



REF: VTTL/SE/2024-25

August 28, 2024

The General Manager – Listing,
National Stock Exchange of India Limited
Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (E), MUMBAI – 400 051
PH: 022-26598235

The Manager Listing,
BSE Limited.,
Floor 25, P.J. Towers,
Dalal Street,
MUMBAI – 400 001
PH: 022-22721234

Dear Sir / Madam,

Sub: Annual Report for the Financial Year 2023–24 along with Notice of 56th Annual General Meeting (“AGM”).

Please find enclosed herewith 56th Annual Report along with AGM Notice for the Financial Year 2023-24. We request you to take note of the following details:

• **Annual General Meeting:**

The 56th Annual General Meeting (AGM) shall be held on Thursday, September 19, 2024, at 11:00 am (IST) through Video Conferencing (“VC”) or Other Audio-Visual Means (OAVM).

• **Book Closure:**

Register of Members and Share Transfer Books of the Company shall remain closed from September 13, 2024, to September 19, 2024.

• **E-Voting:**

Start of remote e-voting: From 9:00 am (IST) on Monday, September 16, 2024.
End of remote e-voting: Up to 5:00 pm (IST) on Wednesday, September 18, 2024.
E-Voting Cut-off date: September 12, 2024.

• **Dividend:**

The Board has recommended a Final Dividend of Rs 20/- per share of Rs.10/- each for the financial year 2023-24 and the same will be paid on or after September 19, 2024, if approved by the members at 56th AGM.
The Dividend, if declared shall be payable to all those Members whose names appear in the Register of Members or the beneficial owners as per the records of depositories, as at the closing of business hours on September 12, 2024.

Thanking you,
Yours truly,

For V.S.T Tillers Tractors Ltd.

Chinmaya Khatua
Company Secretary & Compliance officer
M No: 21759



V.S.T. TILLERS TRACTORS LIMITED CIN-L34101KA1967PLC001706

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

Phone: 91-80-67141111 Toll Free: 1-800-4190136 Email: vstgen@vsttractors.com

www.vsttractors.com

Grow with us



Empowering Growth,
Embracing Change.



Corporate Information

Mr. Arun V. Surendra
Chairman

Mr. M.K. Bannerjee
Independent Director

Mr. K.M. Pai
Independent Director

Ms. Siva Kameswari Vissa
Independent Director

Dr. Nandakumar Jairam
Independent Director

Mr. Rajen Krishnanand Padukone
Independent Director

Mr. V.V. Pravindra
Non-Executive Director

Mr. Kula Ajith Kumar Rai
Independent Director

Mr. V.T. Ravindra
Managing Director

Mr. Antony Cherukara
Chief Executive Officer

Mr. Nitin Agrawal
Chief Financial Officer

Mr. Chinmaya Khatua
Company Secretary and Compliance
Officer

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

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

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

Secretarial Auditors
M/s. Thirupal Gorige Associates LLP, Bengaluru
Practising Company Secretaries

Regd. Office
Plot No.1, Dyavasandra Industrial Layout,
Whitefield Road, Mahadevapura Post,
Bengaluru - 560 048
Ph: 080-67141111
E-mail: vstgen@vsttractors.com
Website: www.vsttractors.com

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

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

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

Nurturing Our Greatest Asset, Our People

10



VST's Integrated Agricultural Solutions

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Stakeholder Engagement

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Environment

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Notice

Investor Information

Market Capitalisation (as on 28 March, 2024)	₹ 2,806.90 Crores
CIN	L34101KA1967PLC001706
BSE Code	531266
NSE Symbol	VSTILLERS
Dividend Declared	₹ 20/- per equity share of ₹ 10 each
AGM Date	September 19, 2024
AGM Venue/Mode	Through VC

Scan this QR code to navigate investor-related information

<https://www.vsttractors.com/investor/>



Disclaimer: This document contains statements about expected future events and financials of VST Tillers Tractors Limited ('the Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



Empowering Growth, EMBRACING CHANGE.

This year has been a testament to the Company's ability to navigate through uncertainties and challenges. Despite external pressures, the Company's performance has been commendable, demonstrating resilience and strategic agility.

Empowering growth has been the Company's guiding principle. The Company has made significant strides by establishing key joint ventures and partnerships, crucial for expanding its reach and capabilities. These alliances have enabled the Company to tap into new markets and diversify its product range, ensuring sustained growth even in turbulent times.

The Company believes in **Embracing Change** as a catalyst for growth, enabling it to stay ahead of the curve and seize new opportunities as they arise. Setting up of a Global Tech Centre will be a significant step towards

enhancing our R&D capabilities, positioning us to lead in agri mechanisation and small farming solutions.

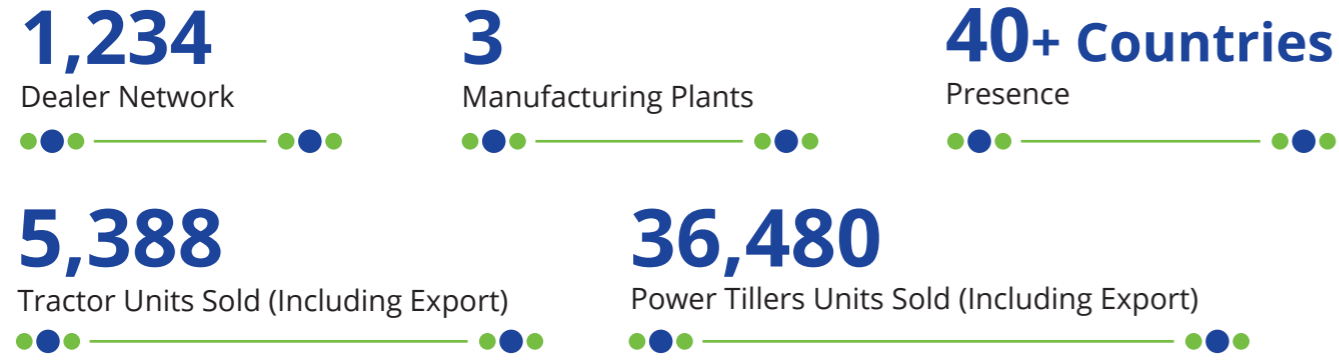
Looking ahead, the Company drives execution of its strategic directions to achieve its Vision 2025 (delayed due to adverse situations such as COVID 19 impact and supply chain disruptions). The Company is committed to optimising its operations, leveraging growth projects, and exploring new opportunities in both domestic and international markets. This approach not only fuels the growth but also ensures that the Company remain agile and adaptable in an ever-changing market landscape.

In essence, the journey of **Empowering Growth and Embracing Change** reflects the Company's commitment to innovation, collaboration, and sustainable growth. Together, the Company is building a future-ready organisation that thrives on progress and success.



Performance Metrics of the Year

Operational Highlights



Power Tiller 165 DI ES (Electric Start)



Series 9 in 4WD Compact Tractor Launched



VST FiledTrac EV Series Unveiled this Year



VST Zetor - 4211, 4511, 5011 in 41- 50 HP Segment

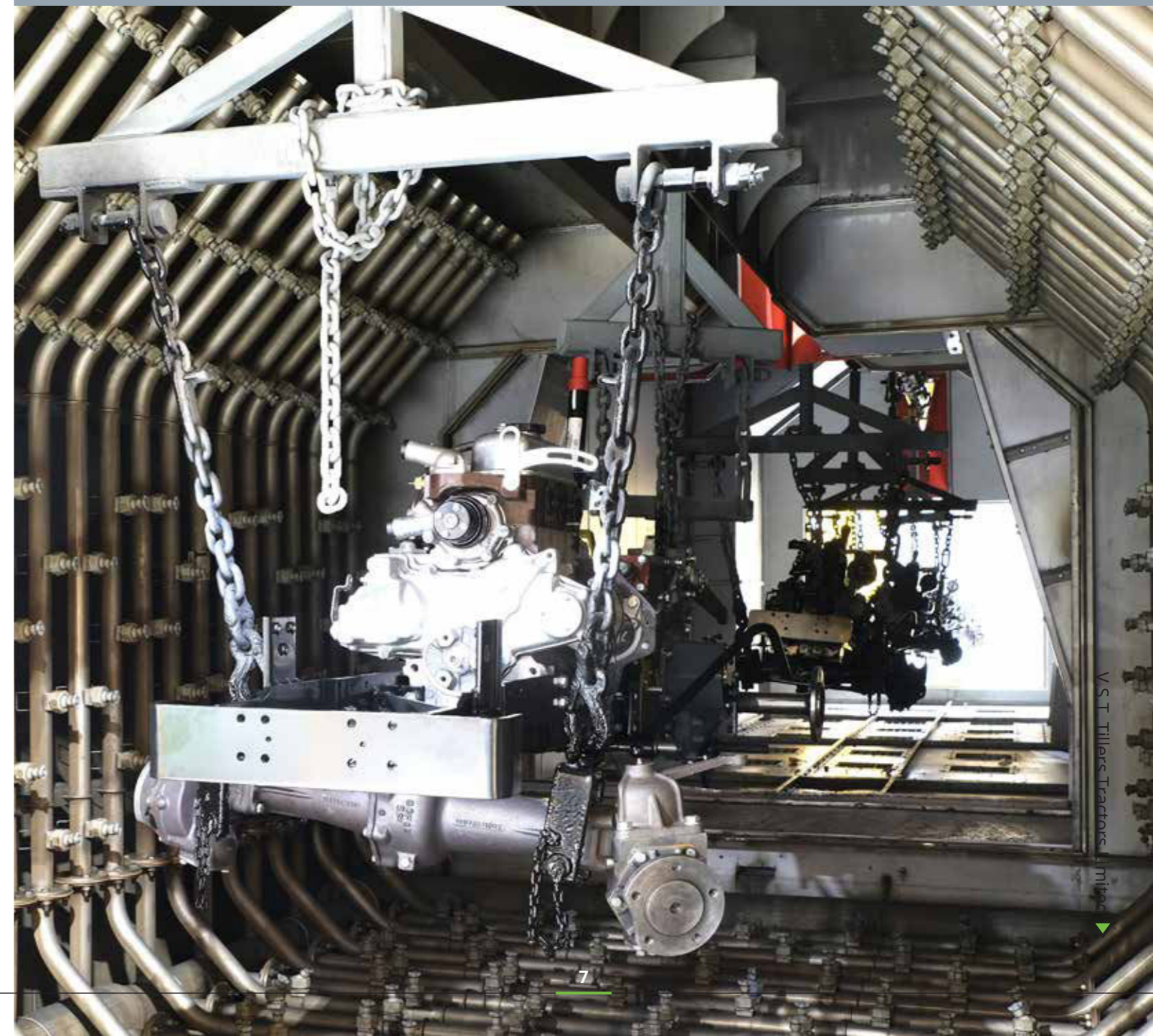
Financial Highlights

₹ **184.77 Crores**
EBITDA

₹ **968.05 Crores**
Revenue from Operations

₹ **121.51 Crores**
PAT

₹ **924.06 Crores**
Net Worth



VST at a Glance

Powering India's Fields and Beyond

The largest manufacturers of Power Tillers in India

Cultivating Growth

One of the fastest-growing brands in the agriculture solutions

Redefining Efficiency

Leadership position in 4WD Compact Tractors

Exporting Reliability

Exporting world-class Tractors to Over 40+ countries

VST traces its roots to the 100-year old VST Group of Companies, established in 1911 by Sri. V.S. Thiruvengadaswamy Mudaliar. Originally focused on petroleum products and automobile distribution, the Group expanded its legacy with the establishment of VST Tillers Tractors Limited (referred to as 'VST' or 'the Company') in 1967, a milestone joint venture with Mitsubishi Heavy Industries Limited, Japan.

