



NOTICE

“NOTICE IS HEREBY GIVEN that the **47th 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, Bengaluru – 560 025 on **Tuesday, August 11th, 2015 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, 2015, Statement of Profit and Loss 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. V.V. Pravindra (DIN- 00239888), who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof :

Resolved that, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on August 14, 2014, the appointment of M/s. Brahmayya & Co. Chartered Accountants (Firm Registration No. 000515S) as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 in consultation with the auditors.

Special Business.

5. **Appointment of Ms. K.P. Anuradha as an independent director.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution :

“Resolved that, pursuant to Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Ms. K.P. Anuradha (DIN- 07214890), who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 26, 2015 and who holds office till the date of the AGM in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. K.P. Anuradha as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of Five years with effect from 26th June, 2015, not liable to retire by rotation.”

6. **To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Rao, Murthy & Associates, Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration of Rs. 2 lakh per annum plus out of pocket expenses.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution.”

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

Place: Bengaluru
Date: June 26, 2015

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 5th 2015 to August 11th, 2015 (both days inclusive) in connection with payment of dividend and Annual General Meeting scheduled to be held on August 11th, 2015.
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 4th, 2015.
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 2014-15 the company has transferred Rs.303968/- to Investor Education and Protection Fund. The details of the unclaimed dividends are uploaded in IEPF website and as well as website of the Company.

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 dispatch the communication in electronic form from time to time. The Annual Report 2014-15 along with Notice are being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2014-15 are being sent by the permitted mode.
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). The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). Mr. Shylendrakumar T R, practicing Company Secretary (C P No- 2453) has been appointed as scrutinizer in this regard.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. August 4, 2015 only shall be entitled to avail the facility of remote e-voting / voting at AGM.

Procedure / Instructions for remote e-voting are as under :

- (i) The remote e- voting facility will be available during the following period:

Start of remote e-voting: From 9.00 a.m. (IST) on August 8, 2015.

End of remote e-voting: Up to 5.00 p.m. (IST) on August 10, 2015.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period

- (iii) Click on "Shareholders" tab.

- (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted

on an earlier voting of any company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|------------------------|--|
| 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"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| 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"> 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <V.S.T. Tillers Tractors Ltd.> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the 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.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com 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.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) Any person who acquires shares of the Company and become a member after despatch of the notice and holding shares as on the cutoff date i.e., August 4, 2015 may obtain the LOGIN ID and password by referring Notice of the Company or by sending a request at irg@integratedindia.in
12. The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website, i.e. www.vsttillers.com and on the website of CDSL within three 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 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 at the AGM.

15. The facility for voting through polling paper will also be made available at the AGM and members attending the AGM who have not already casted their vote by remote e-voting shall be able to exercise their rights at the AGM.
16. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

ANNEXURE TO THE NOTICE

Statement pursuant to section 102 of Companies Act, 2013.

Item No. 5

The Board of Directors, at their meeting held on June 26, 2015 appointed Ms. K.P. Anuradha as an Additional Director of the Company with effect from June 26, 2015 pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 Ms. K.P. Anuradha will hold office upto the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member, along with a deposit of Rs. 1,00,000/- proposing the candidature of Ms. K.P. Anuradha for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Ms. K.P. Anuradha the consent letter, declaration under Section 149(6) of the Act and all other required declarations under Companies Act, 2013 and Rules made thereunder.

The resolution seeks the approval of members for the appointment of Ms. K.P. Anuradha as an Independent Director of the Company for a period of five years from 26th June, 2015 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She will not be liable to retire by rotation.

Brief Resume of Ms. K.P. Anuradha including Directorship, Membership of Committees and shareholding (Clause 49)

Ms. K.P. Anuradha, aged about 43 years, is a B.A Graduate and is presently working as Asst. Secretary of the Charitable Institution, Smt. Kamala Bai Education Trust. Prior to this, she has worked as Asst. Head Mistress for 18 years in this Institution. Her core strength are her administrative experience gained over the past two decades.

Ms. K.P. Anuradha is not holding directorship of any other Company. She is also not holding any shares of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise in the resolution as set out at Item No. 5 of the Notice.

In the opinion of the Board, she fulfills the conditions specified in the Companies Act, 2013 read with Rules made thereunder for such an appointment.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members as an ordinary resolution.

Item no. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Rao, Murthy & Associates, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

NOTICE



In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned

or interested, financially or otherwise in the resolution as set out at Item No. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for the approval of the members as an ordinary resolution.

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

Place: Bengaluru
Date: June 26, 2015

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/Client ID :

DP ID :

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

(1) Name :

Address :

E-mail Id :Signature : or failing him;

(2) Name :

Address :

E-mail Id :Signature : or failing him;

(3) Name :

Address :

E-mail Id :Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the Company, to be held on the 11th day of August, 2015 at 3.00 p.m. at “Krishna Hall” Woodlands Hotel Pvt. Ltd. No.5, Rajammohan 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 |
| | ORDINARY BUSINESS | | |
| 1 | Adoption of Financial Statements for the year ended 31st March, 2015. | | |
| 2 | Declaration of Dividend. | | |
| 3 | Appointment of Mr. V.V. Pravindra a Director who retires by rotation and eligible for re-appointment. | | |
| 4 | Ratification of Appointment of M/s. Brahmayya & Co, Chartered Accountants, as Auditors and fix their remuneration. | | |
| | SPECIAL BUSINESS | | |
| 5 | Appointment of Ms. K.P. Anuradha as an Independent Director. | | |
| 6 | To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016 | | |

Signed this..... day of2015

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 47th Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.
- 4.* It is optional to put a “X” in the appropriate column against the Resolutions indicated in the box. If you leave the “for” or “against” column blank against any or all Resolutions, your proxy will entitle to vote in the manner as he / she thinks appropriate.
5. A person can act as Proxy on behalf of fifty (50) members and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member.



V.S.T. TILLERS TRACTORS LIMITED

CIN: L34101KA1967PLC001706

**Registered Office: Plot No-1, Dyavasandra Indl Area, Whitefiled Road,
Mahadevapura P.O, Bangalore – 560 048**

Telephone:+91 80 67141111, Fax: +91 80 28510221,
Email: vstgen@vsttillers.com, Web: www.vsttillers.com

ATTENDANCE SLIP

47TH ANNUAL GENERAL MEETING

Date: 11th August 2015

Time: 3:00 P.M

Place: “Krishna Hall”, Woodland Hotels Pvt. Ltd. No.5, Raja Rammohan Roy Road, Bangalore – 560025

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

Name of the attending Member (in block letters):

Members' Folio Number:

Client I.D. No. :

D.P.I.D No:

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

.....

No. of Shares held:

I hereby record my presence at the Forty Seventh Annual General Meeting of the Company held on Tuesday the 11th August, 2015, at 3:00 pm at “Krishna Hall”, Woodlands Hotels Pvt. Ltd. No.5, Raja Rammohan Roy Road, Bangalore – 560 025.

Signature of member / Proxy

The electronic voting particulars are set out below:

| EVS (Electronic Voting Sequence Number) | PAN No./SEQ. No. | USER ID | PASSWORD |
|---|------------------|---------|----------|
| | | | |

Please refer to Notice for instructions on e-voting.

Remote e-voting facility is available during the following period

| Commencement of remote e-voting | End of remote e-voting |
|---|---|
| Saturday, 8th August 2015 (from 9.00 am) | Monday, 10th August 2015 (up to 5.00 pm) |

47th

**Annual Report
2014-15**



VST SHAKTI

V.S.T. TILLERS TRACTORS LTD.



A VST GROUP
ENTERPRISE

LORD GANESHA



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

| | |
|---|--|
| Board of Directors | : Mr. V.K. Surendra - <i>Chairman</i> Mr. R. Subramanian - <i>Independent Director</i> Mr. M.K. Bannerjee - <i>Independent Director</i> Mr. V. Ramachandran - <i>Independent Director</i> Mr. K.K. Rai - <i>Independent Director</i> Mr. V.P. Mahendra - <i>Vice Chairman, Managing Director & CEO</i> Mr. B.C.S. Iyengar - <i>Director - Corporate Strategy</i> Mr. V.V. Pravindra - <i>Non-Executive Director</i> |
| 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, Bengaluru - 560 001 |
| Cost Auditors | : M/s. Rao, Murthy & Associates No.23/33, Surveyor's Street Basavanagudi, Bengaluru - 560 004 |
| Secretarial Auditors | : M/s. K. Narayana Swamy & Company "Amudhasurabi" # 48, 8th Cross, Visvesvaraya Colony Akash Nagar, B.Narayanapura Extn., Bengaluru - 560 016 |
| 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, Whitefield Road, Mahadevapura Post, Bengaluru - 560 048 e-mail: vstgen@vstillers.com website: www.vstillers.com |

INFORMATION

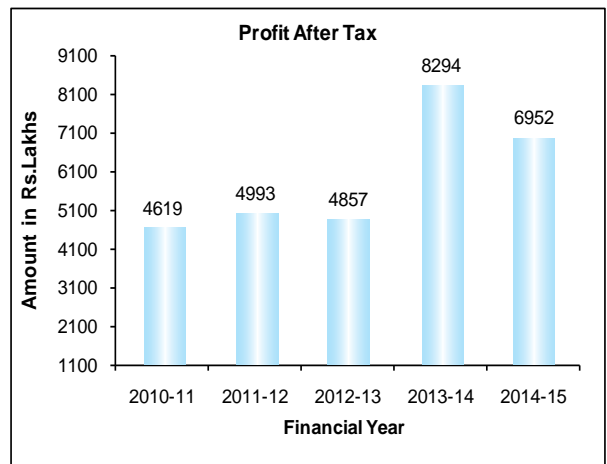
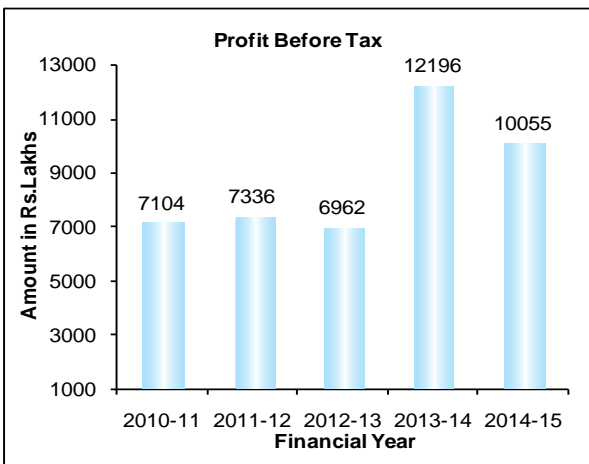
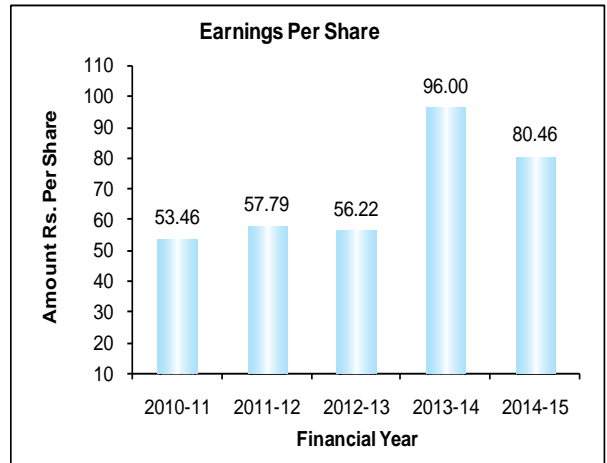
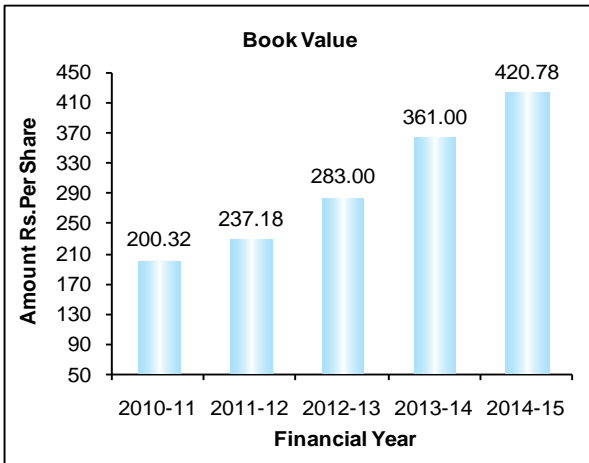
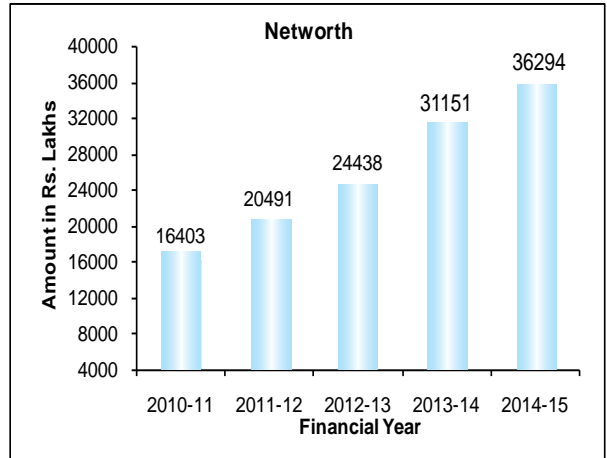
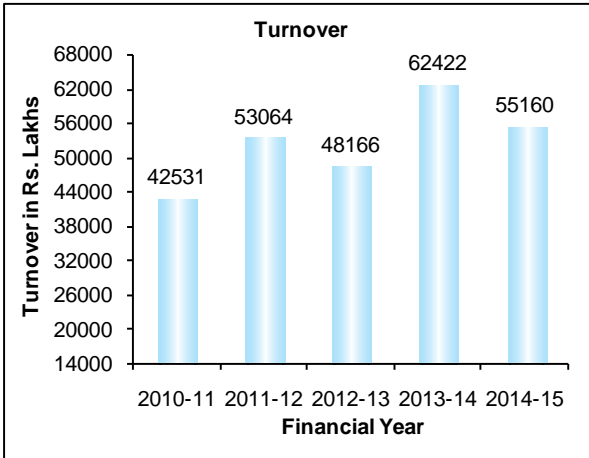
REQUEST TO MEMBERS

1. Please bring your copy of the Annual Report to the meeting as no extra copies will be distributed owing to limited number of copies printed.
2. Members are requested to send their queries, if any, relating to the annual accounts and reports 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.

Contents

| | | |
|--|---|----|
| Directors' Report | - | 04 |
| Report on Corporate Governance | - | 26 |
| Auditors' Report | - | 36 |
| Balance Sheet | - | 40 |
| Statement of Profit and Loss | - | 41 |
| Cash Flow Statement | - | 42 |
| Notes forming part of Financial Statement | - | 43 |

FINANCIAL INDICATORS



Dear Shareholder,

Your Directors have pleasure in presenting the 47th Annual Report of the Company and the audited statement of accounts for the year ended March 31, 2015.

