



VST SHAKTI

# 46<sup>th</sup> Annual Report 2013-14

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



## **LORD GANESHA**



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

**NOTICE**

“NOTICE IS HEREBY GIVEN that the **46th Annual General Meeting of V.S.T. TILLERS TRACTORS LTD** will be held at “Krishna Hall”, Woodlands Hotel Pvt. Ltd. No.5, Raja Rammohan Roy Road, Bangalore – 560 025 on **Thursday, August 14, 2014 at 3.00 P.M.** to transact the following business.

**Ordinary Business:**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2014, Profit and Loss account and Cash Flow Statement for the year ended on that date together with the Directors’ and Auditors’ Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. B C S Iyengar (DIN-01093220), who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Auditors from conclusion of this AGM until conclusion of the fourth consecutive AGM and fix their remuneration by passing the following resolution as Ordinary Resolution.

“RESOLVED THAT pursuant to section 139 of the Companies Act, 2013 and Rules made thereunder, M/s Brahmayya & Co, Chartered Accountants (Firm Regd. No- 000515S), be and are hereby re-appointed as auditors of the Company to hold office from the conclusion of this AGM to the conclusion of fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix the remuneration.”

**Special Business.**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made there under and subject to other

approvals as may be necessary, the approval of the members be and is hereby accorded to the reappointment of Mr. V.P. Mahendra (DIN-00033270) as Managing Director, Designated as Vice Chairman & Managing Director of the Company for a period of five years with effect from 20th February, 2014 to 19th February, 2019 on the terms and conditions including remuneration payable to him as Vice Chairman & Managing Director and minimum remuneration payable to him in case of absence or inadequacy of profit in any year as mentioned below:

**Salary**

- a. Basic Salary- Rs. 1,75,000/- per month.
- b. Flexi Benefits- Rs. 1,75,000/- per month.

**Perquisites**

In addition to salary, the following perquisites are allowed and classified into three categories, “A”, “B”, and “C”:-

**CATEGORY - A**

- a. Contribution to Provident Fund shall not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income-tax Act.
- b. Gratuity payable shall not exceed one half month’s salary for each completed year of service specified in the Gratuity Act.
- c. Earned/Privilege Leave shall be allowed to the Vice Chairman and Managing Director on full pay and allowances according to the rules of the Company but not more than 37 (thirty seven) days leave for every 12 (twelve) months service. However, leave accumulated but not availed of will be allowed to be encashed.

**CATEGORY - B**

Provision of Car with driver and fuel for use On Company’s business, telephone and other communication facilities at residence will not be considered as perquisites.

## CATEGORY - C

### Commission

One percent on the net profit of the Company subject to a maximum of one and half times of annual basic salary drawn.”

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to alter and vary the terms and conditions from time to time in such manner as it may deem fit in the best interest of the Company within the limits specified in Companies Act, 2013 read with Schedule V of the Companies Act, 2013 including any Statutory modification thereto, for the time being in force.

RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.”

### 6. To Appoint of Mr. R Subramanian as an Independent Director.

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

RESOLVED THAT, pursuant to provisions of section 149 and other applicable provisions of the Companies act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. R Subramanian (DIN-00357153), be and is hereby appointed as Independent Director of the Company for a period of five years from the date of this Annual General Meeting, not liable to retire by rotation.

### 7. To Appoint of Mr. M.K. Bannerjee as an Independent Director.

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

RESOLVED THAT, pursuant to provisions of section 149 and other applicable provisions of the Companies act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to

the Companies Act, 2013, Mr. M.K. Bannerjee (DIN-00219178), be and is hereby appointed as Independent Director of the Company for a period of five years from the date of this Annual General Meeting, not liable to retire by rotation.

### 8. To Appoint of Mr. V.Ramachandran as an Independent Director.

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

RESOLVED THAT, pursuant to provisions of section 149 and other applicable provisions of the Companies act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. V.Ramachandran (DIN-00053007), be and is hereby appointed as Independent Director of the Company for a period of five years from the date of this Annual General Meeting, not liable to retire by rotation.

### 9. To Appoint of Mr. K.K Rai as an Independent Director.

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

RESOLVED THAT, pursuant to provisions of section 149 and other applicable provisions of the Companies act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. K.K Rai (DIN-00629937), be and is hereby appointed as Independent Director of the Company for a period of five years from the date of this Annual General Meeting, not liable to retire by rotation.

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

Place: Bengaluru  
Date: May 29, 2014

**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. 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.
2. The Register of Members and Share Transfer Books of the Company will be closed from August 09, 2014 to August 13, 2014 (both days inclusive) in connection with payment of dividend and Annual General Meeting scheduled to be held on August 14, 2014.
3. Dividend if declared shall be payable to all those members whose names appear in the register of members or to the beneficial owners as per the records of depositories, as at the closing of business hours on August 08, 2014.
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.

Pursuant provisions of Section 205A of the Companies Act, 1956 (or Section 124 (5) of the Companies Act, 2013, once notified), any dividend unpaid or unclaimed for seven year 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 dividend who have not claimed so far. During the year 2013-14 the Company has transferred Rs.2,22,984.00 to Investor Education and Protection Fund.

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 are requested to update their E-mail ID with their respective depository participants and with the Company's registrar and transfer agent (RTA) to enable despatch the communication in electronic form from time to time.
10. Members are requested to update their Bank Details with their respective depository participants and with the Company's registrar and transfer agent (RTA) to receive the dividends by bank transfers.

## 11. 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 35B of the listing Agreement, 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). Mr. Shylendrakumar T R, practicing Company Secretary (C P No- 2453) has been appointed as scrutinizer in this regard.

Procedure / Instructions for e-voting are as under :

- (i) The voting period will begin on 08/08/2014 (from 9.00 A.M) and will end on 10/08/2014 (up to 6.00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 11/07/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "V.S.T. TILLERS TRACTORS LTD.," from the drop down menu and click on "SUBMIT"



- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) 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 last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN of V.S.T. Tillers Tractors Ltd on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.

(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> 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 they have to create 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(12) The results of the e-voting along with the scrutinizer’s report shall be placed in the Company’s website [www.vstillers.com](http://www.vstillers.com) and on the website of CDSL within two days 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.

(13) 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 (if cast at the AGM) on their behalf at the meeting.

(14) 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 (if cast at the AGM).

## ANNEXURE TO THE NOTICE

### **Details pursuant to clause 49 of the listing agreement :**

#### **Item No-3**

Mr. B. C. S. Iyengar aged about 65 years, is a Science Graduate and qualified Chartered Accountant. He is associated with the company since 1979 and after immense contribution to the growth of the company by holding various positions, he was appointed as Executive Director of the Company on 28/08/2007 and re-designated as Director-Corporate Strategy with effect from 29/05/2014.

Apart from V.S.T. Tillers Tractors Ltd he is not holding Directorship in any other Company.

### **Statement pursuant to section 102 of Companies Act, 2013, and details pursuant to clause 49 of the listing Agreement in respect of item nos. 5 to 9 of the Notice**

#### **Item no. 5**

Mr. V. P. Mahendra, aged about 72 years, is an Electrical Engineering Graduate. He was first appointed as Managing Director in 1989 and has continued in the post of M.D ever since. Throughout his tenure the Company has achieved various milestones in the form of performance, results etc. and during the last decade in particular the Company has recorded consistent growth and has built strong fundamentals under his leadership. It is considered necessary for the Company to continue to have his continued presence and guidance for scaling greater heights.

The Board of Directors at their meeting held on 12/02/2014 re-appointed and designated Mr. V.P. Mahendra as Vice Chairman & Managing Director of the Company for five years w.e.f. 20/02/2014 subject to approval of the shareholders by Special Resolution.

### **Directorship & Chairperson / Membership of Committees (other than V.S.T. Tillers Tractors Ltd)**

#### **Directorship.**

Lakshmi Ring Travellers (Coimbatore) Ltd, Kirloskar Electric Company Ltd, Gove Investment & Finance

Company Ltd, V.S.T. Motors Ltd, Hotel Pearls Pvt Ltd, Pearls Estates Pvt Ltd, V.S.T. & Sons Pvt Ltd, V.P. Mahendra Brothers Investment Pvt Ltd, V.S.T. Auto Parts Pvt Ltd, MHI-VST Diesel Engines Pvt Ltd.

#### **Member**

Kirloskar Electric Company Ltd- Audit Committee.

Except Mr. V.P Mahendra, Mr. V.K Surendra & Mr. V.V Pravindra, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 5 of the Notice.

The Board recommends this Special Resolution for your approval.

#### **Item no. 6**

Mr. R. Subramanian , aged about 71 years. He is a FCA, AICWA, ACS and ACIS (London), MAC and having vast experience in the areas of Finance, Taxation, Corporate Laws and Accounts. Mr. R. Subramanian is on the Board since 12/10/1990 as an Independent Director and he is also Chairman of the Audit Committee of the Company. He was president of Hindustan Chamber of Commerce and presently he is a member of the National council of FICCI. He was a director of several public companies and also was Director/Trustee of LIC mutual fund and a Bank.

The Company has received notice in writing from a members along with deposit of requisite amount under section 160 of the Companies Act, 2013, proposing the candidature of Mr. R. Subramanian.

### **Directorship & Chairperson / Membership of Committees (other than V.S.T. Tillers Tractors Ltd)**

#### **Directorship.**

M/s. Lotus Eye Hospital and Institute Ltd., M/s. Sandur Manganese & Iron Ores Ltd,

#### **Chairperson-Audit Committee**

M/s. Lotus Eye Hospital and Institute Ltd., M/s. Sandur Manganese & Iron Ores Ltd,

Public Trustee- Damien Foundation India Trust.



Except Mr. R. Subramanian, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 6 of the Notice.

In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 for such an appointment.

The Board recommends this Resolution for your approval.

## **Item no. 7**

Mr. M. K. Bannerjee aged about 68 years and he holds MBA degree from Indian Institute of Management, Calcutta. Mr. M. K. Bannerjee, a Former Telco 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. Mr. M. K. Bannerjee is on the Board since 12/06/1990 as an Independent Director and he is also Member of the Audit Committee of the Company.

The Company has received notice in writing from a member along with deposit of requisite amount under section 160 of the Companies Act, 2013, proposing the candidature of Mr. M.K. Bannerjee.

## **Directorship & Chairperson / Membership of Committees (other than V.S.T. Tillers Tractors Ltd)**

### ***Directorship.***

Oakdene (INDIA) Software Services Pvt.Ltd., M. K. Bannerjee Software Services Pvt Ltd, I – Data Professional Services Pvt.Ltd, Babel Systems (INDIA) Pvt Ltd & Joshika Technologies Pvt Ltd.

He is not a Chairperson / Member of committees of any other public Company other than V.S.T. Tillers Tractors Ltd.

Except Mr. M. K. Bannerjee, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 7 of the Notice.

In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 for such an appointment.

The Board recommends this Resolution for your approval.

## **Item no. 8**

Mr. V. Ramachandran aged about 67 years. He is an engineering graduate and having extensive experience in Industry and business. He was Vice Chairman & Managing Director of M/s. Kar Mobiles Limited. He is on the Board of the Company since 29/01/2004 as an Independent Director he is also Member of the Audit Committee of the Company.

The Company has received notice in writing from a members along with deposit of requisite amount under section 160 of the Companies Act, 2013, proposing the candidature of Mr. V. Ramachandran.

Directorship & Chairperson/Membership of Committees (other than V.S.T. Tillers Tractors Ltd)

### ***Directorship.***

Kar Mobiles Limited, El-Forge Limited, Vellore Electric Corporation Limited & Sasyaka Engineering Solutions Pvt Ltd.

### ***Member***

El-Forge Ltd- Audit Committee.

Kar Mobiles Ltd- Shareholders/Investors Grievances Committee

Except Mr. V. Ramachandran, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 8 of the Notice.

In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 for such an appointment.

The Board recommends this Resolution for your approval.

## **Item no. 9**

Mr. K K Rai aged about 70 years, is a retired Banking professional having over four decades of Banking experience. He was holding top level positions in Vijaya Bank at various locations and in different capacities. He retired as Executive Director of Allahabad Bank.

## NOTICE



Mr. K.K Rai is on the Board since 26/05/2009 as an Independent Director and he is also Member of the Audit Committee of the Company.

The Company has received notice in writing from a members along with deposit of requisite amount under section 160 of the Companies Act, 2013, proposing the candidature of Mr. K.K. Rai.

Directorship & Chairperson/Membership of Committees (other than V.S.T. Tillers Tractors Ltd)

***Directorship.***

M/s.Techno Electric And Engineering Company Limited and M/s. I S M T Ltd.

