

44th
ANNUAL
REPORT
2011-12



VST TILLERS TRACTORS LTD.

V A VST GROUP
ENTERPRISE

LORD GANESHA



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



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

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

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

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

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

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

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

INFORMATION

REQUEST TO MEMBERS

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



**INFORMATION ABOUT DIRECTORS RETIRING BY ROTATION AND SEEKING
RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING.**

Particulars	Mr. R. Subramanian	Mr. V. Ramachandran
Date of Birth & Age	03/10/1943 & 69 Years	26/01/1948 & 64 Years
Appointment on	12/10/1990	29-01-2004
Qualifications	FCA, AICWA, ACS, ACIS (London), MAC	Bachelor of Engineering
Expertise in specific functional Areas	Vast experience in Finance, Accounts & Taxation	Experience in Auto Component Industry, evolving long-term strategies and plans, investment decisions and formulating management policies.
List of outside Directorships held	Lotus Eye Care Hospital Ltd, Sandur Manganese & Iron Ores Ltd.	Kar Mobiles Ltd., EL-Forge Ltd, Vellore Electric Corporation Ltd, Sasyaka Engg. Solutions Pvt Ltd.
Member of Committees of Board	Chairman - Audit Committee	Chairman-Shareholders/Investors Grievance Committee. Member - Audit Committee
Member of Committees in other Company	Chairman - Audit Committee - Lotus Eye Care Hospital Ltd., Sandur Manganese & Iron Ores Ltd.	Member - Audit Committee - EL - Forge Ltd. Member - Shareholders / Investors Grievance Committee - Kar Mobiles Ltd.

By Order of the Board
for **VST TILLERS TRACTORS LTD.**

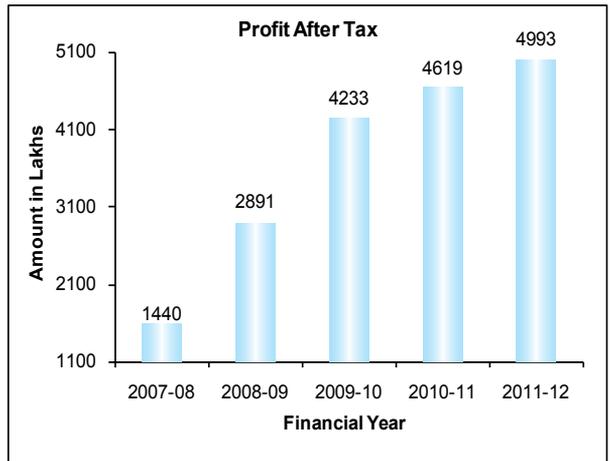
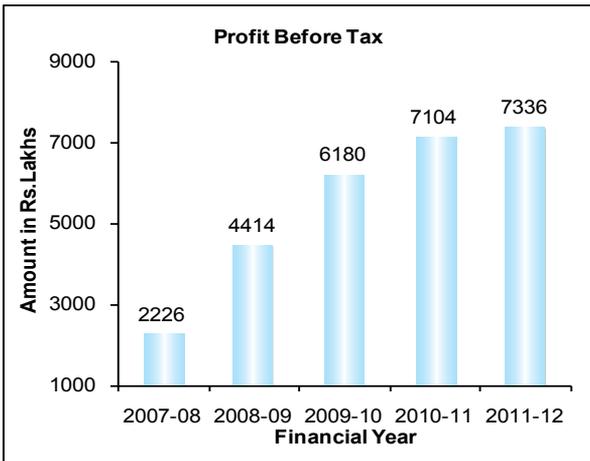
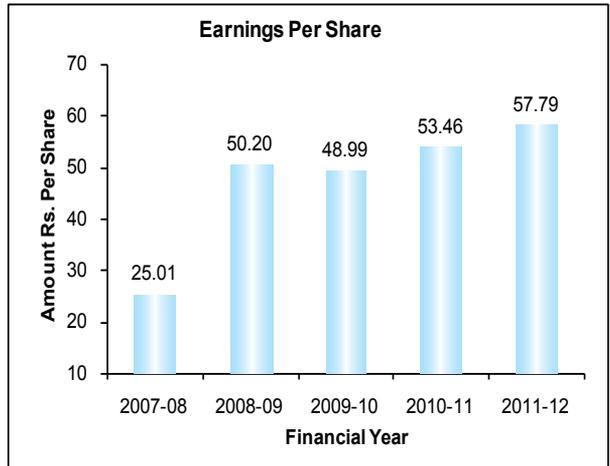
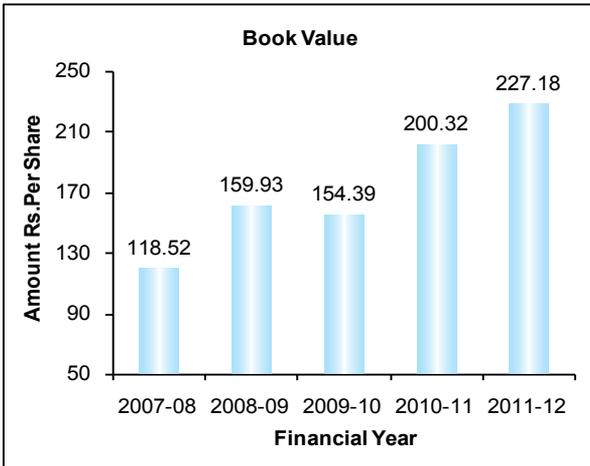
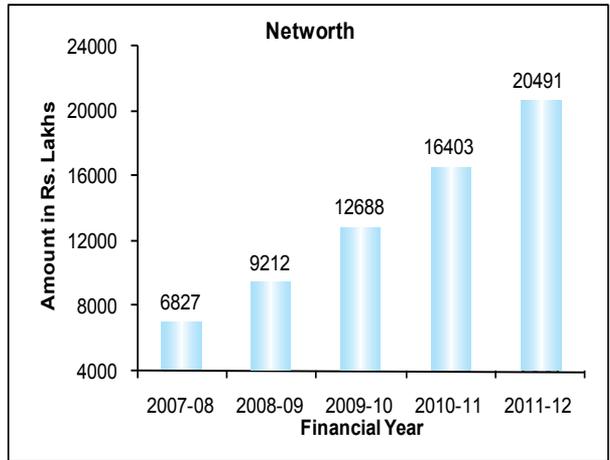
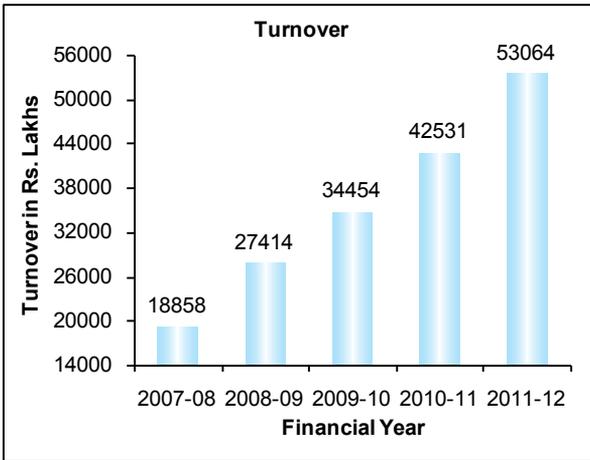
Place: Bangalore
Date: May 29, 2012

Chinmaya Khatua
Company Secretary

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FINANCIAL INDICATORS





Dear Shareholder,

Your Directors have pleasure in presenting the 44th Annual Report of the Company and the audited statement of accounts for the year ended March 31, 2012.

FINANCIAL PERFORMANCE

(Rupees in lacs)

Period	Year 2011-12	Year 2010-11
TURNOVER	53064	42531
OTHER INCOME	463	597
TOTAL INCOME	53527	43128
PROFIT BEFORE DEPRECIATION & INTEREST	7739	7403
INTEREST	82	72
DEPRECIATION	321	227
PROFIT BEFORE TAX	7336	7104
INCOME TAX	2343	2485
PROFIT AFTER TAX	4993	4619
BALANCE B/F	3008	2493
SURPLUS AVAILABLE FOR APPROPRIATION TO:	8001	7112
PROPOSED DIVIDEND	778	778
PROPOSED TAX ON DIVIDEND	126	126
TRANSFER TO GENERAL RESERVE	2800	3200
BALANCE CARRIED FORWARD	4297	3008

COMPANY'S PERFORMANCE

The financial year 2011-12 is of great significance to the Company as it records surpassing a turnover of Rs.500 crores. During the year under review your Company has been on a consistent upward path with the turnover increasing by 24% from Rs.425 crores in 2010-2011 to Rs. 530 crores. Your Company has clocked a modest growth by selling over 26000 Tillers and maintained its leadership position in the power tiller industry while significantly improving tractor sales which crossed 7000 units.

Though the farm sector was well placed to attain a moderate growth, challenges remained high for the Company during the year. The operating profit increased marginally by 3% to Rs. 68 crores. This marginal increase on a 24% higher turnover is due to steep escalation in cost of raw materials and margins continued to be under pressure. The profit after tax amounted to Rs. 50 crores, an increase of 9% over the previous year and earnings per share during the year increased from Rs.53.46 to Rs.57.79 On the financial front, your Company has adopted a disciplined approach towards managing liquidity though delays in

realization of government subsidies have significantly pushed up the receivables and working capital.

The sale of power tillers during the year increased by 12% and Chinese made "Dragon" tiller sale improved significantly over the previous year though on a lower base. The Tractor sales have grown by a robust 50% in line with the growing demand. Your Company's plan to market Rice Transplanters has been encouraging primarily driven by non availability of farm labour during transplanting season. During the year, 370 units were sold in the rice growing belts in India.

