. K. M. Pai	Independent Director	14,10,000
Ms. Siva Kameswari Vissa	Independent Director	4,80,000
Mr. Bijanki Jagannath	Independent Director	1,00,000
Mr. V. V. Pravindra	Non-Executive Director	1,80,000
Mr. V. T. Ravindra	Executive Director	40,000
Mr. V. S. Arun	Non-Executive Director	1,50,000

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.vstillers.com](http://www.vstillers.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 2019**

Category	No. of Shareholders	% to total No. of shareholders	Shares Amount (Rs.)	% to total shares amount
Upto 5,000	17278	95.73	87,08,260	10.08
5,001 10,000	363	2.01	26,09,850	3.02
10,001 20,000	215	1.19	30,10,270	3.48
20,001 30,000	56	0.31	14,23,850	1.65
30,001 40,000	30	0.17	10,25,350	1.19
40,001 50,000	14	0.08	6,64,960	0.77
50,001 1,00,000	25	0.14	18,98,240	2.20
1,00,001 and above	67	0.37	6,70,54,500	77.61
<b>Total</b>	<b>18048</b>	<b>100.00</b>	<b>8,63,95,280</b>	<b>100.00</b>

**DETAILS OF REQUEST/COMPLAINTS RECEIVED DURING THE YEAR 2018-19**

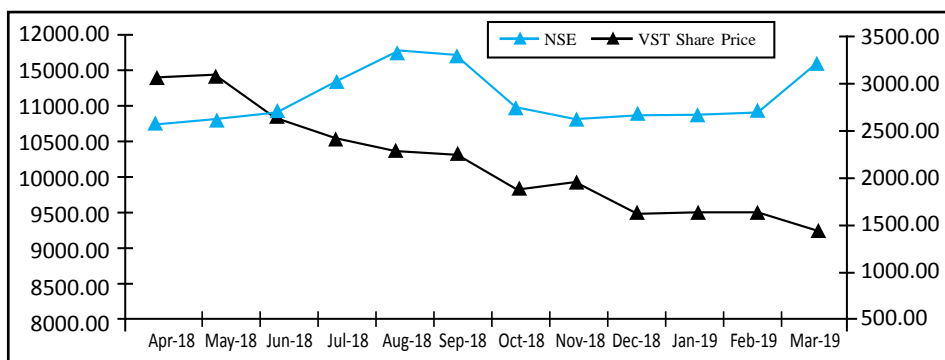
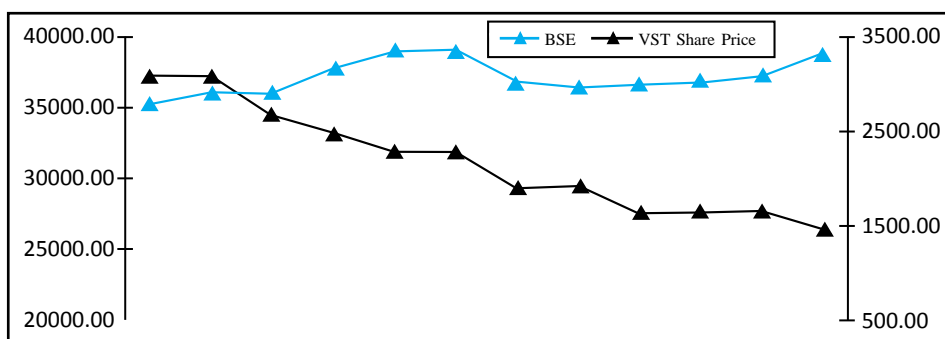
Nature of Request	OB	Received	Attended	Pending
Change of Address	-	15	15	-
Bank Mandate	-	142	142	-
Revalidation of Warrants	-	40	40	-
Duplicate Share Certificates	-	79	79	-
Transfer/Transmission	-	25 Tr / 4 Tm	25 Tr / 4 Tm	-
Dematerialisation	-	192	192	-
Rematerialisation	-	1	1	-

**SHAREHOLDING PATTERN AS ON 31ST MARCH 2019**

Category	No. of Shareholders	No. of shares held	% to total No. of shares
Promoters/Associates	40	4438960	51.38
Foreign Promoters	1	253125	2.93
Bodies Corporate	361	234460	2.71
Mutual Funds	15	899084	10.41
Alternate Investment Funds	6	321086	3.72
Banks	5	3813	0.04
Financial Institutions	1	225	0.00
Foreign Financial Institutions	13	496584	5.75
Non-Resident Indians	1015	102888	1.19
Clearing Members	116	16587	0.19
Public/Others	16475	1872716	21.68
<b>Total</b>	<b>18048</b>	<b>8639528</b>	<b>100.00</b>

## Market Price Data Information (BSE)

MONTH	HIGH	LOW	MONTH	HIGH	LOW
Apr-18	3085.00	2485.00	Oct-18	1897.00	1550.00
May-18	3082.00	2589.90	Nov-18	1911.00	1525.60
Jun-18	2670.00	2260.00	Dec-18	1628.00	1531.15
Jul-18	2470.00	2155.00	Jan-19	1638.00	1540.25
Aug-18	2285.60	2036.05	Feb-19	1648.00	1391.00
Sep-18	2265.00	1750.00	Mar-19	1455.00	1301.30



## Market Price Data Information (NSE)

MONTH	HIGH	LOW	MONTH	HIGH	LOW
Apr-18	3072.80	2514.45	Oct-18	1887.40	1541.15
May-18	3094.55	2579.65	Nov-18	1972.30	1538.80
Jun-18	2680.55	2249.75	Dec-18	1623.00	1540.00
Jul-18	2430.00	2082.10	Jan-19	1650.00	1537.00
Aug-18	2285.00	2025.00	Feb-19	1650.00	1399.95
Sep-18	2256.00	1760.05	Mar-19	1458.25	1301.10

Source: Web-sites of BSE and NSE.

### Dematerialization of Equity Shares

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 98.28% of the Equity Shares of the Company are held in the dematerialized form.

### Restriction on Transfer of Physical Shares:

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.

### 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, 2019, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

### Commodity price risk or foreign exchange risk and hedging activities

Please refer Note No-37 Page no.81 of the Annual report. Company is not doing hedging activities.

### DETAILS OF UNCLAIMED SHARES

	As on 31.03.2018		Claimed during the year		As on 31.03.2019	
Particulars	No of Shareholders	No of Shares	No of Shareholders	No of Shares	No of Shareholders	No of Shares
Unclaimed Shares	35	3171	3	185	32	2986

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

During the year 2018-19, Rs.5,86,998 unclaimed dividend has been transferred to Investors Education & Protection Fund (IEPF) and Rs.12,15,700/- 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 so transfer. The details of the unpaid and unclaimed dividend amounts are available in the company website i.e. [www.vstillers.com](http://www.vstillers.com) and IEPF website.

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

During the year 913 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.vstillers.com](http://www.vstillers.com).

### GENERAL SHARE HOLDER INFORMATION

#### Investor Services

AGM date, time and venue : Friday, 9th August, 2019 at 3.30 P.M.  
Woodlands Hotel Pvt Ltd.  
No-5, Raja Rammohan Roy Road,  
Bengaluru- 560025.

Financial year : 1st April - 31st March  
Book Closure : from August 03, 2019 to August 09, 2019 (Both days inclusive) for AGM & Payment of Dividend.  
E-voting : August 02, 2019.  
Cut-off date  
E-Voting date : 06/08/2019 (from 9 A.M. IST) to 08/08/2019 (upto 5 P.M. IST)

### Financial Calendar (tentative)

#### Results for the quarter ending:

**June 30, 2019** - Second week of August, 2019  
**September 30, 2019** - Second week of November, 2019  
**December 31, 2019** - Second week of February, 2020  
**March 31, 2020** - Last week of May, 2020

**Dividend:** If declared at the AGM will be paid on or after August 12, 2019.

**Payment of Listing Fees :** Annual listing fee for the year 2019-20 has been paid by the Company to BSE & NSE.



**Payment of Depository Fees:** Annual Custody/Issuer fee for the year 2019-20 has been paid by the Company to NSDL & CDSL.

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 :**

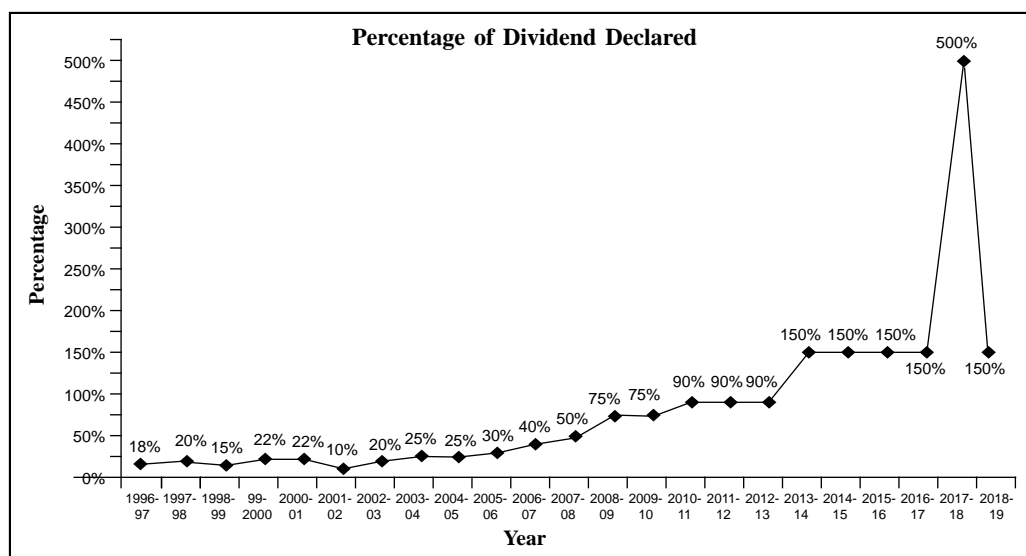
**BSE Ltd : 531266**

**National Stock Exchange of India Ltd. : VSTILLERS**  
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@vstillers.com](mailto:investors@vstillers.com)



**Particulars of last 3 Annual General Meetings**

<b>Date/Time</b>	<b>Location</b>	<b>Summary of Special Business</b>
11.08.2018 3.00 p.m.	“Rohini Hall”, Hotel Ajantha, 22-A, Mahatma Gandhi Bengaluru - 560 001.	<b>Ordinary Resolution</b> <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	<b>Ordinary Resolution</b> <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>
29.08.2016 3.00 p.m.	Woodlands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bengaluru - 560 025.	<b>Ordinary Resolution</b> <ul style="list-style-type: none"> <li>• Appointment of Mr. V.T. Ravindra as a Director</li> <li>• Appointment of Ms. Siva Kameswari Vissa as an independent director.</li> <li>• Ratification of Cost Auditor’s remuneration.</li> </ul>

**During the year following resolutions were passed through postal ballot.**

1. Continuation of directorship of Mr. V.K. Surendra (DIN: 00459069), non-executive director who has attained the age above 75 years. (Special Resolution)
2. Continuation of directorship of Mr. R. Subramanian (DIN: 00357153), non-executive independent director who has attained the age above 75 years. (Special Resolution)
3. Appointment of Mr. Bijanki Jagannath (DIN: 00396161) as Director (Ordinary Resolution)
4. Appointment of Mr. Bijanki Jagannath (DIN: 00396161) as non-executive Independent Director who has attained the age of 75 years. (Special Resolution)
5. Re-appointment of Mr.V P Mahendra (DIN: 00033270), as Vice Chairman & Managing Director for a period of Two years with effect from 20th February, 2019. (Special Resolution)

Mr. Thirupal Gorige & Associates LLP, practicing company secretaries had conducted the postal ballot process. The procedure of postal ballot as specified by the Companies Act was followed and same is available in the Company website : [www.vstillers.com](http://www.vstillers.com)

<b><u>PLANT LOCATIONS:</u></b>			
<b><u>BENGALURU</u></b> Plot No-1, Dyavasandra Indl. Layout, Whitefield Road, Mahadevapura Post, Bengaluru-560048, Karnataka	<b><u>HOSUR</u></b> Plot No:39, Sipcot – Phase I, Mookandapalli Post, Hosur – 635 126. Tamil Nadu	<b><u>MYSORE</u></b> No.20, Plot No.42/43, Metagalli Industrial Area, Mysuru -570016. Karnataka	<b><u>MALUR</u></b> 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.79 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.vsttillers.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 except as mentioned in page no. 9.
- ❖ The Company has not adopted the 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:
  - i. The auditors' report on statutory financial statements of the Company are unmodified.
  - ii. The Company has appointed separate persons to the post of chairperson and managing director or chief executive officer.
  - iii. 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 except delay in appointment of one Independent Director.