Recognized as India's leading brand in Power Tillers since its inception over five decades ago. Today VST dominates more than 70% of the Indian Tiller market and has pioneered multiple advancements in the Indian farm equipment industry launching the country's first 4WD compact tractors models in 1982.

VST started its global journey with exporting their first batch of tillers to Africa in 1978. In 2016, VST embarked on its ambitious international expansion plan, introducing the 'FIELDTRAC' brand tailored to meet stringent EU regulations, alongside its global 'VST' brand. This strategic move has reinforced VST's position as a global leader in agricultural machinery, offering a diverse range of models from 17 HP to 50 HP, spanning applications from vineyard management to commercial hauling. Today VST has a presence in over 40 countries, and is leveraging its expertise to supply drive train platforms for leading global EV solution provider.



Vision

By FY 2025 we aspire to become a leading global brand with a turnover of ₹ 3,000 Crores in diversified farm mechanisation products and solutions.*







Mission

We are dedicated to realising our Vision through unwavering commitment to innovative, high-quality products. We empower our team of inspired individuals, streamline our systems, and foster 5X Leadership.

*Delayed due to adverse situations such as COVID-19's impact and supply chain disruptions



Core Values

-  **Customer Centricity**
Prioritise every interaction, no matter how small.
-  **Integrity**
Uphold ethical standards, even in the absence of supervision.
-  **Synergy**
Collaborate to achieve greater outcomes together.
-  **Speed**
Emphasise agility and responsiveness over sheer size.
-  **Stretch**
Always go beyond expectations to stand out.
-  **Go Green**
Promote conservation efforts to better serve our communities.



Nurturing Our Greatest Asset, Our People

VST has always believed in the power of partnership. Our tagline, 'Grow with Us,' is a testament to our commitment for empowering growth through embracing change. Over the past few years, we have intensified our focus on our most valuable asset – our employees.



Our Training Programmes

Central to our strategy is the development of future leaders. The Graduate Engineer Training Program provides a robust platform for nurturing homegrown talent. Through rigorous selection, comprehensive training, and mentorship, we are building a strong leadership pipeline. To complement this, we have developed a competency framework that aligns with our organisational culture and empowers employees to reach their full potential.

Nurturing Homegrown Talent

through Training And Competency Frameworks



Leadership Development

To equip our top leadership for future challenges, we have partnered with IIMB to design a customised leadership development program. This initiative aims to cultivate strategic thinking, transformational leadership, and functional expertise.

Top 20 Leaders

First Batch Leadership Development Programme Completed



Employee Wellness

We believe in creating a holistic and engaging work environment. We have introduced various sports and wellness initiatives, including table tennis, badminton, cricket, and health check-up camps.

Sports Facilities and Health Camps

Initiatives For Employee Well-Being



Digital Transformation

Digital transformation is a key focus area for VST. We have implemented several digital initiatives, including DMS, HRMS, to improve speed, efficiency, transparency, and decision-making. A digitized performance management system and a quarterly incentive scheme for frontline employees have been introduced to recognize and reward performance effectively. Additionally, Kaizen kiosks have been established to encourage total employee involvement in process improvement.

DMS & HRMS

to Streamline the Value Chain for Improvement in Speed, Efficiency, Transparency, and Decision-Making.

By investing in our employees' growth, well-being, and development, we are not only fulfilling our commitment to the 'Grow With Us' philosophy but also laying a strong foundation for the future success of VST Tillers Tractors.



Employee Support and Safety

We are committed to creating a safe and supportive work environment for all employees. Our maternity and other policies are a testament to our dedication to employee well-being. We have also introduced a term insurance plan to provide an additional safety net for our employees and their families.

Maternal Benefits and Insurance Coverage

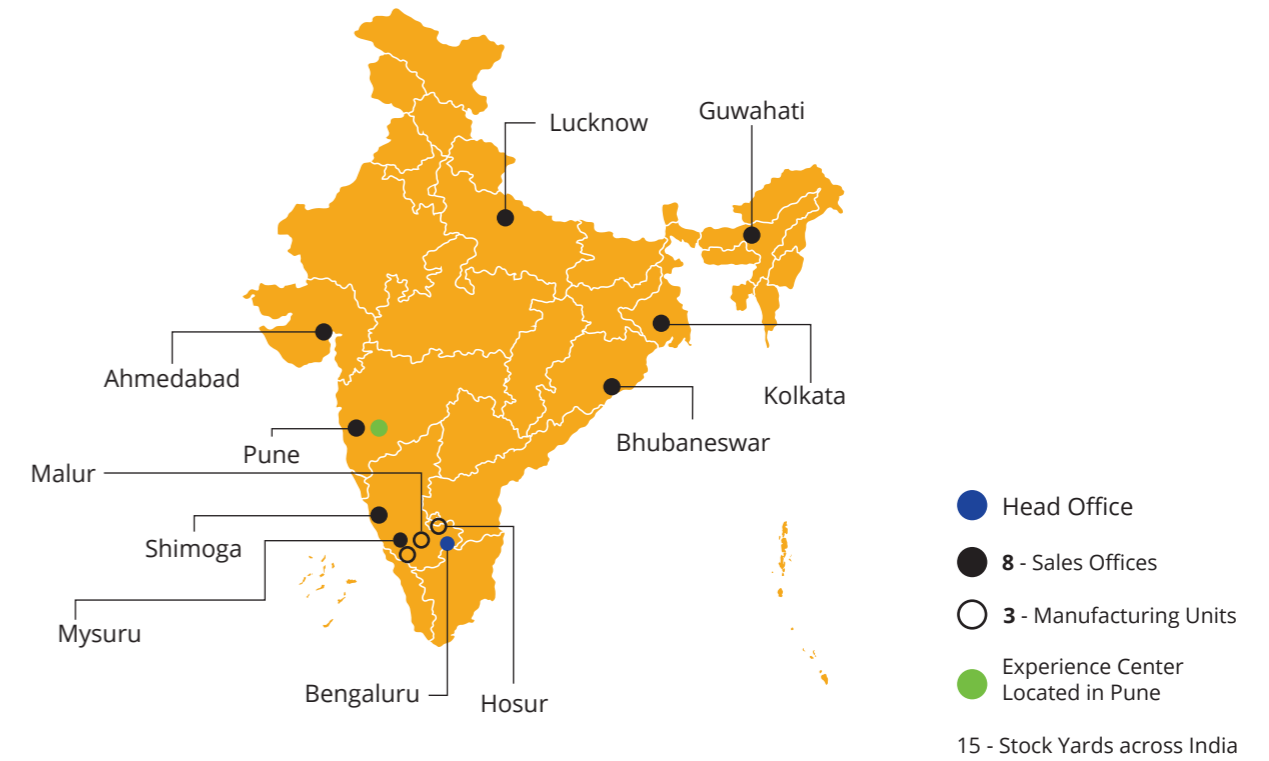
Enhanced Policies and Support



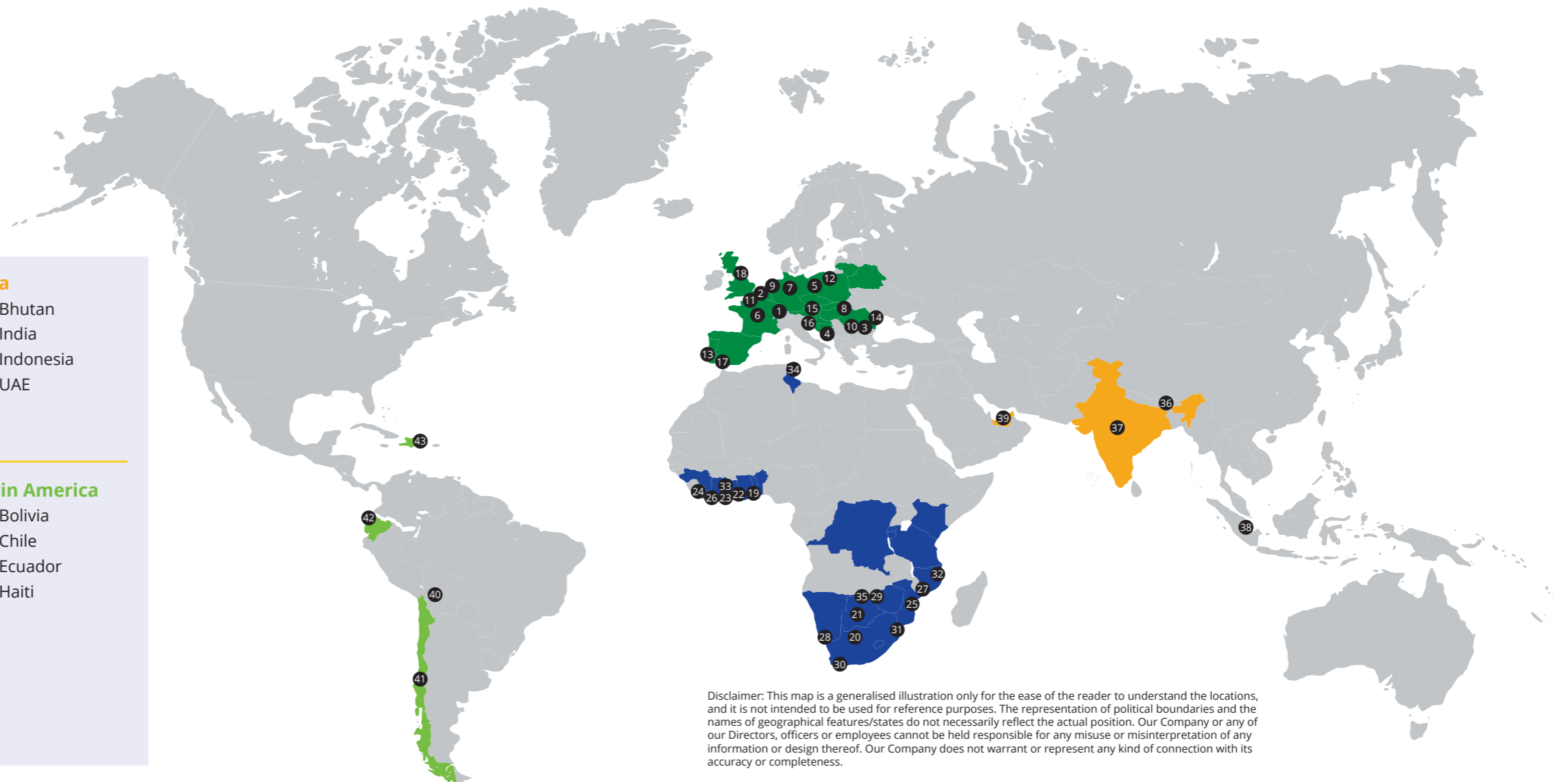
Global Presence

Positioning for Impact and Opportunity

Establishing a strong international presence is crucial for the Company to expand its reach and impact. By strategically positioning itself across diverse continents and markets, the Company can effectively tap into new opportunities and cater to a broad spectrum of customers worldwide.