The Precision Components Division's performance has been steady despite the continuous increase in cost of inputs and overheads. Export margins have contracted due to spiralling raw material costs with very little scope for passing on the higher cost. Several cost cutting measures and low cost automation was introduced. Due to the volatility of overseas orders, export revenue slowed down resulting in lower capacity utilization in some areas. This division is primarily contributing to the overall performance of your Company on a lower cost base and is now focusing on producing components for captive use.

**DIVIDEND:**

Your Directors have pleasure in recommending a dividend of Rs.9/- 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. 904 lacs including the distribution tax.

NSE LISTING:

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

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Articles of Association, Mr. R Subramanian and Mr. V. Ramachandran Directors of the Company retire by rotation and are eligible for re-appointment.

CORPORATE GOVERNANCE:

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

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

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

Appropriate Accounting policies have been selected and applied consistently, reasonable and prudent judgment and estimates have been made so as to ensure that the accounts give a true and fair view of affairs of your company as at March 31, 2012 and the profits of your company for the year ended March 31, 2012.

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

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

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

AUDITORS:

M/s. Brahmaya & Company, Chartered Accountants, retires as Auditors of the Company at the conclusion of 44th Annual General Meeting and are eligible for re-appointment.

COST AUDITORS:

M/s. Rao, Murthy & Associates, Cost Accountants were re-appointed by the Board of Directors in its meeting held on May 29, 2012. The Cost Audit Report for the financial year 2010-11 was filed on August 19, 2011 and the due date for filing the report was September 30, 2011.

PARTICULARS OF EMPLOYEES:

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

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

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2012 is enclosed as Annexure.

FIXED DEPOSITS:

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

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

The GDP growth of the Indian economy declined to 6.5% during 2011-12 against 8.4% recorded in 2010-11 due to high inflation and lower rate of growth in manufacturing. With the various measures adopted by the government and a normal monsoon the agriculture sector is expected to grow by 3% compared to 5% growth during 2010-2011. The relatively weak responses to price hikes in agricultural commodities

brings back into focus on the need for sustained levels of growth in agriculture and allied sectors.

The Power Tiller industry which is growing at around 20% per annum largely relies on Government subsidies and agricultural lending by banks. On the demand side, Power Tillers being imported from China by various players has seen robust growth during the year and is posing a challenge to your company in its endeavor to increase its market share. It is encouraging for the industry that due to shortage of labor, potential for power tillers, rice transplanters and other farm equipment is well positioned to attain a high growth trajectory.

The Indian tractor market which is the largest in the world is expected to increase at a CAGR of 6-7% by 2014-15. The biggest markets for the tractor industry include States like Uttar Pradesh (UP), Andhra Pradesh (AP), Madhya Pradesh (MP), Rajasthan, and Maharashtra, which together accounted for around 50% of the total tractor sales in India during 2011-12. In the domestic tractor market, the industry as a whole grew to 607658 units during 2011-12 from 545109 units in the previous year. Your company commands a significant market share in Maharashtra and Gujarat in the smaller HP tractors and sales in this segment are expected to grow in the coming year. New players are entering the below 20-25hp segment to tap the potential in these markets. To cater to market demand, the manufacturing capacities will be established by the year end. A new model with better aesthetics are being planned that will lead to higher revenue streams during the year.

OPPORTUNITIES

The growth of the Power tiller and Tractor industry could be directly linked to the GDP growth of the Indian economy. Agriculture which is slated to register a positive growth of 3% which will benefit farm mechanization and provide opportunities for higher sales and optimum utilization of capacities. Government schemes such as Rashtriya Krishi Vikas Yojana (RKVY), Macro Management Scheme and National Food Security Mission will also support a strong demand and help the Company to increase volumes in absolute terms. With infrastructure projects and rural employment schemes increasing employment opportunities, availability of labour for agricultural activities continued to decline, compelling farmers with small and medium-sized land holdings to mechanize.

Being an organized player in the power tiller industry along with a strong after sales service, your Company is constantly evolving by taking initiatives like brand building and upgrading dealers to face competition.

RISKS AND CONCERNS

Agriculture is the backbone of India's economy. Though various irrigation schemes have been conceived to enhance the cultivable area, the agricultural sector continues to be monsoon dependent. On another front, higher interest rate of bank finance for your Company's products and increasing delay in releasing timely subsidy by various states for power tillers is an area of concern. During the year, sale of Chinese made power tillers under various subsidy schemes has intensified competition for your Company. Appropriate marketing strategies are being adopted to gain market share and strengthen our competitive edge in the current scenario. The government's fiscal policy of controlling inflation by hardening of interest rates could have an adverse impact on the demand for power tillers and tractors. As for margins, the Company would remain vulnerable to adverse changes in input costs during the year.

CURRENT YEAR OUTLOOK

Agriculture is the mainstay of more than two-thirds of the country's population and with the expansion of non-farm economic activities there is a tendency to exit this field. The Government is targeting over 4% growth for agriculture which is necessary to support a 9% GDP growth which is the theme of the 12th Five Year Plan. Expenditure on rural development and investments are expected to grow, besides improving infrastructure according to the Economic Survey. A favourable monsoon coupled with ease of credit availability to farmers will have a positive influence on the power tiller and tractor industry. During the current year, with various marketing and development initiatives undertaken, your Company is confident of maintaining its growth momentum. On the export front, the outlook is positive for tractors and your Company is presently taking steps for obtaining export certification for marketing in European countries.

The steps taken to introduce Rice Transplanters in various states are proving to be sustainable in the long term with government support. Extensive work to train self-help groups who have been effective agents of change on various aspects of adapting to mechanized



transplantation have been undertaken. Your Company driven by these initiatives is expecting to reap rewards in the future with more models.

Currently, the pressing need is efficiency in procuring raw material. Due to the growth experienced in industry coupled with shortage of power in certain areas, availability of key raw materials have had adverse repercussions on the Company's production leading to opportunity losses. The year ahead could be challenging if inflationary conditions are not contained which may lead to lower than expected contribution. Recognizing that for enhancing production, scale is essential, your Company is developing new vendors and focusing on improved efficiency from supply chain management.

During the year, your Company has commenced work on establishing a new Tractor manufacturing plant located in Hosur, Tamil Nadu with an installed capacity of 36000 units p.a. The financial outlay for this project is budgeted at Rs. 66 crores and funded with a mixture of internal accruals and debt. The plant is expected to go on stream during the end of the first quarter of 2013. This project will also give the Company the prospect of introducing more tractor models and de-risk its current portfolio and seize growth opportunities in the future

At Precision Component Division, investment in critical machinery has been made only in required areas to cater to higher captive consumption. We believe the export demand would remain flat due to the economic downturn in overseas market and the static customer base. Realizing the current scenario, your Company's plan is to continue its focus on in-house supply.

Internal Control Systems

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

the report and recommendations of the Internal Auditors and advises the Management to strengthen and streamline the system wherever required.

Industrial Relation

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

Forward-Looking Statements

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

All information in this release is as of May 29, 2012, 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.

ACKNOWLEDGEMENTS:

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

for VST TILLERS TRACTORS LTD.

Place: Bangalore
Date : May 29, 2012

V. K. Surendra
Chairman

ANNEXURE

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2012.

I. Conservation of energy :

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

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

- a. Speed increase of Existing MT180D Tractor for Road use implemented.

High speed kit provided

- b. 22HP Tractor trial batch field evaluation completed.
- c. 22HP engine optimisation for compliance to Trem IIIA requirement completed.

B. Technology Absorption:

Procurement of ANSYS software for design section.

C. Benefits derived :

ANSYS analysis software procured for design section will enhance the product design capabilities as the software supports static, dynamic and kinematic simulation of parts/assemblies. Static/dynamic stress analysis on parts/assemblies will assist in product reliability prediction and helps in reliability enhancement capabilities.

D. Expenditure on R&D :

- a. The Company's expenditure on R&D during the year was Rs. 1,12,53,392/-

E. Future plan of action :

- a. Testing and approval of 22 HP tractor under progress.
- b. New engine development 25 & 28HP
- c. Transmission and Rotary development for 25 & 28 HP Tractors.
- d. Upgradation of MT180D Tractor Hydraulic system by implementing Autodraft and Depth control.
- c. Homologation updation for Tractor for European Market.

3. Foreign exchange earnings and outgo:

- a) Complete information about exports, which have contributed towards foreign exchange earnings, is given in Note No. 36 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. 35 & 37, i.e., in Notes forming part of Accounts.
- b) Total foreign exchange used and earned :
 Foreign exchange earnings : Rs. 9,49,16,993/-
 Foreign exchange outgo : Rs. 21,25,106/-

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

To,

The Board of Directors
VST TILLERS TRACTORS LTD

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of VST 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, 2012 and based on our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's code of conduct. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) Significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

V. P. Mahendra
Managing Director & CEO

R. Thiyagarajan
V P & CFO

Place : Bangalore
Date : May 29, 2012



Auditors' Certificate on Corporate Governance

To the Members,
VST 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, 2012, 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 : Bangalore
Date : 29th May, 2012

G. Srinivas
(Partner)
Membership No. 086761



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.

The keys to creating wealth and maintaining a free society lie primarily in the same direction. Both require that broad based systems of accountability be built into the governance structures of corporations themselves

More vigilant shareowners are also more likely to be “socially responsible,” in the true meaning have that term, increasing triple bottom line returns (adding economic, environmental and social value). Actively involved owners are likely to help find solutions to many corporate challenges.