FINANCIAL PERFORMANCE

(Rupees in lacs)

| Period | Year 2014-15 | Year 2013-14 |
|---|--------------|--------------|
| OPERATING INCOME | 55160 | 62422 |
| NON-OPERATING INCOME | 1186 | 870 |
| TOTAL INCOME | 56346 | 63292 |
| PROFIT BEFORE DEPRECIATION & FINANCE COST | 11208 | 12764 |
| FINANCE COST | 212 | 177 |
| DEPRECIATION | 941 | 391 |
| PROFIT BEFORE TAX | 10055 | 12196 |
| INCOME TAX | 3104 | 3902 |
| PROFIT AFTER TAX | 6952 | 8294 |
| BALANCE B/F | 5023 | 5245 |
| SURPLUS AVAILABLE FOR APPROPRIATION TO : | 11974 | 13539 |
| PROPOSED DIVIDEND | 1296 | 1296 |
| PROPOSED TAX ON DIVIDEND | 264 | 220 |
| TRANSFER TO GENERAL RESERVE | 5000 | 7000 |
| DEPRECIATION ADJUSTMENT | 71 | - |
| CSR EXPENDITURE | 177 | - |
| BALANCE CARRIED FORWARD | 5166 | 5023 |

COMPANY'S PERFORMANCE

The year under report was riddled with adverse factors such as scanty rain fall in many parts of western India crop failure, plight of sugarcane and cotton growers, non-availability of subsidy for Power Tillers in key States, all of which have resulted in de-growth of tractor and power tiller volumes.

The number of Power Tillers sold during the year was 23103 units as against the previous year's 27252 while Tractor sales was down to 6694 units compared to 7452 during 2013-14.

However it is gratifying to note that while the Income from operation of the Company fell by 12%, better realisation on product price and stable raw material prices, control on overheads have enabled the company to minimize the dent on the bottom line.

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.1560 lacs including the distribution tax.

Transfer to reserves

We propose to transfer Rs.50 crore to the general reserve. An amount of Rs.52 crore is proposed to be retained in the surplus.

MANAGEMENT DISCUSSION AND ANALYSIS**Industry – Opportunities & Challenges**

Your company is fortunate to be in the business of priority sector and uniquely placed with a range of machineries required for mechanized paddy cultivation. The products target largely the small farmers who account for more than 70% of the land holding. The ever growing need to increase the production and productivity in agriculture vis-a-vis the shortage of rural labour force continues to be the key driver for business growth. The comparative statistics of China

and other rice growing countries of Asia instantly point to the tremendous opportunities for power tillers and mechanized trans planters in India. At the same time the liberal imports from China , uncertainties in subsidy and the problems associated with the administration of schemes, pose a constant challenge to the industry for short term as well as long term planning. The mechanized transplantation of paddy is a difficult concept to market but is sure to grow steadily.

The general decline in tractor industry is a matter of concern, however there are signs that the demand for small tractors will keep growing. Lower investment, running and maintenance cost and advantages of compact size tractors are becoming more important factors for buying decisions, especially for agricultural usage. As pioneers in this segment we foresee a paradigm shift in the mind set of farmers from big machines to appropriate needs.

RISKS AND CONCERNS

It is well known that in as much as subsidy has greatly helped the power tiller industry to grow, the absence or delay in the subsidy schemes adversely affects the demand. While farm mechanization continues to be in focus, the share of funds from the Centre to the States is getting reduced. Special schemes to give thrust for custom hiring of agricultural machinery to benefit small farmers is yet to gain large scale acceptance. Your company is constantly trying to work with the Government to address many of the impediments that are coming in the way of greater success in small farm mechanization.

We have always conceded that we are not insulated from competition both in power tillers and tractors . We believe that it is helping the concept to grow and we have to create a space for ourselves by honing our skills and competitive edge. Your company fully endorses the call to “Make in India” and fervently hopes that domestic manufacturers interest will be accorded preference.

CURRENT YEAR OUTLOOK

Your Directors sincerely believe that the year 2014-15 was an aberration and the company should plan for returning to healthy growth for the current financial

year. The products that your company manufactures requires a long lead time for production to match the seasonal fluctuation in demand and intimation to hundreds of vendors from whom the components are sourced. The opportunity loss during peak season is far greater than the carrying cost of inventory. This will be addressed with the new plant for Tractors in Hosur gearing up to increase the capacity utilization through the new variants that are added to the existing tractor model. The Bengaluru plant is also geared up to meet the anticipated increase in demand for power tillers.

DIRECTORS REAPPOINTMENT:

In accordance with the provisions of the Companies Act, 2013 Mr. V.V. Pravindra, Director of the Company will retire at the ensuing AGM and he is eligible for reappointment.

APPOINTMENT OF KEY MANAGERIAL PERSONNEL (KMP)

During the year following persons were appointed as Key Managerial Personnel (KMP) of the Company under section 203 of the Companies Act, 2013.

1. Mr. V.P. Mahendra - Vice Chairman, Managing Director & CEO
2. Mr. R. Thiagarajan - Executive Vice President & CFO
3. Mr. Chinmaya Khatua - Company Secretary

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 subsection 5 of Section 134 of the Companies Act 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

AUDITORS:

M/s. Brahmayya & Co, Chartered Accountants were appointed as Auditors of the Company for three financial year w.e.f 2014-15 at the 46th Annual General Meeting. Their appointment will be ratified at the forth coming Annual General Meeting.

COST AUDITORS:

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Rao, Murthy & Associates, Cost Accountants to audit the cost records of the Company for the financial year 2015-16 on a remuneration of Rs.2 lakh (Exclusive of service tax) plus out of pocket expenses. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members

in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. Rao, Murthy & Associates., Cost Auditors is included at Item No.6 of the Notice convening the Annual General Meeting.

INTERNAL AUDITORS

M/s. K.P.Rao & Co, Chartered Accountant were appointed as Internal Auditors under section 138 of the Companies Act, 2013 for the financial year 2014-15.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. K Narayana Swamy & Co, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is enclosed herewith as Annexure-4.

PARTICULARS OF EMPLOYEES:

As required by provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, except Vice Chairman & Managing Director, the details of which are given in Annexure-1, there are no employees who draw remuneration as set out in the aforesaid provision of the Companies Act, 2013.

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

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

DEPOSITS:

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

Internal Control System and their Adequacy

The Company maintains adequate Internal Control Systems commensurate to the nature of its business

and complexity of its operations. These are regularly tested for their effectiveness by Statutory as well as Internal Auditors with focused attention on validation of I T.Security.

The Significant observations made by the Auditors and follow up actions there on reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Company's Internal Control Environment and monitors the implementation of the Audit recommendations.

Industrial Relation

Industrial relations have been cordial at the Bengaluru and Hosur plants during the year. At the Mysore plant the previous memorandum of settlement has expired and negotiations are under progress for an amicable settlement.

Your company has initiated steps to building organizational capabilities and strengthen human resources at all levels in line with the corporate growth plans.

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, 2015, 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.

Board Meeting

Four meetings of the Board of Directors were held

during the year. For further details, please refer report on Corporate Governance of this Annual Report.

Declaration of Independent directors.

The Company has received declarations from Independent directors as mentioned in sub-section (6) of section 149 of the Companies Act, 2013.

Committees

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

Vigil Mechanism

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

The Company has vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism is explained in the Corporate Governance Report and also posted on the website of the Company.

Auditors qualification, reservation or adverse remark or disclaimer.

The Auditors have given a "clean report" without any qualification, reservation or adverse remark or disclaimer. Except slight delay in payment of TDS. Management explained, the same has been addressed. The Secretarial Auditors have made the following observation.

"The Company is yet to appoint Woman Director on the Board of the Company in compliance with Clause 49 (II)(A)(1) of the Listing Agreement read with Section 149 of the Companies Act, 2013."

Explanation

We wish to inform that the Company has been making best efforts to find a suitable person for appointment as a woman director on the Board. We hasten to add that we are confident of complying with requirement at the earliest.

Loans, Guarantee & Investment

The Company has not given any loan or guarantee under section 186 of the Companies Act, 2013 during the year 2014-15. However the investments formed part of the notes to the financial statements provided in this Annual Report.

Related Party Transactions

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

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

Material changes and commitments affecting the Financial Position

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

Risk Management Policy

With regard to risk management policy, the Company is in process of finalization of the risk management policy however risk pertaining to business of the Company is discussed at the Audit Committee and at the Board Meetings on regular basis.

Corporate Social Responsibility (CSR)

The Company has formed CSR policy and Committee during the year and details of CSR policy is available in Company website i.e. <http://www.vsttillers.com/policies>. The Company has not spent any amount in CSR activities during the financial year 2014-15. However, as a matter of principle your Company has been supporting approved Trusts/NGOs in social, economic & educational fields.

Evaluation of Board Performance.

The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors through a peer-evaluation excluding the director being evaluated. The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and frame work adopted by the Board.

None of the Independent Directors are due for re-appointment.

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

Details of subsidiary, Associate or joint Venture Company.

Under Companies Act, 2013, M/s. Mitsubishi Heavy Industries-VST Diesel Engines Pvt Ltd (CIN- U34107KA2007PTC043432) will be treated as Joint Venture Company.

Significant and material orders

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

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

| Sl. No. | Name | Designation | Salary 2014-15 (in Rs) | Salary 2013-14 (in Rs) | Increase in salary | Ratio/Times per Median of employee remuneration |
|---------|---------------------|---|------------------------|------------------------|--------------------|---|
| 1 | Mr.V.P. Mahendra | Vice Chairman & Managing Director (KMP) | 76,26,104 | 46,15,503 | 30,10,601 (65%) | 17.52 |
| 2 | Mr. B C S Iyengar | Director Corporate Strategy | 39,18,499 | 39,32,338 | (13,839) (-.35%) | 9.00 |
| 3 | #Mr. V.V. Pravindra | Director | 32,55,690 | 35,21,414 | (2,65,724) (-7.5%) | 7.48 |
| 4 | Mr. R. Thiagarajan | Executive Vice President & CFO (KMP) | 31,22,978 | 27,90,878 | 3,32,100 (11.90%) | 7.18 |
| 5 | Mr. Chinmaya Khatua | Company Secretary (KMP) | 9,00,570 | 7,13,383 | 1,87,187 (26.24%) | 2.07 |

resigned from the post of Deputy Managing Director with effect from 11/02/2015.

The Company's PAT has decreased from Rs. 8294 lakhs to Rs. 6952 lakhs, a decrease of 16 % and this increase of KMP remuneration is line with the current market scenario and with Company policy. However salary of Vice Chairman & Managing Director and other whole time directors was approved by the shareholders.

In spite of reduction in profit, the Company has given marginal normal increase in salaries to the employees keeping in view the overall industry standard and interest of the employees. The unionized employees of the Company are getting salary increment as per the terms and conditions of their wage settlement. There is no exceptional circumstances of increase in

the managerial remuneration. The salary of the Vice Chairman & Managing Director was increased due to terms and conditions of his re-appointment as approved by the members at the last AGM.

The Company has 536 permanent employees on roll. The Company fixes salary of the employees on the basis of Remuneration Policy of the Company.

Payment of Commission to Managing Director & Whole time Director.

The Managing Director and Whole Time Directors are being paid commission on net profit of the Company as approved by the shareholders. The commission criteria is given below:

| Name | Designation | Commission |
|----------------|--|--|
| V.P. Mahendra | Vice Chairman, Managing Director & CEO | One percent on the net profit of the Company subject to a maximum of one and half times of annual basic salary drawn |
| B C S Iyengar | Director Corporate strategy | One percent on the net profit of the Company subject to a maximum of the annual basic salary drawn |
| V.V. Pravindra | Director | One percent on the net profit of the Company subject to a maximum of the annual basic salary drawn |

There are no employees who are not directors but receive remuneration in excess of the highest paid director during the year.

VARIATION IN MARKET CAPITALISATION :

| Date | Paid up Capital (in Rs) | Closing Market Price per shares | EPS | PE Ratio | Market Capitalisation (Rs. in crore) |
|---------------------------------------|----------------------------|------------------------------------|--------|----------|--|
| 31.03.2014 | 86395280 | 937.70 | 96.00 | 9.77 | 810.12 |
| 31.03.2015 | 86395280 | 1243.50 | 80.46 | 15.45 | 1074.32 |
| Increase/Decrease | NIL | 305.80 | -15.54 | 5.68 | 264.2 |
| % Increase/Decrease | NIL | 32.60 | -16.18 | 58.14 | 32.60 |
| No issue of shares during the year | - | - | - | - | - |

Notes : Data based on share prices quoted on BSE.

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

The Company has formed Internal Complaint Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaint was received during the year 2014-15.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as Annexure-5 to this Report.

ACKNOWLEDGEMENTS:

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

for V.S.T. TILLERS TRACTORS LTD.

Place: Bengaluru

Date : May 29, 2015

V. K. Surendra

Chairman

ANNEXURE-1

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

| Name | Designation | Remuneration (in Rs) | Nature of employment | Qualification & experience | Date of Commence- ment of employment | Age | Last employ- ment | % of equity share held | Whether relative of Director or Manager |
|---------------|--|-------------------------|-------------------------|--|---|-----|-------------------------|---------------------------------|--|
| V.P. Mahendra | Vice Chairman, Managing Director & CEO | 76,26,104 | Permanent | BE (Electrical) having more than 50 years of experience | 20.02.1984 | 73 | NA | 7% | No |

ANNEXURE-2

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

1. Conservation of energy :

The Company has invested around Rs.50 lakhs at Hosur factory for installation of solar panels.

2. Research and Development (R&D) :

- New variants of 18.5 HP tractor i.e. 2 wheel drive versions with 2 sizes of Tyre configurations released to Market with required CMVR approvals.
- New variant for 22 HP with bigger tyres released to Market with CMVR approval .
- Power steering for 22HP (Torque generator) conceptualised and validation under progress.
- New feature of Auto draft and depth control introduced in all models of Tractors.

Technology Absorption:

- Procurement of New creo 3D model software & upgradation of the existing 2D & 3D softwares.
- Upgradation of the emission measurement instrumentation with procurement of a New 5 gas analyser.

Benefits Derived:

- New creo software will enhance the design capabilities for the current projects of New model Tractors & Power tillers.
- Emission instrumentation up gradation will enhance the engine testing capabilities.

Expenditure on R&D:

The Companies expenditure on R&D (including revenue expenditure) during the year was Rs.1,59,99,383/- (refer note no-33, page no-57 of Annual Report)

Future Plan of Action:

1. TRACTORS:

- Design & Development of Higher HP Tractors.
- New variant development for Existing 22HP tractor-power steering.

2. POWER TILLERS:

- Development of Mini Power Tiller.
- Design & development of Higher HP Power tiller.
- Design & development of New deluxe model of 130DI power tiller.
- Introduction of New power weeder.

3. ENGINES:

- Upgradation of existing engines for future emission norms.
- Design & Development of Higher HP engines with DI Technology for various applications.
- Upgradation of existing 3 cylinder IDI engine to DI engine.