***Chairperson.***

M/s. ISMT Ltd- Audit Committee & Remuneration Committee.

***Member.***

M/s.Techno Electric And Engineering Company Limited- Audit Committee & Remuneration Committee.

M/s. I S M T Ltd- Shareholders Grievances Committee.

Except Mr. K K Rai, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 9 of the Notice.

In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 for such an appointment.

The Board recommends this Resolution for your approval.

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

Place: Bengaluru  
Date: May 29, 2014

**Chinmaya Khatua**  
Company Secretary



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

(CIN: L34101KA1967PLC001706)

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

Tel +91 80 67141111, Fax +91 80 28510221

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 : ..... or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on the 14th day of August, 2014 at 3.00 P.M at “Krishna Hall”, Woodlands Hotel Pvt. Ltd. No.5, Raja Rammohan Roy Road, Bangalore – 560 025 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, 2014.		
2	Declaration of Dividend.		
3	Re-appointment of Mr. B.C.S Iyengar as a Director who retires by rotation and eligible for re-appointment.		
4	Appointment of M/s. Brahmayya & Co, Chartered Accountants, as Auditors and fix their remuneration.		
	<b>SPECIAL BUSINESS</b>		
5	Re-appointment of Mr.V.P Mahendra as Managing Director designated as Vice Chairman & Managing Director.		
6	Appointment of Mr. R.Subramanian as an Independent Director.		
7	Appointment of Mr. M.K Bannerjee as an Independent Director.		
8	Appointment of Mr. V.Ramachandran as an Independent Director.		
9	Appointment of Mr. K.K Rai as an Independent Director.		

Signed this..... day of .....2014

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Re. 1-00.  
Revenue Stamp

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 46th 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 LTD.**

(CIN: L34101KA1967PLC001706)

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

Tel +91 80 67141111, Fax +91 80 28510221

website: [www.vsttillers.com](http://www.vsttillers.com)e-mail: [vstgen@vsttillers.com](mailto:vstgen@vsttillers.com)**46th ANNUAL GENERAL MEETING**

Date: 14th August, 2014. Time: 3.00 p.m.

Place: "Krishna Hall", Woodlands Hotels Pvt Ltd, No-5, Raja Rammohan Roy Road, Bangalore- 560025.

Member's Folio/DPID-Client ID No. \_\_\_\_\_

No. of Shares: \_\_\_\_\_

Member's/ Proxy's name (in Block Letters): \_\_\_\_\_

Member's/ Proxy's Signature: \_\_\_\_\_

## Note:

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of the meeting hall.
2. Bodies corporate, whether a Company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorisation should be deposited with the Company.
3. In case of shares held in demat/electronic form, the signature of the Beneficial Owner is liable for verification with the record furnished to the Company by NSDL/CDSL.
4. Electronic copy of the 46th Annual Report and Notice of the Annual General Meeting (AGM) alongwith attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
5. Physical copy of the 46th Annual Report and Notice of the AGM along with the attendance slip and proxy form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

E-voting facility is available during the following voting period

Commencement of e-voting Friday, 8th August 2014 ( from 9.00 am )	End of E-voting Sunday, 10th August 2014 ( up to 6.00 PM)
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Please refer Notice for instructions on e-voting.



**Board of Directors** : Mr. V.K. Surendra - *Chairman*  
Mr. R. Subramanian  
Mr. M.K. Bannerjee  
Mr. V. Ramachandran  
Mr. K.K. Rai  
Mr. V.P. Mahendra - *Vice Chairman & Managing Director*  
Mr. B.C.S. Iyengar - *Director - Corporate Strategy*  
Mr. V.V. Pravindra - *Dy. Managing Director*

**Executive Vice President &  
Chief Financial Officer** : Mr. R. Thiagarajan

**Company Secretary  
and Compliance Officer** : Mr. Chinmaya Khatua

**Auditors** : M/s. Brahmayya & Company  
10/2, Khivraj Mansion,  
Kasturba Road, Bangalore - 560 001

**Cost Auditors** : M/s. Rao, Murthy & Associates  
No.23/33, Surveyor's Street  
Basavanagudi, Bangalore - 560 004

**Bankers** : M/s. Canara Bank  
M/s. State Bank of India

**Legal Advisers** : M/s. J. Sagar Associates  
Advocates & Solicitors  
2, Frontline Grandeur  
14, Walton Road, Bangalore - 560 001

**Regd. Office** : Plot No.1, Dyavasandra Industrial Layout,  
P.B.No.4801, Whitefield Road,  
Mahadevapura Post, Bangalore - 560 048

## INFORMATION

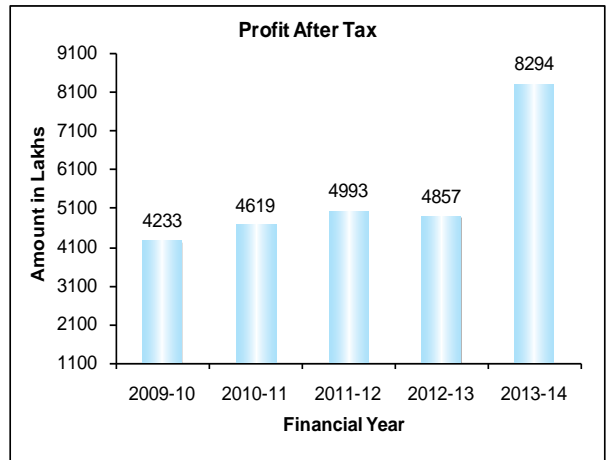
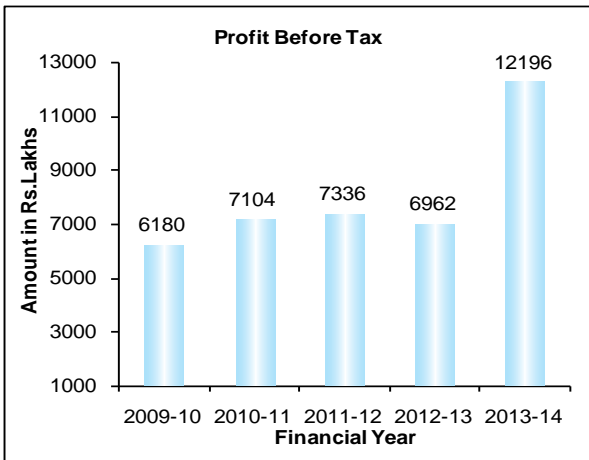
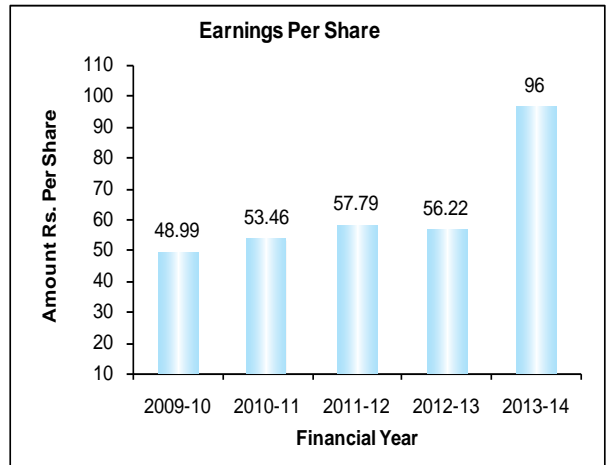
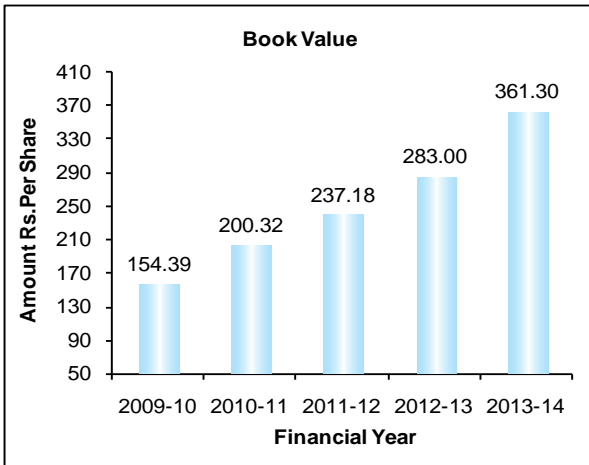
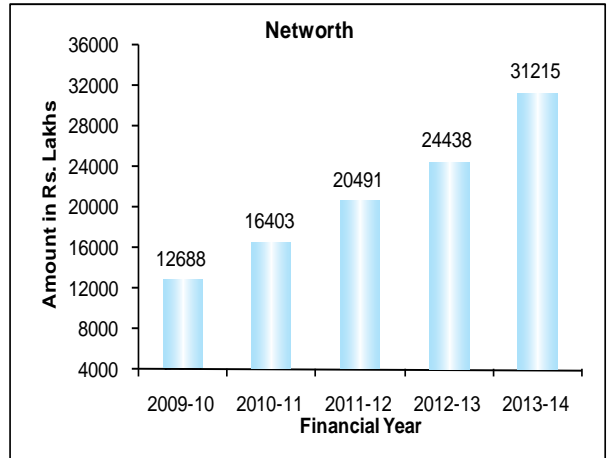
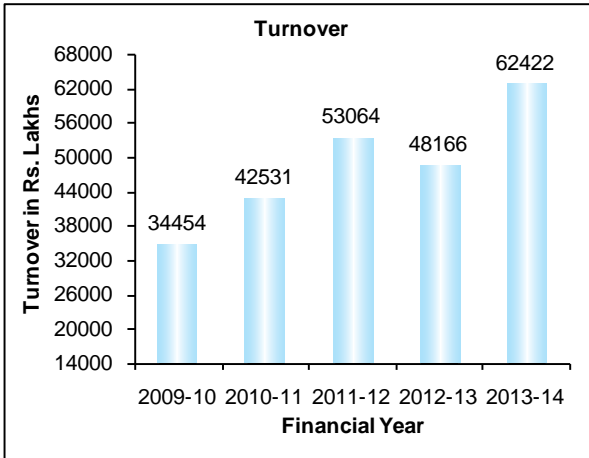
### REQUEST TO MEMBERS

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 at least one week prior to the date of meeting to facilitate computation of information.
3. Members/their proxies/representatives are advised to bring their Attendance Slip duly filled in for attending the meeting. An Attendance Slip and Proxy form are attached with the Notice.

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## FINANCIAL INDICATORS



Dear Shareholder,

Your Directors have pleasure in presenting the 46th Annual Report of the Company and the audited statement of accounts for the year ended March 31, 2014.

**FINANCIAL PERFORMANCE**

(Rupees in lacs)

Period	Year 2013-14	Year 2012-13
TURNOVER	62422	48166
OTHER INCOME	870	210
TOTAL INCOME	63292	48376
PROFIT BEFORE DEPRECIATION & FINANCE COST	12764	7425
FINANCE COST	177	128
DEPRECIATION	391	335
PROFIT BEFORE TAX	12196	6962
INCOME TAX	3902	2105
PROFIT AFTER TAX	8294	4857
BALANCE B/F	5245	4297
SURPLUS AVAILABLE FOR APPROPRIATION TO:	13539	9155
PROPOSED DIVIDEND	1296	778
PROPOSED TAX ON DIVIDEND	220	132
TRANSFER TO GENERAL RESERVE	7000	3000
BALANCE CARRIED FORWARD	5023	5245

**COMPANY'S PERFORMANCE**

The Financial Year 2013-14 was a record setting year for your Company. The turnover for the year registered an increased by 30% from Rs.480 crores in 2012-13 to Rs.623 crores while the operating profit increased by 65% from Rs.72 crores to Rs.119 crores. The EBITA margin rose to 20% due to steady raw material costs and higher realisation on products during the year. Profit after tax grew significantly to Rs.83 crores, an increase of 71% over the previous year and earnings per share during the year increased from Rs.56 to Rs.96. Your Company continues to be debt free and has sufficient cash flows to meet working capital requirements.

The number of Power Tillers sold during the year was 27252 units as against the previous year's 21231 units while Tractor sales were 7452 units compared to 6233 units during 2012-13. Sale of rice transplanters and reapers have made rapid strides that are highly productive and labour saving machineries.

The performance of Precision Component Division improved with export revenues almost doubling from Rs.4.6 crores to Rs.8.9 crores. Profits from exports were higher than expected due to the depreciation of the Rupee against the Sterling and Euro. This division continues to produce components largely for captive consumption and has contributed to the overall performance of your Company.

**DIVIDEND:**

Your Directors have pleasure in recommending a dividend of Rs.15/- per equity share of Rs.10/- each for approval at the Annual General Meeting. The dividend if declared will result in an outflow of Rs.1516 lacs including the distribution tax.