- ❖ Credit rating  
The Company has taken credit rating from ICRA Limited. The credit rating is given below:  
Long Term: AA- Stable  
Short Term- A1+
- ❖ 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 Board/Ministry of Corporate Affairs or any such statutory authority.
- ❖ During the financial year 2018-19, the Board has accepted all the recommendations of its Committees
- ❖ Fees paid to statutory Auditors :

Type of Service	For the Financial Year (in Rs)
Audit Fees	17,50,000
Tax Audit Fees	4,00,000
GST Audit Fees	3,00,000
Reimbursement of expenses	1,47,865
<b>Total</b>	<b>25,97,865</b>

- ❖ The Company is maintaining cost accounting records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

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

Place: Bengaluru  
Date: June 4th, 2019

**V K Surendra**  
Chairman

**TO**  
**THE MEMBERS OF**  
**V.S.T. TILLERS TRACTORS LIMITED**

**Report on the Financial Statements**

**Opinion**

1. We have audited the accompanying Ind AS financial statements of **M/s. V.S.T. Tillers Tractors Limited** (the “**Company**”), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow 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 give the information required by 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, 2019, 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 Companies Act, 2013. 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.

**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 ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, Our description of how our audit addressed the matter is provided in that context.
5. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors responsibilities for the audit of Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

**Key Audit Matters**

**Internal control over payments**

As reported by the Company in the previous year financial statements (FY 17-18) with respect to lapses in Internal control over payments made through EDI (Electronic Data Interchange) and resulting in fraudulently siphoning of funds by Employees (as mentioned elaborately in note 47).

Detailed investigation is conducted by an independent agency appointed by the company during the current financial year in relation to the

**How the matters were addressed in our Audit**

Our procedures included:

- assessing the design, implementation and operating effectiveness of management’s key internal controls over payments made through EDI.
- reconciling the payment entries with the EDI files which are directly obtained from the bank.
- performed analytical procedures for reasonableness of the expenses accounted and periodical payments made.

<p>incidence of fraud committed by certain employees amounting to Rs. 2,72,65,175/- /- (after netting of the recovery of Rs. 82,17,813 ).</p> <p>We have identified the above matter as a key audit matter in view of the significant risks identified.</p>	<ul style="list-style-type: none"> <li>• reviewed the related disclosure in notes to the financial statements</li> <li>• Enquired with management for any control lapses and obtained written representations relating to the internal controls.</li> </ul>
<p><b>Input Tax Credit (Goods &amp; Service Tax)</b></p>	
<p>For the year ended 31st March 2019, the Company has an asset of Input Tax Credit (ITC) of Rs. 41.25 crores due to higher GST rate on the major inputs purchased as compared to Output Liability.</p> <p>Accordingly, the recognition of Input tax credit as asset is dependent on whether the Company would be able to claim the excess ITC as a refund or adjust it against the future output liability.</p> <p>We have identified the above matter as a key audit matter as the amount involved is material and in view of complexity and significant judgements.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• assessing the design, implementation and operating effectiveness of management's key internal controls over recognition of Input tax credit.</li> <li>• Assessed the reasonable of judgements used for recognition of Input tax credit.</li> <li>• We have used our specialist to evaluate the stand and judgements considered by the Company for recognition of Input Tax Credit (ITC) as per the prevailing law.</li> </ul>

## 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.

2. 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.
3. 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.
4. 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.

## Report on Other Legal and Regulatory Requirements:

11. 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.

12. As required by Section 143(3) of the Act, we report that:

- a) 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.
- b) 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.
- 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 2019 taken on record by the board of directors, none of the directors are disqualified as on 31st March 2019 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:
  - i. 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).
  - ii. The Company did not have long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For K.S. Rao & Co.,**  
Chartered Accountants  
ICAI Firm’s Registration No. 003109S

Place : Bengaluru  
Date : May 10, 2019

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



## 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 31st March, 2019 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 a program of verification to cover all the items Property, Plant and Equipment of 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 granted unsecured loan to the company covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, are not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no amount overdue for more than 90 days as at the balance sheet date.
- (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 grant of loans, making investments 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, related to the products manufactured by the Company, 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 31st March, 2019 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, 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 the amount relates	Amount involved (In Rupees)
The Income Tax Act, 1961.	Disallowance of Marketing expenses	Income Tax Appellate Tribunal.	April 2011 - March 2012	3,44,94,802
The Income Tax Act, 1961.	Disallowance of expenditure incurred in connection with earning exempted income	Commission of Income Tax (Appeals)	April 2012 - March 2013	4,05,486
The Income Tax Act, 1961.	Disallowance of Marketing expenses	ACIT (TDS)	April 2012 - March 2013	1,96,68,882
The Income Tax Act, 1961.	Disallowance of expenditure incurred in connection with earning exempted income	Income Tax Appellate Tribunal	April 2013 - March 2014	16,45,492
The Income Tax Act, 1961.	Disallowance of expenditure incurred in connection with earning exempted income, deduction claimed for expenditure incurred on R&D and deduction of 80G donation	Income Tax Appellate Tribunal	April 2016 - March 2017	2,32,90,910
The Customs Act, 1962	Disallowance of Concessional Custom Duty availed under Customs Notification No. 12/2012 for Reaper Combinder	Appellate Tribunal	April 2014 - March 2017	25,68,156

(viii) The Company has not taken any loan or borrowings from financial institution or bank and the Government or has not issued any debentures. 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 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 the audit except a fraud committed by certain employees

of the Company on the Company which was reported as part of the audited accounts for the year ended 31st March 2018. Consequent to a detailed investigation by an independent agency in relation to the incidence of fraud, the amount is quantified to Rs. 2,72,65,175/- (after netting of the recovery of Rs. 82,17,813/-) as explained in Note 47 of the financial statements.

(xi) According to the information and explanations give 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 provisions of Sec 197 read with Schedule V to 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 give 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, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm's Registration No. 003109S

Place : Bengaluru

Date : May 10, 2019

**Hitesh Kumar P**

Partner

Membership No. 233734

**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 31st March 2019 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 31st March 2019, 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

ICAI Firm's Registration No. 003109S

Place : Bengaluru

Date : May 10, 2019

**Hitesh Kumar P**

Partner

Membership No. 233734

# BALANCE SHEET AS AT MARCH 31, 2019



(Amount in ₹.)

PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A ASSETS</b>			
<b>1. Non-current assets</b>			
a) Property, plant and equipment	4	1,72,08,16,480	1,35,50,02,825
b) Capital work-in-progress		34,79,26,737	56,82,70,701
c) Investment property	5	22,58,51,120	22,60,62,018
d) Other Intangible assets	6	10,98,67,866	-
e) Financial assets			
i) Investments	7	43,93,14,740	62,93,95,617
ii) Loans	8	62,23,726	31,00,196
iii) Other financial assets	9	2,63,77,285	2,82,92,996
f) Other non-current assets	10	6,05,44,381	5,34,14,398
<b>Total non-current assets</b>		<b>2,93,69,22,335</b>	<b>2,86,35,38,751</b>
<b>2. Current assets</b>			
a) Inventories	11	1,23,65,94,186	78,39,48,355
b) Financial assets			
i) Investments	7	1,21,31,41,466	1,41,18,32,326
ii) Trade receivables	12	96,39,70,094	1,86,11,38,084
iii) Cash and cash equivalents	13	16,52,42,550	16,29,13,013
iv) Bank balances other than (iii) above	14	2,31,06,415	1,00,97,904
v) Loans	8	4,09,853	7,07,79,011
vi) Other financial assets	9	4,34,69,002	9,80,96,067
c) Other current assets	10	68,56,81,786	48,55,97,619
d) Current tax asset (net)		21,39,86,151	10,98,55,299
<b>Total current assets</b>		<b>4,54,56,01,503</b>	<b>4,99,42,57,678</b>
<b>Total assets</b>		<b>7,48,25,23,838</b>	<b>7,85,77,96,429</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	5,81,25,99,181	5,87,73,01,061
<b>Total Equity</b>		<b>5,89,89,94,461</b>	<b>5,96,36,96,341</b>
<b>2. Liabilities</b>			
<b>Non current liabilities</b>			
a) Financial liabilities			
Other financial liabilities	17	45,96,15,387	39,89,64,725
b) Deferred tax liabilities (net)	19	7,00,07,042	5,86,92,477
c) Other Non current liabilities	20	11,28,744	15,94,799
<b>Total Non current liabilities</b>		<b>53,07,51,173</b>	<b>45,92,52,001</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Trade payables	21		
- total outstanding dues of micro enterprises and small enterprises		7,04,75,110	15,49,44,421
- total outstanding dues of creditors other than micro enterprises and small enterprises		27,23,24,737	46,16,55,342
ii) Other financial liabilities	17	41,06,52,276	50,99,81,499
b) Provisions	18	1,54,32,785	1,71,38,086
c) Other current liabilities	20	28,38,93,296	29,11,28,739
<b>Total Current liabilities</b>		<b>1,05,27,78,204</b>	<b>1,43,48,48,087</b>
<b>Total Liabilities</b>		<b>1,58,35,29,377</b>	<b>1,89,41,00,088</b>
<b>Total Equity and Liabilities</b>		<b>7,48,25,23,838</b>	<b>7,85,77,96,429</b>

See accompanying notes forming 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 : May 10, 2019

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

Chinmaya Khatua

ACS - 21759

Company Secretary

K.M.Pai

DIN:01171860

Director

Keshava P M

Chief Financial Officer

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019



(Amount in ₹.)

PARTICULARS	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I Revenue from operations</b>	22	<b>6,14,79,93,704</b>	7,63,95,34,566
<b>II Other income</b>	23	<b>43,66,30,606</b>	45,21,13,594
<b>III Total Revenue (I+II)</b>		<b>6,58,46,24,310</b>	8,09,16,48,160
<b>IV Expenses</b>			
a) Cost of materials consumed		<b>4,38,00,41,918</b>	4,83,78,34,400
b) Change in inventories of finished goods, work in progress and Stock in Trade	24	<b>(31,77,16,860)</b>	9,97,21,204
c) Employee benefit Expenses	25	<b>66,10,57,702</b>	68,89,31,827
d) Finance costs	26	<b>2,24,66,183</b>	1,69,34,950
e) Depreciation and amortisation expenses	27	<b>15,78,55,166</b>	10,85,87,522
f) Other expenses	28	<b>96,55,92,997</b>	81,73,24,309
<b>Total Expenses (IV)</b>		<b>5,86,92,97,106</b>	6,56,93,34,212
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>71,53,27,204</b>	1,52,23,13,948
<b>VI Exceptional Items</b>		-	-
<b>VII Profit before tax (V+VI)</b>		<b>71,53,27,204</b>	1,52,23,13,948
<b>VIII Tax expense:</b>			
Current tax		<b>24,04,69,473</b>	39,56,00,000
Deferred tax		<b>1,42,24,846</b>	69,16,649
<b>IX Profit for the period (VII-VIII)</b>		<b>46,06,32,885</b>	1,11,97,97,299
<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	<b>(83,28,415)</b>	(4,76,812)
(ii) Income tax on items that will not be reclassified to the profit or loss		<b>29,10,281</b>	1,60,459
<b>Total Other Comprehensive Income (net of taxes)</b>		<b>(54,18,134)</b>	(3,16,353)
<b>Total Comprehensive Income for the year</b>		<b>45,52,14,751</b>	1,11,94,80,946
<b>XI Earnings per Equity share-Basic and diluted</b>	30	<b>53.32</b>	129.61

See accompanying notes forming 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 : May 10, 2019