BOARD OF DIRECTORS:

(a) Composition of the Board:

The Board comprises of eight Directors is headed by a Non-Executive Chairman, three whole-time Directors and four Non-Executive Directors. The composition and category, shareholding, the attendance at Board Meetings and last AGM, number of Directorships and Chairmanship / Membership of Committees in other 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	No.of other Board committee in which member
Mr. V. K. Surendra**	1936214	Non-Executive	2	Yes	2	-
Mr. A. Hishikawa*	Nil	Non-Executive	Nil	No	No	No
Mr. R. Subramanian	Nil	Non-Executive / Independent	4	Yes	2	2
Mr. M. K. Bannerjee	Nil	Non-Executive/ Independent	4	Yes	-	-
Mr. V. Ramachandran	1875	Non-Executive/ Independent	4	Yes	3	2
Mr. K K Rai	Nil	Non-Executive/ Independent	4	Yes	3	4
Mr. V P Mahendra**	630530	Managing Director	4	Yes	4	2
Mr. B C S Iyengar	15976	Executive Director	4	Yes	-	-
Mr. V V Pravindra**	221146	Dy Managing Director	4	Yes	-	-

* Resigned on 11.08.2011

** Individually as well as jointly

(a) Details of Board Meetings:

During the year under review the Board met four times on May 30, 2011, August 11, 2011, November 14, 2011, and February 08, 2012.

**(b) Board Procedures:**

The Chairman of the Board, in consultation with the other members of the Board, shall determine the timing and length of the meetings of the Board. The Board expects that four regular meetings at appropriate intervals are in general desirable for the performance of the Board's responsibilities. In addition to regularly scheduled meetings, unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company.

The Chairman shall establish the agenda for each Board meeting. Each Director shall be entitled to suggest the inclusion of items on the agenda, request the presence of or a report by any member of the Company's senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

The agendas for Board meetings shall provide opportunities for the operating heads of all the departments of the Company to make

presentations to the Board during the course of the year. At one meeting each year the Board shall be presented the long-term strategic plan for the Company and the principal issues that the Company expects to face in the future. Sufficient time shall be allocated for this presentation to allow for questions by and full discussion with the members of the Board.

Information provided to the Board includes amongst others quarterly 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.

(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 (I) (D) of the Listing Agreement and the same is displayed on Company's web-site www.vstillers.com

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

To,
The Board of Directors,
VST 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, 2012.

Place: Bangalore
Date: May 29, 2012

V P Mahendra
Managing Director & CEO

Committee Meetings

Each Committee Chairman, after consultation with the Chairman of the Board, shall establish agendas and set meetings at the frequency and length appropriate and necessary to carry out the Committee's responsibilities.

Any Director who is not a member of a particular Committee may attend any Committee meeting with the concurrence of the Committee Chair or a majority of the members of the Committee.

COMMITTEES OF THE BOARD:**Audit Committee**

A key element in the corporate governance process of any organization is its audit committee. The battle for financial statement integrity and reliability depends on balancing the pressures of multiple stakeholders, including management, regulators, investors, and the public interest.

Composition

The membership of the Committee consists of at least three directors, all of whom shall meet the

independence requirements established by the Securities and Exchange Board of India and applicable laws, regulations and listing requirements. Each member shall in the judgment of the Board have the ability to read and understand fundamental financial statements. At least one member of the Committee shall in the judgment of the Board be an “audit committee financial expert”.

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,

Details of Audit Committee Meetings:

During the year under review the Audit Committee met four times on May 30, 2011, August 11, 2011, November 14, 2011, and February 08, 2012.

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

Power of Audit Committee

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

Role of Audit Committee Includes

1. Oversight of the company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

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.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.



5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture

holders, shareholders (in case of non payment of declared dividends) and creditors.

13. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE

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

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

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

INSIDER TRADING REGULATIONS:

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

DIRECTORS REMUNERATION

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

During 2011-12, the Company did not advance any loan to any of its Directors. The remuneration paid to the Executive Directors for the year 2011-12 is given below :

Name of the Director	Category	Salary	Perquisites and Allowances	Commission Payable	P.F.	Total (in Rs.)
1. Mr. V.P Mahendra	Managing Director	13,86,724	6,48,141	20,80,086	1,66,407	42,81,358
2. Mr. B.C.S Iyengar	Executive Director	7,05,000	4,97,130	7,05,000	84,600	19,91,730
3. Mr. V.V Pravindra	Dy.Managing Director	6,30,000	4,68,000	6,30,000	75,600	18,03,600

The Sitting Fees paid to the Non Executive Directors for the year 2011-12 is given below

Name of the Director	Category	Sitting Fees paid (In Rs)
1. Mr. V. K. Surendra	Chairman	30,000.00
2. Mr. R. Subramanian	Independent Director	1,20,000.00
3. Mr. M. K. Bannerjee	Independent Director	1,20,000.00
4. Mr. V. Ramachandran	Independent Director	1,20,000.00
5. Mr. K K Rai	Independent Director	1,20,000.00

MEANS OF COMMUNICATION:

The outcome of the Board Meeting, quarterly and annual financial results are sent to Stock Exchanges immediately after the Board approves these. The quarterly & annual financial results are also available in company website www.vsttillers.com

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

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS ON 31ST MARCH 2012

Category	No. of Shareholders	% to total No. of shareholders	Shares Amount (Rs.)	% to total shares amount
Upto 5, 000	7827	98.45	18818280	21.78
5,001 10, 000	49	0.62	3663920	4.24
10,001 20,000	21	0.26	3106480	3.60
20,001 30,000	12	0.15	2974510	3.44
30,001 40,000	6	0.08	2029210	2.35
40,001 50,000	5	0.06	2237650	2.59
50,001 1,00,000	15	0.19	10183900	11.79
1,00,001 and above	15	0.19	43381330	50.21
	7950	100.00	86395280	100.00

DETAILS OF REQUEST/COMPLAINTS RECEIVED DURING THE YEAR 2011 - 12.

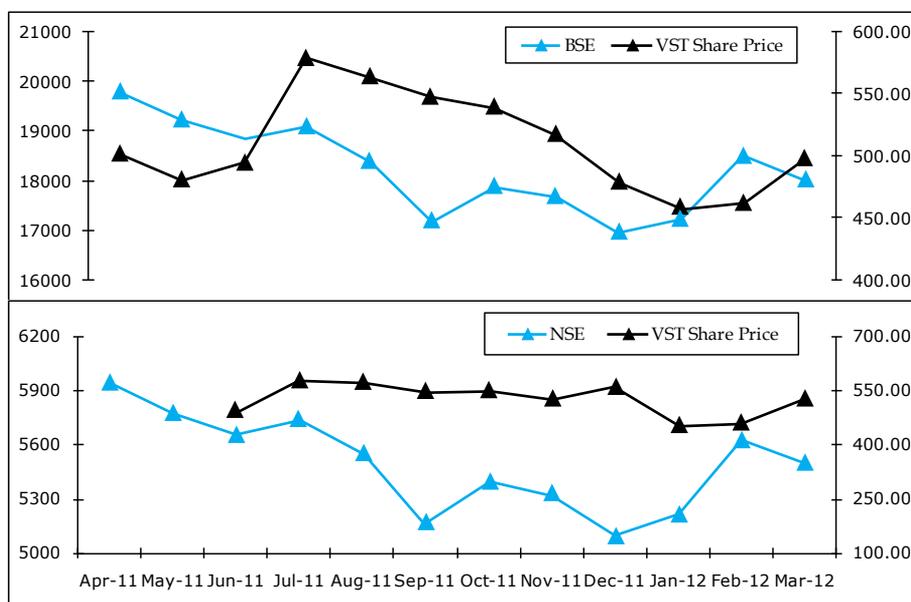
Nature of Request	OB	Received	Attended	Pending
Change of Address	-	32	32	-
Bank Mandate	-	6	6	-
Revalidation of Warrants	-	10	10	-
Duplicate Share Certificates	-	29	29	-
Transfer/Transmission	-	16/6	16/6	-
Dematerialisation	-	109	109	-
Rematerialisation	-	-	-	-

SHAREHOLDING PATTERN AS ON 31ST MARCH 2012

Category	No. of Shareholders	No. of shares held	% to total No. of shares
Promoters/Associates	39	4398939	50.92
Foreign Promoters	1	253125	2.93
Bodies Corporate	237	679244	7.86
Banks	3	1763	0.02
Financial Institutions	3	2775	0.03
Foreign Financial Institutions	8	210362	2.43
Non-Resident Indians	222	66797	0.77
Public/Others	7437	3026523	35.03
Total	7950	8639528	100.00

Market Price Data Information (BSE)

MONTH	HIGH	LOW	MONTH	HIGH	LOW
Apr-11	502.00	442.00	Oct-11	539.95	482.00
May-11	481.00	405.25	Nov-11	518.50	440.05
Jun-11	495.00	445.00	Dec-11	480.00	407.00
Jul-11	580.00	480.00	Jan-12	457.95	408.00
Aug-11	565.00	461.00	Feb-12	462.95	414.00
Sep-11	547.80	491.05	Mar-12	499.00	440.10



Market Price Data Information (NSE)

MONTH	HIGH	LOW	MONTH	HIGH	LOW
Jun-11	495.00	465.00	Nov-11	528.00	432.00
Jul-11	580.00	470.00	Dec-11	460.00	401.00
Aug-11	572.95	459.00	Jan-12	455.00	411.50
Sep-11	545.00	490.05	Feb-12	460.00	413.30
Oct-11	550.00	490.00	Mar-12	530.00	420.10

Source: Web-sites of BSE and NSE.

Shares of the company first traded in NSE on 20.06.2011.

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 95.72% of the Equity Shares of the Company are held in the dematerialized form.

GENERAL SHARE HOLDER INFORMATION**Investor Services**

AGM date,

time and venue : August 13th 2012 at 3.00 P.M.
Wood Lands Hotel Pvt. Ltd.
No.5, Rajaram Mohan Roy Road
Bangalore - 560 025

Financial year : 1st April - 31st March

Book Closure : August 9th, 2012 to August 13th,
2012 (Both days inclusive)
for Payment of dividend.