3. Foreign exchange earnings and outgo:

- 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 & 36 respectively in Notes forming part of Accounts.
- Total foreign exchange used and earned :
Foreign exchange earnings : Rs. 9,79,01,594/-
Foreign exchange outgo : Rs.25,83,83,071/-

ANNEXURE-3

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

Composition of the CSR Committee:

Mr. V.K. Surendra, Chairman
Mr. V. Ramachandran, Member (Independent Director)
Mr. V.P. Mahendra, Member

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

Average net profit for last three years: Rs.88.56 Crore

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

Based on the above, the Company is required to spend Rs.1.77 Crore towards CSR activities.

Details of CSR spend for the financial year

- i. Total amount spent for the financial year- Nil
- ii. Amount unspent- Rs.1.77 crore

Reason for not spending :

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

Responsibility Statement :

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

Sd/-
V.P. Mahendra
Vice Chairman,
Managing Director & CEO

Sd/-
V. K. Surendra
CSR Committee
Chairman

ANNEXURE-4

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

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

To,

The Members,
VST Tillers Tractors Limited,
Plot No. 1, Dyavasandra Industrial Layout,
P.B. No.4801, Whitefield Road,
Mahadevapura Post,
Bangalore – 560048.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also

the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), viz.,
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (We report that during the year under review there is no activity which attracts the provisions of above mentioned regulations and as such compliance of provisions is not applicable.)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (We report that the Company has not issued any security during the year under review and hence compliance of provisions under the above mentioned regulation is not applicable.)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (We report that the Company has not issued any security under ESOP/ESPS during the year under review and hence compliance of provisions under the above mentioned regulation is not applicable.)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (We report that the Company has not issued any security including debt securities during the year under review and hence compliance of provisions under the above mentioned regulation is not applicable.)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (We report that the Company has not applied for delisting of Equity Shares in any stock exchange and hence compliance of provisions under the above mentioned regulation is not applicable.)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
 - (We report that the Company has not brought back any security during the year under review and hence compliance of provisions under the above mentioned regulation is not applicable.)
- (vi) We further report that in accordance with the guidelines issued by the Institute of Company Secretaries of India (ICSI) on the applicability of industry specific laws as applicable to the Company and based on the information received and records maintained, the Company has, in our opinion, complied with the provisions of following laws:
 - (a) Competition Act, 2002;
 - (b) The Factories Act 1948;
 - (c) The Water (Prevention and Control of Pollution) Act, 1974;
 - (d) The Air (Prevention and Control of Pollution) Act, 1981;
 - (e) The Environmental Protection Act, 1986;
 - (f) The Hazardous Waste (Management and Handling) Rules, 1989 (and as amended in 2000); and
 - (g) Applicable Labour Laws.
- (vii) We state that since the provisions relating to Audit of Accounts and Financial Statements of the Company are dealt in the Financial Statutory Audit the same is not covered under the Secretarial Audit.
We have also examined compliance with the applicable standards / clauses of the following:
 - (a) Secretarial Standards issued by ICSI (Since Secretarial Standards were not notified by

the Ministry of Corporate Affairs (MCA) as on 31st March, 2015 the same are not applicable to the Company during the audit period).

- (b) Listing Agreements entered into by the Company with BSE and NSE.

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

We further report that:

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

“The Company is yet to appoint Woman Director on the Board of the Company in compliance with Clause 49 (II)(A)(1) of the Listing Agreement read with Section 149 of the Companies Act, 2013.”

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

Majority decision is carried through inasmuch as minutes of the meetings are self-explanatory with respect to recording of dissenting members' views, if any.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

For K. Narayana Swamy & Co.,
Company Secretaries

Place : BANGALORE (K. Narayana Swamy)
Date : 29/05/2015 FCS 1838 / CP 9878

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

Annexure - 4

To,

The Members,
VST Tillers Tractors Limited,
Plot No. 1, Dyavasandra Industrial Layout,
P.B. No.4801, Whitefield Road,
Mahadevapura Post,
Bangalore – 560048.

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

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company like, Income Tax, Central Excise, Customs.
4. Wherever required, we have obtained the Management representations about the compliance of applicable Laws, Rules and Regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management in terms of Section 134 (5) (f) of the Companies Act, 2013. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For K. Narayana Swamy & Co.,
Company Secretaries

Place : BANGALORE (K. Narayana Swamy)
Date : 29/05/2015 FCS 1838 / CP 9878

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015

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

I REGISTRATION & OTHER DETAILS:

| | | |
|-----|--|--|
| i | CIN | L34101KA1967PLC001706 |
| ii | Registration Date | 18-12-1967 |
| iii | Name of the Company | V.S.T. Tillers Tractors Limited |
| iv | Category/Sub-category of the Company | Public Company / Limited by Shares |
| v | Address of the Registered office & contact details | Plot No-1, Dyavasandra Indl Layout, Whitefield Road, Mahadevapura Post, Bangalore - 560048 |
| vi | Whether listed company | Yes |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Integrated Enterprises (India) Limited, No-30, Ramana Residency, Gr Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560003 Phone : 080-23460815-818 E-Mail : Info@Integratedindia.in |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| SL No. | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1 | Power Tiller | 2821 | 53.59% |
| 2 | Tractor | 2821 | 31.85% |

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| Sl. No. | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|---------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Mitsubishi Heavy Industries - VST Diesel Engines Private Limited | U34107KA2007PTC043432 | Associate | 3.35 | 2(6) |

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

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year | |
|---|---|---------------|----------------|-------------------|---|---------------|----------------|-------------------|--------------------------|-------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| A. Promoters | | | | | | | | | | |
| (1) Indian | 3634276 | - | 3634276 | 42.07 | 3646276 | - | 3646276 | 42.20 | | 0.14 |
| a) Individual/HUF | - | - | - | - | - | - | - | - | | - |
| b) Central Govt. or State Govt. | - | - | - | - | - | - | - | - | | - |
| c) Bodies Corporates | 764663 | - | 764663 | 8.85 | 764663 | - | 764663 | 8.85 | | - |
| d) Bank/FI | - | - | - | - | - | - | - | - | | - |
| e) Any other | - | - | - | - | - | - | - | - | | - |
| SUB TOTAL:(A) (1) | 4398939 | - | 4398939 | 50.92 | 4410939 | - | 4410939 | 51.06 | | 0.14 |
| (2) Foreign | | | | | | | | | | |
| a) NRI- Individuals | - | - | - | - | - | - | - | - | | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | | - |
| c) Bodies Corp. | 253125 | - | 253125 | 2.93 | 253125 | - | 253125 | 2.93 | | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | | - |
| e) Any other... | - | - | - | - | - | - | - | - | | - |
| SUB TOTAL (A) (2) | 253125 | - | 253125 | 2.93 | 253125 | - | 253125 | 2.93 | | - |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 4652064 | - | 4652064 | 53.85 | 4664064 | - | 4664064 | 53.99 | | 0.14 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | | |
| (1) Institutions | | | | | | | | | | |
| a) Mutual Funds | 500301 | - | 500301 | 5.79 | 820231 | - | 820231 | 9.49 | | 3.70 |
| b) Banks/FI | 6047 | 4350 | 10397 | 0.12 | 2574 | 4350 | 6924 | 0.08 | | 0.04 |
| c) Central govt | - | - | - | - | - | - | - | - | | - |
| d) State Govt. | - | - | - | - | - | - | - | - | | - |
| e) Venture Capital Fund | - | - | - | - | - | - | - | - | | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | | - |
| g) FIIS | 289096 | 900 | 289996 | 3.36 | 700274 | 900 | 701174 | 8.12 | | 4.76 |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | | - |
| SUB TOTAL (B)(1): | 795444 | 5250 | 800694 | 9.27 | 1523079 | 5250 | 1528329 | 17.69 | | 8.42 |
| (2) Non Institutions | | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | | |
| i) Indian | 447828 | 12537 | 460365 | 5.33 | 253682 | 12522 | 266204 | 3.08 | | 2.25 |
| ii) Overseas | - | - | - | - | - | - | - | - | | - |
| b) Individuals | | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs | 1666478 | 286521 | 1952999 | 22.61 | 1442248 | 253918 | 1696166 | 19.63 | | 2.98 |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 602735 | 15301 | 618036 | 7.15 | 350697 | 15301 | 365998 | 4.24 | | 2.91 |
| c) Others (specify) | | | | | | | | | | |
| NRI | 112345 | 100 | 112445 | 1.30 | 86727 | 50 | 86777 | 1.00 | | 0.30 |
| Clearing Member | 40033 | - | 40033 | 0.46 | 25100 | - | 25100 | 0.29 | | 0.17 |
| Trust | 2892 | - | 2892 | 0.03 | 6890 | - | 6890 | 0.08 | | 0.05 |
| SUB TOTAL (B)(2): | 2872311 | 314459 | 3186770 | 36.89 | 2165344 | 281791 | 2447135 | 28.32 | | 8.57 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 3667755 | 319709 | 3987464 | 46.15 | 3688423 | 287041 | 3975464 | 46.01 | | 0.14 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | | |
| Grand Total (A+B+C) | 8319819 | 319709 | 8639528 | 100.00 | 8352487 | 287041 | 8639528 | 100.00 | | - |

(ii) SHARE HOLDING OF PROMOTERS

| Sl No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | NO of shares | % of total shares of the company | % of shares pledged encumbered to total shares | NO of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | V K Surendra | 45000 | 0.52 | - | 45000 | 0.52 | - | |
| 2 | V K Surendra | 190424 | 2.20 | - | 190424 | 2.20 | - | |
| 3 | V K Surendra | 595380 | 6.89 | - | 595380 | 6.89 | - | |
| 4 | V K Surendra | 977875 | 11.32 | - | 977875 | 11.32 | - | |
| 5 | V S Arun | 84595 | 0.98 | - | 84595 | 0.98 | - | |
| 6 | V S Arun | 127535 | 1.48 | - | 127535 | 1.48 | - | |
| 7 | S Mahalakshmi | 75375 | 0.87 | - | 75375 | 0.87 | - | |
| 8 | V P Mahendra | 45000 | 0.52 | - | 45000 | 0.52 | - | |
| 9 | V P Mahendra | 906 | 0.01 | - | 906 | 0.01 | - | |
| 10 | V P Mahendra | 131896 | 1.53 | - | 131896 | 1.53 | - | |
| 11 | V P Mahendra | 975 | 0.01 | - | 975 | 0.01 | - | |
| 12 | V P Mahendra | 451753 | 5.23 | - | 451753 | 5.23 | - | |
| 13 | M Bharathi | 61200 | 0.71 | - | 61200 | 0.71 | - | |
| 14 | Amritha V M Ward | 4330 | 0.05 | - | 4330 | 0.05 | - | |
| 15 | V M Vishnu | 13650 | 0.16 | - | 15150 | 0.18 | - | 0.02 |
| 16 | V M Anand | 13720 | 0.16 | - | 15220 | 0.18 | - | 0.02 |
| 17 | V V Pravindra | 176146 | 2.04 | - | 179146 | 2.07 | - | 0.03 |
| 18 | V V Pravindra | 45000 | 0.52 | - | 45000 | 0.52 | - | |
| 19 | P Jayalakshmi | 33750 | 0.39 | - | 33750 | 0.39 | - | |
| 20 | V P Rahul | 18076 | 0.21 | - | 18076 | 0.21 | - | |
| 21 | V P Karan | 750 | 0.01 | - | 750 | 0.01 | - | |
| 22 | V P Karan | 14964 | 0.17 | - | 14964 | 0.17 | - | |
| 23 | V V Vijayendra | 135888 | 1.57 | - | 138888 | 1.61 | - | 0.04 |
| 24 | V V Vijayendra | 21540 | 0.25 | - | 21540 | 0.25 | - | |
| 25 | V V Vijayendra | 27000 | 0.31 | - | 27000 | 0.31 | - | |
| 26 | V V Sujay | 63624 | 0.74 | - | 63624 | 0.74 | - | |
| 27 | V Lakshmi | 33007 | 0.38 | - | 33007 | 0.38 | - | |
| 28 | V V Anjali | 17623 | 0.20 | - | 17623 | 0.20 | - | |
| 29 | V P Tiruvengadaswamy | 118978 | 1.38 | - | 119978 | 1.39 | - | 0.01 |
| 30 | V P Tiruvengadaswamy | 2700 | 0.03 | - | 2700 | 0.03 | - | |
| 31 | T Jayshree | 77014 | 0.89 | - | 77014 | 0.89 | - | |
| 32 | V T Anusuya | 2250 | 0.03 | - | 2250 | 0.03 | - | |
| 33 | V T Ravindra | 24852 | 0.29 | - | 26852 | 0.31 | - | 0.02 |
| 34 | Sita Rajgopal | 1500 | 0.02 | - | 1500 | 0.02 | - | |
| 35 | Vijayendra Brothers Investments Private Limited | 52470 | 0.61 | - | 52470 | 0.61 | - | |
| 36 | V T Velu Investments Private Limited | 67725 | 0.78 | - | 67725 | 0.78 | - | |
| 37 | Gove Investment & Finance Co Ltd | 66082 | 0.76 | - | 66082 | 0.76 | - | |
| 38 | V P Mahendra Brothers Investments Private Limited | 136311 | 1.58 | - | 136311 | 1.58 | - | |
| 39 | K S Investments Private Limited | 85690 | 0.99 | - | 85690 | 0.99 | - | |
| 40 | V. S. T. Motors Limited | 356385 | 4.13 | - | 356385 | 4.13 | - | |
| 41 | Mitsubishi Heavy Industries Limited | 253125 | 2.93 | - | 253125 | 2.93 | - | |
| | Total | 4652064 | 53.85 | - | 4664064 | 53.99 | - | 0.14 |

DIRECTORS' REPORT



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

| Sl. No. | Shareholders Name | Share holding at the beginning of the Year | | Date | Increase/Decrease in Share Holding | Reason | Cumulative Share holding during the year | |
|---------|----------------------|--|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | | | | No of shares | % of total shares of the company |
| 1 | V M VISHNU | 13650 | 0.16 | 17.11.2014 | 500 | purchase | 14150 | 0.16 |
| | | | | 19.11.2014 | 500 | purchase | 14650 | 0.17 |
| | | | | 20.11.2014 | 500 | purchase | 15150 | 0.18 |
| 2 | V M ANAND | 13720 | 0.16 | 17.11.2014 | 500 | purchase | 14220 | 0.16 |
| | | | | 19.11.2014 | 500 | purchase | 14720 | 0.17 |
| | | | | 20.11.2014 | 174 | purchase | 14894 | 0.17 |
| | | | | 21.11.2014 | 326 | purchase | 15220 | 0.18 |
| 3 | V V PRAVINDRA | 176146 | 2.04 | 03.12.2014 | 3000 | purchase | 179146 | 2.07 |
| 4 | V V VIJAYNEDRA | 135888 | 1.57 | 02.12.2014 | 2358 | purchase | 138246 | 1.6 |
| | | | | 03.12.2014 | 642 | purchase | 138888 | 1.61 |
| 5 | V P TIRUVENGADASWAMY | 118978 | 1.38 | 19.11.2014 | 500 | purchase | 119478 | 1.38 |
| | | | | 20.11.2014 | 398 | purchase | 119876 | 1.38 |
| | | | | 21.11.2014 | 102 | purchase | 119978 | 1.39 |
| 6 | V T RAVINDRA | 24852 | 0.29 | 17.11.2014 | 1000 | purchase | 25852 | 0.3 |
| | | | | 19.11.2014 | 500 | purchase | 26352 | 0.3 |
| | | | | 20.11.2014 | 500 | purchase | 26852 | 0.31 |