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*

**K.M.Pai**

DIN:01171860

*Director*

**Keshava P M**  
*Chief Financial Officer*

**Chinmaya Khatua**  
ACS - 21759  
*Company Secretary*



# CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019



(Amount in ₹.)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I Cash flow from operating activities:</b>		
<b>A. Profit before tax</b>	<b>71,53,27,204</b>	<b>1,52,23,13,948</b>
<b>B. Adjustment for:</b>		
a. Depreciation and amortisation	15,78,55,166	10,85,87,522
b. Interest income	(5,58,63,798)	(10,36,03,759)
c. Dividend Income	(4,22,44,343)	(5,54,42,911)
d. (Profit)/Loss on sale of fixed assets	(3,84,075)	12,33,413
e. Provisions for bad and doubtful debts	91,92,030	2,08,05,175
f. Provision for Embezzlement	2,72,65,175	-
g. Other Provisions	3,17,46,887	-
h. Rent received	(1,79,05,400)	(1,13,33,807)
i. (Profit)/Loss on Sale of Investment	(94,61,800)	(1,30,16,460)
j. Provisions Written back	(24,81,71,480)	(2,52,12,202)
k. Foreign exchange (gain)/loss	31,48,455	(6,50,231)
l. Finance cost	2,17,45,095	1,63,65,669
m. Interest income on security deposit given	(1,22,677)	(1,76,947)
n. Deferred rental income on security deposits received	(7,93,393)	(5,53,705)
o. Unrealised (gain)/Loss on Investments	5,71,66,907	(23,36,12,028)
p. Interest expense on security deposit	7,21,088	5,69,281
q. Amortisation of Prepaid lease rentals	1,18,693	1,70,382
	<b>64,93,39,734</b>	<b>1,22,64,43,340</b>
<b>C. Adjustment for movements in Working capital</b>		
a. Trade payables, Other liabilities and Provisions (Net of fair value adjustment on deposits)	(8,70,02,171)	59,52,59,561
b. Trade receivables	88,79,75,960	(55,84,99,154)
c. Inventories	(45,26,45,831)	(7,69,81,837)
d. Financial and other current assets	(22,12,48,569)	(50,75,00,778)
<b>D. Cash generated from Operations</b>	<b>77,64,19,124</b>	<b>67,87,21,132</b>
Less: Direct taxes Paid	(34,46,00,325)	(34,50,28,157)
<b>Net cash flow from operating activities (I)</b>	<b>43,18,18,799</b>	<b>33,36,92,975</b>
<b>II Cash flows from investing activities</b>		
a. Purchase of fixed assets, including CWIP	(45,28,69,235)	(67,93,88,282)
b. Proceeds from sale of fixed assets	39,51,257	1,05,20,185
c. Purchase of Investment property	(26,54,947)	(3,03,69,780)
d. Redemption/maturity of bank deposits	(1,30,08,511)	2,33,838
e. Sale/(Purchase) of investments	33,16,04,829	7,34,25,969
f. Interest received	10,36,53,720	10,58,27,283
g. Income from investment	4,22,44,343	5,54,42,911
h. Rent Received	1,79,05,400	1,13,33,807
i. Profit on sale of Investment	94,61,800	1,30,16,460
j. Proceeds from Inter corporate loan	7,00,00,000	8,00,00,000
<b>Net cash flow from/ (used in) investing activities (II)</b>	<b>11,02,88,656</b>	<b>(35,99,57,609)</b>

# CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (Cont.)



(Amount in ₹.)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>III Cash flows from financing activities</b>		
a. Interest paid	(2,17,45,095)	(1,10,69,891)
b. Dividends paid on equity shares	(43,00,92,591)	(12,95,92,920)
c. Tax on equity dividend paid	(8,79,40,231)	(2,63,82,070)
<b>Net cash flow from/ (used in) financing activities (III)</b>	<b>(53,97,77,917)</b>	<b>(16,70,44,881)</b>
<b>IV Net (decrease) in cash and cash equivalents (I + II + III)</b>	<b>23,29,537</b>	<b>(19,33,09,515)</b>
Cash and cash equivalents at the beginning of the year	<b>16,29,13,013</b>	<b>35,62,22,528</b>
<b>V Cash and cash equivalents at the end of the year</b>	<b>16,52,42,550</b>	<b>16,29,13,013</b>
<b>VI Components of cash and cash equivalents:</b>		
a. Cash on hand	<b>97,136</b>	<b>1,62,199</b>
b. Cheques/ drafts on hand	<b>-</b>	<b>20,22,280</b>
c. With banks		
i. on current account	<b>16,51,45,414</b>	<b>16,07,28,534</b>
<b>Total cash and cash equivalents (note no.13)</b>	<b>16,52,42,550</b>	<b>16,29,13,013</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 : May 10, 2019

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*

**Chinmaya Khatua**  
ACS - 21759  
*Company Secretary*

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

**Keshava P M**  
*Chief Financial Officer*

# Statement of changes in Equity for the year ended March 31, 2019



(Amount in ₹.)

## I Equity Share capital

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, 2018	8,63,95,280	-	8,63,95,280

## II Other Equity

PARTICULARS	Capital Reserve	General reserve	Surplus in Statement of Profit and Loss	Other comprehensive Income	Total
<b>Balance as at April 1, 2017</b>	<b>2,64,04,870</b>	<b>3,00,00,00,000</b>	<b>1,90,40,06,022</b>	<b>(1,66,15,787)</b>	<b>4,91,37,95,105</b>
Profit for the year	-	-	1,11,97,97,299	-	1,11,97,97,299
Other comprehensive income	-	-	-	(3,16,353)	(3,16,353)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,11,97,97,299</b>	<b>(3,16,353)</b>	<b>1,11,94,80,946</b>
Dividends	-	-	12,95,92,920	-	12,95,92,920
Dividend distribution tax	-	-	2,63,82,070	-	2,63,82,070
<b>As at March 31, 2018</b>	<b>2,64,04,870</b>	<b>3,00,00,00,000</b>	<b>2,86,78,28,331</b>	<b>(1,69,32,140)</b>	<b>5,87,73,01,061</b>
Profit for the year	-	-	46,06,32,885	-	46,06,32,885
Other comprehensive income	-	-	-	(54,18,134)	(54,18,134)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>46,06,32,885</b>	<b>(54,18,134)</b>	<b>45,52,14,751</b>
Dividends	-	-	43,19,76,400	-	43,19,76,400
Dividend distribution tax	-	-	8,79,40,231	-	8,79,40,231
<b>As at March 31, 2019</b>	<b>2,64,04,870</b>	<b>3,00,00,00,000</b>	<b>2,80,85,44,585</b>	<b>(2,23,50,274)</b>	<b>5,81,25,99,181</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 : May 10, 2019

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*

**K.M.Pai**

DIN:01171860

*Director*

**Keshava P M**  
*Chief Financial Officer*

**Chinmaya Khatua**  
ACS - 21759  
*Company Secretary*

## 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:

These financial statements of VTTL have been 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 10th May 2019.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value.

### Recent Accounting Pronouncements:

#### **Ind AS 116 Leases:**

On March 30, 2019 Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases and related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and lessor. Ind AS 116 introduces single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with a term of more

than twelve months, unless the underlying asset is of low value. Currently operating lease expenses are charged off to the statement of Profit & Loss. This Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The Company estimates that the effect on adoption of Ind AS 116 Leases would be insignificant on the financial statements.

#### **Amendment to Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company is currently evaluating the effect of this amendment on the financial statements.

#### **Amendment to Ind AS 19 – plan amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction

in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company is currently evaluating the effect of this amendment on the financial statements.

### **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 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:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. 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:

- i. Expected to settle the liability in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or
- iv. 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 cost attributable in 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.

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.

**d) Intangible Assets:**

Intangible assets are carried at cost, less 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 3 years for all of the intangible computer software assets.

**Technical Knowhow**

The expenditure incurred on purchase of technology is amortised over the estimated period of benefit which is 5 years, commencing from the year the asset is ready for its intended use.

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.

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 realisable 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, lease transactions that are within the scope of Ind AS 17, 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:

- 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:**

Effective April 1, 2018 the Company adopted Ind AS 115 “Revenue from contracts with Customer” using the cumulative catch up transition method. Applied to contracts that were not completed as of April 1, 2018. In accordance with cumulative catch up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

The Company is primarily engaged in the manufacture and sale of Tractors, Tillers and Other related products. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

In case of revenue from sale of products, the performance obligation is satisfied at a point in time. Where there is no uncertainty as to the measurement or collectability of consideration, revenue is recognized as and when the performance obligation is satisfied (i.e. shipment of goods from the premises of the Company).

The Transaction Price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Accordingly, volume discounts and pricing incentives to customers as a reduction of revenue and revenues is presented net of indirect taxes in its statement of Profit and loss.

Further, Discount is recognized only when it is probable that the criteria for the discount will be met, the payment is probable and the amount can be estimated reliably. However, in case there is a change in the estimated amount of obligations for discounts, the company recognizes the change in the period in which it occurs.

The general credit period offered to customers is 45 days from the date of sale. Accordingly, adjustment due to Financing Arrangement is not applicable.

- 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.

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 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 in 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 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):**

AS per the Ind AS 101 and Ind AS 109 company is permitted to designate the previously recognised financial asset at initial recognition irrecoverably at fair value through profit or loss on the basis of facts and circumstances that exists on the date of transition to Ind AS. 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 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 expense or income, 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:**

In case of financial liabilities with maturity more than one year, amortised cost 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 Items’.



#### 4 Property Plant and Equipment

Particulars	Land	Buildings	Plant and Machinery	Computer Equipments	Office Equipments	Vehicles	Furniture & Fixtures	Total
<i>(Amount in ₹.)</i>								
<b>Gross Block</b>								
At April 01, 2017	48,44,48,402	51,54,92,794	88,27,04,779	5,53,12,300	1,12,12,085	3,16,00,177	1,45,49,886	1,99,53,20,423
Additions	7,84,500	2,01,93,485	16,55,03,065	1,06,34,755	15,99,212	-	43,03,724	20,30,18,741
Less: Disposals	-	-	(4,24,18,759)	(66,000)	-	(1,95,47,375)	-	(6,20,32,134)
Transfer from Investment Property	36,92,815	-	-	-	-	-	-	36,92,815
Regrouping	-	(25,48,000)	21,88,448	-	14,45,500	(16,75,948)	5,90,000	-
At March 31, 2018	48,89,25,717	53,31,38,279	1,00,79,77,533	6,58,81,055	1,42,56,797	1,03,76,854	1,94,43,610	2,13,99,99,845
Additions	-	26,90,49,509	21,08,70,867	1,09,93,286	56,51,018	-	66,09,613	5,03,17,4,294
Less: 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	-	-
Less: Written Off	-	-	(8,55,092)	-	-	-	-	(8,55,092)
At March 31, 2019	48,89,25,717	79,85,79,344	1,18,11,39,127	7,35,31,618	2,03,84,718	1,09,00,509	2,54,38,352	2,59,88,99,386
Accumulated Depreciation								
At April 01, 2017	-	12,02,49,883	53,84,40,485	4,50,87,208	70,00,548	1,34,84,090	50,89,405	72,93,51,619
Charge for the year	-	2,30,38,637	6,89,22,414	80,44,063	24,49,162	20,00,487	14,69,174	10,59,23,937
Less: Disposals	-	-	(4,19,87,576)	(66,000)	-	(82,24,960)	-	(5,02,78,536)
Regrouping	-	-	2,57,747	-	-	(2,57,747)	-	-
At March 31, 2018	-	14,32,88,520	56,56,33,070	5,30,65,271	94,49,710	70,01,870	65,58,579	78,49,97,020
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	-
Less: Written Off	-	-	(8,55,092)	-	-	-	-	(8,55,092)
Less: Disposals	-	(34,72,505)	(3,16,56,510)	(23,74,190)	(2,78,484)	(14,68,282)	(6,02,509)	(3,98,52,480)
At March 31, 2019	-	16,73,10,107	62,71,60,858	5,72,25,336	1,22,47,477	63,56,250	77,82,879	87,80,82,906
<b>Net Block</b>								
At March 31, 2018	48,89,25,717	38,98,49,759	44,23,44,463	1,28,15,784	48,07,087	33,74,984	1,28,85,031	1,35,50,02,825
At March 31, 2019	48,89,25,717	63,12,69,238	55,39,78,269	1,63,06,282	81,37,241	45,44,259	1,76,55,474	1,72,08,16,480

*(Amount in ₹.)*

## 5 Investment Property

### A. Land at Cost

At the beginning of the year	13,89,17,710	14,26,10,525
Less: Transfers to Tangible Assets	-	36,92,815
At the end of the year	13,89,17,710	13,89,17,710

### B. Gross Block - Building

At the beginning of the period	9,61,53,922	6,57,84,142
Additions for the period	26,54,947	3,03,69,780
Deletions for the period	-	-
	9,88,08,869	9,61,53,922

### Depreciation - Building

Up to beginning of the year	90,09,614	63,46,029
Charge for the period	28,65,845	26,63,585
Up to the end of the year	1,18,75,459	90,09,614

### Net Block - Building

8,69,33,410	8,71,44,308
22,58,51,120	22,60,62,018

## 6 Other Intangible Assets

### Particulars

#### Gross Block

##### At April 01, 2017

-	-	-
-	-	-
-	-	-

##### At March 31, 2018

-	-	-
12,31,31,000	79,32,728	13,10,63,728
-	-	-

##### At March 31, 2019

12,31,31,000	79,32,728	13,10,63,728
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#### Amortisation

##### At April 01, 2017

-	-	-
-	-	-
-	-	-

##### At March 31, 2018

-	-	-
2,05,03,110	6,92,752	2,11,95,862
-	-	-

##### At March 31, 2019

2,05,03,110	6,92,752	2,11,95,862
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#### Net Block