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

June 30, 2012 - Third week of August, 2012

Sept 30, 2012 - Second week of November, 2012

Dec 31, 2012 - Second week of February, 2013

March 31, 2013 - Last week of May, 2013

Dividend : Dividend if declared would be payable on any day between August 14, 2012 and August 20, 2012.

Payment of Listing Fees : Annual listing fee for the year 2012-13 has been paid by the Company to BSE, NSE and Bangalore Stock Exchange.

Payment of Depository Fees : Annual Custody/ Issuer fee for the year 2012-13 has been paid by the Company to NSDL and CDSL.

The Company has appointed M/s. Integrated Enterprises (India) Ltd, Registrar & Share Transfer Agents for handling all matters relating to share transfers including transfer/transmission of shares, de-materialization of share certificates, sub division / consolidation of share certificate etc.

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

INTEGRATED ENTERPRISES (INDIA) LTD,
30, Ramana Residency,
Ground Floor, 4th Cross, Sampige Road,
Malleswaram, Bangalore – 560 003
Phone Nos. 080-23460815 – 18,
Fax: 080-23460819 e-mail : alfint@vsnl.com

STOCK CODE :**Bombay Stock Exchange Ltd**

P.J. Towers, Dalal Street, Mumbai - 400 001.

Scrip Code - 5311266

National Stock Exchange of India Ltd.

Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

Scrip Code - VSTTILLERS

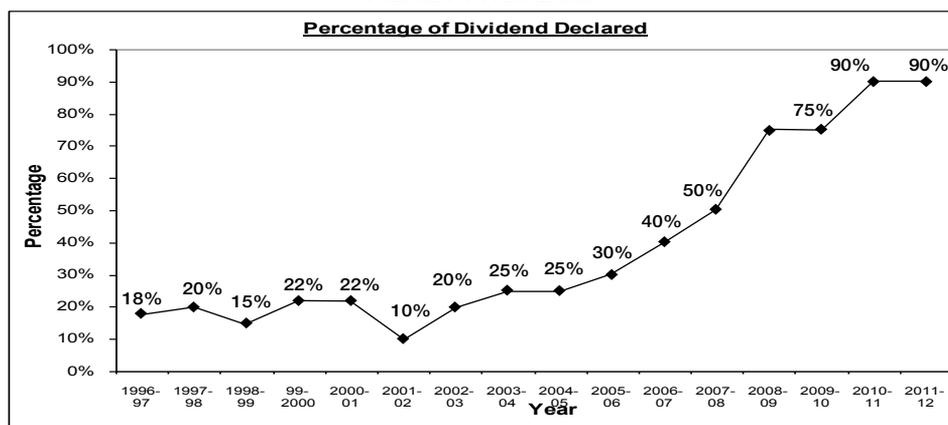
Bangalore Stock Exchange Ltd

#51, Stock Exchange Towers, J C Road, Bangalore - 560 027.

ISIN - INE 764D01017.



Market Price Data



Particulars of last 3 Annual General Meetings

Date/Time	Location	Summary of Special Business
11.08.2011 3.00 p.m.	Wood Lands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bangalore - 560 025	Nil
13.08.2010 3.00 p.m.	Wood Lands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bangalore - 560 025	Nil
21.08.2009 3.00 p.m.	Wood Lands Hotel Pvt., Ltd. No.5, Rajaram Mohan Roy Road Bangalore - 560 025	1. Appointment of Mr. K. K. Rai as Director, 2. Re-appointment of the Managing Director, 3. Increase in Authorised Capital, 4. Insertion of New Article 22(b), 5. Issue of Bonus Shares.

No special resolution had been passed through Postal Ballot during the year 2011-12.

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

DISCLOSURES

- ❖ During the year under review, besides the transactions mentioned under Note no. 32, Page no. 38 of Annual Report, there were no other related party transactions by the Company with its promoters, directors and management that had a potential conflict with the interest of the Company at large.
- ❖ There are no instances of non-compliance on any matter relating to the capital market during the last three years.
- ❖ The Company has not adopted the non-mandatory requirements as stated in Annexure

I D of clause 49 of the Listing Agreement. However, the Company had moved towards a regime of unqualified financial statements since many years.

- ❖ The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standard.

For **VST TILLERS TRACTORS LTD**

Place: Bangalore
Date: May 29, 2012

V K Surendra
Chairman

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

- 1) We have audited the attached Balance sheet of V.S.T.Tillers Tractors Limited ('the Company') as at 31 March, 2012, the Statement of Profit and Loss and the Cash flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test base, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) 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;
 - iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C), of section 211 of the Act;
 - v) on the basis of written representations received from the Directors, as at 31 March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at 31 March, 2012 from being appointed as a Director in terms of section 274(l)(g) of the Act;
 - vi) in our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon 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 31 March, 2012;
 - b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
 - c) in the case of Cash Flow statement, of the Cash Flows of the Company for the year ended on the date.

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

Place : Bangalore
Date : 29th May, 2012

G. Srinivas
(Partner)
Membership No. 086761

ANNEXURE TO AUDITORS' REPORT

The Annexure referred to in paragraph 3 of our report of even date to the members of V.S.T. Tillers Tractors Limited ("the Company") for the year ended 31 March, 2012.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt within the books of accounts.
- (iii) (a) The Company has neither Granted nor taken any loans, secured or unsecured, to/ from any company, firm or other parties listed in the Register maintained under section 301 of the Act. Accordingly, clauses (iii) (b), (iii) (c), (iii) (d), (iii) (e), (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable for the year.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets and for the sale of goods and services. Further During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the aforesaid internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the companies Act 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lakh in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public; as such the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, do not apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of Cost records has been prescribed under clause (d) of sub section (1), of section 209 of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have

been made and maintained. However we have not made a detailed examination of records with a view to determine whether they are accurate or complete.

- (ix) (a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues to the extent applicable to it. There are no arrears of outstanding statutory dues as at 31 March, 2012 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales-tax, Service Tax, Customs duty, Wealth-tax, Excise duty, Cess which have not been deposited on account of any dispute.
- (x) The Company does not have accumulated losses as at 31st March, 2012 and has not incurred any cash losses during the financial year covered by our Audit or in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or banks. The Company did not have any outstanding dues to any Debenture holders during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly paragraph 4 (xii) of the order is not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly,

paragraph 4(xiii)(a) to 4(xiii)(d) of the Order are not applicable to the Company.

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, paragraph 4(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or other financial institution. Accordingly, paragraph 4 (xv) of the order is not applicable.
- (xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (xviii) of the order is not applicable.
- (xix) The Company did not have any outstanding debentures during the year. Accordingly, paragraph 4 (xix) of the Order is not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, paragraph 4 (xix) of the Order is not applicable.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Place : Bangalore
Date : 29th May, 2012

G. Srinivas
(Partner)
Membership No. 086761

BALANCE SHEET



(Amount in Rupees)

PARTICULARS	Notes	As at March 31, 2012	As at March 31, 2011
I Equity and liabilities			
(1) Shareholders' funds			
(a) Share capital	3	8,63,95,280	8,63,95,280
(b) Reserves and surplus	4	1,96,26,99,430	1,55,38,63,830
		2,04,90,94,710	1,64,02,59,110
(2) Non-current liabilities			
(a) Deferred tax liability (net)	5	3,16,32,860	2,77,20,430
(b) Other long-term liabilities	6	66,83,645	28,87,645
(c) Long-term provisions	7	1,38,63,806	1,18,08,337
		5,21,80,311	4,24,16,412
(3) Current liabilities			
(a) Short-term borrowings	8	15,98,99,844	-
(b) Trade Payables	9	40,61,99,191	36,82,49,673
(c) Other current liabilities	10	45,18,42,925	32,69,34,889
(d) Short-term provisions	11	9,66,26,219	9,98,78,434
		1,11,45,68,180	79,50,62,995
TOTAL		3,21,58,43,201	2,47,77,38,517
II Assets			
(1) Non-current assets			
(a) Fixed assets			
i) Tangible Assets	12	57,04,66,112	53,41,76,890
ii) Capital work-in-progress	12	6,15,77,285	2,26,30,852
(b) Non-current investments	13	4,15,00,000	4,15,00,000
(c) Long-term loans and advances	14	3,76,35,533	1,70,46,595
		71,11,78,930	61,53,54,337
(2) Current assets			
(a) Current investments	15	20,23,92,739	32,67,75,890
(b) Inventories	16	65,91,43,026	54,85,28,540
(c) Trade receivables	17	1,23,28,94,935	62,18,76,003
(d) Cash and Bank Balances	18	20,63,23,545	20,76,60,824
(e) Short-term loans and advances	19	20,33,24,613	15,54,34,084
(f) Other current assets	20	5,85,413	21,08,838
		2,50,46,64,272	1,86,23,84,180
TOTAL		3,21,58,43,201	2,47,77,38,517

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 Brahmaya & Co.,

Firm Registration No: 0005155

Chartered Accountants

G. Srinivas

Partner

Membership No: 086761

Place : Bangalore

Date : May 29, 2012

For and on behalf of the Board of Directors

V.P Mahendra

Managing Director & CEO

Place : Bangalore

Date : May 29, 2012

V.Ramachandran

Director

Chinmaya Khatua

Company Secretary

STATEMENT OF PROFIT AND LOSS



(Amount in Rupees)