(iv) V.S.T. TILLERS TRACTORS LIMITED

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

| SLNO | NAME OF THE SHARE HOLDER | Shareholding at the BEGINNING OF THE YEAR - 01.04.2014 | | Date | Increase/Decrease in Share Holding | Reason | CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2015 | |
|------|--|--|----------------------------------|------------|------------------------------------|----------|--|----------------------------------|
| | | No. of Shares | % of Total Shares of the Company | | | | No Of Shares | % of Total Shares of the Company |
| 1 | HDFC TRUSTEE COMPANY LTD - HDFC LONG TERM ADVANTAG | 0 | 0.00 | 01.04.2014 | 0 | | 0 | 0.00 |
| | | | | 14.11.2014 | 0 | TRANSFER | 556823 | 6.45 |
| | | | | 21.11.2014 | -8671 | TRANSFER | 565494 | 6.55 |
| | | | | 28.11.2014 | -65000 | TRANSFER | 500494 | 5.79 |
| | | | | 05.12.2014 | -53500 | TRANSFER | 446994 | 5.17 |
| | | | | 12.12.2014 | -194994 | TRANSFER | 252000 | 2.92 |
| | | | | 31.03.2015 | 0 | | 252000 | 2.92 |
| 2 | PINEBRIDGE INVESTMENTS ASIA LIMITED A/C PINEBRIDGE | 0 | 0.00 | 01.04.2014 | 0 | | 0 | 0.00 |
| | | | | 12.12.2014 | 0 | TRANSFER | 119645 | 1.38 |
| | | | | 19.12.2014 | 10541 | TRANSFER | 130186 | 1.51 |
| | | | | 31.12.2014 | 117189 | TRANSFER | 247375 | 2.86 |
| | | | | 27.03.2015 | 2605 | TRANSFER | 249980 | 2.89 |
| | | | | 31.03.2015 | 0 | | 249980 | 2.89 |
| 3 | GOLDMAN SACHS INDIA FUND LIMITED | 0 | 0.00 | 01.04.2014 | 0 | | 0 | 0.00 |
| | | | | 13.06.2014 | 8091 | TRANSFER | 8091 | 0.09 |
| | | | | 20.06.2014 | 5999 | TRANSFER | 14090 | 0.16 |
| | | | | 30.06.2014 | 1404 | TRANSFER | 15494 | 0.18 |
| | | | | 25.07.2014 | 13569 | TRANSFER | 29063 | 0.34 |
| | | | | 01.08.2014 | 7431 | TRANSFER | 36494 | 0.42 |
| | | | | 05.09.2014 | 1951 | TRANSFER | 38445 | 0.44 |
| | | | | 14.11.2014 | 1508 | TRANSFER | 39953 | 0.46 |
| | | | | 21.11.2014 | 2384 | TRANSFER | 42337 | 0.49 |
| | | | | 05.12.2014 | 65040 | TRANSFER | 107377 | 1.24 |
| | | | | 12.12.2014 | 5365 | TRANSFER | 112742 | 1.30 |
| | | | | 30.01.2015 | 3314 | TRANSFER | 116056 | 1.34 |
| | | | | 06.02.2015 | 13275 | TRANSFER | 129331 | 1.50 |
| | | | | 13.02.2015 | 7688 | TRANSFER | 137019 | 1.59 |
| | | | | 20.02.2015 | 2816 | TRANSFER | 139835 | 1.62 |
| | | | | 27.02.2015 | 5370 | TRANSFER | 145205 | 1.68 |
| | | | | 06.03.2015 | 5862 | TRANSFER | 151067 | 1.75 |
| | | | | 13.03.2015 | 3607 | TRANSFER | 154674 | 1.79 |
| | | | | 27.03.2015 | 223 | TRANSFER | 154897 | 1.79 |
| | | | | 31.03.2015 | 9210 | TRANSFER | 164107 | 1.90 |

DIRECTORS' REPORT



| | | | | | | | | |
|----|--|--------|------|------------|-----------------------------|----------|--------|------|
| 4 | TATA TRUSTEE CO. LTD. A/C TATA MUTUAL FUND A/C TA | 0 | 0.00 | 01.04.2014 | 0 | | 0 | 0.00 |
| | | | | 13.06.2014 | 45000 | TRANSFER | 45000 | 0.52 |
| | | | | 20.06.2014 | 19330 | TRANSFER | 64330 | 0.74 |
| | | | | 30.06.2014 | 6276 | TRANSFER | 70606 | 0.82 |
| | | | | 04.07.2014 | 19952 | TRANSFER | 90558 | 1.05 |
| | | | | 11.07.2014 | 20306 | TRANSFER | 110864 | 1.28 |
| | | | | 18.07.2014 | 9077 | TRANSFER | 119941 | 1.39 |
| | | | | 25.07.2014 | 5000 | TRANSFER | 124941 | 1.45 |
| | | | | 01.08.2014 | 5831 | TRANSFER | 130772 | 1.51 |
| | | | | 22.08.2014 | 6728 | TRANSFER | 137500 | 1.59 |
| | | | | 12.09.2014 | 9000 | TRANSFER | 146500 | 1.70 |
| | | | | 19.09.2014 | 6300 | TRANSFER | 152800 | 1.77 |
| | | | | 30.09.2014 | -1000 | TRANSFER | 151800 | 1.76 |
| | | | | 07.11.2014 | 6000 | TRANSFER | 157800 | 1.83 |
| | | | | 31.03.2015 | 0 | | 157800 | 1.83 |
| 5 | ICICI PRUDENTIAL BALANCED FUND | 0 | 0.00 | 01.04.2014 | 0 | | 0 | 0.00 |
| | | | | 12.12.2014 | 115000 | TRANSFER | 115000 | 1.33 |
| | | | | 31.03.2015 | 0 | | 115000 | 1.33 |
| 6 | NOVASTAR INTERNATIONAL FUND | 186746 | 2.16 | 01.04.2014 | 0 | | 186746 | 2.16 |
| | | | | 22.08.2014 | 500 | TRANSFER | 187246 | 2.17 |
| | | | | 31.10.2014 | 1000 | TRANSFER | 188246 | 2.18 |
| | | | | 31.03.2015 | 0 | | 188246 | 2.18 |
| 7 | AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL F | 135000 | 1.56 | 01.04.2014 | 0 | | 135000 | 1.56 |
| | | | | 31.12.2014 | 20000 | TRANSFER | 155000 | 1.79 |
| | | | | 31.03.2015 | 0 | | 155000 | 1.79 |
| 8 | MIRAE ASSET EMERGING BLUECHIP FUND | 27874 | 0.32 | 01.04.2014 | 0 | | 27874 | 0.32 |
| | | | | 18.04.2014 | 2556 | TRANSFER | 30430 | 0.35 |
| | | | | 25.04.2014 | 1833 | TRANSFER | 32263 | 0.37 |
| | | | | 02.05.2014 | 6356 | TRANSFER | 38619 | 0.45 |
| | | | | 09.05.2014 | 4000 | TRANSFER | 42619 | 0.49 |
| | | | | 16.05.2014 | -42619 | TRANSFER | 0 | 0.00 |
| | | | | 19.12.2014 | 43721 | TRANSFER | 43721 | 0.51 |
| | | | | 02.01.2015 | 1156 | TRANSFER | 44877 | 0.52 |
| | | | | 16.01.2015 | 10023 | TRANSFER | 54900 | 0.64 |
| | | | | 13.02.2015 | 765 | TRANSFER | 55665 | 0.64 |
| | | | | 20.02.2015 | 3311 | TRANSFER | 58976 | 0.68 |
| | | | | 27.03.2015 | 1011 | TRANSFER | 59987 | 0.69 |
| | | | | 31.03.2015 | 2000 | TRANSFER | 61987 | 0.72 |
| 9 | Novastar Fund Advisors Private Limited | 55260 | 0.64 | 01.04.2014 | NO MOVEMENT DURING THE YEAR | | | |
| | | | | 31.03.2015 | | | 55260 | 0.64 |
| 10 | B N NAGAMANI | 74764 | 0.87 | 01.04.2014 | 0 | | 74764 | 0.87 |
| | | | | 30.09.2014 | -1327 | TRANSFER | 73437 | 0.85 |
| | | | | 03.10.2014 | -652 | TRANSFER | 72785 | 0.84 |
| | | | | 10.10.2014 | -2636 | TRANSFER | 70149 | 0.81 |
| | | | | 17.10.2014 | -11078 | TRANSFER | 59071 | 0.68 |
| | | | | 31.10.2014 | -6705 | TRANSFER | 52366 | 0.61 |
| | | | | 31.03.2015 | 0 | | 52366 | 0.61 |

(v) Shareholding of Directors & KMP

| Sl. No | For Each of the Directors & KMP | Shareholding at the end of the | | Date | Increase/Decrease in Share Holding | Reason | Cumulative Shareholding during | |
|--------|---------------------------------|--------------------------------|----------------------------------|------|------------------------------------|--------|--------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | | | | No of shares | % of total shares of the company |
| 1 | V P MAHENDRA | 630530 | 7.30 | - | - | - | 630530 | 7.30 |
| 2 | R.T.RAJAN | 225 | 0.003 | - | - | - | 225 | 0.003 |
| 3 | CHINMAYA KHATUA | nil | 0.00 | - | - | - | nil | 0.00 |

V INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | |
|--|-------------------------------------|--------------------|----------|-----------------------|
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtness at the beginning of the financial year | | | | |
| i) Principal Amount | | 261122081 | | 261122081 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | 261122081 | | 261122081 |
| Change in Indebtedness during the financial year | | | | |
| Additions | | 55424996 | | 55424996 |
| Reduction | | | | |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | | 316547077 | | 316547077 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | | 316547077 | | 316547077 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl.No | Particulars of Remuneration | Name of the MD/WTD/Manager | | | Total Amount |
|-------|--|----------------------------|-------------|---------------|--------------|
| 1 | Gross salary | V P Mahendra | BSC Iyengar | V V Pravindra | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 4476104 | 2718499 | 2219976 | 9414759 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | | | | |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | | | |
| 2 | Stock option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission | 3150000 | 1200000 | 1035714 | 5385714 |
| | as % of profit | | | | |
| | others (specify) | | | | |
| 5 | Others, please specify | | | | |
| | Total (A) | 7626104 | 3918499 | 3255690 | 14800293 |
| | Ceiling as per the Act | | | | 100554574 |

DIRECTORS' REPORT



B. Remuneration to other directors:

| Sl.No | Particulars of Remuneration | Name of the Directors | | | | Total |
|-------|--|-----------------------|---------------|---------------|----------------|----------|
| 1 | Independent Directors | | R.Subramanian | M.K.Bannerjee | V.Ramachandran | K.K.Rai |
| | (a) Fee for attending board committee meetings | | 135000 | 135000 | 120000 | 150000 |
| | (b) Commission | | | | | |
| | (c) Others, please specify | | | | | |
| | Total (1) | | 135000 | 135000 | 120000 | 150000 |
| 2 | Other Non Executive Directors | V.K. Surendra | | | | |
| | (a) Fee for attending board committee meetings | 45000 | | | | |
| | (b) Commission | | | | | |
| | (c) Others, please specify. | | | | | |
| | Total (2) | 45000 | | | | 45000 |
| | Total (B)=(1+2) | 45000 | 135000 | 135000 | 120000 | 150000 |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per the Act. | | | | | 10055457 |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--------------------------|-------------------|-----------|-----------|
| 1 | Gross Salary | CEO | Company Secretary | CFO | Total |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | | 818,443 | 3,090,578 | 3,909,021 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | | 82,127 | 32,400 | 114,527 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | | | | |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission as % of profit | | | | |
| | others, specify | | | | |
| 5 | Others, please specify | | | | |
| | Total | | 900,570 | 3,122,978 | 4,023,548 |

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

NIL

REMUNERATION POLICY

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- 1.1. To lay down criteria with regard to identifying persons who are qualified to become Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Composition of the Committee.

Mr.M.K. Bannerjee, Chairman

Mr.V.K. Surendra, Member

Mr. K.K. Rai, Member

2. DEFINITIONS

- **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- **Board** means Board of Directors of the Company.

- **Directors** mean Directors of the Company.

- **Key Managerial Personnel (KMP)** means

- 2.4.1. Chief Executive Officer or the Managing Director;
- 2.4.2. Chief Financial Officer;
- 2.4.3. Company Secretary; and
- 2.4.4. such other officer as may be prescribed.

- **Senior Management** means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

3. ROLE OF COMMITTEE

3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for

appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing/Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2. Term / Tenure

• Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

• Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special

resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval.

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of

the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

- 3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managing/ Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided

that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2. Remuneration to Managing/ Whole-time / Executive / Director, KMP and Senior Management Personnel:

- a) Fixed pay:

The Managing/Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing/Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- c) Provisions for excess remuneration:

If any Managing/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in

excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company.

3.3.3. Remuneration to Non- Executive / Independent Director:

a) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

b) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

4. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

5. COMMITTEE MEMBERS' INTERESTS

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

6. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

Note : Mr. K.K. Rai and Mr. V. Ramachandran have given their resignations and the same have been accepted by the Board at its meeting held on 26th June 2015,

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, 2015 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.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, 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. Thiyagarajan
Executive Vice President &
Chief Financial Officer

Place : Bengaluru
Date : May 29, 2015

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, 2015, 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, 2015

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, two whole-time Directors, one Non-Executive Director and four Independent Director. The composition and category, shareholdings, the attendance at Board Meetings and last AGM, number of Directorships in other Public Companies is as follows:-

| Name of the Director | Share Holdings | Category of Directorship | No. of Board Meetings attended | Attendance at the last AGM | No. of other Public Limited Companies in which Director | Chairman/ Member of the committees |
|----------------------|----------------|-----------------------------------|--------------------------------|----------------------------|---|------------------------------------|
| Mr. V. K. Surendra | 1808679* | Non-Executive | 3 | Yes | 3 | 2 |
| Mr. R. Subramanian | Nil | Independent | 4 | Yes | 2 | 3 |
| Mr. M. K. Bannerjee | Nil | Independent | 4 | Yes | - | 3 |
| Mr. V. Ramachandran | 1875 | Independent | 3 | Yes | 2 | 4 |
| Mr. K. K. Rai | Nil | Independent | 4 | Yes | 2 | 8 |
| Mr. V. P. Mahendra | 630530* | Vice Chairman & Managing Director | 4 | Yes | 3 | 4 |
| Mr. B. C. S. Iyengar | 15976 | Whole-time Director | 4 | Yes | - | - |
| #Mr. V. V. Pravindra | 224146* | Non-Executive | 4 | Yes | - | - |

* Individually as well as jointly.

Resigned from the post of Deputy Managing w.e.f 11/02/2015.

(b) Details of Board Meetings:

During the year under review the Board met four times on May 29, 2014, August 14, 2014, November 06, 2014 and February 11, 2015.

(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 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, 2015.