- | | | |
|---|---|---|
| <p>Europe</p> <ol style="list-style-type: none"> 1. Austria 2. Belgium 3. Bulgaria 4. Croatia 5. Czech Republic 6. France 7. Germany 8. Hungary 9. Luxembourg 10. Moldova 11. Netherlands 12. Poland 13. Portugal 14. Romania 15. Slovakia 16. Slovenia 17. Spain 18. United Kingdom | <p>Africa</p> <ol style="list-style-type: none"> 19. Benin 20. Botswana 21. DR Congo 22. Ghana 23. Guinea 24. Ivory Coast 25. Kenya 26. Liberia 27. Mozambique 28. Namibia 29. Rwanda 30. South Africa 31. Swaziland 32. Tanzania 33. Togo 34. Tunisia 35. Zambia | <p>Asia</p> <ol style="list-style-type: none"> 36. Bhutan 37. India 38. Indonesia 39. UAE <hr/> <p>Latin America</p> <ol style="list-style-type: none"> 40. Bolivia 41. Chile 42. Ecuador 43. Haiti |
|---|---|---|



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. Our Company or any of our Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness.

Investment Thesis

At VST, investment proposition is anchored in our formidable strengths in delivering cutting-edge agricultural solutions. The Company excels in advanced technology, superior design, and continuous innovation, enhancing productivity and efficiency in farming operations globally. By strategically expanding into new markets and fostering key partnerships, we have always striven to reinforce our leadership in sustainable practices and customer-centric solutions.

Robust Product Portfolio

The Company offers a diverse and innovative range of products tailored to the evolving needs of modern farming. Leveraging over 50 years of experience in the agricultural sector, the portfolio features advanced, efficient, and powerful products designed with state-of-the-art technologies, prioritising **optimal performance, fuel efficiency, and comfort**. Built for **durability and versatility, streamlining operations and significantly enhancing farm productivity**.



Research and Development

The Company's success is driven by our strong commitment to research and development. Planned investment in our 'Global Tech Center' has led us to be at the forefront of new technologies. We are working on the EV products (EV proto displayed at Agritechnica, November 2023). This dedication ensures the Company stay ahead of industry trends, positioning us as a **leader in agricultural innovation**.

10+

Number of New Products



Expanding into New Markets

The Company's strategic expansion has broadened its market footprint, leading to increased exports to Europe and Africa. The Company has setup wholly owned subsidiaries in the US i.e. VST Americas Inc. and VST Fieldtrac LLC, which marks a significant milestone, the products are at various stages of development targeting new markets through **strategic partnerships, innovation, and new product offerings**.



Experienced Management Team

The Company's experienced management team drives the strategies, innovation, and market expansion. Their effective leadership in **product development and strategic partnerships** ensures the ongoing growth and success.



Brand-Building Initiatives

The Company continues its partnership with the Bengaluru Bulls Kabaddi team for the second consecutive year as it strongly connects with the brand & customers. The synergy between our **powerful and durable products** and the sport of Kabaddi strengthens our brand presence in rural India.



Collaborative Growth

Strategic partnerships are key to the Company's growth. Collaborations with Zetor Tractors a.s. and HTC Investments a.s. focus on developing high-horsepower tractors, our investment in Zimeno Inc. (Monarch) USA and supply agreement underscores the Company's commitment to **electrification and sustainable agricultural solutions**. These partnerships enable to innovate and expand the product offerings, **boosting productivity and efficiency** in agriculture.



By leveraging the robust product portfolio, strategic market expansion, innovative R&D, experienced management, effective brand initiatives, and collaborative growth strategies, the Company is well-positioned to deliver sustained value and drive future growth in the global agricultural industry. As the Company continues to implement systems, focus on organisational transformation, and plan for new capacity, the Company is poised for exponential growth and expanded global presence.



Message from the Chairman

From the Chairman's Desk



Our Company, a pioneer in agricultural mechanization, plays a critical role in the agricultural sector. Agriculture in our country is not just an industry but a lifeline for millions.

Dear Shareholders,

As I step into the role of Chairman, succeeding my father Mr. V. K. Surendra, I am filled with immense pride and enthusiasm. His legacy of dedication and visionary leadership has laid a robust foundation for our Company. His unwavering commitment to excellence has guided us to our current success, and I am honored to continue building on this legacy with the same passion and integrity.

Our Company, a pioneer in agricultural mechanization, plays a critical role in the agricultural sector. Agriculture in our country is not just an industry but a lifeline for millions. The patterns of the monsoon, government policies, and dynamic market conditions significantly influence our operations. Despite these variables, our resilience and adaptability have enabled us to achieve remarkable milestones.

Empowering Growth

Our Company has recorded commendable growth and expanded our market presence. Our financial performance has been particularly strong, with revenue

from operations reaching ₹ 968.05 Crores. EBITDA reached 17.96% in FY 2023-24 compared to 14.75% in FY 2022-23, and net profit soared to ₹ 121.51 Crores, one of our highest ever. The EPS (basic) stands at an impressive ₹ 140.64 per share, marking another record for our Company. Our operational efficiency is reflected in the improved cash flow from operations, which reached ₹ 48.61 Crores, surpassing last year's figures.

Tractor exports have been a bright spot for us, with 1,680 units sold, representing one of the highest ever volume growths in this segment. This success in the international market underscores the global appeal of our products and the strength of our export strategy. We have also made significant strategic moves to enhance our product portfolio and market reach. In the month of May 2024, we launched VST Zetor range of tractors, a result of our joint venture between VST Tillers Tractors Limited and Zetor Tractors a.s. & HTC Investments a.s. the holding company of the Zetor brand. Our Power Reapers and power weeders in the small farm mechanization division have shown significant volume growth with 37% and 35%, respectively. Electric pumps from the distribution

division have achieved ₹ 10 Crores in revenue in their second year of operations, showing promising growth.

To maintain a continued cordial relationship and transparency with the Union, the wage settlement for Hosur and Malur was concluded with higher aspirations

In a move to strengthen our global presence, we incorporated a wholly owned subsidiary, VST Americas Inc., in the US on April 25, 2024. This strategic initiative aims to cater to the needs of the US market in the tractor and farm machinery segment, opening up new growth opportunities for our Company. Additionally, we've established a step-down subsidiary, VST Fieldtrac LLC, also in the US, further solidifying our presence in the North American market.

In recent years, we have placed a stronger emphasis on nurturing our most important asset-our employees-by focusing on talent development and strengthening our leadership pipeline.

Embracing Change

The future holds exciting prospects for our Company as we embrace change and innovation. We stand on the brink of a new era in agricultural mechanization, where technology and sustainability are of paramount importance. The Company is planning a significant investment of ₹ 100 Crores to establish a global R&D center in a phased manner. We have already invested ₹ 100 Crores over the past 3-4 years. Our ongoing investments in research and development will drive us forward, allowing us to introduce cutting-edge solutions tailored to the evolving needs of farmers. Additionally, we are focused on expanding our footprint in emerging markets, leveraging our expertise to make a positive global impact.

Strategic Direction

- **Evolve Power Tillers to Small Farm Machines and Going Global**
We aim to transform our Power Tillers business into versatile small farm machines business and expand our presence globally.
- **Leadership in Compact Tractor Segment**
Strengthening our position as leaders in the compact tractor market by introducing innovative and efficient customer focussed models.

- **Maximize Capacity Utilization for HHP Tractors**
Ensuring optimal use of our high-horsepower (HHP) tractor production capacity to meet increasing demand.
- **Promote Precision Implements**
Advancing the adoption of precision farming implements to enhance productivity and efficiency for our farmers.
- **Participate in Technology Evolutions**
Actively engaging in the latest technological advancements to stay ahead in the agricultural mechanization industry.
- **Exploring Rural Distribution Opportunities**
Expanding our distribution network to tap into rural markets, ensuring our products reach every corner of the agricultural landscape.

This would not be possible without the dedication of our employees, the loyalty of our customers, and the trust of our partners. Together, we have built a company synonymous with quality, innovation, and integrity. I am confident that, with your continued support, we will reach even greater heights. As we embark on this journey, let us embrace the challenges and opportunities that lie ahead with a spirit of collaboration and innovation. Together, we can create a brighter and more prosperous future for our Company and the agricultural community we serve.

Before I conclude, I extend my heartfelt gratitude to Mr. M. K. Bannerjee and Mr. K. M. Pai, who have retired from our Board after long and distinguished service. I also extend a warm welcome to Mr. Ajith Kumar Rai and Mr. Rajen Padukone on the Board of our Company

Thank you for your support and belief in our vision.

Warm regards,

Arun V. Surendra
Chairman

VST's Integrated Agricultural Solutions

The Company has undergone significant evolution over the past five decades, recognising the pivotal role of mechanization in the lives of small and marginal farmers. As pioneers in agricultural technology, the Company offers a comprehensive range of innovative farm equipment, including power tillers, tractors, power weeder, power reaper and precision implements. These products are designed to increase productivity, reduce labor costs, and improve crop yields for farmers of all scales.



Accelerating Small Farm Mechanisation

The Company's product offerings are a testament to its understanding of the diverse needs of India's farming community. Small farm machines are indispensable tools in modern agriculture. The Company's product range in this category includes Power Tillers, Power Weeders, Brush Cutters and Power Reapers. These machines offer numerous advantages, especially for farmers with smaller-scale operations or limited resources. The Company offers a selection of innovative, efficient, and powerful products tailored to meet the diverse needs of farmers.