PARTICULARS	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
I Income			
a) Revenue from operations	21	5,31,39,04,250	4,27,93,91,900
Less: Excise Duty		(75,00,611)	(69,27,423)
Net Revenue from Operation		5,30,64,03,639	4,27,24,64,477
b) Other income	22	4,63,41,164	4,03,76,467
Total Revenue		5,35,27,44,803	4,31,28,40,945
II Expenses			
a) Cost of Material Consumed	23	3,76,20,89,643	2,79,90,91,732
b) Purchase of Stock in Trade		6,23,99,029	6,30,79,520
c) Changes in Inventories of Finished Goods, Work in progress and Stock in trade	24	(3,91,97,646)	86,43,743
d) Employee Benefit Expenses	25	28,41,78,752	25,35,00,732
e) Finance Costs	26	86,19,142	75,29,984
f) Depreciation & Amortization Expenses	27	3,20,78,118	2,27,17,998
g) Other Expenses	28	50,89,85,092	44,78,41,742
Total Expenses		4,61,91,52,130	3,60,24,05,450
III. Profit before exceptional and extraordinary items and tax		73,35,92,673	71,04,35,495
Extraordinary items		-	-
IV. Profit before extraordinary items and tax		73,35,92,673	71,04,35,495
Extraordinary items		-	-
V. Profit before tax		73,35,92,673	71,04,35,495
VI. Tax expenses			
a) Current tax		22,85,00,000	23,39,00,000
b) Prior Years Tax		19,10,212	-
c) Deferred tax		39,12,430	1,46,43,326
Total tax expense		23,43,22,642	24,85,43,326
VII. Profit for the period		49,92,70,031	46,18,92,169
Earnings per equity share [nominal value of share Rs 10 (March 31, 2012: Rs 10)]			
a) Basic		57.79	53.46
b) Diluted		57.79	53.46

Summary of significant accounting policies

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

As per our report of even date

For Brahmaya & Co.,
Firm Registration No: 000515S
Chartered Accountants

G. Srinivas
Partner
Membership No: 086761

Place : Bangalore
Date : May 29, 2012

For and on behalf of the Board of Directors

V.P Mahendra
Managing Director & CEO

V.Ramachandran
Director

Place : Bangalore
Date : May 29, 2012

Chinmaya Khatua
Company Secretary

CASHFLOW STATEMENT



(Amount in Rupees)

PARTICULARS	Notes	For the year ended March 31, 2012	For the year ended March 31, 2011
Cash flow from operating activities			
Profit before tax from continuing operations		73,35,92,673	71,04,35,495
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation		3,26,28,616	2,27,17,998
Interest income		(6,16,764)	(59,25,180)
Income from investments		(2,78,78,582)	(1,07,57,576)
Profit on sale of fixed assets		(9,83,798)	4,35,675
Provision for Diminution in Investments		-	(4,59,059)
Provisions no longer required, written back		(58,68,732)	(1,47,49,553)
Unrealized foreign exchange gain		(1,62,087)	-
Finance cost		86,19,142	71,63,979
Operating profit before working capital changes		73,93,30,468	70,88,61,778
Movements in working capital :			
Trade payables, Other liabilities and Provisions		17,09,54,304	17,78,55,567
Trade receivables		(61,08,56,845)	5,25,47,781
Inventories		(11,06,14,486)	(10,37,69,037)
Loans and Advances and other current assets		(4,45,52,043)	(6,20,71,816)
Cash generated from / (used in) operations		14,42,61,398	77,34,24,273
Direct taxes paid including for the previous years		(23,98,49,061)	(25,11,57,288)
Net cash flow from/ (used in) operating activities (A)		(9,55,87,663)	52,22,66,985
Cash flows from investing activities			
Purchase of fixed assets, including CWIP		(10,89,33,333)	(5,29,28,592)
Capital advances		(1,82,06,387)	(16,18,508)
Proceeds from sale of fixed assets		19,88,108	4,86,752
Sale/(Purchase) of current investments		12,43,83,151	(32,42,75,890)
Interest received		6,16,764	59,25,180
Income from investment		2,78,78,583	1,07,57,576
Net cash flow from/ (used in) investing activities (B)		2,77,26,885	(36,16,53,481)
Cash flows from financing activities			
Repayment of long-term borrowings		-	(2,30,99,328)
Proceeds from short-term borrowings		15,98,99,844	-
Dividends paid on equity shares		(7,73,84,514)	(6,43,37,009)
Tax on equity dividend paid		(1,26,13,927)	(1,07,61,882)
Interest paid		(86,19,142)	(71,63,979)
Net cash flow from/ (used in) in financing activities (C)		6,12,82,261	(10,53,62,198)
Net increase/(decrease) in cash and cash equivalents (A + B + C)		(65,78,516)	5,52,51,306
Cash and cash equivalents at the beginning of the year		20,51,02,632	14,98,51,326
Cash and cash equivalents at the end of the year		19,85,24,115	20,51,02,632
Components of cash and cash equivalents			
Cash on hand		2,45,933	1,64,275
Cheques/ drafts on hand		11,82,56,659	3,12,32,053
With banks			
- on current account		6,00,21,523	10,37,34,304
- on deposit account		2,00,00,000	6,99,72,000
Total cash and cash equivalents		19,85,24,115	20,51,02,632
Other Bank Balances			
a) Deposits with Banks		1,50,000	1,50,000
b) Margin money deposit		50,00,000	1,32,000
c) Earmarked balances with banks		26,49,430	22,76,192
		77,99,430	25,58,192
Total Cash and Bank Balances	18	20,63,23,545	20,76,60,823

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

As per our report of even date

For Brahmayya & Co.,

Firm Registration No: 000515S

Chartered Accountants

G. Srinivas

Partner

Membership No: 086761

Place : Bangalore

Date : May 29, 2012

V.P Mahendra

Managing Director & CEO

Place : Bangalore

Date : May 29, 2012

V.Ramachandran

Director

Chinmaya Khatua

Company Secretary

For and on behalf of the Board of Directors

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 V.S.T 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) Accounting assumption

The financial Statements are prepared under historical cost convention in accordance with the generally Accepted Accounting Principles in India, the Accounting Standards notified under section 211 (3C) of The Companies Act. 1956 of India (the 'Act') and other relevant provisions of the Act.

b) Fixed Assets - Tangible

- i. 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.
- ii. Land, Building, Plant and Machineries have been revalued as at 31st December, 1985.

Other Fixed Assets in the Gross Block are stated at original cost. Additions to Fixed Assets are stated at cost of acquisition.

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

c) Depreciation:

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

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

d) 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.

e) Impairment of Assets

All fixed assets are assessed for any indication of impairment at each balance sheet date based on internal / external factors. On any such indication the impairment loss (being the excess of carrying value over the recoverable value of the asset) is immediately charged to the Statement of Profit and Loss. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

f) 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.

g) 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.

Unsold Scrap at the end of the year is taken at estimated realisable value.

h) 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.

Monetary assets and monetary liabilities other than long term are translated at the exchange rate prevailing on the balance sheet date and the resultant gain/loss is recognised in the financial statements.

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.

i) Revenue / Expenditure recognition

- i. Sales of products are recognised on despatch to customers and are exclusive of excise duty, trade discounts, sales tax and other taxes. Income accruing in the accounting year and ascertainable/realisable with reasonable certainty on the date of financial statements is taken into account.
- ii. Expenses accruing in the accounting year and ascertainable with reasonable accuracy on the date of financial statement are provided in the accounts.
- iii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iv. Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

j) 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 profit and loss account on accrual basis.

ii) Defined Benefit Plan

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

k) 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.

l) 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.

m) 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 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.

n) 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 Profit and Loss Account on accrual basis as per terms of the lease.

o) 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.

p) Earnings / (Loss) per share

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

(Amount In Rupees)

3 Share Capital

Authorised:

1,00,00,000 (March 31, 2011: 1,00,00,000) equity shares of Rs. 10 each

Issued, subscribed and paid-up:

86,39,528 (March 31, 2011: 86,39,528) equity shares of Rs.10 each paid up

Total issued, subscribed and paid-up share capital

	As at March 31, 2012	As at March 31, 2011
	10,00,00,000	10,00,00,000
	8,63,95,280	8,63,95,280
	<u>8,63,95,280</u>	<u>8,63,95,280</u>

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

	As at March 31,2012		As at March 31,2011	
	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	<u>86,39,528</u>	<u>8,63,95,280</u>	<u>86,39,528</u>	<u>8,63,95,280</u>

(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 31,2012		As at March 31,2011	
	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	19,36,214	22.41%	18,61,214	21.54%
ICICI Prudential(I)	4,41,960	5.12%	2,92,704	3.39%
	<u>30,08,704</u>	<u>34.83%</u>	<u>27,84,448</u>	<u>32.23%</u>

(I) includes all schemes under their management

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, 2012)

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 Feb 9, 2010.