**MANAGEMENT DISCUSSION AND ANALYSIS****Industry structure and developments:**

During the year under review, the Indian economy grew at a sub 5% rate for the second year in a row, led mainly

by a deceleration in industrial growth and sluggish investment. High interest rates, and inflation coupled with compulsions to rein in fiscal deficit constrained the growth momentum. The agriculture sector is expected to post a moderate growth of 3.8% and was relatively insulated from the economic turmoil felt in other sectors in the economy. This segment contributes to about 16% of GDP and engages over 60% of the countries workforce. With the higher support prices for food grains, realization has improved for farmers contributing to the overall demand for mechanisation.

The Power Tiller industry which is growing at around 12% per annum largely relies on Government subsidies and agricultural lending by banks. Your company continues to maintain its lead in the power tiller industry in India and has increased its market share to 47%. Being dependent on subsidies, any delay by the government releasing subsidy coupled with policy changes in some States, impacts demand for power tillers during the peak season. Constantly working with various government schemes to capitalize on the potential demand in the paddy growing belts of the country is being pursued. The Power Tillers being imported from China by many smaller players has been steady during the year with a combined market share of around 25%.

The Indian tractor market, the largest in the world and consisting of a number of players, witnessed a strong growth of 20 per cent in 2013-14 across states, especially UP, MP, Rajasthan and Maharashtra. This growth has been fuelled by increasing rural liquidity, better realisations for the 2012-13 rabi crop and increase in minimum support prices between 5 and 20% for rice, sugarcane and cotton.

The Tractor industry sold 634151 units in the domestic market compared to 527782 units in the previous year with major manufacturers catering to various segments from 14HP to above 50HP. The strong growth potential of the less than 25 horse power (HP) category has prompted organized players to enter this segment. These tractors are used for specific applications like orchard farming, inter-cultivation, spraying in vineyards as well as for horticulture. Given the low tractor penetration in India for low HP tractors and considering 85 percent of

land holdings being small, the opportunity in this space is significant. Your Company manufactures 18.5HP and 22HP tractors and continues to maintain a significant market share in Maharashtra and Gujarat. However competition from domestic and foreign players has been gaining momentum.

## **OPPORTUNITIES**

Agriculture which is slated to register a growth of 4% will benefit farm mechanization and provide opportunities for higher sales and optimum utilization of capacities. With the advent of urbanization and consequent rise in wages in the farm sector, augurs well for your Company's products. As the sustainability of this sector is largely government policy driven, various state and central policies are encouraging farmers to make agriculture more viable and lucrative thereby improving demand.

Presently, the market penetration for power tillers in India is low among the small and marginal farmers compared to countries like China and Bangladesh. However, with higher allocation of subsidies, scope for expanding business through strong marketing initiatives exists. Power tiller sales are predicted to increase in the coming years given its low investment and suitability for small farmers. Besides the above, government measures to increase allocation of credit for agriculture in the 12th Plan is expected to spur demand in the near future.

On the tractor front, India is a high-potential market for tractors. Various international brands are entering into the lower HP segment presently dominated by a few players. Your company's 22HP tractor model with better aesthetics has been received well in terms of performance and volumes are expected to grow in 2014-15.

## **RISKS AND CONCERNS**

Agriculture is the backbone of India's economy. Though various irrigation schemes have been conceived to enhance the cultivable area, the agricultural sector continues to be monsoon dependent. In the current year, the possibility of El Nino phenomena may impact off take of farm equipment if the rainfall pattern changes.



Power tiller sales that are highly dependent on schemes are sometimes difficult to predict and can vary significantly from quarter to quarter. This leads to high inventory build up in some parts of the year affecting overall working capital. Besides, any reduction in the quantum of subsidy for power tillers and tractors could impact your Company's performance

Your Company's success in tractor sales requires financing support from banks and NBFC's. Continuous efforts are being made to tie up with various banks to address this issue. With rising competition, India's tractor market is expected to see more foreign brands coming in because of high growth potential with high quality products that would set greater competition.

### **CURRENT YEAR OUTLOOK**

The Government is targeting over 4% growth for agriculture and there is clearly a need for improving agricultural productivity. Investments are expected to grow, especially in the rural sector under the 12th Five Year Plan. A favorable monsoon coupled with bank finance to farmers will have a positive influence on the power tiller and tractor industry. During the current year, your company is targeting a growth of 12% in volume of power tillers and over 40% for tractors. The steps taken to popularize Rice Transplanters in various states are proving to be successful in states like Odisha and Karnataka. Extensive work to train farmers on various aspects of adapting to mechanized transplantation is being pursued and your Company driven by these initiatives is expecting to reap rewards in the long term. The market for reapers continues to grow and though the base is small, the long term opportunities are favorable.

Your Company's state of the art Hosur plant was inaugurated on 25th April, 2014 with a capacity to produce 36000 tractors p.a. This plant has been funded through internal accruals and has commenced commercial production adopting best practices in manufacturing and has been built keeping in mind the prospect of introducing more tractor models in the future. To stay ahead in this competitive market, a series of measures for strengthening marketing has commenced specifically for tractors at all levels. This initiative will address the talent required to achieve the

Company's planned growth. It is relevant to mention, that a roadmap to building tomorrow's enterprise has started. Our Company is on a transformational journey and our focus today is to move towards higher levels of professionalism to manage the complexities and challenges of the industry we operate in.

In the recently concluded general elections, the formation of a new majority government at the centre has generated optimism in the corporate sector. In this backdrop, business sentiments are strong and the economy is likely to achieve all round progress with better governance.

### **NSE LISTING:**

The shares of the Company were listed and admitted to dealings on the National Stock Exchange of India Limited w.e.f. June 20, 2011.

### **DIRECTORS APPOINTMENT/ REAPPOINTMENT:**

In accordance with the provisions of the Companies Act, 2013 Mr.B.C.S. Iyengar, Director of the Company will retire in the ensuing AGM and being eligible, seek reappointment.

Pursuant to section 149 of the Companies Act, 2013, Mr.R.Subramanian, Mr. M.K Bannerjee, Mr.V.Ramachandran and Mr. K.K Rai, who were appointed as Independent Directors of the Company liable to retire by rotation, are proposed to be appointed as Independent Directors not liable to retire by rotation for a period of five consecutive years from 46th Annual General Meeting.

### **CORPORATE GOVERNANCE:**

The Company strives to ensure good in Corporate Governance and levels of transparency with all the provisions of Clause-49 of the Listing Agreement. A certificate from the Auditors to this effect forms part of Corporate Governance Report.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to sec 217(2AA) of the Companies Act 1956, amended as per Companies (Amendment) Act 2000, the Directors confirm that:

In preparation of the Annual Accounts of your Company the Accounting Standards laid down by the Institute of Chartered accountants of India from time to time have been followed.

Appropriate Accounting policies have been selected and applied consistently, reasonable and prudent judgment and estimates have been made so as to ensure that the accounts give a true and fair view of affairs of your company as at March 31, 2014 and the profits of your company for the year ended March 31, 2014.

Proper and sufficient care has been taken for the maintenance of appropriate accounting records in accordance with the provisions of the act for safeguarding the assets of your company and for preventing and detecting frauds and other irregularities.

The annual accounts have been prepared on a going concern basis.

The observations of Auditors in their report to Members have been adequately dealt with in the relevant notes to accounts. Hence no additional explanation is considered necessary.

**AUDITORS:**

M/s. Brahmayya & Company, Chartered Accountants, retire as Auditors of the Company at the conclusion of 46th Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility and willingness for the re-appointment.

**COST AUDITORS:**

M/s. Rao, Murthy & Associates, Cost Accountants were appointed as cost Auditors for the year 2013-14. The Cost Audit Report for the financial year 2012-13 was filed on 30/07/2013 and the due date for filing the report was 30/09/2013.

**PARTICULARS OF EMPLOYEES:**

As required by provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (particular of employees) Rules 1975, as amended, there are no employees who draw remuneration as set out in the aforesaid provision of the Companies Act.

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

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2014 is enclosed as Annexure.

**FIXED DEPOSITS:**

Your Company has not accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

**Internal Control Systems**

Your Company maintains adequate internal control system, which provides reasonable assurance that transactions in significant areas are monitored to prevent any misuse. To strengthen this area your Company is looking at improved responsiveness from a fully integrated ERP. This will enable vendors to get information on material requirement and ensure streamlined supply of materials. The new system will improve its capability and speed of information to add more value. The Internal auditors carry out audits on a regular basis and submit their report once in a quarter to the Audit Committee. The Audit Committee reviews the report and recommendations of the Internal Auditors and advises the Management to strengthen and streamline the system wherever required.

**Industrial Relation**

Industrial relations have been cordial across all the plants during the year. Your Company is continuously taking initiatives for building organizational capabilities and enhancing people productivity. Various training and development programs were offered to the managerial cadre to upgrade their skills and develop the human resource base. Steps are also being implemented to strengthen specific areas that are considered key to the Company in achieving its business goals.

### 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 May 29, 2014, 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.

### Applicability of the Companies Act, 1956.

With reference to the circular no 08/2014 dated 04/04/2014 issued by Ministry of Corporate Affairs, the information given in this report are governed by the Companies Act, 1956.

### ACKNOWLEDGEMENTS:

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

for V.S.T. TILLERS TRACTORS LTD.

Place: Bengaluru  
Date : May 29, 2014

**V. K. Surendra**  
Chairman

## ANNEXURE

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2014.

### 1. Conservation of energy :

As the industry is not a power intensive unit, no capital investment was made and hence no benefit could accrue.

### 2. A. Research and Development (R&D) :

- a. Powersteering (Torque generator) conceptualisation in 22 HP tractor and productionisation.
- b. New variant of 18.5 HP and 22 HP Tractors.
- c. New variant for 22 HP with bigger tyres conceptualisation and productionising.
- d. Testing and design of Weeder for paddy.

### B. Technology Absorption:

- a. Upgradation of existing 3D & 2D softwares to 2014 version.
- b. Procurement of New Coordinate measuring machine.

### C. Benefits derived :

- a. Latest versions of softwares enables versatility in 3D and 2D drawing capabilities of Design team.
- b. New CMM will enhance the inspection capabilities of complex parts which is essential for reverse engineering.

### D. Expenditure on R&D :

The Company's expenditure on R&D (including capital expenditure) during the year was Rs.1,81,95,074/- (Ref. note no.33, page no.41 of the Annual Report).

### E. Future plan of action :

Design and Development of Higher HP tractors including engine optimisation and emission compliance.

### 3. Foreign exchange earnings and outgo:

- a) Complete information about exports, which have contributed towards foreign exchange earnings, is given in note no.35 to the Audited Accounts annexed to this Report. Similarly, details of foreign exchange outgo on account of imports, expenditure on traveling, dividend etc. are shown in note no.34 respectively in Notes forming part of Accounts.

- b) Total foreign exchange used and earned :

Foreign exchange earnings: Rs.15,37,98,049/-

Foreign exchange outgo : Rs.61,59,726/-

## **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"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2014 and based on our knowledge and belief, we state that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's code of conduct. We hereby declare that all the members of the Board and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of 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, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

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

**R. Thiagarajan**  
Executive Vice President &  
Chief Financial Officer

Place : Bengaluru  
Date : May 29, 2014



## **Auditors' Certificate on Corporate Governance**

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

We have examined the Compliance conditions of Corporate Governance of **V.S.T. Tillers Tractors Limited** for the year ended on 31st March, 2014, as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our responsibility has been limited to 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Brahmayya & Co.,**  
Firm Reg. No. : 000515S  
Chartered Accountants

Place : Bengaluru  
Date : May 29, 2014

**G. Srinivas**  
Partner  
Membership No. 086761

## PHYLOSOPHY ON CORPORATE GOVERNANCE

Your Company believes that, corporate governance is the relationship between corporate managers, directors, and the providers of equity, people and institutions who save and invest their capital to earn a return.

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.

## 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:

The Board comprising of eight Directors is headed by a Non-Executive Chairman, three whole-time Directors and four Non-Executive 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
Mr. V. K. Surendra	1808679*	Non-Executive	3	Yes	3
Mr. R. Subramanian	Nil	Independent	4	Yes	2
Mr. M. K. Bannerjee	Nil	Independent	4	Yes	-
Mr. V. Ramachandran	1875	Independent	4	Yes	3
Mr. K. K. Rai	Nil	Independent	4	Yes	2
Mr. V. P. Mahendra	630530*	Managing Director	4	Yes	4
Mr. B. C. S. Iyengar	15976	Director-Corporate Strategy#	4	Yes	-
Mr. V. V. Pravindra	221146*	Dy Managing Director	4	Yes	-

\* Individually as well as jointly.