Key Aspects

- 1 Power Tillers for efficient operation in wet and dry fields
- 2 Power Weeders with high-quality components for durability and stability
- 3 Multicrop Reapers engineered for high productivity
- 4 Brush Cutters are lightweight, fuel-efficient, and easy to operate



Product Offerings



Power Tiller

- VST 165 DI
- VST 135 DI
- VST 130 DI
- VST 95 DI IGNITO



Power Weeder

- VST FT 50 GE
- VST PG50
- VST FT 35 GE
- VST FT 20
- VST FT 80
- VST FT 55 GE



Brush Cutter

- VST 226 LD
- VST 234 MD
- VST 242 HD



Power Reaper

- VST 5PR
- VST 55 DLX Multi Crop

Performance Snapshot

36,480

Tiller Units Sold



718

Dealers



~70%

Market Share in Power Tillers



16%

YOY Growth in Reapers



35%

YOY Growth in Power Weeder



VST Tractors - Where Tradition Meets Technology

VST is a pioneer in the realm of tractors, championing true farm mechanization and precision farming. The product range caters specifically to the unique demands of specialised agriculture, including orchards, vineyards, inter-cultivation, horticulture, and the cultivation of row crops such as sugarcane, cotton, and bananas. Evolving with the times, the latest offerings represent the perfect fusion of technology, comfort, and style, meeting the needs of contemporary agriculture while staying true to our founding principles.



Our Product Offerings

Classic Series

17 HP to 27 HP

Series 9

18.5 HP to 29 HP

Power Series

32 HP to 39 HP

HHP Series

40HP to 50 HP

VIRAAJ Series
VZ Series



Key Aspects

- 1 Pioneers in 4WD Compact Range
- 2 Most advanced compact range with segment-first features
- 3 Versatile design for ease of operation
- 4 Real Right Weight Tractor with optimal dimension

Series 9 - The Most Advanced Compact Range Newly Launched



Performance Snapshot

5,388

Tractor Units Sold



385

Dealers



To reinforce its leadership in the 4WD Compact Tractor segment, VST has introduced the new Series 9 tractors, available in the range of 18 HP to 36 HP. Featuring a state-of-the-art design and optimal dimensions, Series 9 is the epitome of the REAL RIGHT WEIGHT Tractor. As 'The Most Advanced Compact Range,' it boasts international design and technological integration, catering to the evolving needs of farm mechanization across Orchards, horticulture, traditional agriculture crops, and non-agricultural fields. With industry-first features, Series 9 stands out as the ideal choice for discerning farmers. These tractors are user-friendly and hassle-free, equipped with a best-in-class engine that delivers exceptional power, torque, and mileage.

Our primary objective is to meet the changing needs of our customers and stay ahead in technology, thus offering customised solutions based on the requirements and crops and applications, among others.

Series 9 Models Include:

- 918
- 922
- 927
- 929

Collaboration with Zetor for HHP Tractors



The Company's strategic Joint Venture with Zetor Tractors a.s. and HTC Investments a.s. marks a pivotal step in the journey towards global market expansion and product development. This partnership brings a combined legacy of ~135 years to bring innovative and quality products. The joint venture enables the execution of key initiatives, utilizing technical expertise and joint product development capabilities to offer an enhanced value proposition. By leveraging this state-of-the-art manufacturing facility, the Company is poised to introduce innovative Higher Horsepower (HHP) tractors to both domestic and international markets under the VST Zetor brand.

- VST Zetor Models: 4211, 4511, 5011 in the 41- 50 HP Segment

Our EV Story Driving Us Forward

The agricultural industry is undergoing a significant transformation with the advent of EV solutions. VST's unveiling of the electric tractor ushers in a new era in agriculture. This underscores our commitment to staying at the forefront of technological evolution.

Collaboration with US-Based Electric Tractor Manufacturer

The scope of electric vehicles in the tractor segment holds tremendous promise. Our journey in the EV domain is aimed at fostering innovation and sustainability. One of our notable partnerships is with a prominent US-based electric tractor manufacturer. This collaboration focuses on the development and supply of critical aggregates for their electric tractors. These partnerships are more than just component supply agreements.



Made-in-India Electric Tractors at Agritechnica

Our commitment to innovation and sustainability was prominently displayed at Agritechnica, the premier trade fair held in Germany in November, 2023 for agricultural machinery. The Company proudly introduced the Made-in-India electric tractors, marking a significant achievement in our journey. These electric tractors exemplify the engineering prowess and dedication to environmentally friendly agricultural solutions. Agritechnica provided an ideal platform to exhibit the capabilities of the electric tractors to a global audience. With advanced features designed to cut greenhouse gas emissions, reduce operating costs, and offer quieter, more efficient operations, the tractors attracted substantial interest and positive feedback from industry experts and potential customers.

Products Exhibited

- VST FIELDTRAC 929 EV
- FIELDTRAC 932 DI Stage V
- FIELDTRAC 929 HST with Loader
- FIELDTRAC 929 EGT with Cabin
- Stage 5 Engine 24.5 HP



VST Distribution: Powering Agricultural Solutions across India

The VST Distribution vertical is focused on identifying and seizing distribution opportunities in rural areas across various product categories. Over the past three years, we have worked tirelessly to establish an extensive network of distributors and retailers. During this time, we have formed successful partnerships with 85 distributors and 6,249 retailers, facilitating the distribution of products including Genuine Spare Parts, Electric Pumps, Lubricants for Agricultural Machinery and Multi-application Engines. Looking ahead, we aim to expand our product range to further improve the well-being of rural communities and contribute to their prosperity.

Product Offerings

- Spare Parts
- Lubricants
- Electric Pumps
- Engines
- Consumables

Performance Snapshot



Key Aspects

- 1 Extensive service network for easy accessibility and support.
- 2 Automotive lubricants formulated to perform well under various temperature conditions, ensuring consistent protection.
- 3 Electric pumps in different capacities and configurations to meet diverse needs.
- 4 Engines with strict emission standards, ensuring minimal environmental impact & delivering powerful performance.

Initiatives Driving the Distribution Vertical

- Ensuring product availability by establishing retailers within every 30 kilometers.
- Driving Pull based system, through the implementation of TOC (Theory of Constraints) across distributors for a uniform approach to identify and manage gaps, aiming to improve overall efficiency in the distribution network.
- Adopting a Fixed Day Fixed Route (FDFR) to streamline the efforts of our field officers and sales representatives.
- Strengthening customer relationships and providing exceptional after-sales support.



International Business Expanding Horizons

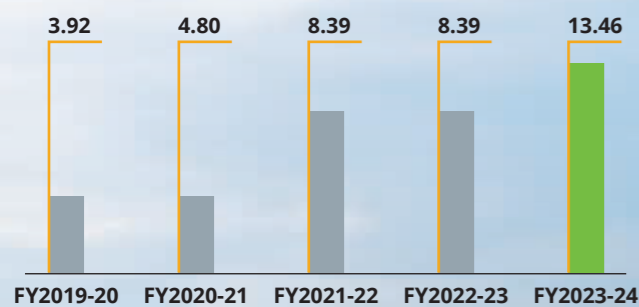
In 2016, VST ventured into the European market under the umbrella of 'VST Fieldtrac' featuring cutting-edge products compliant with EU regulations.

At VST Fieldtrac, we support farmers and landscapers enhancing their productivity and helping them build enduring legacies. Our advanced technology makes farm and garden work more efficient and rewarding.

VST Fieldtrac tractors are compact and versatile, ideal for gardening, landscaping, and working in vineyards and orchards. With four-wheel drive and power steering, they ensure comfort and operational safety, even on the toughest terrains.

We offer a range of tractors from 18 HP to 24 HP that meet latest emission norms, ensuring high performance with minimal environmental impact

International Business Revenue Growth (% of total revenue)



Precision Components: Driving Quality and Innovation

The Precision Component Division operates with a dual focus, meeting the internal needs of our tiller and tractor production while also catering to external clients across diverse sectors. This strategic approach ensures quality control for our products and opens up new revenue streams and growth opportunities. The Company's state-of-the-art manufacturing facilities, including a specialized plant in Mysore, are equipped with cutting-edge technology to produce components that meet the highest standards of precision and reliability.

Our Offerings

- Automotive Components
- Engine Parts for Tillers & Tractors
- Precision Agricultural Implements
- Rotary Tillers

Supplier to Global OEMs

~10%
External Business



Key Aspects

- Engine parts designed for exact fit and compatibility with VST's tillers and tractors
- Agricultural implements built with high-quality materials to withstand rigorous use in the field
- Locomotive industry components compatible with various locomotive models, ensuring versatility in applications

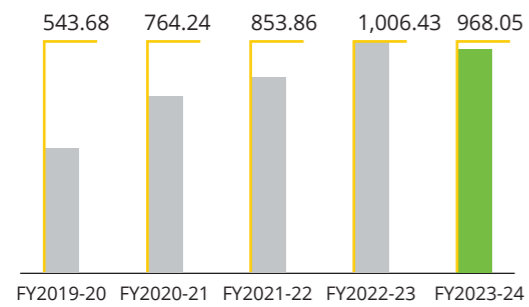


Year in Review:

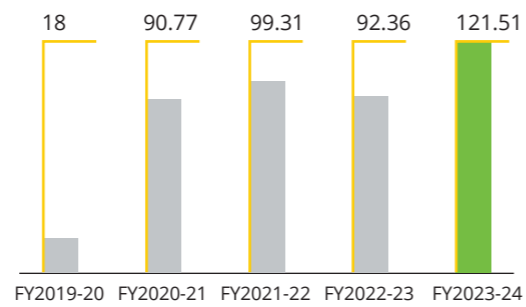
Achievements and Robust Financial Performance

Over the years, the Company has demonstrated consistent growth and resilience, characterized by significant achievements and strong financial performance. The export business has particularly demonstrated significant strength, bolstering the overall growth. The Company's performance underscores its strategic emphasis on sustainable growth, effective cost management, and expansion into new markets.