(Amount In Rupees)

4 Reserves and Surplus

(A) Capital Reserve

Opening Balance	2,64,04,870	2,64,04,870
(+) Current Year Transfers	-	-
(-) Written back in current year	-	-
Closing Balance	2,64,04,870	2,64,04,870

(B) Revaluation Reserve

Opening Balance	66,22,565	66,87,140
(+) Current Year Transfers	-	-
(-) Depreciation for the year	64,752	64,575
Closing Balance	65,57,812	66,22,565

(C) General Reserve

Opening Balance	1,22,00,00,000	90,00,00,000
(+) Transferred from the Statement of profit and Loss	28,00,00,000	32,00,00,000
Closing balance	1,50,00,00,000	1,22,00,00,000

(D) Balance in Statement of Profit and Loss

Opening Balance	30,08,36,395	24,93,13,907
Add : profit for the year	49,92,70,031	22,85,00,000
	80,01,06,426	47,78,13,907

Less : Appropriations

(a) Proposed Dividend	7,77,55,752	7,77,55,752
(b) Tax on Distributed Dividend	1,26,13,927	1,26,13,927
(c) Transfer to General Reserve	28,00,00,000	32,00,00,000
	37,03,69,678	41,03,69,679

Closing balance in the Statement of Profit and Loss

	42,97,36,748	30,08,36,395
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Total Reserves and Surplus

	1,96,26,99,430	1,55,38,63,830
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5 Deferred tax liability (net)

Deferred tax liabilities

“Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting”	3,66,19,491	3,12,51,815
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Deferred tax assets

Provision for Employee Benefits	(49,86,631)	(35,31,385)
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Deferred tax liability (Net)

	3,16,32,860	2,77,20,430
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6 Other Long Term Liabilities

Rental Deposit	24,00,000	15,00,000
Others	42,83,645	13,87,645
	66,83,645	28,87,645



(Amount In Rupees)

	As at March 31, 2012	As at March 31, 2011
7 Long Term Provisions		
Provision for employee benefits		
Provision for Gratuity	23,71,716	16,60,329
Provision for compensated absence	1,14,92,090	1,01,48,008
	1,38,63,806	1,18,08,337
8 Short-term Borrowings		
Unsecured		
Purchase Invoice-discounting	15,98,99,844	-
	15,98,99,844	-
9 Trade Payable		
Dues to Micro, Small and Medium Enterprises (Refer Note 30)	10,82,24,676	7,26,92,773
Dues to others	29,79,74,515	29,55,56,900
	40,61,99,191	36,82,49,673
10 Other Current Liabilities		
Dealer Deposits	13,66,77,350	9,91,65,600
Unclaimed Dividend	26,47,430	22,76,192
Advance from customers and dealers	1,42,47,914	4,79,29,683
Dealer Development Fund and Incentive Payable	4,73,27,511	6,77,23,180
TDS Payable	34,36,902	43,73,925
VAT Payable	2,81,15,358	1,77,03,815
Other statutory dues	28,51,874	16,39,678
Outstanding Expenses	18,88,16,015	6,70,04,846
Staff Dues and Recoveries	2,73,30,329	1,78,64,203
Other advance Received	3,92,241	12,53,768
	45,18,42,925	32,69,34,889
11 Short Term Provisions		
Proposed Dividend	7,77,55,752	7,77,55,752
Tax on dividend	1,26,13,927	1,26,13,927
Provision for Warranties	47,50,857	54,32,587
Provision for Gratuity	2,12,839	33,42,058
Provision for Compensated absence	12,92,845	7,34,110
	9,66,26,219	9,98,78,434

12 TANGIBLE ASSETS

(Amount In Rupees)

	Land	Buildings	Plant and Machinery	Computer Equipments	Office Equipments	Vehicles	Furniture & Fixtures	Total
Cost or valuation								
At April 1, 2010	28,28,78,096	8,66,24,252	39,68,17,937	1,07,48,770	22,01,081	1,27,48,169	21,04,219	79,41,22,524
Additions	-	2,05,97,951	2,23,10,602	8,08,921	-	32,22,786	4,26,418	4,73,66,678
Disposals	-	-	4,79,849	-	-	17,59,272	-	22,39,121
At March 31, 2011	28,28,78,096	10,72,22,203	41,86,48,690	1,15,57,691	22,01,081	1,42,11,683	25,30,637	83,92,50,081
Additions	-	2,85,26,060	3,61,47,571	4,43,170	11,700	47,89,480	68,920	6,99,86,901
Disposals	-	21,18,274	46,58,500	-	-	18,40,529	-	86,17,303
At March 31, 2012	28,28,78,096	13,36,29,989	45,01,37,761	1,20,00,861	22,12,781	1,71,60,634	25,99,557	90,06,19,679
Depreciation								
At April 1, 2010	-	2,66,04,196	24,42,21,670	62,04,384	10,12,535	42,64,775	12,99,751	28,36,07,311
Charge for the year	-	26,03,108	1,75,02,048	12,09,714	1,04,397	12,34,076	1,29,231	2,27,82,574
Disposals	-	-	2,14,906	-	-	11,01,788	-	13,16,694
At March 31, 2011	-	2,92,07,304	26,15,08,812	74,14,098	11,16,932	43,97,063	14,28,982	30,50,73,191
Charge for the year	-	51,50,650	2,45,38,341	13,32,183	1,04,872	14,14,767	1,52,555	3,26,93,368
Disposals	-	21,18,274	46,20,339	-	-	8,74,379	-	76,12,992
At March 31, 2012	-	3,22,39,680	28,14,26,814	87,46,281	12,21,804	49,37,451	15,81,537	33,01,53,567
Net Block								
At March 31, 2011	28,28,78,096	7,80,14,899	15,71,39,878	41,43,593	10,84,149	98,14,620	11,01,655	53,41,76,890
At March 31, 2012	28,28,78,096	10,13,90,309	16,87,10,947	32,54,580	9,90,977	1,22,23,183	10,18,020	57,04,66,112

Work-in-progress	As at	As at
	March 31, 2012	March 31, 2011
	6,15,77,285	2,26,30,852
	<u>6,15,77,285</u>	<u>2,26,30,852</u>

(Amount In Rupees)

13 Non Current investment

Trade - Unquoted

MHI -VST Diesel Engines Private Limited

(41,50,000 (March 31, 2011: 41,50,000) Equity Shares of Rs.10 each.)

**As at
March 31, 2012**

**As at
March 31, 2011**

4,15,00,000

4,15,00,000

4,15,00,000

4,15,00,000

14 Long term loans and advance

Staff special / Annual advance

Advance Against Suppliers

Capital advance

Security deposits

24,80,708

7,83,193

2,52,175

2,94,018

2,35,65,702

53,59,314

1,13,36,948

1,06,10,070

3,76,35,533

1,70,46,595

15 Current investments

Non Trade Unquoted

a) UTI Mutual Fund

UTI Fixed Income Interval Fund-Monthly Interval Plan_series I
{30,50,875.9 (Previous Year: Nil) Units of Rs.10 each}

-

3,05,11,505

b) Taurus Mutual Fund

(1) Taurus Dynamic Income Fund-Dividend Plan

{103,61,304.515(Previous Year: Nil) Units of Rs.10.3373 each}

10,71,07,913

10,02,38,828

(2) Taurus Sort Term Income Fund-Dividend Plan

{11,692.671(Previous Year: Nil) Units of Rs.1531.7276 each}

1,79,21,680

(3) Taurus Ultra Short Term Bond Fund-Super Institutional

-Daily Dividend

{29,972.304(Previous Year: Nil) Units of Rs.1001.8759 each}

3,00,28,529

-

c) TATA Mutual Fund

TATA Fixed Income Portfolio Fund Scheme A2 Institutional I

2,50,00,000

d) IDFC Mutual Fund

IDFC Liquid Fund-Plan A -Daily Dividend

{45,922.532(Previous Year: Nil) Units of Rs.1000.2313 each}

-

2,50,76,346

e) Religare Asset Management Company Private Limited

Religare Credit Opportunities Fund-Institutional Daily Dividend

{25,75,283.255 (Previous Year: Nil) Units of Rs.10.0029 each}

-

2,50,00,000

f) Reliance Mutual Fund

RelianceMoney Manager Fund Institutional Option-Daily Dividend Plan

{40,830.189(Previous Year:Nil) Units of Rs.1001.3715 each}

-

2,01,33,731

g) Birla Sunlife Mutual Fund

Birla Sunlife Cash Manager-IP-Daily Dividend

{42,42,477.839(Previous Year :Nil) Units of RS.10.0030 each}

-

5,01,83,060

i) ICICI Prudential Mutual Fund

ICICI Prudential interval Fund -Monthly Interval Plan-I Institutional Dividend

5,06,207.769 (p.y.Nil) Units of Rs.100.02 each

-

5,06,32,420

j) J P Morgan India Mutual Fund

J P Morgan India Liquid Fund -Super Inst. Daily Dividend Pal-Reinvest.

{47,29,723.2470(Previous Year: Nil) Units of Rs.1005.2219 each}

4,73,34,617

20,23,92,739

32,67,75,890

(Amount In Rupees)

16 Inventories

- a) Rawmaterial and Components
Add : Goods-in-Transit
- b) Work-in-Progress
- c) Finished Goods
- d) Stock of Spares and Attachments
- e) Stock of Trading goods
- g) Loose Tools
- h) Machinery Spares and Others

As at March 31, 2012	As at March 31, 2011
31,40,57,222	23,85,93,451
-	1,45,47,886
<u>31,40,57,222</u>	<u>25,31,41,337</u>
5,52,14,136	9,66,70,622
9,51,24,217	5,69,29,760
12,96,54,463	8,42,02,245
2,63,50,260	2,93,42,803
3,15,49,485	2,21,81,808
71,93,243	60,59,965
<u>65,91,43,026</u>	<u>54,85,28,540</u>

17 Trade Receivables

- Unsecured Considered Good:-
- Debts outstanding for a period exceeding six months
- Others
- Total Trade Receivables
- "Above receivables Includes :
- Receivable from India Garage Service Station (Related Party)"

9,74,88,697	3,13,15,030
1,13,54,06,238	59,05,60,973
<u>1,23,28,94,935</u>	<u>62,18,76,003</u>
1,04,70,067	56,57,207

18 Cash and Bank Balances

- Cash and Cash equivalents
- I. Cash on hand
- II. Balances with banks:
 - a) On current accounts
 - b) Deposits with less than three months maturity
 - c) Cheques on hand
- Total Cash and Cash equivalents (I+II)
- III. Other bank balances
 - a) Deposits with Banks
 - b) Margin money deposit
 - c) Earmarked balances with banks

2,45,933	1,64,275
6,00,21,523	10,37,34,304
2,00,00,000	6,99,72,000
11,82,56,659	3,12,32,053
<u>19,85,24,115</u>	<u>20,51,02,632</u>
1,50,000	1,50,000
50,00,000	1,32,000
26,49,430	22,76,192
<u>77,99,430</u>	<u>25,58,192</u>
<u>20,63,23,545</u>	<u>20,76,60,824</u>