# Designated as Director-Corporate Strategy w.e.f 29/05/2014.

### (b) Details of Board Meetings:

During the year under review the Board met four times on May 30, 2013, August 14, 2013, November 14, 2013 and February 12, 2014.

### (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 Clause 49 (1) (D) of the Listing Agreement.

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, 2014.

Place: Bengaluru  
Date: May 29, 2014

**V P Mahendra**  
Vice Chairman, Managing Director & CEO

## COMMITTEE MEETINGS :

### Audit Committee

#### Composition

At present the Audit Committee comprises of all the four independent Directors of the Company.

#### Terms of Reference:

The Audit Committee of the Board of Directors assists the Board of Directors in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, and reporting practices of the Company, and such other duties as directed by the Board. The Committee's purpose is to oversee the accounting

and financial reporting processes of the Company, the audits of the Company's financial statements, the qualifications of the Statutory Auditors engaged as the Company's independent auditor to prepare or issue an audit report on the financial statements of the Company, and the performance of the Company's internal and independent auditors. The Committee's role includes a particular focus on the qualitative aspects of financial reporting to shareholders, the Company's processes to manage business and financial risk, and compliance with significant applicable legal, ethical, and regulatory requirements. The Committee is directly responsible for the appointment, compensation, retention, and oversight of the Company's independent auditor.

#### Details of Audit Committee Meetings:

During the year under review the Audit Committee met four times on May 30, 2013, August 14, 2013, November 14, 2013, and February 12, 2014.

Sl.No.	Name of the Member	Designation	Attended
1	Mr. R. Subramanian	Chairman	4
2	Mr. V. Ramachandran	Member	4
3	Mr. M. K. Bannerjee	Member	4
4	Mr K K Rai	Member	4

#### Power of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### Role of Audit Committee Includes

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE

The current composition of the Committee is Mr. V. Ramachandran (Chairman) and Mr. V V Pravindra, the Committee meets to approve transfer / transmission of shares and issue of duplicate share certificates. The Committee also looks into investor complaints like non-receipt of Annual Report, Dividend revalidation etc.

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

Chinmaya Khatua,  
No.1, Dyavasandra Indl. Layout,  
P.B. No.4801, Whitefield Road,  
Mahadevapura Post, Bangalore – 560 048  
Ph. No.080-67141111,28510805 / 6 / 7  
Fax No.080-28510221  
E-mail: chinmaya@vstillers.com

## INSIDER TRADING REGULATIONS:

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

## DIRECTORS REMUNERATION

The non-executive Directors are not paid any remuneration other than the sitting fees which is within the limits prescribed by Rule 10B of Companies (Central Government's) General Rules and Forms.

During 2013-14, the Company did not advance any loan to any of its Directors. The remuneration paid to the Executive Directors for the year 2013-14 is given below :

Name of the Director	Category	Salary	Allowances	Commission Payable	P.F.	Total (in Rs.)
1. Mr. V.P Mahendra	Vice Chairman & Managing Director	15,66,071	5,12,397	23,49,106	1,87,929	46,15,503
2. Mr. B.C.S Iyengar	Director-Corporate Strategy	12,00,000	13,88,338	12,00,000	1,44,000	39,32,338
3. Mr. V.V Pravindra	Dy.Managing Director	10,35,484	13,26,188	10,35,484	1,24,258	35,21,414

The Sitting Fees paid to the Non Executive Directors for the year 2013-14 is given below :

Name of the Director	Category	Sitting Fees paid (In Rs)	Service tax paid by the Company (In Rs.)
1. Mr. V. K. Surendra	Chairman	45,000	5,562
2. Mr. R. Subramanian	Independent Director	1,20,000	14,832
3 Mr. M. K. Bannerjee	Independent Director	1,20,000	14,832
4. Mr. V. Ramachandran	Independent Director	1,20,000	14,832
5. Mr. K K Rai	Independent Director	1,20,000	14,832

## MEANS OF COMMUNICATION:

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

The intimation of date of Board Meeting and quarterly and annual financial results are also published in leading newspapers.

**DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS ON 31ST MARCH 2014**

Category	No. of Shareholders	% to total No.of shareholders	Shares Amount (Rs.)	% to total shares amount
Upto 5,000	8188	98.51	19321070	22.36
5,001 10, 000	46	0.55	3406120	3.94
10,001 20,000	21	0.25	3020570	3.50
20,001 30,000	14	0.17	3517380	4.07
30,001 40,000	8	0.10	2638450	3.05
40,001 50,000	6	0.07	2687650	3.11
50,001 1,00,000	14	0.17	9833700	11.38
1,00,001 and above	15	0.18	41970340	48.59
<b>Total</b>	<b>8312</b>	<b>100.00</b>	<b>86395280</b>	<b>100.00</b>

**DETAILS OF REQUEST/COMPLAINTS RECEIVED DURING THE YEAR 2013 – 14.**

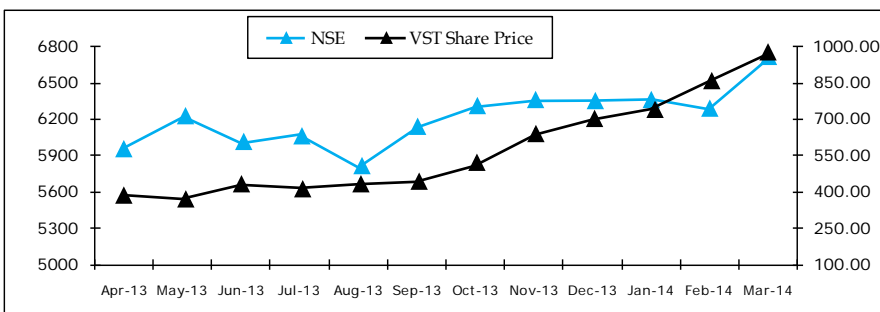
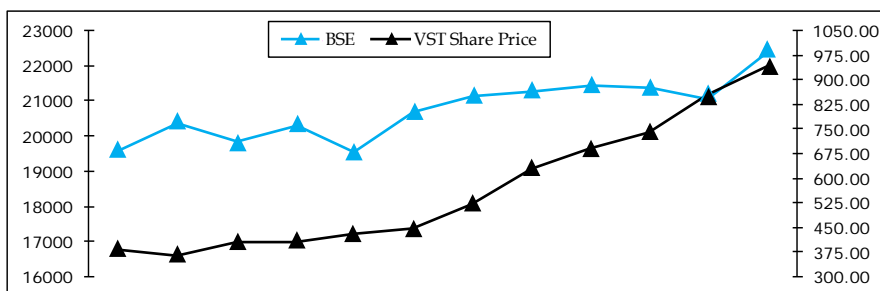
Nature of Request	OB	Received	Attended	Pending
Change of Address	-	41	41	-
Bank Mandate	-	6	6	-
Revalidation of Warrants	-	71	71	-
Duplicate Share Certificates	-	19	19	-
Transfer/Transmission	-	17/5	17/5	-
Dematerialisation	-	65	65	-
Rematerialisation	-	1	1	-

**SHAREHOLDING PATTERN AS ON 31ST MARCH 2014**

Category	No.of Shareholders	No.of shares held	% to total No.of shares
Promoters/Associates	40	4398939	50.92
Foreign Promoters	1	253125	2.93
Bodies Corporate	215	460365	5.33
Mutual Fund	15	500301	5.79
Banks	4	7172	0.08
Financial Institutions	5	3225	0.04
Foreign Financial Institutions	7	289996	3.36
Non-Resident Indians	234	112445	1.30
Clearing Members	111	40033	0.46
Public/Others	7680	2573927	29.79
<b>Total</b>	<b>8312</b>	<b>8639528</b>	<b>100.00</b>

## Market Price Data Information (BSE)

MONTH	HIGH	LOW	MONTH	HIGH	LOW
Apr-13	387.90	332.50	Oct-13	523.00	436.70
May-13	374.00	332.25	Nov-13	635.00	492.00
Jun-13	409.70	352.00	Dec-13	696.30	592.50
Jul-13	415.00	359.00	Jan-14	746.45	646.00
Aug-13	437.00	362.00	Feb-14	859.00	680.80
Sep-13	448.95	410.10	Mar-14	947.95	796.20



## Market Price Data Information (NSE)

MONTH	HIGH	LOW	MONTH	HIGH	LOW
Apr-13	386.50	331.70	Oct-13	512.05	435.05
May-13	374.00	333.35	Nov-13	637.90	494.00
Jun-13	430.00	352.00	Dec-13	697.40	590.85
Jul-13	413.80	358.40	Jan-14	742.00	640.05
Aug-13	438.65	361.00	Feb-14	858.40	685.00
Sep-13	443.85	410.00	Mar-14	947.00	793.75

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 96.30% of the Equity Shares of the Company are held in the dematerialized form.



## GENERAL SHARE HOLDER INFORMATION

### Investor Services

AGM date,

time and venue : August 14th 2014 at 3.00 P.M.  
Wood Lands Hotel Pvt. Ltd.  
No.5, Rajaram Mohan Roy Road  
Bangalore - 560 025

Financial year : 1st April - 31st March

Book Closure : August 09th, 2014 to August  
13th, 2014 (Both days inclusive)  
for Payment of dividend & AGM.

### Financial Calendar (tentative)

#### Results for the quarter ending:

**June 30, 2014** - Second week of August, 2014

**September 30, 2014** - Second week of November, 2014

**December 31, 2014** - Second week of February, 2015

**March 31, 2015** - Last week of May, 2015

**Dividend** : : Dividend if declared would be Despatched/  
Paid on August 16, 2014.

**Payment of Listing Fees:** Annual listing fee for the  
year 2014-15 has been paid to BSE, NSE and Bangalore  
Stock Exchange.

**Payment of Depository Fees :** Annual Custody/ Issuer  
fee for the year 2014-15 has been paid to NSDL and  
CDSL.

The Company has appointed M/s. Integrated Enterprises  
(India) Ltd, 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.

### INTEGRATED ENTERPRISES (INDIA) LTD,

# 30, Ramana Residency,

Ground Floor, 4th Cross,

Sampige Road, Malleswaram,

Bangalore – 560 003

Phone Nos. 080-23460815 – 18,

Fax: 080-23460819

e-mail : [irg@integratedindia.in](mailto:irg@integratedindia.in)

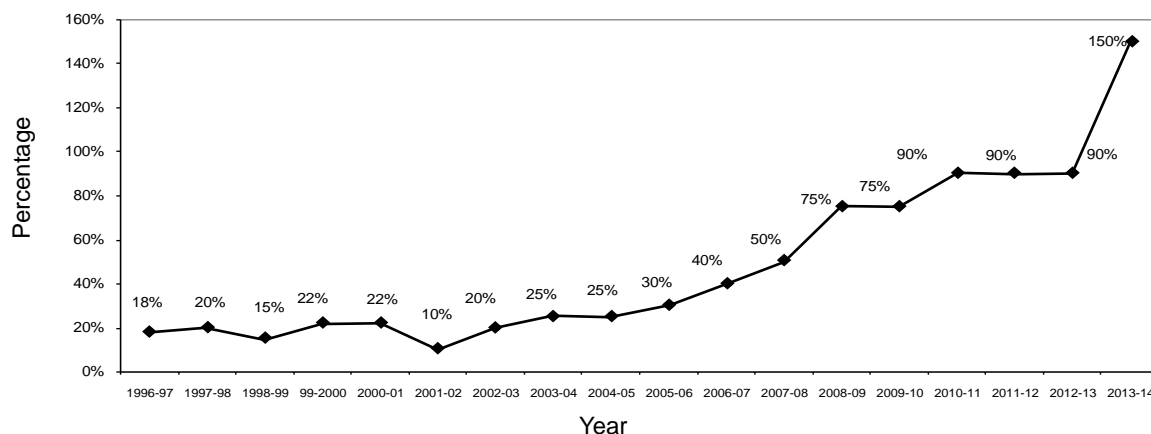
### STOCK CODE :

**Bombay Stock Exchange Ltd** : 531266

**National Stock Exchange of India Ltd.** : VSTILLERS

ISIN : INE 764D01017.

Percentage of Dividend Declared



## Particulars of last 3 Annual General Meetings

Date/Time	Location	Summary of Special Business
14.08.2013 3.00 p.m.	Wood Lands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bangalore - 560 025	Re-appointment of Mr.V.V Pravindra as Dy. Managing Director.
13.08.2012 3.00 p.m.	Wood Lands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bangalore - 560 025	Re-appointment of Mr. B C S Iyengar as Executive Director.
11.08.2011 3.00 p.m.	Wood Lands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bangalore - 560 025	Nil

No special resolution had been passed through Postal Ballot during the year 2013-14.