-	-	-
10,26,27,890	72,39,976	10,98,67,866



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*(Amount in ₹.)*
**10 Other Assets**
**Non - Current**

Considered good

a) Capital advances

b) Prepaid Lease Rentals

**Current**

Considered good

a) Advance to suppliers

b) Advances to employees

c) Prepaid expense

d) Indirect tax recoverable

e) Gratuity Fund Asset

f) Prepaid Lease Rentals

**11 Inventories**

a) Raw materials and components

b) Work-in-progress

c) Finished goods

d) Stock in Trade

e) Loose Tools

f) Machinery Spares and Others

**12 Trade Receivables**

a) Secured, Considered Good

b) Unsecured, Considered Good

c) Unsecured, Considered Doubtful

- Allowance for credit losses

**13 Cash and Cash Equivalents**

a) Balances with Banks

- On Current Accounts

b) Cheques on Hand

c) Cash on Hand

**14 Other Bank Balances**

a) Earmarked balances with banks (unpaid dividend)

b) Marginal money deposits

	As at March 31, 2019	As at March 31, 2018
<b>10 Other Assets</b>		
<b>Non - Current</b>		
Considered good		
a) Capital advances	6,05,41,315	5,33,13,025
b) Prepaid Lease Rentals	3,067	1,01,373
	<b>6,05,44,381</b>	<b>5,34,14,398</b>
<b>Current</b>		
Considered good		
a) Advance to suppliers	5,66,12,537	2,84,35,344
b) Advances to employees	26,36,087	80,44,144
c) Prepaid expense	2,22,10,873	1,45,83,747
d) Indirect tax recoverable	60,41,14,108	42,84,39,078
e) Gratuity Fund Asset	-	59,98,832
f) Prepaid Lease Rentals	1,08,181	96,474
	<b>68,56,81,786</b>	<b>48,55,97,619</b>
<b>11 Inventories</b>		
a) Raw materials and components	46,87,85,493	33,74,60,707
b) Work-in-progress	8,24,73,765	10,55,37,883
c) Finished goods	42,75,18,474	12,52,20,389
d) Stock in Trade	22,23,37,251	18,38,54,358
e) Loose Tools	2,25,07,476	1,59,48,409
f) Machinery Spares and Others	129,71,727	1,59,26,609
	<b>1,23,65,94,186</b>	<b>78,39,48,355</b>
<b>12 Trade Receivables</b>		
a) Secured, Considered Good	28,24,99,163	80,17,34,791
b) Unsecured, Considered Good	68,14,70,931	1,05,94,03,293
c) Unsecured, Considered Doubtful	2,09,74,614	5,08,94,593
	<b>98,49,44,708</b>	<b>1,91,20,32,677</b>
- Allowance for credit losses	2,09,74,614	5,08,94,593
	<b>96,39,70,094</b>	<b>1,86,11,38,084</b>
<b>13 Cash and Cash Equivalents</b>		
a) Balances with Banks		
- On Current Accounts	16,51,45,414	16,07,28,534
b) Cheques on Hand	-	20,22,280
c) Cash on Hand	97,136	1,62,199
	<b>16,52,42,550</b>	<b>16,29,13,013</b>
<b>14 Other Bank Balances</b>		
a) Earmarked balances with banks (unpaid dividend)	82,10,073	63,26,205
b) Marginal money deposits	1,48,96,342	37,71,699
	<b>2,31,06,415</b>	<b>1,00,97,904</b>

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*(Amount in ₹.)*

## 16 Other Equity (Contd.)

### (C) Retained Earnings

At the beginning of the period	2,86,78,28,331	1,90,40,06,022
Add: Profit for the period	46,06,32,885	1,11,97,97,299
Add: Adjustments due to adoption of Ind AS	3,32,84,61,216	3,02,38,03,321
Less: Appropriations		
a) Dividend on Equity shares	43,19,76,400	12,95,92,920
b) Tax on dividend	8,79,40,231	2,63,82,070
	<u>2,80,85,44,585</u>	<u>2,86,78,28,331</u>

### (D) Other comprehensive income

On Actuarial Gain/(loss) on post employment benefits		
At the beginning of the period	(1,69,32,140)	(1,66,15,787)
Add: Actuarial Gain/(loss) for the year	(54,18,134)	(3,16,353)
At the end of the period	<u>(2,23,50,274)</u>	<u>(1,69,32,140)</u>
	<u>5,81,25,99,181</u>	<u>5,87,73,01,061</u>

## 17 Financial Liabilities - Others

Other financial liabilities consists of the following

### Non-Current

a) Dealer Deposits	45,59,53,390	39,57,01,035
b) Rental Deposits	36,61,997	32,63,690
	<u>45,96,15,387</u>	<u>39,89,64,725</u>

### Current

a) Unclaimed Dividends	82,10,014	63,26,205
b) Rental Deposits	35,96,323	34,87,273
c) Outstanding expense	31,21,45,282	33,31,86,796
d) Incentives and marketing expenses payable	7,33,18,943	8,34,78,803
e) Employee cost payable	1,33,81,714	8,35,02,422
	<u>41,06,52,276</u>	<u>50,99,81,499</u>

## 18 Provisions

Provisions consists of the following

### Current

a) Provision for gratuity	11,30,076	-
b) Provision for leave benefits	37,20,515	33,94,794
c) Provision for warranty	1,05,82,194	1,37,43,292
	<u>1,54,32,785</u>	<u>1,71,38,086</u>

*(Amount in ₹.)*
**19 Deferred tax balances**

Deferred tax balances consists of the following

**Deferred tax assets**

a) Employee Benefits	57,85,448	71,13,916
b) Provision for credit losses	1,84,23,001	1,77,84,607
	<u>2,42,08,449</u>	<u>2,48,98,523</u>

**Deferred tax liabilities**

a) Depreciation and amortisation	9,02,14,601	6,53,84,518
b) Fair valuation of financial assets	40,00,890	1,56,57,848
c) Employee Benefits	-	25,48,634
	<u>9,42,15,491</u>	<u>8,35,91,000</u>

**Net Deferred tax Liability**

<u>7,00,07,042</u>	<u>5,86,92,477</u>
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**20 Other Liabilities**
**Non-Current**

a) Deferred Rental Income	11,28,744	15,94,799
	<u>11,28,744</u>	<u>15,94,799</u>

**Current**

a) Statutory dues	15,70,38,587	22,36,69,029
b) TDS Payable	1,10,01,018	68,59,634
c) CSR expenditure	3,39,86,037	3,39,86,037
d) Deferred Revenue	6,62,173	7,75,778
e) Advance Received-Customers	8,08,10,805	2,46,21,863
f) Advance Received-Others	3,94,675	12,16,398
	<u>28,38,93,296</u>	<u>29,11,28,739</u>

**21 Trade payables**

a) Micro, small and Medium Enterprises	7,04,75,110	15,49,44,421
b) Others	27,23,24,737	46,16,55,342
	<u>34,27,99,847</u>	<u>61,65,99,763</u>

**22 Revenue from Operations**

a) Sale of products (including excise duty)	6,09,74,22,226	7,61,03,61,285
b) Sale of services	2,37,01,712	1,22,17,538
c) Other operating income	2,68,69,767	1,69,55,743
	<u>614,79,93,704</u>	<u>7,63,95,34,566</u>

**23 Other Income**

a) Dividend Income	4,22,44,343	5,54,42,911
b) Income from Investments		
i. Change in Fair Value	4,26,31,754	23,36,12,028
ii. Gain on Sale of Investments	94,61,800	1,30,16,460

*(Amount in ₹.)*
**23 Other Income (Contd.)**

	For the year ended March 31, 2019	For the year ended March 31, 2018
c) Rent Income		
i. Rental Income	1,79,05,400	1,13,33,807
ii. Deferred Rental Income	7,93,393	5,53,705
d) Interest Income		
i. From investments	2,22,52,826	3,18,14,023
ii. Others - Dealers	3,37,33,649	7,19,66,683
e) Gain on Sale of Property, Plant and Equipment (Net)	3,84,075	-
f) Insurance Claim	13,64,217	19,39,779
g) Sundry credit balances written back		
i. Service Coupon	8,02,41,052	-
ii. AIP Provision	2,64,41,553	-
iii. Special Discount	8,45,42,227	-
iv. Dealer Discount	1,91,48,780	-
v. Bonus and Business and Promotion	37,74,761	-
vi. Others	23,36,907	2,52,12,202
h) Reversal of Expenses (Embezzlement)	3,16,86,200	-
i) Net foreign exchange gains	-	6,50,231
j) Miscellaneous Income	1,76,87,670	65,71,765
	<b>43,66,30,606</b>	<b>45,21,13,594</b>

**24 Changes in inventories**

a) Inventory at the beginning of the year		
- Finished goods	12,52,20,389	25,20,66,171
- Stock in Trade	18,38,54,358	19,58,36,544
- Work in progress	10,55,37,883	6,64,31,119
	<b>41,46,12,630</b>	<b>51,43,33,834</b>
b) Inventory at the end 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>
(Increase) / Decrease in Stocks	<b>(31,77,16,860)</b>	<b>9,97,21,204</b>

**25 Employee Benefit Expenses**

a) Salaries, Wages and Bonus	60,44,28,780	63,42,64,044
b) Contribution to Provident and Other Funds	2,95,96,531	2,94,15,469
c) Staff Welfare Expenses	2,70,32,390	2,52,52,314
	<b>66,10,57,702</b>	<b>68,89,31,827</b>

*(Amount in ₹.)*
**26 Finance costs**

- a) Interest
- b) Interest Cost - Security Deposits

**27 Depreciation and Amortization Expenses**

- a) Depreciation on Property, Plant and Equipment
- b) Depreciation on Intangible Assets
- c) Depreciation on Investment Property

**28 Other Expenses**

- a) Excise duty
- b) Power and Fuel
- c) Stores & Tools Consumed
- d) Warranty Expenses
- e) Consultancy and Legal Charges
- f) Payment to Statutory Auditors
  - Audit Fee
  - Tax Audit Fee
  - GST Audit Fee
  - Reimbursement of expenses
- g) Donation
- h) Fees, Rates and Taxes
- i) Directors sitting fees
- j) Insurance
- k) Rental expenditure
  - Rent
  - Amortisation of Prepaid Lease Rentals
- l) Repairs and maintenance
  - Buildings
  - Machinery
  - Others
- m) Research and Development
- n) Bank Charges
- o) Travelling and Conveyance
- p) Communication expenses
- q) Loss on sale of assets (Net)
- r) Conference Expenses
- s) Advertisement & Promotion
- t) Freight and Distribution
- u) Selling Expenses
- v) Service Expenses
- w) Provision for bad and doubtful debts
  - i. Embezzlement
  - ii. Doubtful debts/advances
- x) Loss on Fair valuation of Investments at FVTPL
- aa) Loss on foreign exchange fluctuation (net)
- ab) CSR Expenditure
- ac) Miscellaneous Expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>2,17,45,095</b>	1,63,65,669
	<b>7,21,088</b>	5,69,281
	<b>2,24,66,183</b>	1,69,34,950
	<b>13,37,93,458</b>	10,59,23,937
	<b>2,11,95,862</b>	-
	<b>28,65,846</b>	26,63,585
	<b>15,78,55,166</b>	10,85,87,522
	-	46,49,553
	<b>4,39,84,188</b>	4,35,21,165
	<b>3,94,60,592</b>	3,97,55,340
	<b>1,21,03,220</b>	97,82,246
	<b>3,48,79,670</b>	2,04,44,885
	<b>17,50,000</b>	15,00,000
	<b>4,00,000</b>	3,00,000
	<b>3,00,000</b>	-
	<b>1,47,865</b>	1,22,565
	-	1,30,000
	<b>1,22,51,464</b>	1,76,18,760
	<b>43,00,000</b>	24,00,000
	<b>72,78,711</b>	70,85,157
	<b>77,96,016</b>	61,86,221
	<b>1,18,693</b>	1,70,382
	<b>79,26,495</b>	38,41,266
	<b>2,58,54,343</b>	2,23,37,498
	<b>2,78,26,665</b>	4,30,60,453
	<b>2,01,52,903</b>	1,69,03,973
	<b>24,49,371</b>	15,71,632
	<b>6,61,81,975</b>	8,21,55,018
	<b>1,00,76,637</b>	1,07,79,072
	-	12,33,413
	<b>1,09,67,822</b>	1,45,683
	<b>5,89,00,551</b>	8,79,67,480
	<b>21,94,60,897</b>	19,42,32,630
	<b>9,50,95,273</b>	7,08,30,535
	<b>4,53,84,445</b>	7,62,04,338
	<b>2,72,65,175</b>	-
	<b>4,09,38,917</b>	2,08,05,175
	<b>9,97,98,662</b>	-
	<b>31,48,455</b>	-
	<b>1,65,00,000</b>	1,65,00,000
	<b>2,28,93,993</b>	1,50,89,869
	<b>96,55,92,997</b>	81,73,24,309



(Amount in ₹.)