Place: Bengaluru
Date: May 29, 2015

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 29, 2014, August 14, 2014, November 06, 2014, and February 11, 2015.

| Sl.No. | Name of the Member | Designation | Attended |
|--------|---------------------|-------------|----------|
| 1 | Mr. R. Subramanian | Chairman | 4 |
| 2 | Mr. V. Ramachandran | Member | 3 |
| 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.

Corporate Social Responsibility (CSR) Committee

The Company has been doing CSR activities directly or through other entities since many years. The purpose of this policy to actively contribute to the social and economic development of the communities in which we operate. The CSR policy is available in your Company website i.e. <http://www.vstillers.com/policies>

Composition

Mr. V.K. Surendra, Chairman

Mr. V. Ramachandran, (Independent Director)

Mr. V.P. Mahendra

During the year under review the Committee had not hold any meeting.

NOMINATION AND REMUNERATION COMMITTEE

The Key Objectives of the Committee is to lay down criteria with regard to identifying persons who are qualified to become Directors, Key Managerial Personnel and Senior Management and to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board. The Remuneration policy is annexed herewith as Annexure-6. The details of the remuneration paid to directors mentioned in page no-31.

Composition

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

Mr. M.K. Bannerjee, Chairman (Independent Director)

Mr. V.K. Surendra, Member

Mr. K.K. Rai, Member (Independent Director)

During the year under review the Committee had not hold any meeting.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is primarily responsible for review all matters connected with redressal of shareholders complaint. The Stakeholders Relationship Committee composition & terms of reference meet with the requirements of Clause 49 of the listing agreement & provisions of the Companies Act, 2013.

Composition

The Stakeholders Relationship Committee comprises of two independent Directors of the Company.

Mr. K.K. Rai, Chairman

Mr. V. Ramachandran, Member

During the year under review the Committee met on 11/02/2015.

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

The details of the shareholder's complaints mentioned in page no- 32 of the Annual Report.

INDEPENDENT DIRECTORS MEETING

The Independent Directors hold their meeting on 11/02/2015 without presence of anybody from management side.

Familiarization Programme for Independent Directors.

The Company has conducted a programme for Independent Directors with regard to their duties, roles & responsibilities. The said familiarization programme is displayed in Company website and can be accessed at http://www.vstillers.com/sites/default/files/policies/familiarization_programme_independent_directors.pdf

VIGIL MECHANISM

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It is to protect employees wishing to raise a concern about serious irregularities within the Company. The details of the policy is available in company website i.e <http://www.vstillers.com/policies>.

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
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.

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

The policy on dealing with related party transactions can be accessed at http://www.vstillers.com/sites/default/files/policies/policy_on_related_party_transc.pdf

DIRECTORS REMUNERATION

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

During 2014-15, the Company did not advance any loan to any of its Directors. The remuneration paid to the Executive Directors for the year 2014-15 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 & CEO | 21,00,000 | 21,24,104 | 31,50,000 | 2,52,000 | 76,26,104 |
| 2. Mr. B.C.S Iyengar | Director-Corporate Strategy | 12,00,000 | 13,74,499 | 12,00,000 | 1,44,000 | 39,18,499 |
| 3. Mr. V.V Pravindra | Dy.Managing Director | 10,35,714 | 10,59,976 | 10,35,714 | 1,24,286 | 32,55,690 |

The above directors were appointed by the shareholders for five years and they are being paid commission as approved by the shareholders. The details of the commission criteria are mentioned in page no- 9 of the annual report.

The Sitting Fees paid to the Non Executive Directors for the year 2014-15 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 | 1,35,000 | 16,686 |
| 3. Mr. M. K. Bannerjee | Independent Director | 1,35,000 | 16,686 |
| 4. Mr. V. Ramachandran | Independent Director | 1,20,000 | 14,832 |
| 5. Mr. K K Rai | Independent Director | 1,50,000 | 18,540 |

MEANS OF COMMUNICATION:

The outcome of the Board Meeting, quarterly and annual financial results are sent to Stock Exchanges immediately after the Board approval. The quarterly and annual financial results are also available in Company web-site i.e., www.vsttillers.com.

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

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS ON 31ST MARCH 2015

| Category | No. of Shareholders | % to total No.of shareholders | Shares Amount (Rs.) | % to total shares amount |
|--------------------|---------------------|-------------------------------|---------------------|--------------------------|
| Upto 5,000 | 9880 | 98.94 | 17605870 | 20.38 |
| 5,001 10,000 | 34 | 0.34 | 2443110 | 2.83 |
| 10,001 20,000 | 16 | 0.16 | 2286490 | 2.65 |
| 20,001 30,000 | 10 | 0.10 | 2503000 | 2.90 |
| 30,001 40,000 | 4 | 0.04 | 1381930 | 1.60 |
| 40,001 50,000 | 7 | 0.07 | 3170180 | 3.67 |
| 50,001 1,00,000 | 18 | 0.18 | 12144410 | 14.06 |
| 1,00,001 and above | 17 | 0.17 | 44860290 | 51.92 |
| Total | 9986 | 100.00 | 86395280 | 100.00 |

DETAILS OF REQUEST/COMPLAINTS RECEIVED DURING THE YEAR 2014-15

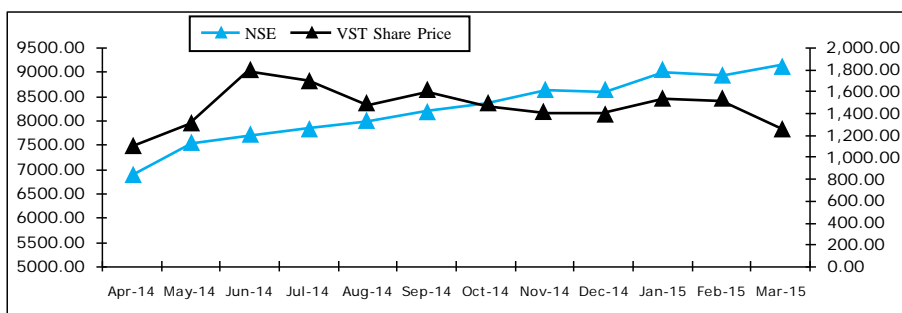
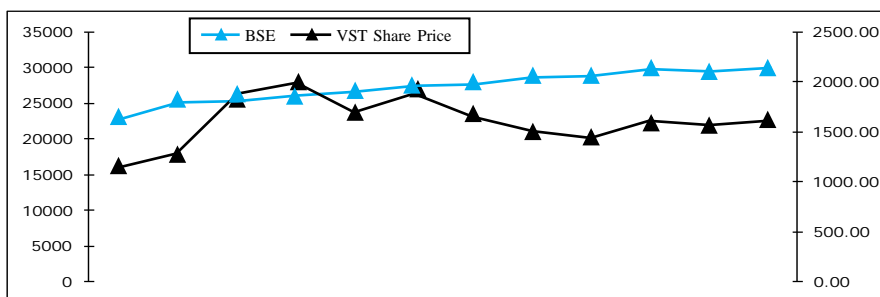
| Nature of Request | OB | Received | Attended | Pending |
|------------------------------|-----------|-----------------|-----------------|----------------|
| Nature of Request | OB | Received | Attended | Pending |
| Change of Address | - | 29 | 29 | - |
| Bank Mandate | - | 12 | 12 | - |
| Revalidation of Warrants | - | 82 | 82 | - |
| Duplicate Share Certificates | - | 28 | 28 | - |
| Transfer/Transmission | - | 22 Tr / 1 Tm | 22 Tr / 1 Tm | - |
| Dematerialisation | - | 65 | 65 | - |
| Rematerialisation | - | 1 | 1 | - |

SHAREHOLDING PATTERN AS ON 31ST MARCH 2015

| Category | No. of Shareholders | No. of shares held | % to total No. of shares |
|--------------------------------|----------------------------|---------------------------|---------------------------------|
| Promoters/Associates | 40 | 4410939 | 51.06 |
| Foreign Promoters | 1 | 253125 | 2.93 |
| Bodies Corporate | 285 | 266204 | 3.08 |
| Mutual Funds | 21 | 820231 | 9.49 |
| Banks | 4 | 3699 | 0.04 |
| Financial Institutions | 5 | 3225 | 0.04 |
| Foreign Financial Institutions | 23 | 701174 | 8.12 |
| Non-Resident Indians | 385 | 86777 | 1.00 |
| Clearing Members | 69 | 25100 | 0.29 |
| Public/Others | 9153 | 2069054 | 23.95 |
| Total | 9986 | 8639528 | 100.00 |

Market Price Data Information (BSE)

| MONTH | HIGH | LOW | MONTH | HIGH | LOW |
|--------------|-------------|------------|--------------|-------------|------------|
| Apr-14 | 1148.00 | 899.65 | Oct-14 | 1663.40 | 1310.60 |
| May-14 | 1290.00 | 990.10 | Nov-14 | 1502.10 | 1345.75 |
| Jun-14 | 1875.00 | 1185.25 | Dec-14 | 1449.00 | 1310.00 |
| Jul-14 | 1998.00 | 1600.00 | Jan-15 | 1599.25 | 1351.00 |
| Aug-14 | 1698.85 | 1352.85 | Feb-15 | 1560.00 | 1420.00 |
| Sep-14 | 1900.00 | 1429.00 | Mar-15 | 1623.75 | 1221.00 |



Market Price Data Information (NSE)

| MONTH | HIGH | LOW | MONTH | HIGH | LOW |
|--------|---------|---------|--------|---------|---------|
| Apr-14 | 1099.80 | 1006.70 | Oct-14 | 1475.00 | 1350.00 |
| May-14 | 1299.00 | 1210.00 | Nov-14 | 1405.00 | 1377.00 |
| Jun-14 | 1800.00 | 1678.25 | Dec-14 | 1400.00 | 1339.10 |
| Jul-14 | 1700.00 | 1645.00 | Jan-15 | 1536.00 | 1477.95 |
| Aug-14 | 1480.00 | 1403.60 | Feb-15 | 1515.00 | 1480.00 |
| Sep-14 | 1591.20 | 1540.00 | Mar-15 | 1265.00 | 1220.00 |

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 96.70% of the Equity Shares of the Company are held in the dematerialized form.

Liquidity:

The Company's shares are actively traded on the NSE and BSE.

DETAILS OF UNCLAIMED SHARES

| Particulars | As on 31.03.2014 | | Claimed during the year | | As on 31.03.2015 | |
|------------------|--------------------|--------------|-------------------------|--------------|--------------------|--------------|
| | No of Shareholders | No of Shares | No of Shareholders | No of Shares | No of Shareholders | No of Shares |
| Unclaimed Shares | 151 | 10948 | 1 | 270 | 150 | 10678 |

GENERAL SHARE HOLDER INFORMATION

Investor Services

AGM date,

time and venue : August 11th 2015 at 3.00 P.M.
Woodlands Hotel Pvt. Ltd.
No.5, Rajaram Mohan Roy Road
Bengaluru - 560 025

Financial year : 1st April - 31st March

Book Closure : August 05th, 2015 to August
11th, 2015 (Both days inclusive)
for Payment of dividend & AGM.

Financial Calendar (tentative)

Results for the quarter ending:

June 30, 2015 - Second week of August, 2015

September 30, 2015 - Second week of November, 2015

December 31, 2015 - Second week of February, 2016

March 31, 2016 - Last week of May, 2016

Dividend : Dividend if declared would be Despatched/
paid on August 12, 2015.

Payment of Listing Fees: Annual listing fee for the
year 2015-16 has been paid by the Company to BSE
& NSE.

Payment of Depository Fees: Annual Custody/ Issuer
fee for the year 2015-16 will be paid by the Company
to NSDL and CDSL on receipt of the Invoices.

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,

Bengaluru – 560 003

Phone Nos. 080-23460815-18, Fax: 080-23460819

e-mail : irg@integratedindia.in.

STOCK CODE :

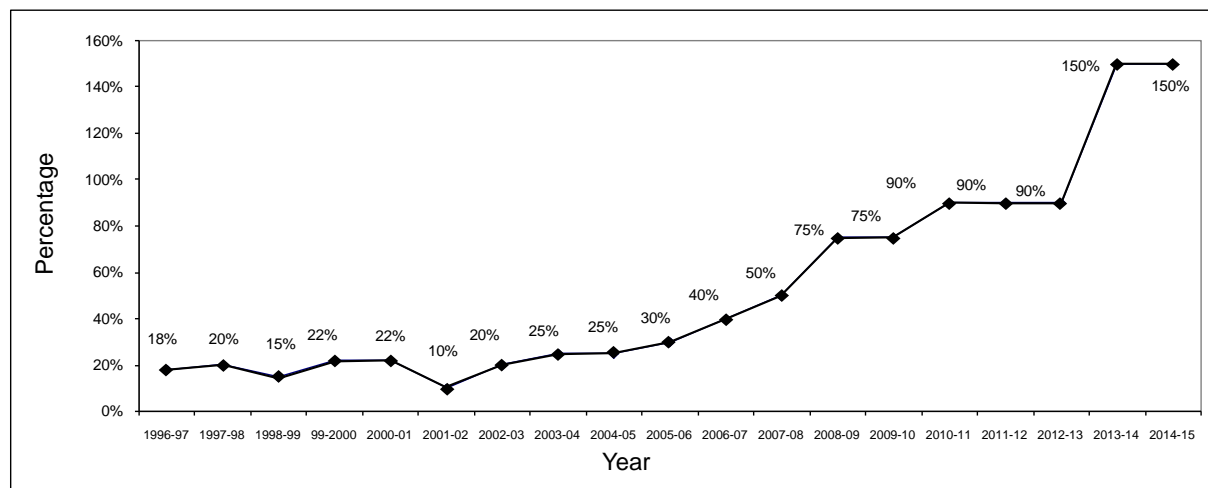
Bombay Stock Exchange Ltd : 531266

National Stock Exchange of India Ltd. : VSTILLERS

ISIN : INE 764D01017.

CIN- L34101KA1967PLC001706

Percentage of Dividend Declared



Particulars of last 3 Annual General Meetings

| Date/Time | Location | Summary of Special Business |
|-------------------------|---|---|
| 14.08.2014 3.00 p.m. | Woodlands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bengaluru - 560 025 | Re-appointment of Mr.V.P. Mahendra as Managing Director designated as Vice Chairman & Managing Director. |
| 14.08.2013 3.00 p.m. | Woodlands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bengaluru - 560 025 | Re-appointment of Mr.V.V Pravindra as Dy. Managing Director. |
| 13.08.2012 3.00 p.m. | Woodlands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bengaluru - 560 025 | Re-appointment of Mr. B C S Iyengar as Executive Director. |

No special resolution had been passed through Postal Ballot during the year 2014-15.

| | | |
|---|--|--|
| <u>PLANT LOCATIONS:</u> <u>BENGALURU</u> Plot No.1 Dyavasandra Indl. Layout Whitefield Road Mahadevapura PO. BENGALURU-560 048, Karnataka | <u>HOSUR</u> Plot No. 39, Phase 1 SPICOT Industrial Complex Mookandapalli HOSUR 635 126 Tamil Nadu | <u>MYSORE</u> 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.56 of Annual Report, there were no materially significant related party transactions that may have 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 XIII of clause 49 of the Listing Agreement. However, the Company had moved towards a regime of unqualified financial statements since many years.
- ❖ The Company has formulated whistleblower policy and no person has been denied access to the Audit Committee with regard to whistleblower policy.
- ❖ The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standard.