<b><u>PLANT LOCATIONS:</u></b>		
Plot No.1 Dyavasandra Indl. Layout Whitefield Road Mahadevapura PO. BANGALORE 560 048, Karnataka	Plot No. 39, Phase 1 SPICOT Industrial Complex Mookandapalli HOSUR 635 126 Tamil Nadu	Precision Component Division, Plot No.42/43, Survey No.20, Metagalli Indl. Area, MYSORE – 570 016 Karnataka

## **DISCLOSURES**

- ❖ During the year under review, besides the transactions mentioned under note no.31, page no 40 of Annual Report, there were no other related party transactions by the Company with its promoters, directors and management that had a potential conflict with the interest of the Company at large.
- ❖ There are no instances of non-compliance on any matter relating to the capital market during the last three years.
- ❖ The Company has not adopted the non-mandatory requirements as stated in Annexure I D of clause 49 of the Listing Agreement. However,

the Company had moved towards a regime of unqualified financial statements since many years.

- ❖ 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.

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

Place: Bengaluru  
Date: May 29, 2014

**V K Surendra**  
Chairman

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

### Report on the Financial Statements

- 1) We have audited the accompanying financial statements of **V.S.T. Tillers Tractors Limited** ("The Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

- 2) Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair

presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of the Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act, read with General Circular no.8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs; and

- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Brahmayya & Co.,**  
Chartered Accountants

ICAI Firm's Registration No. 000515S

Place : Bengaluru  
Date : May 29, 2014

**G. Srinivas**  
Partner

Membership No. 086761

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

**Referred to paragraph 7 of our report of even date to the Members of V.S.T.Tillers Tractors Limited ("the Company") for the year ended March 31, 2014**

### i) In respect of the Company's Fixed Assets :

- (a) As per the information and explanation provided to us the Company has maintained proper records showing full Particulars including quantitative details and location of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items 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 programme, portion of the fixed assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) During the year, in our opinion, the Company has not disposed off any major part of fixed assets and there by does not affect the going concern status of the Company.

### ii) In respect of the Company's Inventories :

- (a) The Management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books of records were not material and have been properly dealt with in the books of accounts.

### iii) The Company has not given and taken any loans, secured or unsecured, to any company, firm or other parties listed in the Register maintained under section 301 of the Act. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable for the year.

- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed

assets and for the sale of goods and services. Further, during the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the aforesaid internal control system.

v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act, have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Act, exceeding the value of rupees five lakh in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under.

vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

viii) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of Cost records has been prescribed under clause (d) of sub section (1), of section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of records with a view to determine whether they are accurate or complete.

## ix) In respect of the Companies Statutory dues:

(a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues to the extent applicable to it. There are no arrears of outstanding statutory dues as at March 31, 2014 for a period of more than six months from the date they became payable.

(b) 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.

x) The Company does not have accumulated losses as at March 31, 2014 and has not incurred any cash losses during the financial year covered by our Audit or in the immediately preceding financial year.

xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that Company has not defaulted in repayment of dues to the financial institutions and banks. The Company did not have any outstanding dues to any Debenture holders during the year.

xii) Based on our examination of documents and records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause (xii) of the paragraph 4 of the Order is not applicable to the Company.

- xiii) In our opinion, the Company is not a Chit Fund / Nidhi / Mutual Benefit Fund / Society. Accordingly, clause (xiii) of paragraph 4 of the Order is not applicable to the company.
- xiv) In our opinion, the Company is not dealing in or trading in Shares, Securities, Debentures and other Securities. Accordingly, clause (xiv) of paragraph 4 of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, clause (xv) of paragraph 4 the Order is not applicable to the Company.
- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us and an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. Accordingly, clause (xviii) of paragraph 4 of the Order is not applicable to the Company.
- xix) The Company did not have any outstanding debentures during the year. Accordingly, clause (xix) of paragraph 4 of the Order is not applicable to the Company.
- xx) The Company has not raised any money by public issues during the year and accordingly, clause (xx) of paragraph 4 of the Order is not applicable to the Company.
- xxi) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of the fraud on or by the Company, has been noticed or reported during course of our audit, nor we have been informed of any such case by the management.

**For Brahmayya & Co.,**

Chartered Accountants

ICAI Firm's Registration No. 000515S

Place : Bengaluru

Date : May 29, 2014

**G. Srinivas**

Partner

Membership No. 086761

# BALANCE SHEET AS AT MARCH 31, 2014



(Amount in Rupees)

PARTICULARS	Notes	As at March 31, 2014	As at March 31, 2013
<b>I Equity and liabilities</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3	8,63,95,280	8,63,95,280
(b) Reserves and surplus	4	3,03,51,10,112	2,35,73,98,301
		<b>3,12,15,05,392</b>	<b>2,44,37,93,581</b>
<b>(2) Non-current liabilities</b>			
(a) Deferred tax liability (net)	5	4,44,48,766	2,92,11,414
(b) Other long-term liabilities	6	26,11,22,081	18,63,74,044
(c) Long-term provisions	7	2,32,62,011	1,70,09,170
		<b>32,88,32,858</b>	<b>23,25,94,628</b>
<b>(3) Current liabilities</b>			
(a) Trade Payables	8	67,54,33,848	22,70,81,902
(b) Other current liabilities	9	41,23,45,558	35,42,39,669
(c) Short-term provisions	10	16,19,83,316	10,06,54,443
		<b>1,24,97,62,722</b>	<b>68,19,76,014</b>
<b>TOTAL</b>		<b>4,70,01,00,972</b>	<b>3,35,83,64,223</b>
<b>II Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
i) Tangible Assets	11.1	1,24,19,60,950	77,35,42,761
ii) Capital work-in-progress	11.2	10,55,058	14,17,32,681
(b) Non-current investments	12	4,15,00,000	4,15,00,000
(c) Long-term loans and advances	13	2,28,45,143	4,35,09,924
		<b>1,30,73,61,151</b>	<b>1,00,02,85,366</b>
<b>(2) Current assets</b>			
(a) Current investments	14	1,02,14,29,850	-
(b) Inventories	15	86,55,23,049	82,85,72,413
(c) Trade receivables	16	1,02,25,70,680	97,30,05,238
(d) Cash and Bank Balances	17	22,55,04,022	32,91,99,463
(e) Short-term loans and advances	18	25,28,64,088	22,48,80,832
(f) Other current assets	19	48,48,132	24,20,911
		<b>3,39,27,39,821</b>	<b>2,35,80,78,857</b>
<b>TOTAL</b>		<b>4,70,01,00,972</b>	<b>3,35,83,64,223</b>

## Summary of significant accounting policies

2

The accompanying notes 1 to 38 are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For Brahmayya & Co.,**

Chartered Accountants

ICAI Firm Registration No: 000515S

**V.P Mahendra**

*Vice Chairman, Managing Director & CEO*

**V.Ramachandran**

*Director*

**G. Srinivas**

Partner

Membership No: 086761

Place : Bengaluru

Date : May 29, 2014

**R.Thiyagarajan**

*Executive Vice President & Chief Financial Officer*

**Chinmaya Khatua**

*Company Secretary*

Place : Bengaluru

Date : May 29, 2014



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014



(Amount in Rupees)

PARTICULARS	Notes	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>I Revenue from Operations (Gross)</b>	20	<b>6,25,25,58,046</b>	4,82,68,60,148
Less: Excise Duty		(1,03,71,116)	(1,02,72,980)
<b>Net Revenue from Operations</b>		<b>6,24,21,86,930</b>	4,81,65,87,168
Other Incomes	21	8,70,35,447	2,09,99,510
<b>Total Revenue</b>		<b>6,32,92,22,377</b>	4,83,75,86,678
<b>II Expenses</b>			
a) Cost of Material Consumed	22	3,85,49,52,659	3,47,28,70,783
b) Purchase of Stock in Trade		17,07,46,185	12,45,17,557
c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	23	8,48,24,673	(30,20,26,000)
d) Employee Benefit Expenses	24	36,04,61,978	28,11,47,618
e) Finance Costs	25	1,76,91,007	1,28,38,817
f) Depreciation & Amortization Expenses	26	3,91,45,911	3,35,46,150
g) Other Expenses	27	58,18,14,788	51,84,69,411
<b>Total Expenses</b>		<b>5,10,96,37,201</b>	4,14,13,64,336
<b>III Profit before exceptional and extraordinary items and tax</b>		<b>1,21,95,85,177</b>	69,62,22,342
Exceptional Items		-	-
<b>IV Profit before extraordinary items and tax</b>		<b>1,21,95,85,177</b>	69,62,22,342
Extraordinary items		-	-
<b>V Profit before tax</b>		<b>1,21,95,85,177</b>	69,62,22,342
<b>VI Tax expenses</b>			
a) Current tax		37,49,65,410	21,29,10,000
b) Deferred tax		1,52,37,352	(24,21,446)
<b>Total tax expense</b>		<b>39,02,02,762</b>	2,10,488,554
<b>VII Profit for the period</b>		<b>82,93,82,415</b>	4,85,733,788
Earnings per equity share [nominal value of share Rs 10 [March 31, 2013: Rs 10]			
a) Basic		96.00	56.22
b) Diluted		96.00	56.22

## Summary of significant accounting policies

2

The accompanying notes 1 to 38 are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

**For Brahmaya & Co.,**

Chartered Accountants

ICAI Firm Registration No: 000515S

**V.P Mahendra**

Vice Chairman, Managing Director & CEO

**V.Ramachandran**

Director

**G. Srinivas**

Partner

Membership No: 086761

Place : Bengaluru

Date : May 29, 2014

**R.Thiyagarajan**

Executive Vice President & Chief Financial Officer

**Chinmaya Khatua**

Company Secretary

Place : Bengaluru

Date : May 29, 2014

# CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014



(Amount in Rupees)

PARTICULARS	Notes	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Cash flow from operating activities</b>			
Profit before tax		1,21,95,85,177	69,62,22,342
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>			
Depreciation and amortisation		3,91,45,911	3,35,46,150
Interest income		(43,76,247)	(8,28,698)
Dividend from investments		(5,82,32,953)	(71,36,373)
Loss / (Gain) on sale of fixed assets		5,88,389	(1,46,872)
Assets written off		-	1,164,834
Provision for doubtful debts		-	13,325,095
Provisions no longer required, written back		(31,36,973)	(19,75,227)
Unrealized foreign exchange gain		(30,40,777)	(3,91,190)
Finance cost		1,76,91,007	1,28,38,817
<b>Operating profit before working capital changes</b>		<b>1,20,82,23,534</b>	<b>74,66,18,878</b>
Movements in working capital :			
Trade payables, Other liabilities and Provisions		59,10,34,564	(8,89,51,778)
Trade receivables		(4,65,24,665)	24,69,55,791
Inventories		(3,69,50,636)	(16,94,29,387)
Loans and Advances and other current assets		25,03,964	(89,44,840)
Cash generated from / (used in) operations		1,71,82,86,761	72,62,48,664
Direct taxes paid including for the previous years		(40,78,79,852)	(22,71,38,554)
<b>Net cash flow from/ (used in) operating activities (A)</b>		<b>1,31,04,06,909</b>	<b>4,99,110,110</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets, including CWIP		(36,82,02,408)	(31,82,84,433)
Capital advances		2,06,64,781	(64,67,196)
Proceeds from sale of fixed assets		6,74,177	4,23,701
Realisation of margin money		-	45,32,217
Deposits of margin money		(24,825)	-
Sale/(Purchase) of current investments		(1,02,14,29,850)	20,23,92,739
Interest received		43,76,247	12,03,180
Dividend from investment		5,82,32,953	71,36,373
<b>Net cash flow from/ (used in) investing activities (B)</b>		<b>(1,30,57,08,925)</b>	<b>(10,90,63,419)</b>
<b>Cash flows from financing activities</b>			
Proceeds from short-term borrowings		-	(15,98,99,844)
Dividends Paid		(7,77,55,752)	(7,72,85,969)
Tax on Dividend Distributed		(1,32,14,590)	(1,26,13,927)
Interest paid		(1,76,91,007)	(1,28,38,817)
<b>Net cash flow from/ (used in) in financing activities (C)</b>		<b>(10,86,61,349)</b>	<b>(26,26,38,557)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>		<b>(10,39,63,365)</b>	<b>12,74,08,134</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>32,59,32,250</b>	<b>19,85,24,116</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>22,19,68,885</b>	<b>32,59,32,250</b>
<b>Components of cash and cash equivalents:</b>	17		
Cash on hand		1,21,116	1,37,144
Cheques/ drafts on hand		9,47,34,309	11,13,44,994
Cash With banks			
- on current account		12,71,13,460	7,44,50,112
- on deposit account		-	14,00,00,000
<b>Total cash and cash equivalents</b>		<b>22,19,68,885</b>	<b>32,59,32,250</b>

The accompanying notes 1 to 38 are an integral part of the financial statements.