**29 Other Comprehensive Income**

- a) Actuarial Gain/(Losses) on Gratuity Expense for the period  
b) Taxes on above

**30 Earnings per Equity Share**

- a) Profit for the period attributable to equity share holders  
b) Weighted average number of equity shares of Rs. 10/-each  
c) Earnings per equity share (Basic and Diluted) = (a/b)

For the year ended March 31, 2019	For the year ended March 31, 2018
(83,28,415)	(4,76,812)
29,10,281	1,60,459
(54,18,134)	(3,16,353)
46,06,32,885	1,11,97,97,299
86,39,528	86,39,528
53.32	129.61

**31 Financial Assets (Investments):**

		As at March 31, 2019		As at March 31, 2018	
Particulars	Face value	No. of Shares/units	Fair Value (Amount In ₹.)	No. of Shares/units	Fair Value (Amount In ₹.)
<b><i>Non-Current Investments:</i></b>					
<b>I Investment in Equity Shares</b>					
<i>Investments in Equity instruments (trade - quoted)</i>					
1. Rane Holdings Limited	10	86,686	10,32,64,698	1,22,915	29,97,83,540
2. Asian Paints Limited	1	5,000	74,63,500	5,000	56,02,000
3. Axis Bank Limited	2	-	-	10,000	51,05,000
4. Infosys Limited	5	12,000	89,26,200	6,000	67,90,800
5. Larsen & Toubro Limited	2	9,000	1,24,67,700	9,000	1,17,98,100
6. Sundaram Finance Limited	10	6,000	93,52,200	5,000	83,86,000
7. Sundaram Finance Holdings Limited	5	5,000	4,26,750	5,000	15,52,500
8. TATA Consultancy Services Limited	1	7,000	1,40,11,550	3,000	85,47,450
9. CIPLA Limited	2	10,000	52,89,000	10,000	54,54,500
10. State Bank of India	1	-	-	18,000	44,98,200
11. Pidilite Industries Limited	1	6,900	85,99,125	6,900	63,32,820
12. HDFC Bank Limited	2	3,750	73,80,938	-	-
13. HDFC Life Insurance Co. Ltd.	10	20,000	75,70,000	-	-
<b>Sub-Total</b>			<b>18,47,51,660</b>		<b>36,38,50,910</b>
<i>Investment in Equity instruments (unquoted)</i>					
1. MHI - VST Diesel Engines Private Limited	10	41,50,000	5,45,63,080	41,50,000	4,49,44,458
<b>Total (I)</b>		<b>41,50,000</b>	<b>23,93,14,740</b>	<b>41,50,000</b>	<b>40,87,95,368</b>
<b>II Investment in Preference Shares</b>					
1. L & T Finance Limited	100	-	-	200,000	2,06,00,249
<b>III Investment in Non-Convertible Debentures</b>					
1. VST Motors Private Limited	100,000	2,000	20,00,00,000	2,000	20,00,00,000
<b>Total of Non-Current Investments (I+II+III)</b>			<b>43,93,14,740</b>		<b>62,93,95,617</b>
<b><i>Current Investments:</i></b>					
<b>I. Investment in Mutual Funds</b>					
<i>(a) Investments in Balanced and Equity Mutual funds</i>					
1. Reliance Low Duration Fund-Daily Dividend Plan		-	-	1,23,894	12,48,22,746
2. Axis Mutual Fund - Liquid Fund		-	-	1,00,497	10,06,37,255
3. IDFC Low Duration Fund-Daily Dividend-Regular Plan		58,95,136	5,93,93,493	1,14,66,887	11,54,85,316
4. Reliance Money Market Fund		18,217	1,82,71,739	-	-
5. L&T Liquid Fund		-	-	514	5,19,657
6. HDFC Floating Rate Income Fund Short Term Plan		1,83,26,738	18,47,50,018	2,49,57,909	25,15,98,180
7. ICICI Prudential Savings Fund-DDR		2,60,409	2,75,45,966	3,57,732	3,78,45,708

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

Particulars	Face value	As at March 31, 2019		As at March 31, 2018	
		No. of Shares/units	Fair Value (Amount In ₹.)	No. of Shares/units	Fair Value (Amount In ₹.)
8. SBI Magnum Ultra Short Duration Fund		42,707	7,15,35,536	-	-
9. TATA Liquid Fund-Regular Plan-Daily Dividend		-	-	741	7,42,461
10. BOI AXA Ultra Short Duration Fund - Regular-DDR		-	-	12,102	1,21,92,326
11. ICICI Prudential Money Market Fund-Daily Dividend		10,95,046	10,97,60,663	10,40,430	10,42,38,542
12. HDFC Liquid Fund - Daily Dividend Reinvestment		98,122	10,00,66,797	-	-
<b>Sub-Total (a)</b>			<b>57,13,24,211</b>		<b>74,80,82,191</b>
<i>(b) Investments in Debt Mutual funds</i>					
1. HDFC Credit Risk Debt Fund		50,79,596	7,74,89,739	50,79,595	7,32,01,036
2. Franklin India Dynamic Accrual Fund		8,30,844	5,53,90,309	8,30,844	5,09,94,811
3. Franklin India Credit Risk Fund - Growth		27,72,285	5,42,78,577	27,72,285	5,00,20,624
4. ICICI Medium Term Bond Fund		9,22,743	2,62,51,125	9,22,743	2,49,54,117
5. Kotak Medium Term Plan		17,16,930	2,62,41,211	17,16,930	2,47,79,933
6. BOI AXA Credit Risk Fund		-	-	36,94,134	4,93,10,774
7. DSP Blackrock Credit Risk Fund		-	-	7,99,380	2,28,58,342
8. L & T Credit Risk Fund-Growth		11,56,089	2,43,81,463	11,56,089	2,30,14,734
<b>Sub-Total (b)</b>			<b>26,40,32,424</b>		<b>31,91,34,371</b>
<i>(c) Investments in Equity Mutual funds</i>					
1. ICICI Prudential Blue Chip Fund		6,53,015	2,75,50,702	5,26,079	2,03,27,701
2. Kotak Standard Multi Cap Fund		7,97,617	2,82,97,856	6,41,137	2,03,96,497
3. HDFC Equity Fund		28,865	1,96,62,866	28,865	1,70,75,450
4. Birla Sunlife Frontline Equity		95,365	2,16,23,146	95,365	1,99,53,298
5. Franklin Templeton India Prima Plus Fund		22,726	1,36,95,458	22,726	1,28,04,615
6. L & T India Value Fund		3,70,463	1,33,86,697	3,70,463	1,33,17,050
7. BSL MNC Fund		8,843	68,11,692	8,843	64,58,325
8. IDFC Core Equity Fund - Growth (Regular Plan)		1,33,849	60,87,457	1,33,849	58,70,889
9. HDFC Small Cap Fund		5,58,619	2,49,36,207	4,38,686	1,94,03,102
10. DSP Blackrock India Enhanced Equity Fund		5,00,000	5,53,25,000	5,00,000	5,21,35,000
11. TATA Equity P/E Fund		72,743	98,44,425	72,743	97,68,620
12. L & T Infrastructure Fund		4,51,213	72,32,939	4,51,213	77,33,785
13. IDFC Infrastructure Fund		4,27,417	65,22,378	4,27,417	75,80,277
14. ICICI Prudential Value Discovery Fund - Growth		69,686	1,01,94,425	-	-
<b>Sub-Total (c)</b>			<b>25,11,71,248</b>		<b>21,28,24,608</b>
<i>(d) Investments in Balanced Mutual funds</i>					
1. TATA Balanced Fund		-	-	59,044	1,18,86,591
2. HDFC Balanced Fund		1,34,387	73,16,570	46,827	68,27,564
<b>Sub-Total (d)</b>			<b>73,16,570</b>		<b>1,87,14,155</b>
<i>(e) Investments in Arbitrage Mutual funds</i>					
1. Kotak Equity Arbitrage Fund		9,45,559	2,49,46,221	9,45,559	2,35,09,917
2. Reliance Arbitrage Fund		22,92,886	2,43,64,892	21,80,974	2,30,71,434
3. HDFC Arbitrage Fund		23,19,302	2,40,48,843	21,89,676	2,29,63,133
4. IDFC Arbitrage Fund		36,06,532	4,59,37,122	34,38,941	4,35,32,517
<b>Sub-Total (e)</b>			<b>11,92,97,078</b>		<b>11,30,77,001</b>
<b>Total of Investment in Mutual Funds (a+b+c+d+e)</b>			<b>1,21,31,41,532</b>		<b>1,41,18,32,326</b>
<b>Grand total of Current Investments</b>			<b>1,21,31,41,532</b>		<b>1,41,18,32,326</b>
<b>Grand total of Investments</b>			<b>1,65,24,56,272</b>		<b>2,04,12,27,943</b>

(Amount in ₹.)

**32. Retirement Benefit Obligations:**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Defined Contribution Plan (Expenses):</b>		
Contribution to Provident Fund	2,18,33,851	2,01,77,991
Contribution to Employee State Insurance	18,25,424	19,79,579
Contribution to Labour Welfare Fund	60,490	94,280
<b>B. Defined Benefit Plans (Gratuity):</b>		
<b>1. Movement in Obligation – Gratuity:</b>		
Present Value of Obligation at the beginning of year	8,99,32,562	8,80,92,911
Current Service Cost	63,30,911	63,27,019
Interest Cost	69,24,807	65,18,875
Benefits Paid	(2,29,20,791)	(1,24,98,358)
Past Service Cost (Vested and Non-Vested)	-	16,30,615
Actuarial (Gain)/Loss on Obligation	64,94,578	(1,38,500)
<b>Present Value of Obligation at the end of year</b>	<b>867,62,067</b>	<b>8,99,32,562</b>
<b>2. Movement in Plan Assets – Gratuity:</b>		
Fair Value of Planned assets at the beginning of the year	9,59,31,394	9,45,04,226
Return of Plan Assets (excl. int. income)	73,86,717	69,93,313
Actuarial Gain/(Loss)	(18,33,837)	(6,15,311)
Contributions during the year	70,68,508	75,47,525
Benefits Paid during the year	(2,29,20,791)	(1,24,98,358)
<b>Fair Value of Planned assets at the end of the year</b>	<b>8,56,31,991</b>	<b>9,59,31,394</b>
<b>3. Expenses recognised in Profit and Loss Statement:</b>		
<b><u>Gratuity:-</u></b>		
Current Service Cost	63,30,911	63,27,019
Net Interest Cost	(4,61,910)	(4,74,437)
Past Service Cost	-	16,30,615
<b>Expense for the year</b>	<b>58,69,001</b>	<b>74,83,196</b>
<b>4. Recognised in Other Comprehensive Income:</b>		
<b>Actuarial (Gain) /loss for the year</b>	<b>83,28,415</b>	<b>4,76,812</b>
<b>5. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:</b>		
a. Attrition Rate	1.0%	1.0%
b. Discount Rate	7.63%	7.7%
c. Expected Rate of Increase in Salary	7.0%	7.0%
d. Expected Rate of return on Plan Assets	7.7%	8.0%
e. Mortality Rate	100% of IALM 2006-08	LIC 2006-08 Ult.
f. Decrement Adjusted Future Service	21.46	17.50

*(Amount in ₹.)*

<b>6. Sensitivity Analysis:</b>		
<b>Sensitivity</b>	<b>Change</b>	<b>Effect on obligations</b>
Salary Escalation Rate	+1%	72,66,386
	-1%	(63,65,130)
Withdrawal Rate	+1%	1,94,555
	-1%	(2,38,118)
Discount Rates	+0.5%	(32,60,503)
	-0.5%	35,14,236
<p>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.</p>		
<b>7. Expected Payout – Gratuity:</b>		<b>Amount in ₹.</b>
Expected payments – 1st Year		1,19,60,656
Expected payments – 2nd Year		13,00,414
Expected payments – 3rd Year		96,96,276
Expected payments – 4th Year		88,19,050
Expected payments – 5th Year		67,64,794
Expected payments – 6th year to 10th Year		15,66,16,641
<b>8. Other Information:</b>		
<p>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.</p>		
<p>ii. <b>Present value of defined benefit obligation:</b></p> <p>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.</p>		
<p>B. Compensated absences amounting to Rs. 92,52,894 (March 31, 2018: Rs. 78,81,730) is recognised as expense and included in the Note 25 ‘Salaries, wages and bonus’.</p>		

(Amount in ₹.)