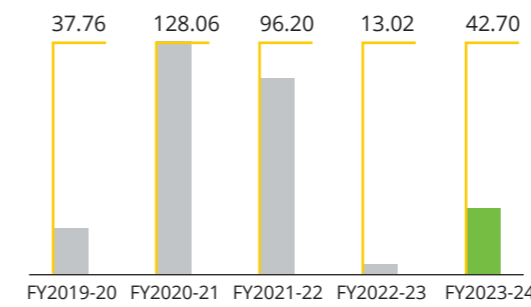
Operating Revenue (₹ in Crores)



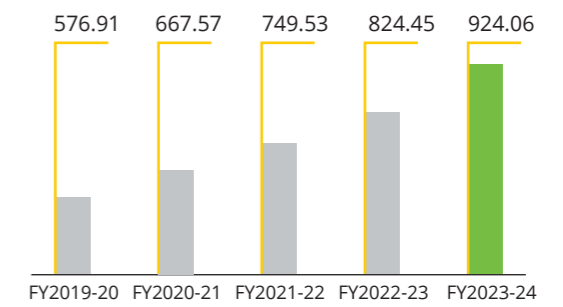
PAT (₹ in Crores)



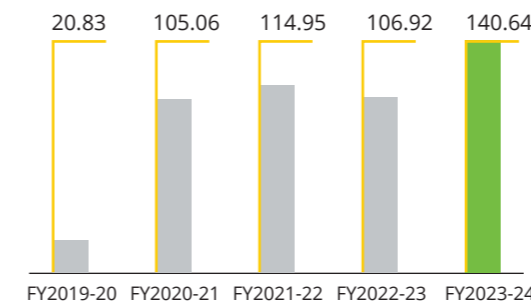
Free Cash Flow (₹ in Crores)



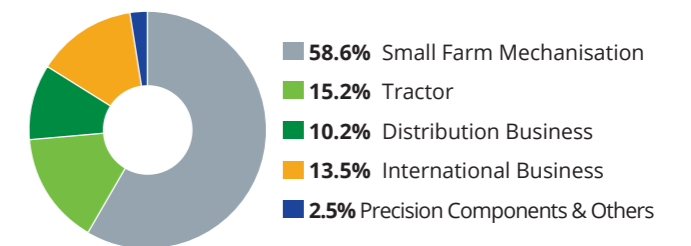
Net Worth (₹ in Crores)



EPS (₹)



Segment-Wise Revenue Mix (in %)



Our Value Creation Model

Capitals Engaged

- Financial Capital**
- Manufactured Capital**
- Intellectual Capital**
- Human Capital**
- Social and Relationship Capital**
- Natural Capital**

Inputs

- Strong Equity Capital
- Robust Assets Base
- Prudent Borrowings Portfolio
- 3 Manufacturing Facilities
- State-of-the-Art Facility
- Digitisation - Order to Cash and Procurement to Pay
- Integrated Product Line
- Evolving into EV Space.
- Nurturing Talent
- Employee Benefits
- Learning & Development Opportunities
- Expanding Customer Base
- Strategic Partnerships
- CSR Activities
- Zero Liquid Discharge Facility
- Renewable Energy



Small Farm Machines



Tractors



Distribution Business



Precision Implements

VST's Behavioral Traits: 3F

- 1 Fast - Swift Responses and Actions**
Adapted to changes in technology, market demands, and customer requirements
- 2 Frugal - Bang with a Buck Requirement**
Start-Up mentality with complete focus on the customer
- 3 Future-Ready - Thriving in Tomorrow's World**
Investment in a ₹ 100* Crores project to establish a global tech center for enhanced R&D capabilities

*Phase wise

Output

- Revenue: ₹ 968.05 Crores
- EBITDA: ₹ 184.77 Crores
- PAT: ₹ 121.51 Crores
- Increase in Power tiller production (in single shift): 2,000 to 5,000 units per month
- 10+ of new products
- First electric tractor unveiled at the Agritechnica exhibition
- Theory of Constraints (TOC) - an efficient and effective way of ensuring availability of products for customers while ensuring availability of raw materials
- Polyurethane (PU) paint technology to enhance paint adhesion and durability of our products.
- Capability building
- Skill development
- Reward and recognition
- GET and DET programs
- ₹ 3.13 Crores CSR spend
- 40+ export countries
- 319 Mt Waste recycled
- 1,100 Kw of solar plant
- No. of trees : 1,216 nos

SDGs Impacted

Stakeholder Engagement

The Company focuses on building and maintaining strong relationships with key groups that impact and are impacted by the organisation, with an emphasis on creating value for all parties involved. Recognising the unique needs and expectations of each stakeholder group, VST systematically identifies these groups, establishes effective communication channels, and fosters mutually beneficial relationships. This approach emphasises transparency, responsiveness, and continuous dialogue, aligning business strategies with stakeholder interests, mitigating risks, and seizing opportunities.

Stakeholder group	Channels of communication	Frequency of engagement	Why they are important
 Shareholders/ Investors	General Body Meetings Interaction with Investors Annual Report Press Release Company's Website Plant Visit	Yearly Quarterly Investor Calls As and When Required Regular	Provide capital for business growth and operations Influence Company decisions through voting rights
 Customers	Customer Satisfaction Survey Web Portals eCatalogue/ Manual Interactions	Throughout the Year	Generate revenue through purchases Provide valuable feedback for product improvement
 Dealers	Website Email Interactions DMS (Dealer Management System) Plant Visit	Regular	Act as crucial intermediaries in the sales process Provide local market insights and customer relationships
 Suppliers	Website Email Interactions SRM (Supplier Relationship Management) Plant Visit	Regular	Ensure timely delivery of materials and components Contribute to product quality and cost-effectiveness

Our Intellectual Capabilities

Driving Innovation through Knowledge and Expertise

In today's rapidly evolving environment, companies are increasingly focusing on enhancing their research and development capabilities to stay competitive and drive innovation. At VST, our intellectual capabilities are the driving force behind our success. Our commitment to intellectual growth is evident in significant investments in state-of-the-art R&D facilities, the adoption of digital platforms, and expansion into emerging technologies. By fostering a culture of creativity and strategic collaborations, VST remains at the forefront, delivering unmatched value and efficiency in sustainable solutions and practices.

Investing in Our R&D Centre

To address the growing demand for electric vehicles and maintain a competitive edge in the rapidly evolving industry, the Company is investing ₹ 100 Crores in a phase-wise manner to establish a Global Tech Center (GTC) in Hosur. This strategic move aims to accelerate EV innovation, develop proprietary technologies, enhance testing capabilities, and foster international collaborations. It will serve as the Company's primary R&D hub for electric powertrains, battery technologies, and advanced driver assistance systems, enabling the development, testing, and validation of cutting-edge, reliable, and safe electric vehicles.

₹ 100 Crores
Phase-Wise Investment in R&D Centre

Digital Platform – Centralised Information Hub

The centralised digital platform is a comprehensive solution implemented by the Company to streamline and enhance its continuous improvement efforts across all plants. This allows for effortless access to data, fostering better collaboration and coordination among teams. It improves operational efficiency by consolidating and organising information. Additionally, it supports informed decision-making by providing a clear overview of project statuses and personnel involvement. This drives sustainable growth by optimising processes and promoting a culture of innovation.

Project Tracking

Consolidates data on all ongoing improvement initiatives

Resource Allocation

Helps identify areas needing attention or support



Strengthening Our Presence in Emerging Technologies

Our commitment to research and innovation propels us to invest in developing cutting-edge products that meet the diverse needs of our customers. The Company has responded to emerging demands by launching a new lineup of Compact and HHP tractors. Additionally, the Company is dedicated to the research, development, production, and marketing of eco-friendly automotive products. These initiatives are designed to leverage opportunities in emerging technologies, ensuring it stays at the industry's forefront with a comprehensive and innovative product portfolio.

Tractor Range

Compact and HHP models are prepared for Stage 5 emission compliance.

SFM Range

Power Tiller and Weeder models are poised for electric variants.



Adoption of Digital Technologies and Leveraging Data

Driven by a commitment to enhance operational efficiency and productivity, the Company has adopted SAP ERP software, integrating essential functions across sales, finance, purchase, planning, production, quality, and warehouse management. This integration extends seamlessly to include systems such as Dealer Management, Travel Management, Warehouse Management, Theory of Constraints, E-Catalogue, and Supplier Relationship Management, ensuring cohesive operations.

VISTAAR Digital Tool

to streamline the dealer on-boarding process and improve efficiency.

4-Step Process

(P0-P4) from lead prospecting to onboarding.

Digital Training Tool 'Vidyapeeth'

As part of the capability development program, the 'Vidyapeeth' mobile application is launched for the Sales Team, to enable continuous learning and gain knowledge not only on the technical aspects but also on the soft skills

Vidyapeeth,

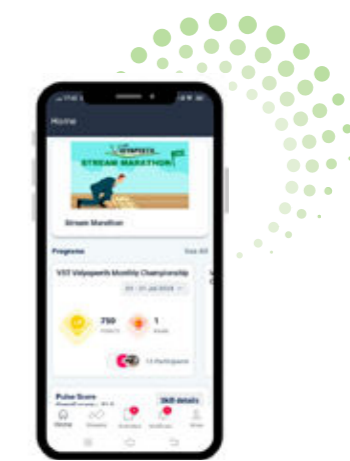
a digital training tool supplemented by personalised training sessions, to bolster sales capabilities effectively.

Integrated Product Line

In an effort to optimise efficiency and respond to changing market dynamics, the Company has consolidated its compact and higher horsepower tractor lines into a unified, integrated product line. This strategic merger allows for streamlined production processes, more efficient resource allocation, and the delivery of a cohesive and comprehensive range of tractors tailored to diverse customer needs. Furthermore, demonstrating a commitment to sustainability and environmental responsibility, the Company has repurposed its former compact tractor line into an assembly line for electric vehicles (EVs). This initiative aligns with our goal to innovate responsibly and contribute positively to environmental stewardship.

Integrating the Compact Tractor Line

into an Assembly Line for Electric Vehicles for sustainable practices.



VST's Comprehensive Approach to Environmental Stewardship

The Company is actively fostering a sustainable future through a comprehensive environmental strategy. This approach centers on critical areas such as waste minimisation, water stewardship, and carbon footprint reduction, supported by robust governance structures and policies to effectively manage their ecological impact. The Company remains dedicated to driving sustainability across all aspects of our operations. By setting ambitious goals, investing in innovative technologies, and fostering a culture of environmental stewardship, the Company aims to create a sustainable future for itself, its customers, and the planet.

Renewable Power

VST's carbon footprint primarily stems from direct emissions via diesel combustion in generators, tractors, and tillers, as well as indirect emissions from purchased electricity. The Company has committed to fast-tracking the integration of green technologies and delivering environmentally friendly, energy efficient products to the market. As part of this initiative, the Company has successfully implemented solar installations with a combined capacity of 1,100 Kw across the manufacturing facilities. The utilisation of solar power not only

reduces the reliance on non-renewable energy sources but also demonstrates its dedication to sustainable practices, setting a benchmark for the agricultural machinery sector in renewable energy adoption.

Initiatives

- 1,100 Kw of solar installed capacity
- Installed Solar plants across all three plants in Hosur, Malur, and Mysuru



Energy Efficiency

The Company's energy expenditure is primarily driven by purchased electricity, complemented by acquired fuels, influenced significantly by the nature of its products. Across all business units, the Company remains committed to enhancing energy utilisation efficiencies and augmenting the use of renewable energy sources to achieve environmental excellence. The Company has implemented various measures aimed at conserving energy and adopting alternative energy sources, demonstrating its dedication to sustainable manufacturing practices and minimising environmental impact.

Initiatives

- Conducting an energy audit of the entire plant to assess energy usage comprehensively.
- Replacing conventional streetlights with LED streetlights for improved energy efficiency and reduced maintenance costs.
- Installing a Power Factor Panel to monitor and enhance electrical efficiency effectively.

Water Resource Management

The Company recognizes water as a critical resource for both our operations and the communities it serves. The water management strategy seeks to strike a delicate balance between meeting the manufacturing requirements and ensuring sustainable access for consumption needs. Given water's indispensable role in our production processes, the Company is acutely aware of the responsibility, especially in water-stressed regions. To address this, the Company has adopted a multi-faceted approach to water conservation.