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

Place: Bengaluru
Date: May 29, 2015

V K Surendra
Chairman

**TO THE MEMBERS OF
V.S.T. TILLERS TRACTORS LIMITED****Report on the Financial Statements**

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, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the

Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

1. 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, 2015;
 - (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

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March

31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which -would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Brahmayya & Co.,

Chartered Accountants

ICAI Firm's Registration No. 000515S

Place : Bengaluru

Date : May 29, 2015

G. Srinivas

Partner

Membership No. 086761

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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

- (a) As per the information and explanations provided to us the Company has maintained proper records showing full Particulars including quantitative details and location of fixed assets.
- (b) 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.

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 procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to any Company, firm or other parties listed in the Register maintained under Section 189 of the Act. Accordingly, clauses (iii) (a) & (iii) (b) of paragraph 3 of 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) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the rules framed there under.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) In respect of the Company's 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 Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues to the extent applicable to it except slight delay in case of TDS. There are no arrears of outstanding statutory dues as at March 31, 2015 for a period of more than six months from the date they became payable;

(b) According to the information and explanations given to us, the disputed dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, and Cess are follows:

| Name of the statute | Nature of dues | Amount of dues (Rs) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|--|---------------------|------------------------------------|--------------------------------|
| Income tax act, 1961 | Sales promotion expenditure disallowed | 24,020,873 | April 2011 to March 2012 | CIT(Appeals) |

According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(viii) The Company's does not have accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management, there were no dues to the financial institutions and banks. There were no Debenture holders during the period.

(x) 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.

(xi) According to the information and explanations given to us, the Company has not availed any term loans. Accordingly, clause (xi) of Paragraph 3 of the Order is not applicable.

(xii) 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 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, 2015

G. Srinivas

Partner

Membership No. 086761

BALANCE SHEET AS AT MARCH 31, 2015



(Amount in Rupees)

| PARTICULARS | Notes | As at March 31, 2015 | As at March 31, 2014 |
|------------------------------------|-------|-------------------------|-------------------------|
| I Equity and liabilities | | | |
| (1) Shareholders' funds | | | |
| (a) Share capital | 3 | 8,63,95,280 | 8,63,95,280 |
| (b) Reserves and surplus | 4 | 3,54,89,76,409 | 3,03,51,10,112 |
| | | 3,63,53,71,689 | 3,12,15,05,392 |
| (2) Non-current liabilities | | | |
| (a) Deferred tax liability (net) | 5 | 4,72,46,447 | 4,44,48,766 |
| (b) Other long-term liabilities | 6 | 31,65,47,077 | 26,11,22,081 |
| (c) Long-term provisions | 7 | 2,48,46,185 | 2,32,62,011 |
| | | 38,86,39,708 | 32,88,32,858 |
| (3) Current liabilities | | | |
| (a) Trade Payables | 8 | 16,50,06,930 | 67,54,33,848 |
| (b) Other current liabilities | 9 | 36,22,52,193 | 41,23,45,558 |
| (c) Short-term provisions | 10 | 17,01,02,425 | 16,19,83,316 |
| | | 69,73,61,548 | 1,24,97,62,722 |
| TOTAL | | 4,72,13,72,945 | 4,70,01,00,972 |
| II Assets | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| i) Tangible Assets | 11.1 | 1,34,68,93,952 | 1,24,19,60,950 |
| ii) Capital work-in-progress | 11.2 | 2,10,07,143 | 10,55,058 |
| (b) Non-current investments | 12 | 9,36,11,449 | 4,15,00,000 |
| (c) Long-term loans and advances | 13 | 9,15,31,547 | 2,28,45,143 |
| | | 1,55,30,44,091 | 1,30,73,61,151 |
| (2) Current assets | | | |
| (a) Current investments | 14 | 85,79,46,485 | 1,02,14,29,850 |
| (b) Inventories | 15 | 1,00,17,81,030 | 86,55,23,049 |
| (c) Trade receivables | 16 | 93,90,18,641 | 1,02,25,70,680 |
| (d) Cash and Bank Balances | 17 | 18,40,35,051 | 22,55,04,022 |
| (e) Short-term loans and advances | 18 | 18,12,39,543 | 25,28,64,088 |
| (f) Other current assets | 19 | 43,08,104 | 48,48,132 |
| | | 3,16,83,28,854 | 3,39,27,39,821 |
| TOTAL | | 4,72,13,72,945 | 4,70,01,00,972 |

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, 2015

R.Thiyagarajan

Executive Vice President & Chief Financial Officer

Chinmaya Khatua

Company Secretary

Place : Bengaluru

Date : May 29, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015



(Amount in Rupees)

| PARTICULARS | Notes | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|-------|--------------------------------------|--------------------------------------|
| I Revenue from Operations (Gross) | 20 | 5,52,62,73,159 | 6,25,25,58,046 |
| Less: Excise Duty | | (1,03,00,593) | (1,03,71,116) |
| Net Revenue from Operations | | 5,51,59,72,566 | 6,24,21,86,930 |
| Other Incomes | 21 | 11,85,98,541 | 8,70,35,447 |
| Total Revenue | | 5,63,45,71,107 | 6,32,92,22,377 |
| II Expenses | | | |
| a) Cost of Material Consumed | 22 | 3,60,11,86,850 | 3,85,49,52,659 |
| b) Purchase of Stock in Trade | | 20,81,57,621 | 17,07,46,185 |
| c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade | 23 | (23,81,76,504) | 8,48,24,673 |
| d) Employee Benefit Expenses | 24 | 40,63,30,822 | 36,04,61,978 |
| e) Finance Costs | 25 | 2,11,56,718 | 1,76,91,007 |
| f) Depreciation & Amortization Expenses | 26 | 9,41,09,139 | 3,91,45,911 |
| g) Other Expenses | 27 | 53,62,60,716 | 58,18,14,788 |
| Total Expenses | | 4,62,90,25,362 | 5,10,96,37,201 |
| III Profit before exceptional and extraordinary items and tax | | 1,00,55,45,746 | 1,21,95,85,177 |
| Exceptional Items | | - | - |
| IV Profit before extraordinary items and tax | | 1,00,55,45,746 | 1,21,95,85,177 |
| Extraordinary items | | - | - |
| V Profit before tax | | 1,00,55,45,746 | 1,21,95,85,177 |
| VI Tax expenses | | | |
| a) Current tax | | 30,75,80,000 | 37,49,65,410 |
| b) Deferred tax | | 27,97,680 | 1,52,37,352 |
| Total tax expense | | 31,03,77,680 | 39,02,02,762 |
| VII Profit for the period | | 69,51,68,065 | 82,93,82,415 |
| Earnings per equity share [nominal value of share Rs 10 [March 31, 2014 : Rs 10] | | | |
| a) Basic | | 80.46 | 96.00 |
| b) Diluted | | 80.46 | 96.00 |

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, 2015

R.Thiyagarajan

Executive Vice President & Chief Financial Officer

Chinmaya Khatua

Company Secretary

Place : Bengaluru

Date : May 29, 2015

CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015



(Amount in Rupees)

| PARTICULARS | Notes | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|-------|--------------------------------------|--------------------------------------|
| Cash flow from operating activities | | | |
| Profit before tax from continuing operations | | 1,00,55,45,746 | 1,21,95,85,177 |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | | |
| Depreciation and amortisation | | 9,41,09,139 | 3,91,45,911 |
| Interest income | | (2,78,345) | (43,76,247) |
| Income from investments | | (5,42,19,073) | (5,82,32,953) |
| Profit on sale of fixed assets | | (3,43,629) | 5,88,389 |
| Provisions no longer required, written back | | (4,56,55,282) | (31,36,973) |
| Unrealized foreign exchange gain | | (19,05,617) | (30,40,777) |
| Finance cost | | 2,11,56,718 | 1,76,91,007 |
| Operating profit before working capital changes | | 1,01,84,09,655 | 1,20,82,23,534 |
| Movements in working capital : | | | |
| Trade payables, Other liabilities and Provisions | | (47,23,87,739) | 59,10,34,564 |
| Trade receivables | | 8,54,57,657 | (4,65,24,665) |
| Inventories | | (13,62,57,981) | (3,69,50,636) |
| Loans and Advances and other current assets | | 8,03,70,788 | 25,03,964 |
| Cash generated from /(used in) operations | | 57,55,92,380 | 1,71,82,86,761 |
| Direct taxes paid including for the previous years | | (31,57,86,215) | (40,78,79,852) |
| Net cash flow from/ (used in) operating activities (A) | | 25,98,06,165 | 1,31,04,06,909 |
| Cash flows from investing activities | | | |
| Purchase of fixed assets, including CWIP | | (22,72,02,411) | (36,82,02,408) |
| Capital advances | | (6,86,86,404) | 2,06,64,781 |
| Proceeds from sale of fixed assets | | 9,37,450 | 6,74,177 |
| Redemption/maturity of bank deposits | | (3,46,588) | (2,48,25) |
| Sale/(Purchase) of current investments | | 11,13,71,916 | (1,02,14,29,850) |
| Interest received | | 2,78,345 | 43,76,247 |
| Income from investment | | 5,42,19,073 | 5,82,32,953 |
| Net cash flow from/ (used in) investing activities (B) | | (12,94,28,619) | (1,30,57,08,925) |
| Cash flows from financing activities | | | |
| Dividends paid on equity shares | | (12,95,92,920) | (7,77,55,752) |
| Tax on equity dividend paid | | (2,20,24,317) | (1,32,14,590) |
| Interest paid | | (211,56,718) | (1,76,91,007) |
| Net cash flow from/ (used in) in financing activities (C) | | (17,27,73,955) | (10,86,61,349) |
| Net increase/(decrease) in cash and cash equivalents (A + B + C) | | (4,23,96,410) | (10,39,63,365) |
| Cash and cash equivalents at the beginning of the year | | 22,19,68,885 | 32,59,32,250 |
| Cash and cash equivalents at the end of the year | | 17,95,72,475 | 22,19,68,885 |
| Components of cash and cash equivalents: | | | |
| Cash on hand | | 1,90,808 | 1,21,116 |
| Cheques/ drafts on hand | | 80,20,000 | 9,47,34,309 |
| With banks | | | |
| - on current account | | 17,13,61,667 | 12,71,13,460 |
| - on deposit account | | - | - |
| Total cash and cash equivalents | | 17,95,72,475 | 22,19,68,885 |

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, 2015

V.P Mahendra
Vice Chairman, Managing Director & CEO

R.Thiyagarajan
Executive Vice President & Chief Financial Officer

For and on behalf of the Board of Directors

V.Ramachandran
Director

Chinmaya Khatua
Company Secretary

Place : Bengaluru
Date : May 29, 2015

Note 1: Company overview

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

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

The company was incorporated for the purpose of manufacture and or deal 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 of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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:

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Useful Lives/depreciation rates:

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to change depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Hence, this change in accounting estimate did not have any material impact on financial statements of the company.

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

Depreciation on tangible fixed assets:

Depreciation is provided on straight line method at the rates based on the estimated useful lives of the assets or those prescribed under Schedule II of the

Companies Act, 2013, whichever is higher.

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 cashflows 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 adjustment 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, 2014: 1,00,00,000) equity shares of Rs. 10 each

10,00,00,000

10,00,00,000

Issued, subscribed and paid-up:

86,39,528 (March 31, 2014: 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 31,2015 | | As at March 31,2014 | |
|------------------------------------|---------------------|--------------------|---------------------|-------------|
| | Nos | Rs. | Nos | Rs. |
| Equity Shares | | | | |
| At the beginning of the year | 86,39,528 | 8,63,95,280 | 86,39,528 | 8,63,95,280 |
| Movement during the year | - | - | - | - |
| Outstanding at the end of the year | 86,39,528 | 8,63,95,280 | 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 31,2015 | | As at March 31,2014 | |
|--|---------------------|---------------|---------------------|-----------|
| | Nos | % holding | Nos | % holding |
| Equity shares of Rs. 10 each fully paid | | | | |
| V P Mahendra | 6,30,530 | 7.30% | 6,30,530 | 7.30% |
| V K Surendra | 18,08,679 | 20.93% | 18,08,679 | 20.93% |
| | 24,39,209 | 28.23% | 24,39,209 | 28.23% |

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, 2015)

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 | - | - |
| Closing Balance | 2,64,04,870 | 2,64,04,870 |

(B) Revaluation Reserve

| | | |
|-------------------------------|------------------|------------------|
| Opening Balance | 64,39,871 | 64,93,238 |
| (-) Depreciation for the year | 4,27,084 | 53,367 |
| Closing Balance | 60,12,787 | 64,39,871 |

(C) General Reserve

| | | |
|---|-----------------------|-----------------------|
| Opening Balance | 2,50,00,00,000 | 1,80,00,00,000 |
| (+) Transferred from the Statement of profit and Loss | 50,00,00,000 | 70,00,00,000 |
| Closing balance | 3,00,00,00,000 | 2,50,00,00,000 |

(D) Balance in Statement of Profit and Loss

| | | |
|--------------------------|-----------------------|-----------------------|
| Opening Balance | 50,22,65,371 | 52,45,00,194 |
| Add: profit for the year | 69,51,68,065 | 82,93,82,414 |
| | 1,19,74,33,436 | 1,35,38,82,608 |

Less: Appropriations

| | | |
|---------------------------------|---------------------|---------------------|
| (a) Proposed Dividend | 12,95,92,920 | 12,95,92,920 |
| (b) Tax on Proposed Dividend | 2,63,81,879 | 2,20,24,317 |
| (c) Transfer to General Reserve | 50,00,00,000 | 70,00,00,000 |
| (d) Depreciation adjustment | 71,87,280 | - |
| (e) CSR expenditure | 1,77,12,605 | - |
| | 68,08,74,684 | 85,16,17,237 |

Closing balance in the Statement of Profit and Loss

| | | |
|---|-----------------------|----------------------|
| Total Reserves and Surplus (A+B+C+D) | 3,54,89,76,409 | 303,51,10,112 |
|---|-----------------------|----------------------|

5 Deferred tax liability (net)

Deferred tax liabilities

| | | |
|--|-------------|-------------|
| Depreciation/ amortization charged for the financial reporting | 6,38,67,070 | 5,56,45,281 |
|--|-------------|-------------|

Deferred tax assets

| | | |
|---|---------------|---------------|
| Provision for Bad debts and Employee Benefits | (1,66,20,624) | (1,11,96,515) |
|---|---------------|---------------|

| | | |
|-------------------------------------|--------------------|--------------------|
| Deferred tax liability (Net) | 4,72,46,446 | 4,44,48,766 |
|-------------------------------------|--------------------|--------------------|

6 Other Long Term Liabilities

| | | |
|-----------------|---------------------|---------------------|
| Rental Deposit | 38,75,000 | 35,00,000 |
| Dealer Deposits | 30,93,89,835 | 25,49,30,475 |
| Others | 32,82,242 | 26,91,606 |
| | 31,65,47,077 | 26,11,22,081 |