### 33. Income tax expense and Deferred Taxes:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b><u>Income Tax Expense:-</u></b>		
a. Current Tax	24,04,69,473	39,56,00,000
b. Deferred Tax (arising on temporary differences)	1,42,24,846	69,16,649
<b>Total Tax Expense for the year</b>	<b>25,46,94,319</b>	<b>40,25,16,649</b>
<b><u>Effective Tax Reconciliation:-</u></b>		
a. Net Profit/(Loss) before taxes	71,53,27,217	1,52,23,13,948
b. Tax rate applicable to the company as per normal provisions	34.944%	34.608%
c. Tax expense on net profit (c = a*b)	24,99,63,943	52,68,42,411
d. Increase/(decrease) in tax expenses on account of:		
i. Effect of Income exempt from Tax	(13,62,433)	(10,42,11,401)
ii. Effect of expenses not deductible in determining taxable profits	10,06,11,608	5,46,87,878
iii. Effect for deduction for expenses earlier disallowed	(2,11,66,395)	(3,07,40,378)
iv. Effect of Income not forming part of Business income	(4,17,84,149)	(1,55,14,933)
v. Effect of Concessions (Research and Development)	(3,31,85,518)	(2,91,94,006)
vi. Net effect of deductible temporary differences recognised as deferred tax liabilities and assets	1,42,24,846	69,16,649
vii. Other adjustments	(1,26,07,581)	(62,69,571)
<b>Net Increase/(decrease) in tax expenses</b>	<b>47,30,376</b>	<b>(12,43,25,762)</b>
e. <b>Income Tax Expense as reported in Statement of Profit and Loss (c + d)</b>	<b>25,46,94,319</b>	<b>40,25,16,649</b>
<b>Expense/(Income) Recognised for the year ended:</b>		
A. Deferred tax recognised in profit and loss	1,42,24,846	69,16,649
B. Deferred tax recognised in Other Comprehensive Income	(29,10,281)	(1,60,459)
C. Deferred tax recognised in Total Comprehensive Income	1,13,14,565	67,56,190

### 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.

(Amount in ₹.)

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Financial Assets</b>				
<b>At Fair value through profit &amp; Loss A/c</b>				
Investments	1,23,66,44,310	1,46,25,73,245	1,45,24,56,206	1,82,06,27,694
<b>At Amortised cost</b>				
Investments	20,00,00,000	22,06,00,249	20,00,00,000	22,06,00,249
Loans	66,33,579	7,38,79,207	66,33,579	7,38,79,207
Trade receivables	96,39,70,094	1,86,11,38,084	96,39,70,094	1,86,11,38,084
Cash and Bank Balances	18,83,48,965	17,30,10,917	18,83,48,965	17,30,10,917
Other Financial assets	6,99,75,465	12,66,08,826	6,98,46,287	12,63,89,063
<b>Total Financial Assets</b>	<b>2,66,55,72,414</b>	<b>3,91,78,10,528</b>	<b>2,88,12,55,131</b>	<b>4,27,56,45,214</b>
<b>Financial Liabilities</b>				
<b>At Amortised cost</b>				
Trade Payables	34,27,99,841	61,65,99,763	34,27,99,847	61,65,99,763
Other Financial liabilities	87,21,96,343	91,13,82,261	87,02,67,663	90,89,46,224
<b>Total Financial liabilities</b>	<b>1,21,49,96,184</b>	<b>1,51,87,95,024</b>	<b>1,21,30,67,510</b>	<b>1,52,55,45,987</b>

### 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, 2019:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices inactivemarkets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
<b>Financial Assets: -</b>				
<b>Designated at Fair Value through profit or loss:</b>				
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
<b>Designated at Amortised Cost:</b>				
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
<b>Financial Liabilities:-</b>				
<b>Designated at Amortised Cost:</b>				
Trade Payables	34,27,99,847	-	-	34,27,99,847
Other Financial liabilities	87,02,67,663	-	-	87,02,67,663

(Amount in ₹.)

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2018:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
<b>Financial Assets: -</b>				
<b>Designated at Fair Value through profit or loss:</b>				
Investments in quoted instruments (Equity & Mutual Funds)	1,77,56,83,236	1,77,56,83,236	-	-
Investments in unquoted instruments	4,49,44,458	-	-	4,49,44,458
<b>Designated at Amortised Cost:</b>				
Investments in unquoted instruments	22,06,00,249	-	-	22,06,00,249
Loans	7,38,79,207	-	-	7,38,79,207
Trade Receivables	1,86,11,38,084	-	-	1,86,11,38,084
Cash and Bank Balances	17,30,10,917	-	-	17,30,10,917
Other Financial Assets	12,63,89,063	-	-	12,63,89,063
<b>Financial Liabilities:-</b>				
<b>Designated at Amortised Cost:</b>				
Trade Payables	61,65,99,763	-	-	61,65,99,763
Other Financial liabilities	90,89,46,224	-	-	90,89,46,224

### 36. Related Party Transactions:

During the year under reference the Company has entered following transactions with Related Parties during the FY 2018-19:

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

##### i) Key Management Personnel

Name of the Key Management Personnel	Description of Relationship
Mr. V. K. Surendra	Chairman
Mr. V. P. Mahendra	Vice Chairman & Managing Director
Mr. K. U. Subbaiah *	Chief Executive Officer
Mr. Keshava P M	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	Non-Executive Director
Mr. M. K. Bannerjee	Non-Executive Director
Mr. R. Subramanian	Non-Executive Director
Mrs. Siva Kameswari Vissa	Non-Executive Director
Mr. Bijanki Jagannath	Non-Executive Director



(Amount in ₹.)

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

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

**Transaction with the related parties :**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<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	24,00,000	28,14,000
<b>Services Availed – Payment of royalty</b>		
VST & Sons	6,36,760	7,83,431
<b>Interest Received</b>		
VST Motors Private Limited (Debentures)	1,80,00,000	1,80,00,000
Gove Finance Limited (Loan)	32,79,452	1,33,59,451
<b>Loan Repaid</b>		
Gove Finance Limited (loan repaid by Gove Finance Limited to VST)	7,00,00,000	8,00,00,000
<b>Architectural professional services</b>		
Anand Associates	31,23,748	97,43,262

**Remuneration to Key Managerial Personnel :**

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Short-term Benefits	Sitting Fee	Short-term Benefits	Sitting Fee
Mr. V.K. Surendra	-	5,10,000	-	3,20,000
Mr.V.P.Mahendra	1,04,33,291	-	77,10,739	-
Mr. V. T. Ravindra**	58,23,643	40,000	-	1,60,000
Mr. K.U.Subbaiah#	82,89,933	-	1,22,42,575	-
Mr. Keshava P M	53,23,555	-	35,38,136	-
Mr.R.Thiyagarajan ##	-	-	57,59,599	-
Mr. Chinmaya Khatua	19,25,808	-	15,37,589	-
Sitting Fees paid to Independent and non-executive directors	-	37,50,000	-	19,20,000

**Note:** The post-employment benefit expenses of KMPs is not included as they are based on actuarial valuation on an overall company basis except for Mr. Keshava P M as it is paid during the year and included thereof.

*(Amount in ₹.)*

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Amounts due to related parties</b>		
Anand Associates	4,53,600	72
VST & Sons	6,36,760	7,83,431
Key Managerial Personnel	56,51,526	38,97,355
<b>Amounts due from related parties</b>		
Automobile Service Centre	2,36,000	2,36,000
<b>Deposits with related parties</b>		
VST Motors Private Limited	20,00,00,000	20,00,00,000
Gove Finance Limited	-	7,00,00,000

# Mr.K. U. Subbaiah has resigned from the post of CEO with effect from January 01, 2019.

## Mr.Thiyagarajan has served as Whole time director and CFO for the period October 19 , 2016 to March 31, 2017.

\* Mr. Antony Cherukara has been appointed as CEO with effect from April 25, 2019 i.e, subsequent to the reporting date.

\*\* Mr. V. T. Ravindra was appointed as Whole Time Director with effect from May 11, 2018.

### 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.

#### 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, Euro 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 items is given below:

Particulars	Change in Rate	For the year ended March 31, 2019	For the year ended March 31, 2018
USD	+5.00 %	(2,66,479)	1,81,861
	-5.00 %	2,66,479	(1,81,861)
GBP	+5.00 %	1,48,647	(19,999)
	-5.00 %	(1,48,647)	19,999
Euro	+5.00 %	(2,405)	124
	-5.00 %	2,405	(124)

## 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 minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised 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.

### 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 recognised 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 recognised 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 summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments which are payable within 12 months.

(Amount in ₹.)

	Less than 12 months	1 to 3 years	More than 3 years	Total
<b>As at March 31, 2019</b>				
Trade Payables	34,27,99,847	-	-	<b>34,27,99,847</b>
Security Deposits	35,96,323	45,96,15,387	-	<b>46,32,11,710</b>
Other Financial Liabilities	40,70,55,953	-	-	<b>40,70,55,953</b>
<b>As at March 31, 2018</b>				
Trade Payables	61,65,99,763	-	-	<b>61,65,99,763</b>
Security Deposits	34,87,273	39,89,64,725	-	<b>40,24,51,998</b>
Other Financial Liabilities	50,64,94,226	-	-	<b>50,64,94,226</b>

**38. Investment Property:**

The company 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	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Rental Income	<b>1,79,05,400</b>	1,13,33,807
<b>Less: Direct operating expenses incurred</b>		
i. Repairs and Maintenance	<b>17,22,606</b>	8,62,428
ii. Property Taxes Paid	<b>7,73,782</b>	18,29,596
(B) Total expenses	<b>24,96,388</b>	26,92,024
<b>Net Income/(expense) from Investment Property (A-B)</b>	<b>1,54,09,012</b>	86,41,783

**Fair Valuation of Investment Property:**

Particulars	As at March 31, 2019	As at March 31, 2018
a) Land	<b>69,07,29,083</b>	52,00,70,568
b) Building	<b>14,39,18,475</b>	12,57,38,395

**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.

(Amount in ₹.)

**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 Rs. Nil (March 31, 2018 Rs.36,92,815/-) 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 maximise 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.

### **40. Unhedged Foreign Currency Exposure:**

Particulars	As at March 31, 2019			As at March 31, 2018		
	#	Foreign Currency	Amount (₹)	#	Foreign Currency	Amount (₹)
Trade Receivables	\$	24,472	16,95,426	\$	1,69,961	1,10,54,986
	£	32,901	29,72,933	£	-	-
	€	-	-	€	31	2,489
Trade Payables	\$	1,01,400	70,24,992	\$	1,14,042	74,17,759
	£	-	-	£	4,334	3,99,972
	€	619	48,098	€	-	-

# denotes currency symbol

### **41. Contingencies and Commitments:**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Contingent Liabilities</b>		
a. Cases filed by customers in various consumer courts not acknowledged as debts	18,05,813	13,97,000
b. Appeals filed by the company in respect of Income tax matters	7,95,05,572	3,68,87,768
c. Appeals filed by the company in respect of Customs matters	25,68,156	23,36,692
d. Bank guarantees issued to Government agencies by way of security and others	1,74,95,850	1,36,45,850
e. Possible claim against company, not acknowledged as debt	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)	45,26,22,039	34,82,18,582

*(Amount in ₹.)*
**42. Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Principal	Interest	Principal	Interest
Amount due to vendor	<b>7,04,75,110</b>	-	15,49,44,421	-
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, 2019. 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.

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

**CSR amount required to be spent by the Company during the year is Rs. 2,41,39,346/-**

Amount Spent During the Year	Paid	Yet to be paid	Total
On construction or acquisition of any asset	-	-	-
On Purpose other than above	1,65,00,000	-	1,65,00,000
<b>Total</b>	<b>1,65,00,000</b>	<b>-</b>	<b>1,65,00,000</b>

**Details of amount spent on each head:**

Head	Paid	Yet to be paid	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)	50,00,000	-	50,00,000
Enhancing livelihood of disabled (Association of people for disability)	15,00,000	-	15,00,000
<b>Total</b>	<b>1,65,00,000</b>	<b>-</b>	<b>1,65,00,000</b>

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Opening Balance of Provision</b>	<b>3,39,86,037</b>	<b>3,39,86,037</b>
Add: Provision created / Expense incurred during the year	<b>1,65,00,000</b>	1,65,00,000
Less: Amount spent during the year	<b>1,65,00,000</b>	1,65,00,000
<b>Closing Balance of Provision</b>	<b>3,39,86,037</b>	<b>3,39,86,037</b>

(Amount in ₹.)