As per our report of even date

**For Brahmayya & Co.,**

Chartered Accountants

ICAI Firm Registration No: 000515S

**G. Srinivas**

Partner

Membership No: 086761

Place : Bengaluru

Date : May 29, 2014

For and on behalf of the Board of Directors

**V.P Mahendra**

Vice Chairman, Managing Director & CEO

**V.Ramachandran**

Director

**R.Thiyagarajan**

Executive Vice President & Chief Financial Officer

**Chinmaya Khatua**

Company Secretary

Place : Bengaluru

Date : May 29, 2014

## **Note 1: Company overview**

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

Presently the Company is dealing with Tractor, Tillers, Diesel Engines, Harvestors, 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 equipments required for the satisfactory functioning of the agricultural equipments.

## **Note 2: Significant Accounting Policies**

### **a) Basis of preparation**

These financial statements have been prepared in accordance with the generally accepted principles in India under the historical cost convention on an accrual basis except in case of assets for certain fixed assets which are revalued and provision for impairment is made and revaluation is carried out. These financial statements have been prepared to comply in all material respects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956. Pursuant to Circular 15/ 2013 dated 13th September, 2013 read with circular 08/ 2014 dated 4th April, 2014, till the standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### **b) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

### **c) Fixed Assets - Tangible**

Fixed Assets are stated at cost net of cenvat credit less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, levies and all incidental expenditure attributable to bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Assets under installation or under construction as at the balance sheet date are shown as capital work in progress.

### **d) Depreciation:**

Depreciation is provided on straight line method at the rates based on the estimated useful lives of the assets or those prescribed under Schedule XIV of the Companies Act 1956, whichever is higher. Individual assets costing less than Rs.5,000 are fully depreciated in the year of purchase.

Leasehold improvements are amortised over shorter of estimated useful lives or Lease period.

### **e) Borrowing Costs:**

Borrowing costs that are attributable to acquisition construction or production of a qualifying asset are capitalized as a part of cost of such asset. All other borrowing costs are recognized as an expense in the year in which they are incurred.

### **f) Impairment of Assets**

All fixed assets are assessed for any indication of impairment at each balance sheet date based on internal / external factors. On any such indication the impairment loss (being the excess of carrying

value over the recoverable value of the asset) is immediately charged to the Statement of Profit and Loss. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**g) Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long-term investments are stated at cost except where there is a diminution in value other than temporary, in which case the carrying value is reduced to recognize the decline. Current investments are valued at lower of cost and fair value determined on an individual investment basis.

**h) Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, consumables, stores and spares, trading and other products are determined on weighted average basis.

**i) Foreign exchange transaction**

Foreign currency transactions are recorded in the reporting currency, at the exchange rates prevailing on the date of the transaction. Current assets and current liabilities are translated at the exchange rate prevailing on the balance sheet date and the resultant gain / loss is recognised in the financial statements.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

In case of Forward Exchange Contracts or any financial instruments i.e. in substance a forward exchange contract to hedge the foreign currency risk which is on account of firm commitment and / or is a highly probable forecast transaction the premium or discount arising at the inception of the contract is amortized as expense or income over the life of the contract.

**j) Revenue recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods and services is net of Excise Duty, Service tax, VAT/ CST and trade discounts.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

**k) Retirement benefits to employees**

**i) Defined Contribution Plans**

Contributions paid/payable to defined contribution plans comprising of provident fund and pension fund, employees state insurance etc., are charged to the Statement of profit and loss on accrual basis. The Company has no obligation, other than the contribution payable to the funds.

**ii) Defined Benefit Plan**

Gratuity for employees is generally covered under a scheme of Life Insurance Corporation of India, except the employees in Mysore Unit and contributions in respect of such scheme are recognised in the Statement of Profit and Loss. The liability as at the Balance Sheet date is provided for based on the actuarial valuation, based on Projected Unit Credit Method at the balance sheet date, carried out by an independent actuary. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

**iii) Other Long term employee benefits**

Other Long term employee benefits comprise of Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date based on actuarial valuation carried out at each balance sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense.

**iv) Short term employee benefits**

Short term employee benefits, including accumulated compensated absences as at the Balance Sheet date, are recognized as an expense as per Company's schemes based on the expected obligation on an undiscounted basis.

**l) Research and Development**

Revenue expenditure on Research and Development are included under respective heads of expenditure. Capital expenditure on Research and Development are treated in the same manner as expenditure on other fixed assets.

**m) Taxes on Income**

Provision for income tax comprises current taxes and deferred taxes. Current tax is determined on the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized on timing differences being the differences between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are measured on the timing differences applying the tax rate and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable/virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realized.

**n) Provisions**

A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be

required to settle the obligation, in respect of which a reliable estimate can be made. Provisions, other than employee defined benefits, are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

**o) Leases**

Assets acquired under Leases, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired as leases, where a significant portion of the risk and rewards of ownership are retained by the lessor, are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis as per terms of the lease.

**p) 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.

**q) 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.

**r) Earnings per share**

The basic earnings per share are computed by dividing the net profit/(loss) after tax for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share, if any are computed using the weighted average number of equity shares and dilutive potential equity share outstanding during the year.

*(Amount In Rupees)*

### 3 Share Capital

**Authorised:**

1,00,00,000 (March 31, 2013: 1,00,00,000) equity shares of Rs. 10 each

**As at  
March 31, 2014**
**10,00,00,000**
**As at  
March 31, 2013**

10,00,00,000

**Issued, subscribed and paid-up:**

86,39,528 (March 31, 2013: 86,39,528) equity shares of Rs.10 each paid up

**8,63,95,280**

8,63,95,280

**Total issued, subscribed and paid-up share capital**
**8,63,95,280**

8,63,95,280

**(a) Reconciliation of the shares outstanding at the beginning and end of the reporting period**

	As at March 31,2014		As at March 31,2013	
	Nos	Rs.	Nos	Rs.
<b>Equity Shares</b>				
At the beginning of the year	<b>86,39,528</b>	<b>8,63,95,280</b>	86,39,528	8,63,95,280
Movement during the year	-	-	-	-
Outstanding at the end of the year	<b>86,39,528</b>	<b>8,63,95,280</b>	86,39,528	8,63,95,280

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

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

**(c) Details of shareholders holding more than 5% shares in the Company**

	As at March 31,2014		As at March 31,2013	
	Nos	% holding	Nos	% holding
<b>Equity shares of Rs. 10 each fully paid</b>				
V P Mahendra	<b>630,530</b>	<b>7.30%</b>	6,30,530	7.30%
V K Surendra	<b>18,08,679</b>	<b>20.93%</b>	19,36,214	22.41%
	<b>24,39,209</b>	<b>28.23%</b>	25,66,744	29.71%

As per records of the Company, including its register of shareholders/ members, the above shareholding represent legal ownership of shares.

**(d) Shares allotted as fully paid up by way of bonus shares (during 5 years preceding March 31, 2014)**

Issued, Subscribed and Paid-up Capital includes 28,79,843 equity shares of Rs.10 each, which were allotted as fully paid up by way of bonus shares by capitalisation of Share Premium on 9th Feb, 2010.



*(Amount In Rupees)*

#### 4 Reserves and Surplus

##### (A) Capital Reserve

Opening Balance	2,64,04,870	2,64,04,870
(+) Current Year Transfers	-	-
<b>Closing Balance</b>	<b>2,64,04,870</b>	<b>2,64,04,870</b>

##### (B) Revaluation Reserve

Opening Balance	64,93,238	65,57,813
(-) Depreciation for the year	53,367	64,575
<b>Closing Balance</b>	<b>64,39,871</b>	<b>64,93,238</b>

##### (C) General Reserve

Opening Balance	1,80,00,00,000	150,00,00,000
(+) Transferred from the Statement of profit and Loss	70,00,00,000	30,00,00,000
<b>Closing balance</b>	<b>2,50,00,00,000</b>	<b>1,80,00,00,000</b>

##### (D) Balance in Statement of Profit and Loss

Opening Balance	52,45,00,194	42,97,36,748
Add: profit for the year	82,93,82,414	48,57,33,788
	<b>1,35,38,82,608</b>	<b>91,54,70,536</b>

##### Less: Appropriations

(a) Proposed Dividend	12,95,92,920	7,77,55,752
(b) Tax on Proposed Dividend	2,20,24,317	1,32,14,590
(c) Transfer to General Reserve	70,00,00,000	30,00,00,000
	<b>85,16,17,237</b>	<b>39,09,70,342</b>

##### Closing balance in the Statement of Profit and Loss

	<b>50,22,65,371</b>	<b>52,45,00,194</b>
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##### Total Reserves and Surplus (A+B+C+D)

	<b>3,03,51,10,112</b>	<b>2,35,73,98,301</b>
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#### 5 Deferred tax liability (net)

##### Deferred tax liabilities

Depreciation/ amortization charged for the financial reporting	5,56,45,281	4,10,53,080
--	-------------	-------------

##### Deferred tax assets

Provision for Bad Debts and Employee Benefits	(1,11,96,515)	(1,18,41,666)
---	---------------	---------------

##### Deferred tax liability (Net)

	<b>4,44,48,766</b>	<b>29,211,414</b>
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#### 6 Other Long Term Liabilities

Rental Deposit	35,00,000	20,00,000
Dealer Deposits	25,49,30,475	18,19,81,591
Others	26,91,606	23,92,453
	<b>26,11,22,081</b>	<b>18,63,74,044</b>



*(Amount In Rupees)*
**7 Long Term Provisions**
**Provision for employee benefits**

Provision for Gratuity	<b>62,02,229</b>	29,52,228
Provision for compensated absence	<b>1,70,59,782</b>	1,40,56,942
	<b>2,32,62,011</b>	1,70,09,170

**8 Trade Payable**

Dues to Micro, Small and Medium Enterprises (Refer Note 29)	<b>13,58,19,420</b>	4,39,03,280
Dues to others	<b>44,03,66,055</b>	14,96,50,021
Bills Acceptance	<b>9,92,48,373</b>	3,35,28,601
	<b>67,54,33,848</b>	22,70,81,902

**9 Other Current Liabilities**

Unclaimed Dividend	<b>33,60,312</b>	31,17,213
Advance from customers and dealers	<b>2,49,36,902</b>	3,15,41,450
Incentives and Marketing Expenses Payable	<b>6,90,50,615</b>	6,29,35,280
TDS Payable	<b>46,41,559</b>	36,14,835
VAT Payable	<b>2,21,46,075</b>	2,70,85,384
Other statutory dues	<b>74,74,987</b>	55,77,777
Staff Dues and Recoveries	<b>3,69,82,640</b>	92,09,579
Other advance Received	<b>4,58,186</b>	17,99,250
Outstanding Expenses	<b>24,32,94,282</b>	20,93,58,901
	<b>41,23,45,558</b>	35,42,39,669

**10 Short Term Provisions**

Proposed Dividend	<b>12,95,92,920</b>	7,77,55,752
Tax on Proposed dividend	<b>2,20,24,317</b>	1,32,14,590
Provision for Warranties	<b>76,42,931</b>	63,49,213
Provision for Gratuity	<b>2,56,302</b>	17,16,479
Provision for Compensated absence	<b>24,66,846</b>	16,18,409
	<b>16,19,83,316</b>	10,06,54,443

## 11.1 TANGIBLE ASSETS

(Amount In Rupees)