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

| | | |
|-----------------------------------|--------------------|-------------|
| Provision for Gratuity | 54,62,438 | 62,02,229 |
| Provision for compensated absence | 1,93,83,747 | 1,70,59,782 |
| | 2,48,46,185 | 2,32,62,011 |

8 Trade Payable

| | | |
|--|---------------------|--------------|
| Dues to Micro, Small and Medium Enterprises (Refer Note 29) | 4,05,08,218 | 13,58,19,420 |
| Dues to others | 11,23,66,586 | 44,03,66,055 |
| Bills Acceptance | 1,21,32,126 | 9,92,48,373 |
| | 16,50,06,930 | 67,54,33,848 |

9 Other Current Liabilities

| | | |
|---|---------------------|--------------|
| Unclaimed Dividend | 39,41,163 | 33,60,312 |
| Advance from customers and dealers | 4,21,34,837 | 2,49,36,902 |
| Incentives and Marketing Expenses Payable | 7,40,59,058 | 6,90,50,615 |
| TDS Payable | 54,84,197 | 46,41,559 |
| VAT Payable | 2,43,96,494 | 2,21,46,075 |
| Other statutory dues | 77,43,782 | 74,74,987 |
| Staff Dues and Recoveries | 3,13,93,525 | 3,69,82,640 |
| Other advance Received | 8,23,075 | 4,58,186 |
| Outstanding Expenses | 15,45,63,457 | 24,32,94,282 |
| CSR Payable | 1,77,12,605 | - |
| | 36,22,52,193 | 41,23,45,558 |

10 Short Term Provisions

| | | |
|-----------------------------------|---------------------|--------------|
| Proposed Dividend | 12,95,92,920 | 12,95,92,920 |
| Tax on Proposed dividend | 2,63,81,879 | 2,20,24,317 |
| Provision for Warranties | 61,12,100 | 76,42,931 |
| Provision for Gratuity | 54,27,842 | 2,56,302 |
| Provision for Compensated absence | 25,87,684 | 24,66,846 |
| | 17,01,02,425 | 16,19,83,316 |

11.1 TANGIBLE ASSETS

(Amount In Rupees)

| | Land | Buildings | Plant and Machinery | Computer Equipments | Office Equipments | Vehicles | Furniture & Fixtures | Total |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|--------------------|----------------------|-----------------------|
| Gross Block | | | | | | | | |
| At April 1, 2013 | 39,97,08,659 | 13,73,56,190 | 56,17,50,407 | 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 |
| At March 31, 2014 | 47,50,53,635 | 37,56,82,098 | 73,60,99,945 | 1,94,88,913 | 75,75,309 | 2,07,57,527 | 67,03,646 | 1,64,13,61,073 |
| Additions | - | 8,99,62,485 | 7,62,56,327 | 2,94,08,811 | 13,47,484 | 48,62,408 | 54,12,811 | 20,72,50,326 |
| Disposals | - | 0 | 19,15,329 | 61,600 | - | 8,33,731 | - | 28,10,660 |
| At March 31, 2015 | 47,50,53,635 | 46,56,44,583 | 81,04,40,943 | 4,88,36,124 | 89,22,793 | 2,47,86,204 | 121,16,457 | 1,84,58,00,739 |
| Accumulated Depreciation | | | | | | | | |
| At April 1, 2013 | - | 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 |
| At March 31, 2014 | - | 3,85,80,362 | 33,93,96,171 | 1,11,50,419 | 14,50,092 | 70,29,273 | 17,93,806 | 39,94,00,123 |
| Charge for the year | - | 2,13,75,320 | 5,85,98,078 | 86,03,073 | 11,47,370 | 35,62,743 | 8,50,972 | 9,41,37,556 |
| Adjustments | - | 27,11,732 | 29,23,538 | 8,75,589 | 7,35,382 | 2,01,114 | 1,38,592 | 75,85,947 |
| Disposals | - | - | 17,42,408 | 58,012 | - | 4,16,419 | - | 22,16,839 |
| At March 31, 2015 | - | 6,26,67,414 | 39,91,75,379 | 2,05,71,069 | 33,32,844 | 1,03,76,711 | 27,83,370 | 49,89,06,787 |
| Net Block | | | | | | | | |
| At March 31, 2014 | 47,50,53,635 | 33,71,01,736 | 39,67,03,774 | 83,38,494 | 61,25,217 | 1,37,28,254 | 49,09,840 | 1,24,19,60,950 |
| At March 31, 2015 | 47,50,53,635 | 40,29,77,169 | 41,12,65,564 | 2,82,65,055 | 55,89,949 | 1,44,09,493 | 93,33,087 | 1,34,68,93,952 |

11.2 CAPITAL WORK-IN-PROGRESS

| | | |
|-------------------|--------------------|------------------|
| | As at | As at |
| Plant & Machinery | March 31, 2015 | March 31, 2014 |
| | 2,10,07,143 | 10,55,058 |
| | <u>2,10,07,143</u> | <u>10,55,058</u> |

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

MHI -VST Diesel Engines Private Limited
(41,50,000 (March 31, 2014: 41,50,000) Equity Shares of Rs.10 each.)

Investment in Equity Instruments

Rane Holdings Limited

1,25,000 (March 31, 2014: NIL) Equity shares of Rs.416.90 each

13 Long term loans and advance

Capital advance

Security deposits

Staff special / Annual advance

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

HSBC Cash Fund-Daily Dividend

100,164.707 (Previous Year: 94,181,263) Units of Rs.1000.56 each

ii) BOI AXA Mutual Fund

BOI AXA Liquid Fund

80,412.849 (Previous Year: 1,24,930.473) Units of Rs. 1002.9232 each

iii) ICICI Prudential Mutual Fund

ICICI Prudential Banking & PSU Debt Plan

Nil (Previous Year: 1,15,46,862,799)

iv) Reliance Mutual Fund

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

134,385.757 (Previous Year: 70,00,000.00) Units of Rs.1002.7641 each

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

32,718.322 (Previous Year: Nil) Units of Rs.1528.7400 each

v) Birla Sunlife Mutual Fund

Birla Sun Life Interval Income Fund-90 Days

Nil (Previous Year: 50,00,000.00)

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

99,915.099 (Previous Year: 10,29,677.410) Units of Rs.100.1950 each

Birla Sun Life Cash Plus

741,379.326(Nil) Units of Rs.100.1950 each

vi) TATA Mutual Fund

Tata Money Market Fund-Plan A-Daily Dividend

1,41,500.784(Previous Year: 1,33,104.348) Units of Rs.1,001.5157 each

vii) Religare Invesco Mutual Fund

Religare Invesco Credit Opportunities Fund-Daily Dividend

Nil (Previous Year: 102,393.809)

viii) SBI Mutual Fund

SBI Magnum Insta Cash Fund-Regular Plan-Daily Dividend

1,08,697.238(Previous Year: 61,688.053) Units of Rs.1009.91 each

ix) Kotak Mutual Fund

Kotak Banking & PSU Debt Fund-Daily Dividend

65,89,978.907 (Previous Year: 61,90,689.365) Units of Rs.10.0335 each

Kotak Banking & PSU Debt Fund-Daily Dividend

24,840.4978 (Previous Year: Nil) Units of Rs.1001.62 each

x) HDFC Mutual Fund

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

64,01,534.286(Previous Year: 60,94,982.940) Units of Rs.10.1982 each

| As at March 31, 2015 | As at March 31, 2014 |
|-------------------------|-------------------------|
| 4,15,00,000 | 4,15,00,000 |
| 5,21,11,449 | - |
| 9,36,11,449 | 4,15,00,000 |
| 7,59,53,073 | 98,83,492 |
| 1,37,90,019 | 1,16,96,537 |
| 17,88,455 | 12,65,114 |
| 9,15,31,547 | 4,35,09,924 |
| 10,02,06,554 | 9,42,19,768 |
| 8,06,47,912 | 12,50,05,336 |
| - | 11,62,13,948 |
| 13,47,57,213 | 7,00,00,000 |
| 5,00,17,809 | - |
| - | 5,00,00,000 |
| 1,00,10,993 | 10,33,74,669 |
| 7,42,82,502 | - |
| 14,17,15,257 | 13,33,06,094 |
| - | 10,24,23,502 |
| 10,97,74,421 | 10,33,29,339 |
| 6,61,20,553 | 6,21,14,282 |
| 2,51,29,144 | |
| 6,52,84,127 | 6,14,42,912 |
| 85,79,46,485 | 1,02,14,29,850 |

(Amount In Rupees)

15 Inventories

| | As at March 31, 2015 | As at March 31, 2014 |
|-----------------------------|-------------------------|-------------------------|
| Raw material and Components | 22,75,86,016 | 33,27,28,931 |
| Work-in-Progress | 2,50,98,524 | 5,48,37,499 |
| Finished Goods | 38,92,34,773 | 28,51,35,559 |
| Stock in trade | 34,73,87,609 | 18,35,71,344 |
| Loose Tools | 95,97,977 | 58,25,443 |
| Machinery Spares and Others | 28,76,131 | 34,24,273 |
| | 1,00,17,81,030 | 86,55,23,049 |

16 Trade Receivables

Secured :-

Receivables outstanding for a period exceeding six months and considered

| | | |
|--------|--------------|--------------|
| Good | 9,58,04,939 | 5,78,27,336 |
| Others | 15,42,20,585 | 28,00,01,013 |

Unsecured :-

Receivables outstanding for a period exceeding six months and considered

| | | |
|----------|--------------|--------------|
| Good | 13,45,38,596 | 4,48,74,086 |
| Doubtful | 88,49,578 | 63,70,693 |
| Others | 56,32,50,095 | 63,98,68,245 |

Total

| | |
|---------------------|-----------------------|
| 94,78,68,219 | 1,02,89,41,373 |
|---------------------|-----------------------|

Less: Provision for doubtful Trade receivables

| | |
|------------------|------------------|
| 88,49,578 | 63,70,693 |
|------------------|------------------|

Total Trade Receivables

| | |
|---------------------|-----------------------|
| 93,90,18,641 | 1,02,25,70,680 |
|---------------------|-----------------------|

17 Cash and Bank Balances

I. Cash and cash equivalents

| | | |
|------------------------|---------------------|---------------------|
| a) Cash on hand | 1,90,808 | 1,21,116 |
| b) On current accounts | 17,13,61,667 | 12,71,13,460 |
| d) Cheques on hand | 80,20,000 | 9,47,34,309 |
| | 17,95,72,475 | 22,19,68,885 |

II. Other bank balances with more than three months maturity

| | | |
|----------------------------------|---------------------|---------------------|
| a) Deposits with Banks | 1,50,000 | 1,50,000 |
| b) Margin money deposit | 3,71,413 | 24,825 |
| c) Earmarked balances with banks | 39,41,163 | 33,60,312 |
| | 44,62,576 | 35,35,137 |
| | 18,40,35,051 | 22,55,04,022 |

(Amount In Rupees)
18 Short Term Loans and advances

| | As at March 31, 2015 | As at March 31, 2014 |
|--|-------------------------|-------------------------|
| Advances to Staff | 33,05,705 | 28,13,402 |
| Advances given to Suppliers | 1,10,20,397 | 71,42,561 |
| Statutory Receivables | | |
| Cenvat Receivable | 13,99,190 | 20,70,003 |
| VAT Receivable | 8,96,86,122 | 16,75,15,390 |
| Service Tax Receivable | 1,25,669 | 1,25,669 |
| TDS receivable | 37,53,087 | 26,58,872 |
| Advance Income Tax (Net of Provisions) | 6,86,42,168 | 6,15,30,168 |
| Others | 33,07,205 | 90,08,023 |
| | <u>18,12,39,543</u> | <u>25,28,64,088</u> |

19 Other Current Assets

| | | |
|----------------------------|------------------|------------------|
| Income Accrued but not due | 43,08,104 | 48,48,132 |
| | <u>43,08,104</u> | <u>48,48,132</u> |

20 Revenue from operations

| | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|--------------------------|--------------------------------------|--------------------------------------|
| Sale of products | 5,50,93,52,687 | 6,23,73,79,875 |
| Sale of services | 20,72,027 | 1,40,600 |
| Other operating revenues | 1,48,48,445 | 1,50,37,571 |
| | <u>5,52,62,73,159</u> | <u>6,25,25,58,046</u> |

21 Other Income

| | | |
|---|---------------------|--------------------|
| Gain on Foreign Exchange Fluctuation (Net) | 19,05,617 | 30,40,777 |
| Insurance claims | 9,57,270 | 16,10,478 |
| Interest | 2,78,345 | 43,76,247 |
| Dividend from Non trade Investments | 5,42,19,073 | 5,82,32,953 |
| Rent Received | 77,19,704 | 56,41,033 |
| Sundry credit balances written back | 4,56,55,282 | 31,36,973 |
| Profit on sale of Assets | 3,43,629 | - |
| Provision for Bad and Doubtful debts written back | 27,95,397 | 69,54,402 |
| Miscellaneous Receipts | 47,24,223 | 40,42,584 |
| | <u>11,85,98,541</u> | <u>8,70,35,447</u> |

22 Cost of Material Consumed

| | | |
|------------------------|-----------------------|-----------------------|
| Castings | 55,71,22,790 | 67,40,73,042 |
| Forgings | 69,52,60,798 | 1,05,38,21,688 |
| Sheet Metal Components | 52,41,57,715 | 93,78,11,860 |
| Tyres & Tubes | 23,44,43,575 | 28,09,70,844 |
| Others | 1,79,83,08,727 | 1,07,90,21,410 |
| | <u>3,80,93,44,471</u> | <u>4,02,56,98,844</u> |

(Amount In Rupees)

23 Changes in inventories

Opening Stock as at 1st April, 2014

| | | |
|------------------------|---------------------|---------------------|
| 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 |
| Total (A) | 52,35,44,402 | 60,83,69,075 |

Closing Stock as at 31st March, 2015

| | | |
|------------------------|---------------------|---------------------|
| Work in Progress | 2,50,98,524 | 5,48,37,499 |
| Finished Goods | 38,92,34,773 | 28,51,35,559 |
| Trading Goods | 15,44,35,039 | 7,39,11,480 |
| Spares and attachments | 19,29,52,570 | 10,96,59,864 |
| Total (B) | 76,17,20,906 | 52,35,44,402 |

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

| | |
|-----------------------|--------------------|
| (23,81,76,504) | 8,48,24,673 |
|-----------------------|--------------------|

24 Employee Benefit Expenses

| | | |
|---------------------------|---------------------|---------------------|
| Salaries, Wages and Bonus | 36,35,10,313 | 32,91,23,777 |
| Contribution to Funds | 2,66,63,757 | 1,96,58,343 |
| Welfare Expenses | 1,61,56,752 | 1,16,79,858 |
| | 40,63,30,822 | 36,04,61,978 |

25 Finance Costs

Interest Expense

| | | |
|----------------------------------|-------------|-------------|
| Interest paid on working Capital | - | - |
| Interest on Other | 2,11,56,718 | 1,75,67,257 |