#### 44. Expenditure on Research & Development:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>a) Revenue expenditure</b>		
(i) Salaries & allowances of R&D Staff	3,36,92,199	2,70,17,362
(ii) Testing Fees paid to ARAI, Pune & CFMTTI, Budni	90,84,895	61,83,127
(iii) Development Charges	78,59,957	63,38,592
(iv) Others	32,08,051	43,82,254
(v) Depreciation on R&D Assets	49,94,143	40,77,087
<b>Total (a)</b>	<b>5,88,39,245</b>	<b>4,79,98,422</b>
<b>b) Capital Expenditure:</b>		
Plant & Machineries	94,66,707	1,23,16,154
<b>Total (b)</b>	<b>94,66,707</b>	<b>1,23,16,154</b>
<b>Grand Total (a) + (b)</b>	<b>6,83,05,952</b>	<b>6,03,14,576</b>

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

##### a) Movement in provision for warranty

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Carrying amount as at the beginning of the year	1,37,43,292	1,16,66,279
Add: Additional provision made during the year	1,26,68,220	1,37,43,291
Less: Provision used during the year	1,58,29,319	77,05,234
Less: Unused amounts reversed during the year	-	39,61,044
<b>Carrying amount as at the end of the year</b>	<b>1,05,82,193</b>	<b>1,37,43,292</b>

##### 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 2019 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 its products. 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. The Board of Directors of have recommended 150% normal dividend on Equity share (Rs. 15 per share) for the Financial year 2018-19.

47. The Company has designed and established internal financial controls over accounting of expenditure and payment processing.

During the previous year management had identified material weakness in the operating effectiveness over the maker and checker controls with respect to-

- review of expenditure entries,
- generation of EDI (Electronic Data Interchange) file for payments
- modifications to EDI file and
- uploading the EDI file onto the Bank's website for payments



(Amount in ₹.)

Which has resulted in creation of fictitious accounting entries in the system and payments to unauthorized parties. Consequent to the detailed investigation by an independent agency in relation to the incidence of fraud reported as part of the audited accounts for the year ended 31st March 2018, fraud committed by certain employees is amounting to Rs. 2,72,65,175/- (after netting of the recovery of Rs. 82,17,813/-) which was expensed off in earlier years, has been written back and included under Other income and correspondingly debited to respective employees. Recoverability of the said amount being doubtful at this stage has been provided for in financial statements.

#### 48. Disclosure pursuant to Ind AS 115 – Revenue from Contracts with Customers

##### 1. Disaggregation of Revenue

Particulars	For the year ended March 31, 2019
<b>a) Revenue by type of goods &amp; services</b>	
<b>Revenue from Products</b>	
- Tractors	236,10,99,036
- Tillers	3,04,62,00,326
- Others	94,61,56,860
<b>Revenue from Services</b>	
- Jobwork	2,37,01,712
<b>Total</b>	<b>6,37,71,57,934</b>
<b>b) Revenue by geographical region</b>	
Domestic Sales	609,54,72,948
Export Sales	28,16,84,986
<b>Total</b>	<b>6,37,71,57,934</b>
<b>c) Revenue by Sales Channel</b>	
Dealer Sales	593,00,89,830
End Customer Sales	42,01,98,338
Others	2,68,69,767
<b>Total</b>	<b>6,37,71,57,934</b>

##### 2. Contract Balance

Of the customer advance as on 31st March 2018, amount recognized as revenue during the year amounts to Rs.2,46,21,863.

##### 3. Reconciliation of Revenue recognized in the Statement of Profit & Loss with the Contracted Price

Particulars	For the year ended March 31, 2019
Contracted Price	6,37,71,57,934
<b>Less:</b>	
Dealer Discount - Products	5,09,68,585
Dealer Discount - Spares	1,83,62,012
Special Discount	10,05,01,699
Cash Discount	5,93,31,933
<b>Transaction Price</b>	<b>6,14,79,93,704</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 : May 10, 2019

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*

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

**Keshava P M**  
*Chief Financial Officer*

**Chinmaya Khatua**  
 ACS - 21759  
*Company Secretary*

## **SALE OF PRODUCTS**

### **Details of Production, Sales Quantity, Value & Other Operating Income**

CLASS OF GOODS	01-04-2018 - 31-03-2019			01-04-2017 - 31-03-2018		
	Production Quantity Nos.	Sales		Production Quantity Nos.	Sales	
		Quantity Nos.	Value Rs.		Quantity Nos.	Value Rs.
a) Power Tillers	25,098	22,547	304,62,00,325	28,912	30,143	390,74,45,412
b) Tractors	8456	8,198	236,10,99,036	11,364	11,367	308,25,57,328
c) Rice Transplanters		278	4,21,46,299		106	1,85,96,309
d) Reapers		550	5,85,83,225		420	4,07,02,352
e) Spares & Others			63,99,64,819			59,02,33,165
<b>Total</b>			<b>614,79,93,704</b>			<b>763,95,34,566</b>



**VST SHAKTI 130 DI POWER TILLER**



**VST SHAKTI MT 180D TRACTOR**



**VST SHAKTI MT 270 - VIRAAT 4W**



**VST YANJI SHAKTI RICE TRANSPLANTER**



**VST SHAKTHI 5025R BRANSON**

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

( CIN-L34101KA1967PLC001706 )

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Do Follow us on :    [www.vsttillers.com](http://www.vsttillers.com)

Toll Free Number 1800 419 0136

**NOTICE of the 51<sup>st</sup> Annual General Meeting**

“NOTICE IS HEREBY GIVEN that the **51<sup>st</sup> Annual General Meeting (AGM) of members of V.S.T. TILLERS TRACTORS LTD.**, will be held at “Krishna Hall”, Woodland Hotels Pvt Ltd, No.5, Raja Rammohan Roy Road, Bengaluru 560025 on Friday, **9<sup>th</sup> August, 2019 at 3.30 pm** to transact the following business.

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the Board's and Auditor's Report thereon.
2. To declare final dividend of Rs 15/- per equity share for the Financial Year ended March 31, 2019.
3. To Appoint a Director in place of Mr. V.V. Pravindra (DIN:00239888), who retires by rotation and being eligible offers himself for reappointment.
4. To Appoint a Director in place of Mr. V.P. Mahendra (DIN:00033270), 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, 2020.**

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, 2020, be paid the remuneration of Rs.2,50,000/- (Exclusive of

applicable GST) per annum plus out of pocket expenses.”

“RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company 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.”

6. **Re-appointment of Mr. R. Subramanian as an Independent Director of the Company.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Mr. R. Subramanian (DIN-00357153) who was appointed as an Independent Director and who holds office up to 13th August, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 years from 14th August 2019 to 13th August 2024.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary, be and are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

7. **Re-appointment of Mr. M.K. Bannerjee as an Independent Director of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Mr. M.K. Bannerjee (DIN-00219178) who was appointed as an Independent Director and who holds office up to 13th August, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 years from 14th August 2019 to 13th August 2024.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary, be and are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

## 8. Re-appointment of Mr. K.M. Pai as an Independent Director of the Company.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Mr. K.M. Pai (DIN-01171860) who was appointed as an Independent Director and who holds office up to 13th August, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 years from 14th August 2019 to 13th August 2024.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary, be and are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

By Order of the Board  
for **V.S.T. TILLERS TRACTORS LTD.**

Place: Bengaluru

Date: June 04, 2019

Registered Office:

Plot No-1, Dyavasandra Indl Layout, Whitefield Road, Mahadevapura P.O, Bengaluru - 560 048.

**Chinmaya Khatua**

*Company Secretary*

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as Proxy on behalf of fifty (50) members and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member.

The proxies to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A Proxy form for the AGM is enclosed.

2. The Register of Members and Share Transfer Books of the Company will be closed from August 03, 2019 to August 09, 2019 (both days inclusive) in connection with payment of Dividend and Annual General Meeting scheduled to be held on August 09, 2019.

The Board has recommended Final Dividend of Rs 15/- i.e. 150 % per share of Rs.10/- each for the financial year 2018-19 and the same will be paid on or after August 12, 2019 if approved by the shareholders at 51st AGM. The dividend if



declared shall be payable to all those members whose names appear in the register of members or the beneficial owners as per the records of depositories, as at the closing of business hours on August 02, 2019.

4. Members desirous of obtaining any information on the Annual Accounts are requested to write to the Company at an early date to facilitate compilation and dissemination of the same at the AGM.

5. 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 for 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 2018-19 the Company has transferred Rs.5,86,998/- 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 2019-20, the Company would be transferring unclaimed final dividend amount for the financial year ended 31st March, 2012 on or after 13th September, 2019. 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 913 Nos of shares to IEPF during the financial year 2018-19 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 2019-20. 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.

6. Pursuant to Section 72 of the Companies Act, 2013, 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.
7. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
8. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report / notice for attending the meeting.
9. 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 2018-19 along with Notice are being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2018-19 are being sent by the permitted mode.
10. 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.

11. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided three days of notice in writing is given to Company before the meeting.
12. 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 by the members in physical / electronic form at the registered office of the Company and at the AGM.
13. Members may also note that the Notice of the 51st AGM and the Annual Report 2018-19 will be available on the Company's website, [www.vstillers.com](http://www.vstillers.com). The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [investors@vstillers.com](mailto:investors@vstillers.com).
14. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 5,6,7&8 of the Notice, is annexed hereto.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number(PAN) and Bank Account details. Members holding shares in electronic form are, therefore, requested to submit the PAN and Bank details to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and Bank Account details to the Company's Registrar & Transfer Agent.

## 15. 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 clause 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 in this regard.

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. August 02, 2019 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** 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 Tuesday, August 06, 2019.

End of remote e-voting: Up to 5.00 p.m. (IST) on Thursday, August 08, 2019.

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.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders / Members
- (iv) Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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 voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>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 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of VST TILLERS TRACTORS LIMITED on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively.

Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) 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.

(xx) 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).

- (xxi) Any person, who acquires shares of the Company and become a member after despatch of the notice and holding shares as on the cut-off date i.e., August 02, 2019 may follow the same procedure as mentioned above for e-Voting.
17. The results of the e-voting along with the scrutinizer’s report shall be placed in the Company’s website, i.e. [www.vstillers.com](http://www.vstillers.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.
  18. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
  19. In case of joint shareholders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
  20. The facility for voting through polling paper will also be made available at the AGM and members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their rights at the AGM.
  21. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

## 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 to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.

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, 2020.

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 as set 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.

**Item No. 6, 7 & 8**

At the 46th AGM of the Company held on 14th August 2014, Mr. R.Subramanian, Mr. M.K. Bannerjee were, inter alia, appointed as Independent Directors on the Board of the Company for a term of 5 (five) consecutive years up to 13th August, 2019 pursuant to the provisions of Sections 149, 152 and Schedule IV of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement.

Mr. K.M. Pai was appointed for the casual vacancy caused due to resignation of Mr. V.Ramachandran, Independent Director pursuant to the provisions of Sections 149, 152, 161 and Schedule IV of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. The present term of Mr. K.M. Pai is expiring on 13th August 2019.

The Board of directors on recommendation of Nomination & Remuneration Committee and based

on performance evaluation, considering the need for providing advice, guidance and mentorship to the company's executive management, is of opinion that Mr. R.Subramanian, Mr. M.K. Bannerjee and Mr. K.M. Pai possess relevant expertise and vast experience. Their association as Non-Executive Independent Directors will be beneficial and in the best interest of the company. The board proposed their candidatures for re-appointment of Independent Directors.

Mr. R.Subramanian is aged about 76 years and Mr. M.K. Bannerjee will be 75 years of age during his 2nd term. Regulation 17(1A) of SEBI (LODR) Regulations will be complied while re-appointing them by passing the special resolutions.

The company is in the receipt of required disclosure and declarations from the directors. Company has received notice in writing from member under Section 160 of the Companies Act, proposing Mr. R.Subramanian, Mr. M.K. Bannerjee and Mr. K.M. Pai as candidate for the office of Directors of the Company. In the opinion of the Board, Mr. R.Subramanian, Mr. M.K. Bannerjee and Mr. K.M. Pai fulfill the criteria of Independence.

Copy of the draft letter of appointment of Mr. R.Subramanian, Mr. M.K. Bannerjee and Mr. K.M. Pai as Independent Directors setting out the terms and conditions is available for inspection of the Members in physical or in electronic form at the Registered Office of the Company.

Except Mr. R.Subramanian, Mr. M.K. Bannerjee and Mr. K.M. Pai, 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 as set out at Item No. 6, 7 & 8 of the AGM Notice respectively.

The Board of Directors recommend the Special Resolutions set out at Item No. 6, 7 & 8 of the Notice for the approval of the Members.