	Land	Buildings	Plant and Machinery	Computer Equipments	Office Equipments	Vehicles	Furniture & Fixtures	Total
<b>Gross Block</b>								
At April 1, 2012	28,28,78,096	13,36,29,989	45,01,37,761	1,20,00,861	22,12,781	1,71,60,634	25,99,557	90,06,19,679
Additions	11,75,15,000	41,11,293	11,32,12,496	22,82,376	2,44,037	7,63,835	-	23,81,29,037
Disposals	(6,84,437)	(3,85,092)	(15,99,850)	(17,440)	-	(5,08,302)	(53,483)	(32,48,604)
<b>At March 31, 2013</b>	39,97,08,659	13,73,56,190	5,61,75,407	1,42,65,797	24,56,818	1,74,16,167	25,46,074	1,13,55,00,112
Additions	7,53,44,976	23,83,25,908	17,52,10,358	52,88,375	51,18,491	54,34,351	41,57,572	50,88,80,031
Disposals	-	-	(8,60,820)	(65,259)	-	(20,92,991)	-	(30,19,070)
<b>At March 31, 2014</b>	<b>47,50,53,635</b>	<b>37,56,82,098</b>	<b>73,60,99,945</b>	<b>1,94,88,913</b>	<b>75,75,309</b>	<b>2,07,57,527</b>	<b>67,03,646</b>	<b>1,64,13,61,073</b>
<b>Accumulated Depreciation</b>								
At April 1, 2012	-	3,22,39,680	28,14,26,814	87,46,281	12,21,804	49,37,451	15,81,537	33,01,53,567
Charge for the year	-	31,08,608	2,73,18,969	13,00,763	1,08,926	16,27,745	1,45,713	3,36,10,724
Disposals	-	(57,205)	(14,23,874)	(17,440)	-	(2,54,938)	(53,483)	(18,06,940)
<b>At March 31, 2013</b>	-	3,52,91,083	30,73,21,909	1,00,29,604	13,30,730	63,10,258	16,73,767	36,19,57,351
Charge for the year	-	32,89,279	3,27,21,378	11,82,924	1,19,362	17,66,296	1,20,039	3,91,99,278
Disposals	-	-	(6,47,116)	(62,109)	-	(10,47,281)	-	(17,56,506)
<b>At March 31, 2014</b>	-	<b>3,85,80,362</b>	<b>33,93,96,171</b>	<b>1,11,50,419</b>	<b>14,50,092</b>	<b>70,29,273</b>	<b>17,93,806</b>	<b>39,94,00,123</b>
<b>Net Block</b>								
At March 31, 2013	39,97,08,659	10,20,65,107	25,44,28,498	42,36,193	11,26,088	1,11,05,909	8,72,307	77,35,42,761
At March 31, 2014	<b>47,50,53,635</b>	<b>33,71,01,736</b>	<b>39,67,03,774</b>	<b>83,38,494</b>	<b>61,25,217</b>	<b>1,37,28,254</b>	<b>49,09,840</b>	<b>124,19,60,950</b>

## 11.2 CAPITAL WORK-IN-PROGRESS

	As at March 31, 2014	As at March 31, 2013
Buildings	<b>10,55,058</b>	14,17,32,681
	<b>10,55,058</b>	14,17,32,681

*(Amount In Rupees)*
**12 Non Current investment**
**Investment in Joint Venture**

MHI -VST Diesel Engines Private Limited

(41,50,000 (March 31, 2012: 41,50,000) Equity Shares of Rs.10 each.)

**4,15,00,000**

4,15,00,000

**4,15,00,000**

4,15,00,000

**13 Long term loans and advance**

Capital advance

**98,83,492**

3,00,32,897

Security deposits

**1,16,96,537**

1,21,60,162

Staff special / Annual advance

**12,65,114**

13,16,865

**2,28,45,143**

4,35,09,924

**14 Current investments**
**Non Trade Unquoted**
**(i) HSBC Mutual Fund**

HSBC Cash Fund-Daily Dividend

94,181.263 (Previous Year: Nil) Units of Rs.1000.56 each

**9,42,19,768**

-

**ii) BOI AXA Mutual Fund**

BOI AXA Liquid Fund

1,24,930.473 (Previous Year: Nil) Units of Rs. 1001.6171 each

**12,50,05,336**

-

**iii) ICICI Prudential Mutual Fund**

ICICI Prudential Banking &amp; PSU Debt Plan

1,15,46,862.799 (Previous Year: Nil) Units of Rs.10.0679 each

**11,62,13,948**

-

**iv) Reliance Mutual Fund**

Reliance Fixed Horizon Fund-XXV Series 29-Direct-Growth Plan

70,00,000.000 (Previous Year: Nil) Units of Rs.10.0985 each

**7,00,00,000**

-

**v) Birla Sunlife Mutual Fund**

Birla Sun Life Interval Income Fund-90 Days

50,00,000.000 (Previous Year: Nil) Units of Rs.10.1059 each

**5,00,00,000**

-

Birla Sun Life Floating Rate Fund-Short Term Plan-Daily Dividend

10,29,677.410 (Previous Year: Nil) Units of Rs.100.5400 each

**10,33,74,669**

-

**vi) TATA Mutual Fund**

Tata Money Market Fund-Plan A-Daily Dividend

1,33,104.348 (Previous Year: Nil) Units of Rs.1,001.5157 each

**13,33,06,094**

-

**vii) Religare Invesco Mutual Fund**

Religare Invesco Credit Opportunities Fund-Daily Dividend

102,393.809 (Previous Year: Nil) Units of Rs.1000.2900 each

**10,24,23,502**

-

**viii) SBI Mutual Fund**

SBI Magnum Insta Cash Fund-Regular Plan-Daily Dividend

61,688.053 (Previous Year: Nil) Units of Rs.1675.0300 each}

**10,33,29,339**

-

**ix) Kotak Mutual Fund**

Kotak Banking &amp; PSU Debt Fund-Daily Dividend

61,90,689.365 (Previous Year: Nil) Units of Rs.10.0335 each}

**6,21,14,282**

-

**x) HDFC Mutual Fund**

HDFC Floating Rate-IF-S T-WS-D Div.

60,94,982.940 (Previous Year: Nil) Units of Rs.10.0809 each

**6,14,42,912**

-

**1,02,14,29,850**

-

*(Amount In Rupees)*

## 15 Inventories

	As at March 31, 2014	As at March 31, 2013
Raw material and Components	33,27,28,931	20,10,98,894
Work-in-Progress	5,48,37,499	6,15,26,481
Finished Goods	28,51,35,559	41,31,28,736
Spares and Attachments	10,96,59,864	8,89,57,543
Trading goods	7,39,11,480	4,47,56,315
Loose Tools	58,25,443	1,58,53,392
Machinery Spares and Others	34,24,273	32,51,052
	<b>86,55,23,049</b>	<b>82,85,72,413</b>

## 16 Trade Receivables

### Secured :-

Receivables outstanding for a period exceeding six months and considered

Good	5,78,27,336	1,56,66,871
Others	28,00,01,013	19,90,46,574

### Unsecured :-

Receivables outstanding for a period exceeding six months and considered

Good	4,48,74,086	18,90,00,782
Doubtful	63,70,693	65,41,852
Others	63,98,68,245	57,60,74,254

### Total

	<b>1,02,89,41,373</b>	<b>98,63,30,333</b>
Less: Provision for doubtful Trade receivables	63,70,693	65,41,852
Less: Provision for other receivables*	-	67,83,243

### Total Trade Receivables

	<b>1,02,25,70,680</b>	<b>97,30,05,238</b>
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*\*includes Subsidy receivable from the Government*

## 17 Cash and Bank Balances

### I. Cash and cash equivalents

a) Cash on hand	1,21,116	1,37,144
b) On current accounts	12,71,13,460	7,44,50,112
c) Deposits with less than three months maturity	-	14,00,00,000
d) Cheques on hand	9,47,34,309	11,13,44,994
	<b>22,19,68,885</b>	<b>32,59,32,250</b>

### II. Other bank balances with more than three months maturity

a) Deposits with Banks	1,50,000	1,50,000
b) Margin money deposit	24,825	-
c) Earmarked balances with banks	33,60,312	31,17,213
	<b>35,35,137</b>	<b>32,67,213</b>
	<b>22,55,04,022</b>	<b>32,91,99,463</b>

*(Amount In Rupees)*
**18 Short Term Loans and advances**

	As at March 31, 2014	As at March 31, 2013
Advances to Staff	28,13,402	31,10,344
Advances given to Suppliers	71,42,561	34,09,857
<b>Statutory Receivables</b>		
Cenvat Receivable	20,70,003	28,41,435
VAT Receivable	16,75,15,390	17,20,01,135
Service Tax Receivable	1,25,669	1,25,670
Advance Income Tax (Net of Provisions)	6,41,89,040	3,12,74,599
Others	90,08,023	1,21,17,792
	<u>25,28,64,088</u>	<u>22,48,80,832</u>

**19 Other Current Assets**

Income Accrued but not due	48,48,132	24,20,911
	<u>48,48,132</u>	<u>24,20,911</u>

**20 Revenue from operations**

	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of products	6,23,73,79,875	4,81,16,57,918
Sale of services	1,40,600	12,45,516
Other operating revenues	1,50,37,571	1,39,56,714
	<u>6,25,25,58,046</u>	<u>4,82,68,60,148</u>

**21 Other Income**

Gain on Foreign Exchange Fluctuation ( Net)	30,40,777	3,91,190
Insurance claims	16,10,478	21,65,899
Interest	43,76,247	8,28,698
Dividend from Non trade Investments	5,82,32,953	71,36,373
Rent Received	56,41,033	56,12,283
Sundry credit balances written back	31,36,973	19,75,227
Profit on sale of Assets		1,46,870
Provision for Bad and Doubtful debts written back	69,54,402	-
Miscellaneous Receipts	40,42,584	27,42,970
	<u>8,70,35,447</u>	<u>2,09,99,510</u>

**22 Cost of Material Consumed**

Castings	67,40,73,042	70,97,50,682
Forgings	1,05,38,21,688	94,15,01,876
Sheet Metal Components	93,78,11,860	69,65,13,430
Tyres & Tubes	28,09,70,844	17,63,23,572
Others	1,07,90,21,410	1,07,32,98,779
	<u>4,02,56,98,844</u>	<u>3,59,73,88,339</u>

(Amount In Rupees)

## 23 Changes in inventories

### Opening Stock as at 1st April, 2012

Work in Progress	6,15,26,481	5,52,14,136
Finished Goods	41,31,28,736	9,51,24,217
Trading Goods	4,47,56,315	2,63,50,260
Spares and attachments	8,89,57,543	12,96,54,463
<b>Total (A)</b>	<b>60,83,69,075</b>	<b>30,63,43,076</b>

### Closing Stock as at 31st March, 2013

Work in Progress	5,48,37,499	6,15,26,481
Finished Goods	28,51,35,559	41,31,28,736
Trading Goods	7,39,11,480	4,47,56,315
Spares and attachments	10,96,59,864	8,89,57,543
<b>Total (B)</b>	<b>52,35,44,402</b>	<b>60,83,69,075</b>

### (Increase)/Decrease in stock (A-B)

<b>8,48,24,673</b>	<b>(302,02,6,000)</b>
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## 24 Employee Benefit Expenses

Salaries, Wages and Bonus	32,91,23,777	25,61,85,517
Contribution to Funds	1,96,58,343	1,55,22,416
Welfare Expenses	1,16,79,858	94,39,685
	<b>36,04,61,978</b>	<b>28,11,47,618</b>

## 25 Finance Costs

### Interest Expense

Interest paid on working Capital	-	33,044
Interest on Other	1,75,67,257	1,23,20,566

### Other Borrowing Costs

Loan Processing Fees	1,23,750	4,85,207
	<b>1,76,91,007</b>	<b>1,28,38,817</b>

## 26 Depreciation and amortization expense

Depreciation of tangible assets	3,91,45,911	3,35,46,150
	<b>3,91,45,911</b>	<b>3,35,46,150</b>

*(Amount In Rupees)*

## 27 Other Expenses

	For the year ended March 31, 2014	For the year ended March 31, 2013
Power and Fuel	2,91,75,124	2,51,90,847
Consumption of Stores & Tools	5,03,24,635	5,77,12,093
Consultancy and Legal Charges	81,88,330	76,89,668
Payment to Statutory Auditors		
i) Audit fee	10,00,000	7,00,000
ii) Tax audit fee	2,00,000	1,00,000
iii) Company Law Matters	-	30,000
iv) Reimbursement of expenses	1,54,756	1,50,560
Payment to Cost Auditors		
i) Audit fee	1,75,000	125,000
ii) Reimbursement of expenses	26,686	45,226
Fees, Rates and Taxes	2,58,00,583	2,05,06,813
Directors Sitting Fees	5,25,000	4,20,000
Insurance	23,60,690	29,99,384
Rent	33,79,970	36,14,989
Repairs and Maintenance on		
i) Building	47,48,665	29,58,674
ii) Machinery	1,55,36,849	1,22,12,601
iii) Other Equipment	1,27,78,983	1,33,04,086
Testing Charges	38,06,057	41,77,409
Bank Charges	7,28,424	11,97,127
Travelling and Conveyance	2,46,17,333	1,90,14,799
Communication Expenses	57,06,194	38,89,339
Assets written off	-	11,64,834
Miscellaneous Expenses	50,41,555	45,50,557
Advertisement and Publicity	64,20,971	1,04,33,764
Freight and Forwarding	12,67,04,427	10,66,00,447
Selling Expenses	16,80,97,706	1339,30,046
Packing material consumed	2,18,20,879	2,24,88,180
Donations	33,50,000	14,75,000
Service and Warranty Expenses	6,05,57,582	4,84,58,416
Provision for bad and doubtful debts	-	1,33,25,095
Loss on sale of assets	5,88,389	-
Prior Period Expense	-	4,458
	<b>58,18,14,788</b>	<b>51,84,69,411</b>

## 28 Contingent Liabilities

a) Cases filed by customers in various consumer courts not acknowledged as debts	43,79,000	43,79,000
b) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances).	4,22,57,591	8,68,66,454
c) Bank guarantees issued to Government agencies by way of security	56,49,300	1,33,62,500

The vendor financing facility with M/s AXIS Bank Limited aggregating to Rs.25.00 crores to the vendors of the company is with recourse to the company on the delayed payment at interest rate of 2% p.a. over and above the contracted rate.