Total Cash and Bank Balances

19 Short Term Loans and advances

- Loan to Employees
 - Staff Annual Advances
 - Staff Special and Travel Advances
 - Staff Sundry Advances
- Advances paid general
- Advances against Supplies
- Cenvat Receivable
- VAT Receivable
- Service Tax Receivable
- TDS Receivable
- Advance Income Tax Less Provision
- Advance FBT Less Provision
- Prepaid Expenses

10,27,594	10,84,913
21,93,276	10,45,887
1,93,206	3,27,560
60,89,511	24,32,086
2,21,24,964	1,09,03,030
26,53,934	31,06,717
14,88,49,493	12,58,06,087
10,83,562	13,52,665
8,77,061	39,78,871
1,61,68,984	22,79,722
-	13,48,603
20,63,028	17,67,943
<u>20,33,24,613</u>	<u>15,54,34,084</u>

20 Other Current Assets

- Income Accrued but not due

5,85,413	21,08,838
<u>5,85,413</u>	<u>21,08,838</u>

(Amount In Rupees)

	For the year ended March 31, 2012	For the year ended March 31, 2011
21 Revenue from operations		
a) Sale of products	5,28,84,16,867	4,24,92,82,284
b) Sale of services	67,72,235	1,07,50,196
c) Other operating revenue	1,87,15,148	1,93,59,420
	<u>5,31,39,04,250</u>	<u>4,27,93,91,900</u>
22 Other Income		
a) Gain on Foreign Exchange Fluctuation (Net)	27,09,094	20,29,927
b) Insurance claims	11,58,363	14,23,887
c) Interest	6,16,764	59,25,180
d) Profit on sale of assets	9,83,798	-
e) Dividend from Non trade Investments	2,78,78,583	1,07,57,576
f) Rent Received	54,23,587	27,20,657
g) Sundry credit balances written back	58,68,732	1,47,49,553
h) Prior period income	-	7,126
i) Miscellaneous Receipts	17,02,244	27,62,562
	<u>4,63,41,164</u>	<u>4,03,76,467</u>
23 Cost of Material Consumed		
a) Castings	82,84,96,582	64,44,83,017
b) Forgings	92,52,34,418	75,81,42,538
c) Sheet Metal Components	80,11,28,260	67,37,45,426
d) Tyres & Tubes	20,28,28,836	16,17,01,821
e) Others	1,00,44,01,546	56,10,18,930
	<u>3,76,20,89,643</u>	<u>2,79,90,91,732</u>
24 Changes in inventories		
Opening Stock		
a) Work in Progress	9,66,70,622	4,51,75,444
b) Finished Goods	5,69,29,760	14,37,91,024
c) Trading Goods	2,93,42,803	1,29,10,103
d) Spares and attachments	8,42,02,245	7,39,12,602
	<u>26,71,45,430</u>	<u>27,57,89,173</u>
Less : Closing Stock		
a) Work in Progress	5,52,14,136	9,66,70,622
b) Finished Goods	9,51,24,217	5,69,29,760
c) Trading Goods	2,63,50,260	2,93,42,803
d) Spares and attachments	12,96,54,463	8,42,02,245
	<u>30,63,43,076</u>	<u>26,71,45,430</u>
(Increase)/Decrease in stock	<u>(3,91,97,646)</u>	<u>86,43,743</u>



(Amount In Rupees)

25 Employee Benefit Expenses

	For the year ended March 31, 2012	For the year ended March 31, 2011
a) Salaries, Wages and Bonus	26,12,65,566	22,85,79,125
b) Contribution to Funds	1,40,65,802	1,61,22,745
c) Welfare Expenses	88,47,385	58,75,060
d) Employee separation expenses written off	-	29,23,801
	<u>28,41,78,752</u>	<u>25,35,00,732</u>

26 Finance Costs

(i) Interest Expense		
Interest paid on working Capital	4,498	1,838
Interest on Other	82,34,753	71,62,141
(ii) Other Borrowing Costs		
Loan Processing Fees	3,79,891	3,66,005
	<u>86,19,142</u>	<u>75,29,984</u>

27 Depreciation and amortization expense

Depreciation of tangible assets	3,20,78,118	2,27,17,998
	<u>3,20,78,118</u>	<u>2,27,17,998</u>

28 Other Expenses

Power and Fuel	2,77,06,759	2,44,29,988
Consumption of Stores & Tools	3,45,52,656	3,65,85,466
Packing Material Consumed	1,98,90,166	1,19,09,232
Consultancy and Legal Charges	56,54,883	62,54,705
Payment to Statutory Auditors		
Audit fee	7,00,000	4,00,000
Tax audit fee	1,00,000	50,000
Company Law Matters	33,090	-
Reimbursement of expenses	24,610	17,520
Payment to Cost Auditors		
Audit fee	1,25,000	75,000
Reimbursement of expenses	22,328	20,697
Fees, Rates and Taxes	1,51,99,874	1,15,39,103
Directors Sitting Fees	5,10,000	4,80,000
Insurance	25,19,856	26,72,793
Rent	23,25,336	22,29,444
Repairs to Buildings	88,76,001	37,95,405
Repairs to Machinery	1,19,57,778	1,10,79,074
Repairs & Maintenance	1,18,48,369	86,37,915
Research and Development	36,70,731	40,08,954
Bank Charges	23,04,623	21,88,682

(Amount In Rupees)

28 Other Expenses (Contd.)

	For the year ended March 31, 2012	For the year ended March 31, 2011
Travelling and Conveyance	1,47,26,024	1,35,78,774
Communication Expenses	38,95,532	33,63,556
Loss on sale of assets	-	4,35,675
Miscellaneous Expenses	43,52,780	38,10,924
Advertisement & Publicity	92,89,644	35,97,445
Freight and Forwarding	11,77,74,518	9,38,80,404
Selling Expenses	15,51,37,829	15,49,69,275
Donation	14,50,000	10,72,500
Service and Warranty Expenses	5,37,22,880	4,67,59,210
Prior Period Expense	6,13,826	-
Total	50,89,85,092	44,78,41,742

29 Contingent Liabilities

a) Cases filed by customers in various consumer courts not acknowledged as debts	47,04,000	42,37,000
b) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances).	4,64,44,394	1,69,16,720

30 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 31st March, 2012. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

31 The actuarial value of Gratuity liability As at March 31, 2012 is Rs. 5,11,09,025/- (Rs.5,06,69,519) as per the workings under AS15 (Revised) issued by the Institute of Chartered Accountants of India.

Gratuity Report under AS-15 (Revised 2005) for the year ended March 31, 2012

The following tables sets out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2012.

a) Assumption :	2011-12	2010-11
Discount Rate	8.50%	8.00%
Salary Escalation	5%	5%

(Amount In Rupees)

b) Table Showing changes in present value of Obligation:	2011-12	2010-11
Present value of obligation as at beginning of year	5,06,69,519	4,70,57,982
Interest Cost	40,59,574	35,25,184
Current Service Cost	63,34,574	64,60,974
Benefits Paid	(58,19,654)	(59,86,351)
Actuarial (gain) / loss on obligation	(41,34,988)	(3,88,270)
Present value of obligation as at end of year	5,11,09,025	5,06,69,519

(Amount In Rupees)

c) Table showing changes in the fair value of plan assets :	2011-12	2010-11
Fair value of plan assets at beginning of year	4,56,67,132	4,43,74,493
Expected return on plan assets	36,47,661	34,45,586
Contributions	56,76,914	33,77,014
Benefits Paid	(58,19,654)	(59,86,351)
Actuarial gain / (loss) on Plan assets	4,27,525	4,56,390
Fair value of plan assets at the end of year	4,95,99,578	4,52,10,742
d) Actuarial Gain / Loss recognised :	2011-12	2010-11
Actuarial (gain) / loss on obligations	(41,34,988)	(3,88,270)
Actuarial (gain) / loss the year - plan assets	(4,27,525)	(4,56,390)
Total (gain) / loss for the year	(45,62,513)	(8,44,660)
f) The amount to be recognised in the Balance Sheet and statement of Profit and Loss :	2011-12	2010-11
Present value of obligation as at the end of the year	5,11,09,025	5,06,69,519
Fair value of plan assets as at the end of the year	4,95,99,578	4,56,67,132
Net asset / (liability) recognised in Balance Sheet	(15,09,447)	(50,02,387)

Notes :

- The estimates of future salary increases considered in actuarial valuation take into consideration for inflation, seniority, promotion and other relevant factors
- 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.
- Gratuity liability in case of employees of Precision Components Division, Mysore are unfunded and the gratuity liability for the year was Rs.8,60,525 and the cumulative liability as on 31 March, 2012 was Rs.25,84,555.