Initiatives

- Zero liquid discharge
- Installing sensor-operated taps to prevent wastage
- 934 KL rainwater harvesting capacity
- 44% water recycled and re-used

Waste Management: From Disposal to Reduction

At VST, robust waste management programs have been implemented across all facilities, with a strong emphasis on stringent compliance with regulatory standards. The Company's approach goes beyond conventional disposal methods, focusing heavily on expanding recycling initiatives. Through waste segregation practices, the Company collaborates closely with authorized partners to enhance opportunities for appropriate recycling and reuse. By prioritising waste reduction strategies, the Company aims to foster a more sustainable manufacturing process, effectively minimising its environmental footprint and optimising resource utilisation.



Initiatives

- 319 Mt waste recycled
- No. of trees planted: 1,211

Integrated Social Responsibility

The Company's social responsibility initiatives revolve around three primary pillars: employees, dealers, and communities. The Company prioritizes fostering a supportive environment for our workforce, cultivating strong partnerships with dealers, and actively contributing to community development efforts. This integrated approach not only strengthens business relationships, but also contributes to societal progress, ensuring that VST's growth positively impacts all stakeholders within the ecosystem.

Employees

The Company prioritizes the talents and well-being of its workforce as essential drivers of its success. A commitment to creating an inclusive and diverse workplace culture underscores its approach. Recognising the demands of the dynamic business environment, the Company invests in comprehensive training programmes for both new hires and existing staff. This strategy ensures that the team remains skilled, adaptable, and equipped to address evolving challenges, thereby supporting organisational objectives and cultivating a culture of continuous growth.

755

Permanent Workforce



2,668

Training Man-days



Customer Centricity

At the core of the Company's business strategy is a commitment to enhancing the customer experience. Recognising that success is inherently tied to customer satisfaction and their ability to fully utilize the products, the Company has introduced a comprehensive suite of initiatives aimed at deepening customer understanding and appreciation of its offerings.

Product Demos

Providing customers with firsthand demonstrations of the Company's product performance, features, and capabilities that offers an interactive experience empowering them to make well-informed decisions based on their specific requirements.

Experience Centre in Pune

Establishing a dedicated space where customers can experience the VST product line firsthand. This center showcases our tractors' advanced technology and exceptional craftsmanship.

Customer Feedback

At VST, customers are regarded as valued partners in the journey of innovation and growth. By nurturing close relationships and actively listening to their needs and feedback, the Company has developed products that directly address the evolving challenges in agriculture. This collaborative approach has resulted in the creation of several groundbreaking solutions, including:

- Development of Made in India weeders in the 5hp/8hp range
- Multi-crop use reapers
- Launch of electric weeders/tillers

Dealer Engagement

The Company recognizes the pivotal role played by its dealers in driving its success and fostering growth. Positioned not merely as partners but as frontline ambassadors of the brand, they serve as crucial connectors linking our products with diverse customer bases across markets. To fortify these invaluable partnerships and ensure shared prosperity, the Company prioritizes several key initiatives:

Annual Dealer Conference

This flagship event convenes dealers from various regions, serving as a pivotal platform for knowledge exchange. It facilitates the dissemination of market insights, discussions on prevailing trends, and alignment of strategies aimed at mutual success.

New Product Launches

Dealers are provided with exclusive access to showcase the latest innovations to their clientele. By leveraging new product launches, dealers can drive sales growth and gain a competitive edge in their respective markets.

Regional Dealer Conferences

The conferences enable the Company to address region-specific challenges and gain deeper insights into local market dynamics. Tailored support and strategies are devised to meet the unique needs of each area, thereby enhancing dealer satisfaction and effectiveness.

Factory Visits

Inviting dealers to tour manufacturing facilities offers firsthand insights into our production processes. These visits not only deepen their product knowledge but also instill pride in the brand and confidence in our manufacturing standards. Such experiences are instrumental in bolstering dealers' capabilities to effectively promote and sell our products.

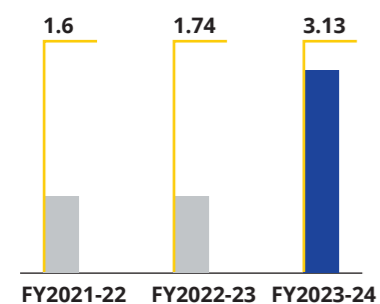
CSR - Fostering Community well-being



At VST, the Company deeply embraces its role as a responsible corporate citizen, firmly committed to enhancing the well-being of communities. The Company's strong belief in actively contributing to the betterment of people's lives drives them to prioritize support for local areas surrounding their business operations. The Company recognizes that giving back to society and promoting sustainable development are essential aspects of their corporate responsibility.

The Company wholeheartedly believes that investing in education is not only a means of fulfilling their societal obligations but also a significant step towards creating a brighter future for all stakeholders involved.

Our CSR Contribution Over the Years (in ₹ Crores)



This year, our CSR efforts in education have been directed towards two notable institutions:

Kamala Bai Educational Trust and VST Memorial Trust

The Company has provided funds for the construction of educational facilities, recognising the Trust's commitment to quality education and its positive impact on the local community.

Ramakrishna Mission

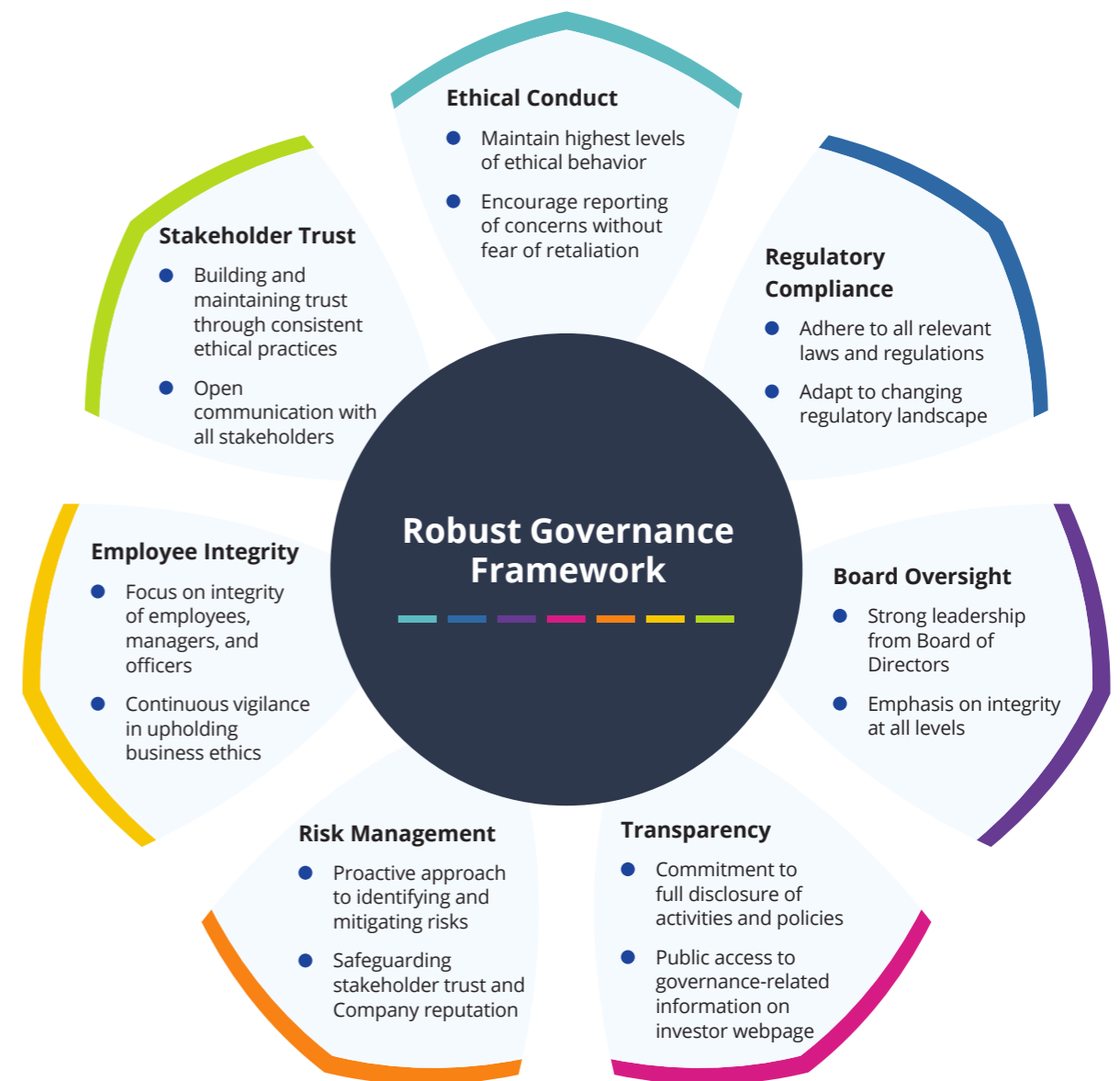
The Company's contribution supports the construction of a building dedicated to educational purposes, aligning with the Mission's longstanding dedication to holistic education and character development.

Governance

Governance

Upholding Integrity and Trust

The Company recognizes that strong corporate governance is fundamental to achieving its organisational mission and maintaining stakeholder trust. The Company's governance framework is designed to uphold the highest standards of ethical conduct, ensure transparency, and adapt to the dynamic business environment. The Company believes that robust governance, beginning with its Board of Directors, strengthens the business and fosters integrity at all levels of the organisation.



Awards

Awards and Accolades



IMexl - Hosur and Malur
Awarded the Silver Medallion.



QCFI Competition
Awarded the Silver Medallion.



QCFI Competition
Reduced Rejection Rates of Trem Camshaft Rough Cam.



CII State Competition
Received the 'Best Themes' Trophy.



MHI - Mysuru
Honored with the Best Supplier Award.



CII Quality Circle
Recognized for Outstanding Contributions.



ITOTY Awards 2024: VST Shakti MT 270 tractor is the winner in the 'Best Tractor between 21-30 HP' category.

Management Discussion and Analysis

Global Economy

The global economy has shown resilience despite several challenges. There were disruptions due to supply chain issues following the pandemic, geopolitical tensions such as Russia-Ukraine conflict, which triggered global energy and food crises, and a sharp increase in inflation. In response, central banks worldwide tightened monetary policies, helping stabilize the economic situation. Despite these hurdles, major economies have avoided recession, banking systems have remained strong, and the initial inflationary surge has begun to recede. This return to stability is supported by a cautiously optimistic outlook from financial markets and policymakers, who continue to navigate these challenging times with strategic precision. Moving forward, the global economy faces the dual challenge of sustaining growth while managing inflation. The need of the hour is being vigilant and implementing adaptive policy maneuvers to ensure long-term stability and prosperity.

Global growth, estimated at 3.2% in CY 2023, is projected to continue at the same pace in CY 2024 and CY 2025. The rate of expansion is subpar by historical standards. This can be attributed to short-term factors such as persistently elevated borrowing costs and the withdrawal of fiscal stimulus, and long-term ramifications of war, feeble productivity growth, and escalating geo-economic fragmentation.