The brief resume of said directors, nature of their expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is set out in this Notice as Annexure A.

## Annexure A

### Brief Resume of Directors seeking appointment / re-appointment at the ensuing AGM.

Name	Mr. R. Subramanian	Mr. M.K. Bannerjee	Mr. K.M. Pai
Age	76 years	73 years	67 years
Date of Appointment	12/10/1990	12/06/1990	05/08/2015
Relationship with Other Directors / KMP	No	No	No
Qualification	Member of Institute of Chartered Accountants of India, Institute of Cost Accountants of India, Institute of Company Secretaries of India and ACIS (London), MAC	MBA degree from Indian Institute of Management, Calcutta	MSc from IIT Bombay, PGDM from IIM Bangalore, member of Institute of Cost Accountants of India and Institute of Company Secretaries of India
Expertise	Having vast experience in the areas of Finance, Taxation, Corporate Laws and Accounts	Former Tata Motors Executive and a Faculty member of the Indian Institute of Management, Bangalore. He is also having expertise in systems design and architecture with business interests in information technology.	Has vast experience in the areas of Operations, Marketing, Finance, Taxation and Corporate Laws. He retired as Executive Director & CFO of M/s. Oriental Bell Ltd
Directorship in Other Companies	Lotus Eye Hospital & Institute Ltd.	1) Oakdene (India) Software Services Pvt. Ltd. 2) I – Data Professional Services Pvt. Ltd 3) Babel Systems (India) Pvt Ltd Butterfly Innovations Pvt Ltd 4) Butterfly Innovations Pvt Ltd 5) Joshika Technologies Pvt Ltd	Orient Bell Limited
Shareholding in the Company (in Nos)	Nil	Nil	Nil

## NOTICE



Chairman of Committees	Audit Committee Lotus Eye Hospital & Institute Ltd and V.S.T. Tillers Tractors Ltd.	Nomination & Remuneration Committee, Risk Management Committee - V.S.T.Tillers Tractors Ltd	Stakeholders Relationship Committee - V.S.T. Tillers Tractors Ltd.
Member of Committees	-	Audit Committee, Stakeholders Relationship Committee, CSR Committee - V.S.T.Tillers Tractors Ltd	Audit Committee, Nomination & Remuneration Committee- V.S.T. Tillers Tractors Ltd and Orient Bell Limited. Risk Management Committee - V.S.T. Tillers Tractors Ltd
No of Board Meeting attended	5	5	5
Sitting fees paid during the year 2018-19.	Rs. 5,80,000	Rs. 8,50,000	Rs. 14,10,000

By Order of the Board  
for **V.S.T. TILLERS TRACTORS LTD.**

**Chinmaya Khatua**  
*Company Secretary*

Place: Bengaluru  
Date: June 04, 2019

Registered Office:  
Plot No-1, Dyavasandra Indl Layout,  
Whitefield Road, Mahadevapura P.O,  
Bengaluru - 560 048.

## Annexure A1

### Brief Resume of Directors seeking appointment / re-appointment at the ensuing AGM (Retire by Rotation)

Name	Mr. V.P. Mahendra	Mr. V.V. Pravindra
Age	77 Years	54 Years
Date of Appointment	20/02/1984	28/07/2008
Relationship with Other Directors / KMP	Mr. V.K. Surendra Mr. V.V. Pravindra Mr. V.T. Ravindra Mr. V.S. Arun	Mr. V.K. Surendra Mr. V.P. Mahendra Mr. V.T. Ravindra Mr. V.S. Arun
Qualification	BE (Electrical)	Graduate
Expertise	Vast experience in Management and Business Administration.	Vast experience in Business administration & operations and corporate policies.
Directorship in Other Companies	Gove Finance Ltd, Lakshmi Ring Travellers (Coimbatore) Pvt Ltd, Kirloskar Electric Company Ltd, Hotel Pearls Private Limited, Crest Constructions Pvt Ltd, Pearls Estates Pvt Ltd V.S.T.Auto Ancillaries Pvt Ltd V.S.T. Motors Pvt Ltd V.S.T. & Sons Pvt Ltd V. S .T.Auto Parts Pvt Ltd Bangalore Motors Pvt Ltd Mitsubishi Heavy Industries- VST Diesel Engines Pvt Ltd VST Holdings Pvt Ltd	V.T.Velu Investment Pvt Ltd, Vijayendra Brothers Agency Pvt Ltd, V.S.T. Auto Ancillaries Pvt Ltd, Crest Construction Pvt Ltd, Bangalore Motors Pvt Ltd, VST Motors Pvt Ltd, VST Holdings Pvt Ltd Chennai auto Agency Pvt Ltd
Shareholding in the Company (in Nos) as Promotor	630530	224146
Chairman of Committees	Nil	Nil



## NOTICE



Member of Committees	Audit Committee, CSR Committee, Stakeholder's Relationship Committee - Kirloskar Electric Company Ltd CSR Committee and Risk Management Committee - V.S.T Tillers Tractors Ltd. Nomination & Remuneration Committee- Lakshmi Ring Travellers (Coimbatore) Pvt Ltd.	CSR Committee - V.S.T Tillers Tractors Ltd.
No of Board Meeting attended	5	3
Sitting fees paid during the year 2018-19.	1,04,33,291	1,80,000

Place: Bengaluru  
Date: June 04, 2019

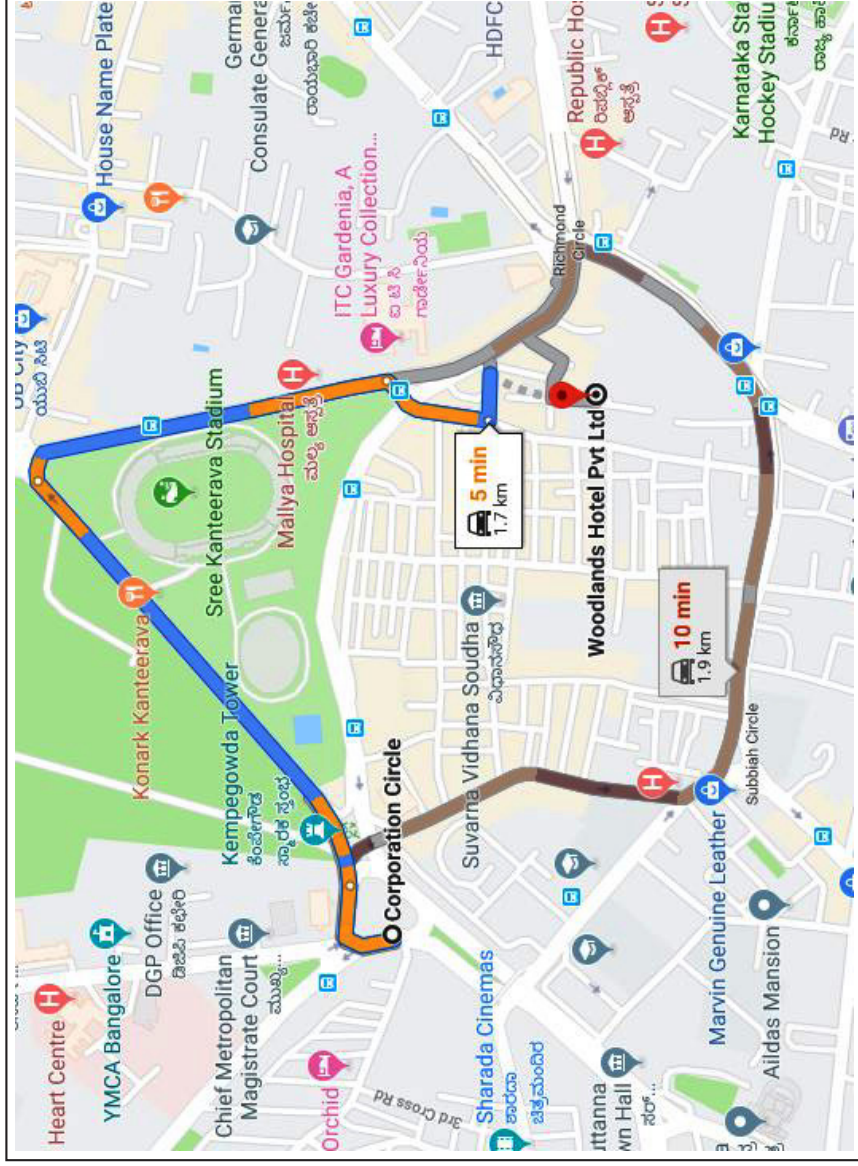
By Order of the Board  
for **V.S.T. TILLERS TRACTORS LTD.**

**Chinmaya Khatua**  
*Company Secretary*

Registered Office:  
Plot No-1, Dyavasandra Indl Layout,  
Whitefield Road, Mahadevapura P.O,  
Bengaluru - 560 048.

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## ROUTE MAP



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# V.S.T. TILLERS TRACTORS LTD.

(CIN: L34101KA1967PLC001706)

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

Tel +91 80 67141111

website : www.vsttillers.com

e-mail : vstgen@vsttillers.com

Name of the member(s) : .....

Registered address : .....

E-mail ID : .....

Folio No/DP ID-Client ID : .....

I/We, being the member (s) of.....shares of the above named company, hereby appoint

(1) Name : .....

Address : .....

E-mail Id : .....Signature : ..... or failing him;

(2) Name : .....

Address : .....

E-mail Id : .....Signature : ..... or failing him;

(3) Name : .....

Address : .....

E-mail Id : .....Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51st Annual General Meeting of the Company, to be held on the 9th day of August, 2019 at 3.30 pm. at “Krishna Hall, Woodland Hotel Pvt Ltd, No.5, Raja Rammohan Roy Road, Bengaluru – 560025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl.No.	Resolutions	Optional*	
		For	Against
	<b>ORDINARY BUSINESS</b>		
1	Adoption of Financial Statements for the year ended 31st March, 2019.		
2	To declare dividend for the year 2018-19		
3	Appointment of Mr. V.V. Pravindra a Director who retires by rotation and eligible for re-appointment.		
4	Appointment of Mr. V.P. Mahendra a Director who retires by rotation and eligible for re-appointment.		
	<b>SPECIAL BUSINESS</b>		
5	To Approve the remuneration of the Cost Auditors for the Financial Year ending March 31, 2020		
6	To Approve Re-appointment of Mr. R. Subramanian as an Independent Director of the Company		
7	To Approve Re-appointment of Mr. M.K. Bannerjee as an Independent Director of the Company		
8	To Approve Re-appointment of Mr. K.M. Pai as an Independent Director of the Company		

Signed this..... day of .....2019

Signature of shareholder

Affix  
Re. 1-00.  
Revenue Stamp

Signature of Proxy holder(s)

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 51st Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.
4. \* It is optional to put a “X” in the appropriate column against the Resolutions indicated in the box. If you leave the “for” or “against” column blank against any or all Resolutions, your proxy will entitle to vote in the manner as he / she thinks appropriate.
5. A person can act as Proxy on behalf of fifty (50) members and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member.



# V.S.T. TILLERS TRACTORS LIMITED

CIN: L34101KA1967PLC001706

Registered Office: Plot No-1, Dyavasandra Indl Area, Whitefield Road,  
Mahadevapura P.O, Bengaluru – 560 048

Telephone:+91 80 67141111

Email: vstgen@vsttillers.com, Web: www.vsttillers.com

## ATTENDANCE SLIP

### 51<sup>ST</sup> ANNUAL GENERAL MEETING

Date: 09<sup>th</sup> August 2019 Time: 3:30 P.M

**Place:** "Krishna Hall", Woodlands Hotel Pvt Ltd, No.5, Rajaram Mohan Roy Road, Bengaluru 560 025

**Please fill attendance slip and hand it over at the entrance of the meeting hall**

Name of the attending Member (in block letters): .....

Members' Folio Number: .....

Client I.D. No. : .....

D.P.I.D No: .....

Name of the Proxy (in Block Letters, to be filled in if the proxy attends instead of the members)

.....

No. of Shares held: .....

I hereby record my presence at the 51st Annual General Meeting of the Company held on Friday the 09th August, 2019, at 3:30 pm at "Krishna Hall", Woodlands Hotel Pvt Ltd, No.5, Rajaram Mohan Roy Road, Bengaluru 560 025.

**Signature of Member / Proxy**

The electronic voting particulars are set out below:

EVS (Electronic Voting Sequence Number)	PAN No./SEQ. No.	USER ID	PASSWORD
			<b>Please refer AGM Notice</b>

**Remote E-voting facility is available during the following voting period**

Commencement of remote e-voting	End of remote e-voting
<b>Tuesday, 6th August 2019 ( from 9.00 am IST)</b>	<b>Thursday, 8th August 2019 ( up to 5.00 pm IST)</b>