Other Borrowing Costs

| | | |
|----------------------|--------------------|--------------------|
| Loan Processing Fees | - | 1,23,750 |
| | 2,11,56,718 | 1,76,91,007 |

26 Depreciation and amortization expense

| | | |
|---------------------------------|--------------------|--------------------|
| Depreciation of tangible assets | 9,41,09,139 | 3,91,45,911 |
| | 9,41,09,139 | 3,91,45,911 |

(Amount In Rupees)

27 Other Expenses

| | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Power and Fuel | 3,70,17,130 | 2,91,75,124 |
| Consumption of Stores & Tools | 3,09,71,951 | 5,03,24,635 |
| Consultancy and Legal Charges | 79,01,246 | 81,88,330 |
| Payment to Statutory Auditors | | |
| i) Audit fee | 10,00,000 | 10,00,000 |
| ii) Tax audit fee | 2,00,000 | 2,00,000 |
| iii) Company Law Matters | - | - |
| iv) Reimbursement of expenses | 2,79,559 | 1,54,756 |
| Payment to Cost Auditors | | |
| i) Audit fee | - | 1,75,000 |
| ii) Reimbursement of expenses | - | 26,686 |
| Fees, Rates and Taxes | 2,68,57,371 | 2,58,00,583 |
| Directors Sitting Fees | 5,85,000 | 5,25,000 |
| Insurance | 20,55,433 | 23,60,690 |
| Rent | 41,41,282 | 33,79,970 |
| Repairs and Maintenance on | | |
| i) Building | 56,01,341 | 47,48,665 |
| ii) Machinery | 1,77,66,607 | 1,55,36,849 |
| iii) Other Equipment | 2,25,13,811 | 1,27,78,983 |
| Testing Charges | 25,47,400 | 38,06,057 |
| Bank Charges | 10,08,188 | 7,28,424 |
| Travelling and Conveyance | 2,85,78,114 | 2,46,17,333 |
| Communication Expenses | 60,81,473 | 57,06,194 |
| Miscellaneous Expenses | 1,44,57,812 | 50,41,555 |
| Advertisement and Publicity | 90,76,791 | 64,20,971 |
| Freight and Forwarding | 12,27,25,114 | 12,67,04,427 |
| Selling Expenses | 13,80,79,730 | 16,80,97,706 |
| Packing material consumed | 2,41,62,753 | 2,18,20,879 |
| Donations | 35,40,000 | 33,50,000 |
| Service and Warranty Expenses | 2,66,33,724 | 6,05,57,582 |
| Provision for bad and doubtful debts | 24,78,885 | - |
| Loss on sale of assets | - | 5,88,389 |
| | 53,62,60,716 | 58,18,14,788 |

28 Contingent Liabilities

| | | |
|---|-------------|-------------|
| a) Cases filed by customers in various consumer courts not acknowledged as debts | 43,79,000 | 43,79,000 |
| b) Appeal filed by company in respect of income tax matters | 2,40,20,873 | - |
| c) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances). | 42,42,977 | 4,22,57,591 |
| d) Bank guarantees issued to Government agencies by way of security | 1,15,36,907 | 56,49,300 |

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, 2015. 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 2015 is Rs.7,44,01,266/- (Rs.6,61,58,554) 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, 2015

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, 2015.

| | As at March 31, 2015 | As at March 31, 2014 |
|--|-------------------------|-------------------------|
| a) Assumption : | | |
| Discount rate | | |
| Salary Escalation | 5% | 5% |
| b) Table showing changes in present value of obligation : | As at March 31, 2015 | As at March 31, 2014 |
| Present value of obligation as at beginning of year | 6,61,58,554 | 5,74,97,126 |
| Interest cost | 27,68,999 | 51,44,677 |
| Current service cost | 54,36,197 | 66,45,072 |
| Benefits paid | (1,00,41,389) | (21,72,400) |
| Actuarial(gain)/loss on obligation | 87,90,83 | (9,55,921) |
| Present value of obligation as at end of year | 7,44,01,266 | 6,61,58,554 |
| c) Table showing changes in the fair value of plan assets: | As at March 31, 2015 | As at March 31, 2014 |
| Fair value of plan assets at beginning of year | 5,96,75,659 | 5,28,28,419 |
| Expected return on plan assets | 47,26,111 | 43,16,703 |
| Contributions | 87,94,124 | 42,83,136 |
| Benefits paid | (1,00,41,389) | (20,22,393) |
| Actuarial gain/(loss) on plan assets | 2,95,382 | 2,69,794 |
| Fair value of plan assets at end of year | 6,34,74,251 | 5,96,75,659 |
| d) Table showing Expenses recognised Statement of Profit and Loss | As at March 31, 2015 | As at March 31, 2014 |
| Current Service Cost | 54,36,197 | 66,45,072 |
| Interest on Obligation | 27,68,999 | 51,44,676 |
| Expected return on plan assets | 47,26,111 | (43,16,703) |
| Actuarial (gain)/loss | 8,79,083 | (12,25,715) |
| Total included in Employee Benefits | 1,38,10,390 | 62,47,330 |
| e) Actuarial Gain / Loss recognised : | As at March 31, 2015 | As at March 31, 2014 |
| Actuarial (gain) / Loss on obligations | 8,79,083 | (9,55,921) |
| Actuarial (gain) / Loss for the year on plan assets | 2,95,382 | (2,69,794) |
| Actuarial (Gain)/ Loss recognised in the year | 11,74,465 | (12,25,715) |

(Amount In Rupees)

| f) The amount to be recognised in the Balance Sheet and statement of Profit and Loss : | As at March 31, 2015 | As at March 31, 2014 |
|---|---------------------------------|---------------------------------|
| Present value of obligation as at the end of the year | 7,44,01,266 | 6,61,58,554 |
| Fair value of plan assets as at the end of the year | 6,34,74,251 | 5,96,75,659 |
| Net assets / (Liability) recognised in Balance Sheet | (1,09,27,015) | (64,82,895) |

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.9,11,997 (31st March, 2014 Rs.3,13,444) and the cumulative liability as on 31st March 2015 was Rs.43,18,763 (31st March, 2014 Rs.34,99,015).

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

| Name of the Party | Nature of Relationship |
|---|-------------------------------|
| 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 |

| | Transactions for For the year ended 31 March, 2015 | Transactions for For the year ended 31 March, 2014 |
|---|---|---|
| I. Nature of Transactions: | | |
| a) Sale of power tillers, tractors, diesel engines, attachments and spare parts etc. India Garage Service Station | - | 4,88,54,060 |
| b) Supply of machined components and provide facilities for inspection of components MHI-VST Diesel Engines Private Limited | 32,77,125 | 56,035 |
| c) Renting of immovable property MHI-VST Diesel Engines Private Limited | 25,28,100 | 25,28,100 |
| d) Architectural profession services Anand & Associates | 19,56,188 | 31,57,316 |
| e) Renting of Immovable Property Automobile Service Centre | 26,96,640 | 26,96,640 |
| f) Payment of Royalty towards utilisation of Group Logo VST & Sons | 5,51,245 | 6,23,871 |

(Amount In Rupees)

| | Transactions for For the year ended 31 March, 2015 | Transactions for For the year ended 31 March, 2014 |
|---|--|--|
| II. Balances at 31st March 2015 | | |
| a) Receivable | | |
| India Garage Service Station | - | (11,73,522) |
| b) Payable | | |
| MHI-VST Diesel Engines Private Limited | (16,78,529) | 2,71,662 |
| Automobile Service Centre | - | - |
| VST & Sons | 5,51,245 | 6,23,871 |
| Anand & Associates | - | - |
| India Garage Petrol Pump | - | - |
| III. Managerial Remuneration* : | | |
| a) Mr.V.P.Mahendra | 76,26,104 | 46,15,503 |
| b) Mr.V.V.Pravindra | 32,55,690 | 35,21,414 |
| c) Mr.B.C.S.Iyengar | 39,18,499 | 39,32,338 |
| | 1,48,00,293 | 1,20,69,255 |

* Managerial Remuneration includes commission

| | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|--------------------------------------|--------------------------------------|
| 32 Basic and Diluted earnings per share | | |
| a) Profit after tax for the year (in Rs.) | 69,51,68,065 | 82,93,82,415 |
| b) Weighted average number of equity shares outstanding | 86,39,528 | 86,39,528 |
| Earnings Per Share (Rs.) - Basic (Face value of Rs. 10 per share) | 80.46 | 96.00 |
| Earnings Per Share (Rs.) - Diluted (Face value of Rs. 10 per share) | 80.46 | 96.00 |

33 Expenditure on Research & Development

| Particulars | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|--------------------------------------|--------------------------------------|
| a) Revenue expenditure | | |
| Salaries & allowances of R&D Staff | 1,20,34,286 | 1,33,55,948 |
| Testing Fees paid to ARAI, Pune & CFMTTI, Budni | 20,90,913 | 31,28,612 |
| Development charges | 14,109 | 6,07,433 |
| Others | 34,508 | 70,012 |
| Depreciation on R&D Assets | 18,25,567 | 10,33,069 |
| Total | 1,59,99,383 | 1,81,95,074 |

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

| Particulars | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|--------------------------|--------------------------------------|--------------------------------------|
| i) Components and spares | 25,12,76,819 | 24,93,58,619 |
| Total | 25,12,76,819 | 24,93,58,619 |

| | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|--------------------------------------|--------------------------------------|
| b) Expenditure in Foreign Currency : | | |
| i) Travelling | 12,67,272 | 16,21,362 |
| ii) Commission paid | 20,42,105 | 45,38,364 |
| iii) Others | - | - |
| Total | 33,09,377 | 61,59,726 |

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

| Particulars | For the year ended March 31, 2015 | | For the year ended March 31, 2014 | |
|----------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | Amount | % to total consumption | Amount | % to total consumption |
| i) Imported | 32,63,64,489 | 9.06% | 24,17,50,569 | 5.76% |
| ii) Indigenous | 3,27,48,22,362 | 90.94% | 3,95,46,94,460 | 94.24% |
| | 3,60,11,86,851 | 100.00% | 4,19,64,45,029 | 100.00% |

35 Earnings in Foreign Exchange:

| Particulars | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| a) Export of goods on FOB basis | 9,67,53,258 | 14,67,50,863 |
| b) Others (Freight, Insurance etc.) | 11,48,336 | 70,47,186 |
| Total | 9,79,01,594 | 15,37,98,049 |

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

| Particulars | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|--------------------------------------|--------------------------------------|
| a) Amount remitted (Net of tax) - (Amount in Rs.) | 37,96,875 | 22,78,125 |
| b) Number of Non Resident shareholders | 1 | 1 |
| c) Number of shares on which dividend was due | 2,53,125 | 253,125 |

(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, 2015 | | As at March 31, 2014 | |
|------------------------------------|----------------------------|------------------|----------------------------|---------------|
| | Amount in Foreign Currency | Amount in INR | Amount in Foreign Currency | Amount in INR |
| Assets | | | | |
| Trade Recievables | | | | |
| (in USD) | - | - | 63,221 | 37,49,638 |
| (in GBP) | 66,568 | 60,96,963 | 2,18,902 | 2,15,20,297 |
| (in EURO) | - | - | 1,87,683 | 1,52,49,217 |
| Liabilities | | | | |
| Trade Payables - (in EURO) | - | - | 10,303 | 861,743 |
| Trade Payables - (in US) | 19 | 1,132 | - | - |
| Other Payables - (in EURO) | - | - | - | - |
| Accrued Expenses - (in GBP) | - | - | 18,296 | 1,849,212 |
| Advance from Customers - (in EURO) | - | - | 71 | 5,900 |
| Advance from Customers - (in GBP) | 435 | 40,665 | - | - |

38 These financial statements have been prepared in the format prescribed by the Revised Schedule III to the Companies Act, 2013. 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

For and on behalf of the Board of Directors

V.P Mahendra

Vice Chairman, Managing Director & CEO

V.Ramachandran

Director

G. Srinivas

Partner

Membership No: 086761

Place : Bengaluru

Date : May 29, 2015

R.Thiyagarajan

Executive Vice President & Chief Financial Officer

Chinmaya Khatua

Company Secretary

Place : Bengaluru

Date : May 29, 2015

SALE OF PRODUCTS

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

| CLASS OF GOODS | 01-04-2014 - 31-03-2015 | | | 01-04-2013 - 31-03-2014 | | |
|-----------------------|--------------------------------|------------------|-----------------------|--------------------------------|------------------|-----------------------|
| | Production Quantity Nos. | Sales | | Production Quantity Nos. | Sales | |
| | | Quantity Nos. | Value Rs. | | Quantity Nos. | Value Rs. |
| a) Power Tillers | 22,410 | 23,103 | 2,95,60,00,934 | 25,843 | 27,252 | 3,42,45,31,216 |
| b) Tractors | 7,506 | 6,694 | 1,75,69,71,271 | 7,515 | 7,452 | 1,94,25,90,050 |
| c) Rice Transplanters | | 834 | 14,34,26,624 | | 822 | 13,01,05,755 |
| d) Reapers | | 443 | 4,24,57,811 | | 800 | 7,31,07,899 |
| e) Spares | | | 42,69,10,175 | | | 41,67,18,626 |
| f) Others | | | 17,53,57,306 | | | 24,00,95,812 |
| g) Operating Income | | | 1,48,48,445 | | | 1,50,37,572 |
| Total | | | 5,51,59,72,566 | | | 6,24,21,86,930 |



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.

P.B. No. 4801, Whitefield Road,

Mahadevapura Post, Bengaluru - 560 048

Ph: 91-80-67141111, Fax : 91-80-28510221

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

CIN-L34101KA1967PLC001706





V.S.T. TILLERS TRACTORS LIMITED

CIN-L34101KA1967PLC001706

Regd. Office : P.B. No.4801, Mahadevapura Post, Whitefield Road, Bangalore – 560 048


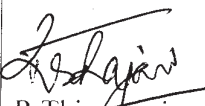
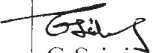
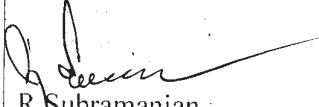
Ph : 91-80-67141111 Fax : 91-80-28510221 email : vstgen@vsttillers.com

www.vsttillers.com



FORM-A

(Pursuant to clause 31 (a) of the Listing Agreement)

| | | |
|---|--|---|
| 1 | Name of the Company | V.S.T. Tillers Tractors Ltd. |
| 2 | Annual financial statements for the year ended | 31 st March, 2015 |
| 3 | Type of Audit Observation | Un-Qualified |
| 4 | Frequency of Observation | Not Applicable |
| 5 | Signed by- | <p> V.P Mahendra Vice Chairman, Managing Director & CEO</p> <p> R. Thiagarajan Executive Vice President & CFO</p> <p> G. Srinivas Partner (Membership No.086761) Bramhayya & Co Statutory Auditors (ICAI Firm's Registration No. 000515S)</p> <p> R. Subramanian Independent Director & Audit Committee Chairman</p> |

Manufacturing & Marketing : Power Tillers, Tractors & Diesel Engines
Marketing : Rice Transplanters & Reapers