Indian Economy

The Indian economy has demonstrated resilience and maintained healthy macroeconomic fundamentals, despite global economic challenges. Amid global headwinds, the country has emerged as a bright spot, with GDP growth projected at around 7% for FY 2023-24 by the IMF as of April 2024. This reflects increasing confidence in India's economic prowess at a time when global growth projection for CY 2023 remains unchanged at 3%. The transformative ramp-up of physical and digital infrastructure over the last decade is evident in the increased total length of highways, freight corridors, airports, metro rail networks, and trans-sea links. The nation's economic prospects are buoyed by digital transformation, an enabling regulatory environment, and a strong focus on inclusive development.

(Source: Press Information Bureau - Indian Economy Estimates, February 29, 2024, Department of Economic Affairs, January 2024, Growth Marathon by Crisis)



Indian Farm Mechanization Industry

The Indian agricultural equipment market size reached ₹ 16.73 Billion in FY 2023-24 and is expected to reach ₹ 25.15 Billion by FY 2029. Mechanization is essential for enhancing productivity and efficiency within India's vast agricultural sector. This growth is driven by the need for higher efficiency, better yields, and reduced labor costs, indicating a significant shift towards modernized farming methods across the country.

(Source: <https://www.giiresearch.com/report/imarc1451113-indian-agricultural-equipment-market-report-by.html>)

Market Trends

- **Innovation for Small Farms:** There is a critical need for innovations that are specifically designed for small and marginal holdings, which dominate India's agricultural landscape. These innovations will significantly enhance productivity and sustainability, providing tailored solutions that will help these small farms thrive in a competitive market.
- **Labor Shortage:** One of the major reasons that has driven farmers towards mechanization is labor shortage. The Pradhan Mantri Kisan Sampada Yojana aims to supplement farmers' efforts by enhancing the processing and value addition of agricultural and horticultural produce. This scheme has benefited 38 Lakh farmers and generated 10 Lakh employment opportunities as of March 2024. Further, agri-startups by young entrepreneurs are

likely to benefit from the launch of an Agriculture Accelerator Fund.

- **Financial Assistance:** Under the PM-KISAN initiative, 11.8 Crore farmers will receive direct financial help. Furthermore, 4 Crore farmers would receive crop insurance coverage due to the PM Fasal Bima Yojana. Additionally, several banks and microfinance institutions have been set up across rural India, providing farmers with easy access to credit for farm machinery.
- **Rising Incomes:** As a result of strong economic growth and agricultural productivity, the income levels of rural households have been continuously increasing over the last few years. A report by McKinsey and Company (May 2023) indicates that agritech has the potential to increase Indian farmers' incomes by 25-35% by CY 2030. As such, rising incomes have enabled farmers to significantly increase their spending on agriculture mechanization.

(Source: <https://www.mckinsey.com/industries/agriculture/our-insights/how-agtech-is-poised-to-transform-india-into-a-farming-powerhouse>)

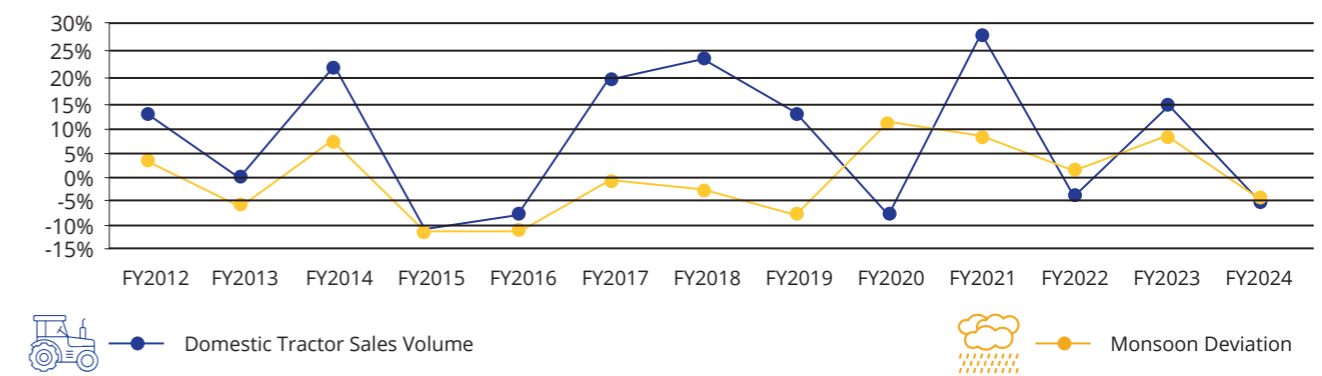
Indian Tractor Industry

The tractor industry plays a pivotal role in India's agricultural sector. India's tractor market has undergone significant expansion and transformation, driven by its growing contribution to both farming and non-farming activities. This growth has been facilitated by improved credit facilities for farmers and various government policies aimed at meeting the rising demand for tractors. A similar trend in credit facilities and finance availability is expected to generate significant growth in the small farm mechanization with power tillers, power weeders and other equipment.

Furthermore, the government's emphasis on infrastructure development has spurred the use of tractors in non-farm activities.

According to the IMD's forecast, the monsoon season for FY 2024-25 is expected to be above normal at 100% of the long period average, which bodes well for the agricultural sector. This improved cash flow position enables farmers to invest in tractors and farm machinery. Thus, a robust and well-distributed monsoon acts as a primary driver for tractor sales by ensuring prosperity in rural areas and enhancing mechanization needs.

EXHIBIT: Trend Impact of Monsoon Deviation on Tractor Industry Over the Years (in %)



(Source: ICRA report on Indian Tractors Industry, January 2024)



About the Company

VST Tillers Tractors Limited established in 1967 by the VST Group of Companies Joint Venture with Mitsubishi Heavy Industries Limited, Japan. Operating in the agricultural sector in India, the Company specializes in the production and distribution of tractors and power tillers. With a strong presence in the Indian market, particularly in the power tiller and compact tractor segment, VST has been expanding its footprint in the higher HP tractor space. The Company emphasizes

innovation and has introduced several new products in recent years, including tractors, precision tools, and power tillers with advanced features and enhanced performance. Its state-of-the-art manufacturing facilities located at Malur and Hosur near Bengaluru, as well as in Mysuru for precision components, are equipped with contemporary testing and R&D facilities, ensuring adherence to stringent global standards.

Business Segments

Small Farm Mechanization

Small farm mechanization refers to smart machines that are indispensable tools in modern agriculture. They save time and labor for farmers, reduce physical strain, and enhance crop quality and yield. The product range in this category includes Power Tillers, Weeders, Brush Cutters, Multicrop Reapers, and Hedge Trimmers. These machines offer numerous advantages, especially for farmers with smaller-scale operations or limited resources. The Company offers a selection of innovative, efficient, and powerful products tailored to meet the diverse needs of farmers. The Company has achieved significant growth, generating revenue of ₹ 575 Crores and adding approximately 58 new dealers to its network.

718

Dealers



Electric Start

(Launch of the Electric Start Power Tiller)



Tractors

VST began its journey in the 1980s with a focus on simplicity, durability, and reliability. The Company is a pioneer in 4WD compact tractors, leading the way in farm mechanization and precision farming. The product range is tailored for specialized agriculture, including orchards, vineyards, horticulture, and row crops like sugarcane and cotton. Combining technology, comfort, and style, the Company's products meet the needs of modern agriculture while staying true to its core values. VST offers compact and high-horsepower tractors under the brands VST and VST FIELDTRAC for domestic and export markets. With a revenue of ₹ 255 crore and approximately 31 new dealers added to its network, VST continues to strengthen its presence in both domestic and export markets under the brands VST and VST FIELDTRAC. In the tractor business, Karnataka saw a 0.1% increase in overall market share (MS), with a significant 46% volume growth in the <20HP segment, resulting in an 8.2% increase in MS. Gujarat also experienced a 0.1% rise in overall MS, driven by a 21% volume growth in the <20HP segment and a 0.2% increase in MS. In Tamil Nadu, the overall MS remained stable, while the <20HP segment saw a 19% volume growth, resulting in an MS of 5.3%.



385

Dealers



Series 9

(Launch of Series 9 Tractors for the Domestic and Global Market)

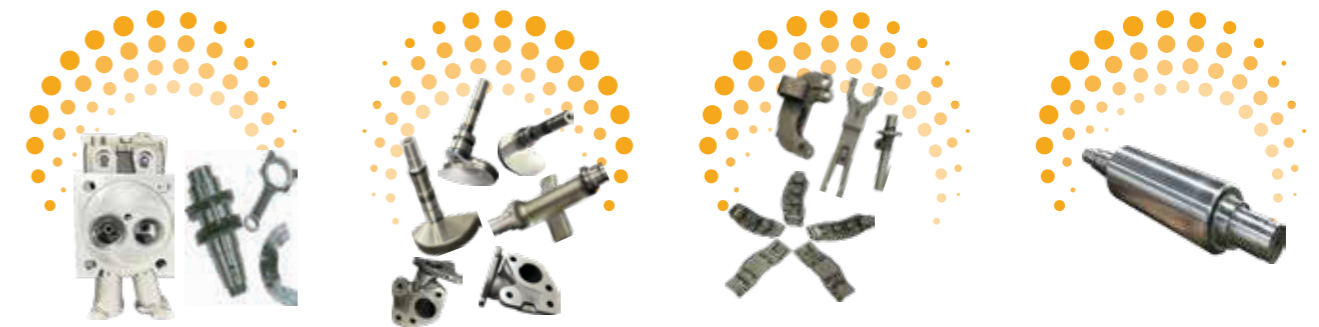


Precision Components

VST is dedicated to offering farmers a comprehensive farm mechanization solution. Renowned for its Rotavator technology, the Company provides lightweight, low maintenance implements that deliver optimal results for inter-cultivation. Under the Precision Implements Division, the Company also offers Sprayers and Rotary Tillers. The product line caters to diverse customer budgets, with options available in economy, regular, and premium series, featuring both BOOM and Air Assisted/Air Blast technologies. Additionally, VST supplies precision components to the locomotive industry and engine parts to the tiller and tractor industry. The Company's plant in Mysuru specializes in manufacturing precision implements tailored for agriculture applications

External Business

Scale-Up



The Company is pleased to announce the addition of three new customers for the global operations. The Company will be supplying engine components and electric motor parts, marking an expansion in the reach and capabilities.

Distribution Business

The VST Distribution vertical is dedicated to uncovering distribution opportunities in rural areas across a range of product categories. Since FY 2019-20, the Company has been diligently building a vast network of distributors and retailers. Through its distribution channel, VST offers spare parts for tractors, power tillers, and other small farm machinery, along with automotive lubricants. The Company has also entered the electric pump segment, introducing a diverse range of products including self-priming pumps, shallow well pumps, centrifugal monobloc pumps, and submersible electric pumps.