32 Related Party Transactions:

Information given in accordance with the requirements of Accounting Standard 18 on related party disclosures issued by the Institute of Chartered Accountants of India

Name of the Party	Nature of Relationship
i. Vinay Industries	Associates / Joint Ventures
ii. India Garage Service Station	Associates / Joint Ventures
iii. India Garage Petrol Pump	Associates / Joint Ventures
iv. MHI-VST Diesel Engines Private Limited	Associates / Joint Ventures
v. Anand & Associates	Associates / Joint Ventures
vi. Rama Infotech	Associates / Joint Ventures
vii. Mr. V.P.Mahendra	Key Management Personnel
ix. Mr. V.V.Pravindra	Key Management Personnel
x. Mr. B.C.S.Iyengar	Key Management Personnel



(Amount In Rupees)

	Transactions for For the year ended 31 March, 2012	Transactions for For the year ended 31 March, 2011
I. Nature of Transactions:		
a) Availing of services of machining of components Vinay Industries	29,649	42,817
b) Sale of power tillers, tractors, diesel engines, attachments and spare parts etc. India Garage Service Station	4,55,74,382	4,09,10,134
c) Purchase of fuel for company vehicles India Garage Petrol Pump	99,497	2,90,223
d) Supply of machined components and provide facilities for inspection of components MHI-VST Diesel Engines Private Limited	2,92,252	21,59,830
e) Renting of Immovable property MHI-VST Diesel Engines Private Limited	19,85,400	19,85,400
f) Architectural Profession Services Anand & Associates	42,33,591	5,76,181
d) Availing computer software and maintenance services Rama Infotech	17,09,470	17,18,717
II. Balance as at March 31		
a) Receivables - India Garage Service Station	1,04,70,067	56,57,207
b) Payable Vinay Industries	7,405	4,540
MHI-VST Diesel Engines Private Limited	2,74,378	2,34,318
Anand & Associates	3,47,445	-
India Garage Petrol Pump	-	25,369
(iv) Managerial Remuneration* :		
vii. Mr. V. P. Mahendra	42,81,358	35,91,142
viii. Mr. V. V. Pravindra	18,03,600	19,75,799
ix. Mr. B. C. S. Iyengar	19,91,730	22,37,923
	80,76,688	78,04,864
33 In Calculating Basic and Diluted Earnings per Share :	2011-12	2010-11
Numerator used:		
(a) Profit after Tax	49,92,70,031	46,18,92,169
Denominator used:		
(b) Number of equity shares	86,39,528	86,39,528
Earnings per Share	57.79	53.46
Face value per equity shares (Rupees)	10	10

(Amount In Rupees)

34 Expenditure towards Research & Development	2011-12	2010-11		
Revenue Expenditure				
Salaries & Allowances of R&D Staff	52,95,372	58,95,066		
Testing Fees paid to ARAI,Pune	26,62,308	37,05,727		
Development charges	9,53,938	2,74,636		
Others	54,485	28,591		
Depreciation on R&D Assets	7,72,394	7,37,178		
Total	97,38,497	1,06,41,198		
Capital Expenditure				
Computer MF-IPC-610bp-40zgh#bn1330-engine testing	-	86,740		
Gear Lead & Profile Tester-Prime Technologies-CWIP	15,14,895			
Total	15,14,895	86,740		
Grand Total(A+B)	1,12,53,392	1,07,27,938		
35 a) CIF Value of Imports :	2011-12	2010-11		
i) Components and spares	15,71,94,332	11,98,49,206		
ii) Capital Equipments	2,36,95,744	1,53,78,957		
Total	18,08,90,076	13,52,28,163		
b) Expenditure in Foreign Currency :	2011-12	2010-11		
i) Travelling	3,94,574	4,76,724		
ii) Others	17,30,532	25,40,008		
Total	21,25,106	30,16,732		
c) Value of Imported and Indigenous Materials, components and Traded goods consumed :	2011-12	2010-11		
	Amount	% to total consumption	Amount	% to total consumption
i) Imported	17,46,84,202	4.57%	9,20,31,816	3.22%
ii) Indigenous	3,64,98,04,470	95.43%	2,77,01,39,436	96.78%
Total	3,82,44,88,672	100.00%	2,86,21,71,252	100.00%
36 Earnings in Foreign Exchange:	2011-12	2010-11		
i) Export of Goods on FOB Basis	9,43,27,002	12,28,90,187		
ii) Others (Freight, Insurance etc.)	5,89,991	26,87,698		
Total	9,49,16,993	12,55,77,885		



(Amount In Rupees)

37 Remittance in Foreign Currency during the year on account of Dividend:	2011-12	2010-11
i) Amount Remitted (Net of Tax)	22,78,125	24,32,103
ii) No. of Non Resident Shareholders	1	2
iii) No. of shares on which dividend was due	2,53,125	3,08,947

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

For Brahmaya & Co.,
Firm Registration No: 000515S
Chartered Accountants

G. Srinivas
Partner
Membership No: 086761

Place : Bangalore
Date : May 29, 2012

For and on behalf of the Board of Directors

V.P Mahendra
Managing Director & CEO

Place : Bangalore
Date : May 29, 2012

V.Ramachandran
Director

Chinmaya Khatua
Company Secretary



“NOTICE IS HEREBY GIVEN that the 44th Annual General Meeting of VST TILLERS TRACTORS LTD will be held at Woodlands Hotel Pvt. Ltd. No.5, Rajaram Mohan Roy Road, Bangalore – 560 025 on Monday, August 13, 2012 at 3.00 P.M. to transact the following business.

Ordinary Business:

1. To receive, consider, approve, and adopt the audited Balance Sheet as at March 31, 2012, Profit and Loss account and Cash Flow Statement for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. R Subramanian, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. V Ramachandran, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Special Business:

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

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, and other applicable provisions, if any of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act and subject to the approval of the Central Government, if required and / or such other approvals as may be necessary, the approval of the members be and is hereby accorded to the reappointment of Mr. B.C.S. Iyengar as Wholetime Director designated as Executive Director of the company for further period of five years with effect from 28th August, 2012 to 27th August, 2017 on the terms and conditions including remuneration payable to him as Wholetime Director and minimum remuneration payable to him in case of absence or inadequacy of profit in any year, as set out in the Explanatory Statement.

RESOLVED FURTHER THAT the Managing Director of the company be and is hereby

authorized to alter and vary the terms and conditions from time to time in such manner as it may deem fit in the best interest of the Company within the limits specified in Companies Act, 1956 read with Schedule XIII of the Act including any Statutory modification thereto, for the time being in force.

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

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 later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will be closed from August 09, 2012 to August 13, 2012 (both days inclusive) in connection with payment of dividend and Annual General Meeting.
3. Dividend if declared shall be payable to all those members whose names appear in the register of members or to the beneficial owners as per the records of depositories, as at the closing of business hours on August 08, 2012.
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 to the provisions of section 205A(5) of the Companies Act, 1956, any dividend unpaid or unclaimed for seven year will be transferred to the **Investor Education and Protection Fund** established by the Central Government pursuant to section 205C of the Companies Act, 1956. No claims shall lie against the fund or company in respect of individual amount which were unclaimed and unpaid for a period of seven years

NOTICE



from the dates that they first became due for payment. The members are requested

to encash their dividend warrants who have not encashed so far.

The Details of Unclaimed/Unpaid dividend as on 31/03/2012 is given below.

UNPAID/UNCLAIMED DIVIDEND			
Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid/unclaimed Dividend	Unpaid/unclaimed Amount(In Rs)
2004-05	29/07/2005	28/07/2012	169234.00
2005-06	29/08/2006	28/08/2013	224247.00
2006-07	28/08/2007	27/08/2014	354984.21
2007-08	29/08/2008	28/08/2015	290075.00
2008-09	21/08/2009	20/08/2016	347842.50
2009-10	13/08/2010	12/08/2017	608588.00
2010-11	11/08/2011	10/08/2018	652459.00

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956.

Item No. 6

The Board at its meeting held on 29th May, 2012, has reappointed Mr. B.C.S. Iyengar as a Wholetime Director of the Company designated as Executive Director for further period of 5 years with effect from 28th August, 2012 to 27th August, 2017 in the following terms.

Salary

- Basic Salary- Rs. 1,00,000/- per month.
- House Rent Allowance- Rs. 30,000/-per month.
- Flexi Benefits- Rs. 70,000/- per month.

Perquisites

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

Category - A

- Contribution to Provident Fund shall not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income-tax Act.
- Gratuity payable shall not exceed one half month's salary for each completed year of service subject to a ceiling specified in the Gratuity Act.
- Earned/Privilege Leave shall be allowed to the Executive Director on full pay and allowances

according to the rules of the Company but not more than 34 (thirty four) days leave for every 12 (twelve) months service. However, leave accumulated but not availed will be allowed to be en-cashed.

Category - B

Provision of Car for use on Company's business, telephone and other communication facilities at residence will not be considered as perquisites.

Category - C

Commission

One percent on the net profit of the Company subject to a maximum of the annual basic salary drawn.

Except Mr. B.C.S Iyengar none of the other directors of the Company is interested in the resolution.

The Board recommends the resolution as set out at item no.6 of the notice for your approval.

By Order of the Board
for **VST TILLERS TRACTORS LTD.**

Place: Bangalore
Date: May 29, 2012

Chinmaya Khatua
Company Secretary



V.S.T. TILLERS TRACTORS LIMITED

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

Name of Proxy

Attendance Slip

44th

Annual General Meeting

Monday, the 13th August, 2012

at Woodlands Hotel Pvt. Ltd.
No.5, Rajaram Mohan Roy Road
Bangalore - 560 025

Folio No.	
CLIENT ID No.	
DP ID No.	
No. of Shares	

Signature of Member / proxy



V.S.T. TILLERS TRACTORS LIMITED

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

<h2>Proxy Form</h2>	Folio No.	
	CLIENT ID No.	
Proxy No.	DP ID No.	
Date of Receipt	No. of Shares	

I/We

of.....in the district of.....being a member / members of V.S.T. Tillers Tractors Limited hereby appoint..... of.....in the district of.....or failing himof.....in the district of.....as my / our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at "Krishna Hall", Hotel Woodlands Hotel Pvt. Ltd., No.5, Rajaram Mohan Roy Road, Bangalore - 560 025 on Monday, the 13th August, 2012 at 3.00 PM. and at any adjournment thereof.

Date :

Signature of member

Affix Re. 1-00.
Revenue Stamp

The Proxy form duly completed must reach the Registered Office atleast 48 hours before the commencement of the meeting.



VST SHAKTI 130 DI POWER TILLER



YANJI SHAKTI RICE TRANSPLANTER



MITSUBISHI SHAKTI VWH 120 POWER TILLER



MITSUBISHI SHAKTI MT 180D TRACTOR



V.S.T. TILLERS TRACTORS LTD.

P.B. No. 4801, Mahadevapura P.O., Bangalore - 560 048, India.

Tel. : 28510805 - 6 - 7, 28510275/318 Fax: 91-80-28510221

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