(Amount In Rupees)

**29 Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):**

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, 2014. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

- 30** The actuarial value of gratuity liability as at 31st March 2014 is Rs.6,61,58,554/- (Rs.5,74,97,126) as per the workings under AS 15 (Revised) Employee Benefits, notified by Ministry of Corporate Affairs Under Subsection 3C of Section 211 of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs.

**Gratuity report under AS-15 (Revised 2005) for the year ended March 31, 2014**

The following table sets out the funded status of the gratuity plans and the amounts recognised in the company's financial statements as at March 31, 2014.

	As at March 31, 2014	As at March 31, 2013
<b>a) Assumption :</b>		
Discount rate	9.12%	8.25%
Salary Escalation	5%	5%
<b>b) Table showing changes in present value of obligation :</b>	As at March 31, 2014	As at March 31, 2013
Present value of obligation as at beginning of year	5,74,97,126	5,11,09,025
Interest cost	51,44,677	40,62,762
Current service cost	66,45,072	63,79,557
Benefits paid	(21,72,400)	(37,26,854)
Actuarial(gain)/loss on obligation	(9,55,921)	(3,27,364)
Present value of obligation as at end of year	6,61,58,554	5,74,97,126
<b>c) Table showing changes in the fair value of plan assets:</b>	As at March 31, 2014	As at March 31, 2013
Fair value of plan assets at beginning of year	5,28,28,419	4,95,99,578
Expected return on plan assets	43,16,703	39,21,766
Contributions	42,83,136	5,59,79,135
Benefits paid	(20,22,393)	(37,26,854)
Actuarial gain/(loss) on plan assets	2,69,794	4,62,087
Fair value of plan assets at end of year	5,96,75,659	5,28,28,419
<b>d) Table showing Expenses recognised Statement of Profit and Loss</b>	As at March 31, 2014	As at March 31, 2013
Current Service Cost	66,45,072	63,79,557
Interest on Obligation	51,44,676	40,62,762
Expected return on plan assets	(43,16,703)	(39,21,766)
Actuarial (gain)/loss	(12,25,715)	(7,89,451)
Total included in Employee Benefits	62,47,330	57,31,102
<b>e) Actuarial Gain / Loss recognised :</b>	As at March 31, 2014	As at March 31, 2013
Actuarial (gain) / Loss on obligations	(9,55,921)	(3,27,364)
Actuarial (gain) / Loss for the year on plan assets	(2,69,794)	(4,62,087)
Actuarial (Gain)/ Loss recognised in the year	(12,25,715)	(7,89,451)

*(Amount In Rupees)*

<b>f) The amount to be recognised in the Balance Sheet and statement of Profit and Loss :</b>	<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
Present value of obligation as at the end of the year	<b>6,61,58,554</b>	5,74,97,126
Fair value of plan assets as at the end of the year	<b>5,96,75,659</b>	5,28,28,419
Net assets / (Liability) recognised in Balance Sheet	<b>(64,82,895)</b>	(46,68,707)

**Notes :**

1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2. The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the company's policy for plan assets is expected to vary from year to year reflecting the returns on matching Government bonds.
3. Gratuity liability in case of employees of Precision Components Division, Mysore are unfunded and the gratuity liability for the year was Rs. 3,13,444 (31st March, 2013 Rs.6,01,016) and the cumulative liability as on 31st March 2014 was Rs.34,99,015 (31st March, 2013 Rs.31,85,571).

**31 Related Party Transactions:**

Information given in accordance with the requirements of Accounting Standard 18 - Related Party disclosures notified by Ministry of Corporate Affairs Under sub section (3C) of Section 211 of the Companies Act, 1956 read with General circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs

<b>Name of the Party</b>	<b>Nature of Relationship</b>
a) India Garage Service Station	Associates/Joint Ventures
b) India Garage Petrol Pump	Associates/Joint Ventures
c) MHI-VST Diesel Engines Private Limited	Associates/Joint Ventures
d) Anand & Associates	Associates/Joint Ventures
e) Automobile Service Centre	Associates/Joint Ventures
f) VST & Sons	Associates/Joint Ventures
g) Mr.V.P.Mahendra	Key Management Personnel
h) Mr.V.V.Pravindra	Key Management Personnel
i) Mr.B.C.S.Iyengar	Key Management Personnel

	<b>Transactions for For the year ended 31 March, 2014</b>	<b>Transactions for For the year ended 31 March, 2013</b>
<b>I. Nature of Transactions:</b>		
a) Sale of power tillers, tractors, diesel engines, attachments and spare parts etc. <b>India Garage Service Station</b>	<b>4,88,54,060</b>	4,56,10,790
b) Supply of machined components and provide facilities for inspection of components <b>MHI-VST Diesel Engines Private Limited</b>	<b>56,035</b>	1,33,850
c) Renting of immovable property <b>MHI-VST Diesel Engines Private Limited</b>	<b>25,28,100</b>	23,17,425
d) Architectural profession services <b>Anand &amp; Associates</b>	<b>31,57,316</b>	26,40,460
e) Renting of Immovable Property <b>Automobile Service Centre</b>	<b>26,96,640</b>	26,96,640
f) Payment of Royalty towards utilisation of Group Logo <b>VST &amp; Sons</b>	<b>6,23,871</b>	1,40,010

*(Amount In Rupees)*

	Transactions for For the year ended 31 March, 2014	Transactions for For the year ended 31 March, 2013
<b>II. Balances at 31st March 2014</b>		
a) Receivable <b>India Garage Service Station</b>	(11,73,522)	44,99,612
b) Payable <b>MHI-VST Diesel Engines Private Limited</b>	2,71,662	2,72,455
<b>Automobile Service Centre</b>	-	-
<b>VST &amp; Sons</b>	6,23,871	1,40,010
<b>Anand &amp; Associates</b>	-	3,53,934
<b>India Garage Petrol Pump</b>	-	10,98,967
<b>III. Managerial Remuneration* :</b>		
a) <b>Mr.V.P.Mahendra</b>	46,15,503	42,32,479
b) <b>Mr.V.V.Pravindra</b>	35,21,414	20,15,300
c) <b>Mr.B.C.S.Iyengar</b>	39,32,338	32,57,560
	<b>1,20,69,255</b>	<b>95,05,339</b>

\* Managerial Remuneration includes commission

	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>32 Basic and Diluted earnings per share</b>		
a) Profit after tax for the year (in Rs.)	<b>82,93,82,415</b>	48,57,33,788
b) Weighted average number of equity shares outstanding	<b>86,39,528</b>	86,39,528
Earnings Per Share (Rs.) - Basic (Face value of Rs. 10 per share)	<b>96.00</b>	56.22
Earnings Per Share (Rs.) - Diluted (Face value of Rs. 10 per share)	<b>96.00</b>	56.22

**33 Expenditure on Research & Development**

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>a) Revenue expenditure</b>		
Salaries & allowances of R&D Staff	<b>1,33,55,948</b>	98,42,963
Testing Fees paid to ARAI, Pune & CFMTTI, Budni	<b>31,28,612</b>	32,12,806
Development charges	<b>6,07,433</b>	9,10,834
Others	<b>70,012</b>	53,769
Depreciation on R&D Assets	<b>10,33,069</b>	10,58,472
<b>Total (A)</b>	<b>1,81,95,074</b>	1,50,78,844
<b>b) Capital Expenditure:</b>		
Machineries	-	48,83,315
<b>Total (B)</b>	-	48,83,315
<b>Grand Total (A) + (B)</b>	<b>1,81,95,074</b>	1,99,62,159

*(Amount In Rupees)*
**34 a) CIF Value of Imports :**

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
i) Components and spares	24,93,58,619	20,98,81,785
ii) Capital items	-	7,41,397
<b>Total</b>	<b>24,93,58,619</b>	<b>21,06,23,182</b>

	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>b) Expenditure in Foreign Currency :</b>		
i) Travelling	16,21,362	5,13,357
ii) Commission paid	45,38,364	4,96,498
iii) Others	-	12,90,550
<b>Total</b>	<b>61,59,726</b>	<b>23,00,405</b>

**c) Value of Imported and Indigenous Materials, components and Traded goods consumed :**

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
	Amount	% to total consumption	Amount	% to total consumption
i) Imported	24,17,50,569	5.76%	10,90,91,619	3.14%
ii) Indigenous	3,95,46,94,460	94.24%	3,36,37,79,164	96.86%
	<b>4,19,64,45,029</b>	<b>100.00%</b>	<b>3,47,28,70,783</b>	<b>100.00%</b>

**35 Earnings in Foreign Exchange:**

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
a) Export of goods on FOB basis	14,67,50,863	15,64,21,160
b) Others ( Freight, Insurance etc.)	70,47,186	16,25,542
<b>Total</b>	<b>15,37,98,049</b>	<b>15,80,46,702</b>

**36 Remittances in foreign currency during the year on account of dividend:**

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
a) Amount remitted (Net of tax) - (Amount in Rs.)	22,78,125	22,78,125
b) Number of Non Resident shareholders	1	1
c) Number of shares on which dividend was due	2,53,125	2,53,125

(Amount In Rupees)

### 37 Derivative Instruments

**Foreign Currency Exposure that are not hedged by a derivative instruments or otherwise are as follows :**

Particulars	As at March 31, 2014		As at March 31, 2013	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
<b>Assets</b>				
Trade Recievables				
( in USD )	63,221	37,49,638	55,034	29,72,923
( in GBP )	2,18,902	2,15,20,297	71,889	58,56,797
( in EURO )	1,87,683	1,52,49,217	2,10,363	1,45,10,810
<b>Liabilities</b>				
Trade Payables - ( in EURO)	10,303	8,61,743	86	4,733
Other Payables - ( in EURO)	-	-	1,999	1,39,824
Accrued Expenses - ( in GBP )	18,296	18,49,212	5,691	4,73,249
Advance from Customers - (in EURO)	71	5,900	-	-

**38** These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous year figures have been recast/restated to confirm to the classification of the current year.

As per our report of even date

**For Brahmayya & Co.,**

Chartered Accountants

ICAI Firm Registration No: 000515S

**G. Srinivas**

Partner

Membership No: 086761

Place : Bengaluru

Date : May 29, 2014

For and on behalf of the Board of Directors

**V.P Mahendra**

*Vice Chairman, Managing Director & CEO*

**V.Ramachandran**

*Director*

**R.Thiyagarajan**

*Executive Vice President & Chief Financial Officer*

**Chinmaya Khatua**

*Company Secretary*

Place : Bengaluru

Date : May 29, 2014

## **SALE OF PRODUCTS**

### **Details of Production and Sales Quantity & Value**

CLASS OF GOODS	01-04-2013 - 31-03-2014			01-04-2012 - 31-03-2013		
	Production Quantity Nos.	Sales		Production Quantity Nos.	Sales	
		Quantity Nos.	Value Rs.		Quantity Nos.	Value Rs.
a) Power Tillers	25,843	27,252	3,42,45,31,216	24,264	21,231	2,60,63,63,860
b) Tractors	7,515	7,452	1,94,25,90,050	6,446	6,233	1,54,35,09,187
c) Rice Transplanters		822	13,01,05,755		404	6,35,84,688
d) Spares			41,67,18,626			36,08,59,773
e) Others			31,30,63,112			22,70,67,430
<b>Total</b>			<b>6,22,70,08,759</b>			<b>4,80,13,84,938</b>



VST SHAKTI 130 DI POWER TILLER



VST YANJI SHAKTI RICE TRANSPLANTER



MITSUBISHI SHAKTI VWH 120 POWER TILLER



MITSUBISHI SHAKTI MT 180D TRACTOR



VST MITSUBISHI SHAKTI VT 224-1D TRACTOR

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

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**CIN-L34101KA1967PLC001706**