Electric Pump

Rapid Growth Path



85

Distributors



6,249

Retailers



International Business (IB)

VST is present in 40+ countries including Europe, Asia, and Africa. VST's Tractors are marketed under the 'FIELDTRAC' brand in various markets of the European Union meeting the latest EU standards.

The compact tractor is mainly sold in the European market predominantly in France, Germany, Netherlands, Spain, Portugal, Belgium, and France and Italy. Also, we have entered in- UK, Ireland, Canary island, Slovakia, Hungary (N), Romania, Ghana and Congo. We also expect to enter the US market in FY'26.

Notably, the international business has grown five times, reflecting significant expansion and success.

US Market Entry

In FY 2026



40+

Countries of Our Presence



VST Tillers Tractors Joint Venture with Zetor

VST has signed a Joint Venture (JV) with Zetor tractor as., a Czech tractor manufacturer and HTC investments a.s. to sell VST Zetor-branded tractors in India. The JV Company named VST Zetor Private Limited, was incorporated with a share capital of ₹ 19 Crores, with VST holding 51% and Zetor's parent Company, HTC Investments, holding 49%. The JV is focused on sales and marketing, while the tractors will be manufactured by VST at its own facilities. The JV Company has launched first three VST Zetor tractors in India that are 42 HP, 45 HP and 49 HP variants. VST and Zetor have jointly engineered these tractor models for the Indian market and are planning to launch additional models in the future, including for export markets

Developments in FY 2023-24

- Working towards Vision 2025*, with a target of ₹ 3,000 Crores revenues by executing various strategic projects
- Witnessed strong growth in FY 2023-24 in the small farm mechanization segments of power weeders and reapers
- The new Global Technology Center in Hosur, with a phased investment of ₹ 100 Crores, is a major step towards driving innovation. Our focus is on fast-tracking product launches and expanding globally with advanced tractors and SFM products
- Joint Venture (JV): Incorporation of VST Zetor Private Limited, Joint Venture Company in September 2023 for higher HP tractors, with volume production from Q1 FY 2024-25
- **New Products Launched**
 - o Power Tiller: 165 DI ES
 - o Power Weeder: FT80, FT 55 GE, FT 20
 - o Tractors: 918, 922, 927, 929, 932 and 939: seeding of 2WD variants- 932,939
 - o VST Zetor Premium HHP Tractors: Extensive testing across India and Czech Republic
- **US Market Entry**
 - o Outlined plans to enter the US market in the next 2 years with a comprehensive product portfolio including both ICE and electric tractors
 - o Established a wholly owned subsidiary in the US named VST Americas Inc. and VST FieldTrac LLC to cater to the US market
 - o At Agritechnica 2023 in Hanover, Germany, VST proudly showcased three brand-new tractors, including their indigenously developed electric tractor, under the FIELDTRAC brand. The exhibited models included the 929 EV, 932 DI with a Stage V engine, and the 929 with HST Transmission. The seven-day exhibition, which began on November 12, 2023, also highlighted VST's advanced Stage V engine (24.5hp), demonstrating the Company's technological superiority and commitment to innovation in the agricultural machinery sector.

Note:* Delayed due to adverse situations such as the impact of the COVID-19 pandemic and supply chain disruptions

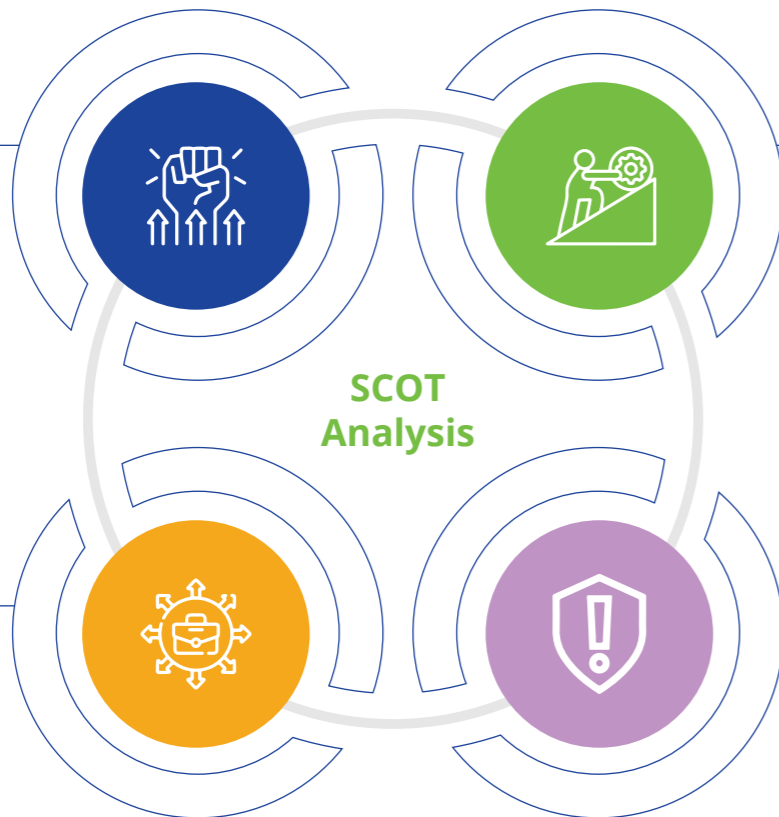


Strengths

VST boasts a diversified product portfolio, including power tillers, tractors, power weeders, and reapers, which enables it to cater to a wide range of agricultural needs. The Company has a 70% share in India's power tiller industry, which reflects its strong market position and brand trust. With a solid financial profile marked by a debt-free status and substantial cash and liquid investments, the Company is well-positioned for growth and strategic investments. Its rich heritage and five decades of experience underscore its deep-rooted industry knowledge and customer-centric approach. VST's extensive network includes Tractor: 385, SFM: 718, Distribution : Distributors- 85, Retailers: 6249, further enhancing its reach and customer service capabilities. Additionally, its products are globally acclaimed, backed by advanced production facilities. The Company's strategic focus on market expansion, including the planned entry into new segments like electric pumps, and its ambition to enter the US market, further highlights its growth-oriented approach and global aspirations.

Challenges

VST's operations have a high correlation with monsoons, which can impact industry growth. Intense competition in the tractor industry can lead to pressure on margins. Stringent emission norms affect product development and compliance costs, while risks associated with rising input costs, especially for raw materials like steel, add to the challenges. During the pandemic period, the Company's new projects were slowed down as physical work could not be conducted on critical projects, which resulted in delayed execution.



Opportunities

The Company has opportunities arising from various factors. Government initiatives promoting farm mechanization, along with the modernization of farming practices, are driving the demand for technologically advanced equipment. The declining availability of agricultural labor is increasing the need for mechanization, creating a favorable market environment. Additionally, there is a focus on small and marginal farmers, who represent a significant market segment. The growing need for affordable and appropriately sized machinery to cater to specific farmer needs offers further opportunities for the Company.

Threats

Rapid technological changes could potentially lead to a loss of brand loyalty. Increasing competition necessitates continuous innovation to meet customer needs. Fluctuations in global and domestic economic conditions can impact demand and profitability, adding to the challenges. Additionally, currency fluctuations could affect export revenue and costs, further highlighting the need for strategic management of these risks.



Financial Overview (₹ in Crores)

Particulars	FY 2023-24	FY 2022-23	Variance
Revenue from operations	968.05	1,006.43	(3.81%)
PBT	155.61	123.94	25.55%
PAT	121.51	92.36	31.56%
Net worth	924.06	824.45	12.08%

Key Ratios

In accordance with the SEBI (LODR) Regulations 2015, the Company is required to provide details of changes of 25% or more, against the previous financial year in key financial ratios, along with detailed explanations. Therefore, the key financial ratios are given below:

The current ratio strengthened from 3.56 in FY 2022-23 to 4.60 in FY 2023-24, signaling a strengthened liquidity position with ample current assets to cover short-term liabilities. Notably, the net profit margin witnessed a significant uplift, from 9.18% in FY 2022-23 to 12.55% in FY 2023-24, a testament to VST's operational excellence and judicious expense management and efficient treasury management. The change in Debtor's Turnover Ratio is due to a decrease in revenue from operations and increase in average trade receivables. The Change in Return on Net-worth Ratio is due to increase in profits in FY 2024.

Ratios	FY 2023-24	FY 2022-23	Variance (%)
Debtors' turnover ratio	6.36	9.28	(31.49)
Inventory turnover ratio (in times)	5.83	6.76	(13.79)
Interest coverage ratio	182.8	176.27	3.70
Current ratio	4.60	3.56	29.02
Gross profit margin (in %)	36.1	31.8	13.52
Net profit margin (in %)	12.55	9.18	36.78
Debt-equity ratio (in %)	-	-	-
Return on net worth (in %)	13.1	11.20	16.96

Risk Management

The Company recognizes that proactive risk management is vital for effective corporate governance and plays a crucial role in seizing strategic opportunities. To address this, it has implemented a comprehensive risk management system designed to identify and manage risks associated with its business activities. The risk management framework influences decision-making by providing a structured approach to assessing risks and their potential impact on the Company's objectives. By incorporating risk management into decision-making processes, it makes more informed decisions that consider both potential risks and opportunities. This helps the Company navigate uncertainties and achieve its goals more effectively.

Risks	Impact	Mitigation Strategies
Farmers' purchasing power risk	Small and marginal farmers, lacking access to capital, face challenges in acquiring mechanized equipment. Their limited purchasing power, compounded by crop seasonality, hinders their ability to invest in new agricultural machinery.	The Company collaborates with several NBFCs and banks to streamline finance options for farmers, facilitating the purchase of its mechanized goods. Additionally, various government incentives are helping farmers access and purchase its diverse product range.
Offering distinctive products	India's agricultural ecology is distinct from other industrialized nations. The country has diverse terrains and fragmented geographical features, leading to varied farming practices based on crops and regional infrastructure. This necessitates adaptable agricultural products to meet diverse demands and suit various circumstances.	The Company analyses farmer feedback and adjusts product development, accordingly, launching new products tailored to specific crops and geographic regions to enhance yield. It conducts training courses through its distributor network to provide product information, demonstrations, and other workshops to improve product knowledge.
Competition risk	In both local and foreign markets, there is fierce rivalry in the tractor industry. Sales and profit margins are also under pressure from the introduction of new companies.	The Company has a competitive advantage over its rivals due to its ongoing focus on innovation, frugal engineering, and cutting-edge technology. It has introduced new and cutting-edge products, with many more in the pipeline.
Environmental risk	Tractor manufacturers depend significantly on rural demand, which is susceptible to adverse weather conditions like droughts and floods, posing risks to these manufacturers. Additionally, changes in emission control regulations can impact construction and agricultural equipment manufacturers, as the government aims to mitigate the negative effects of vehicle emissions.	The Company's products meet the latest regulatory standards. The Company is also well-prepared to comply with the forthcoming emission norms for higher HP Tractors.
Supply chain risk	The Company's operational efficiency and profitability are closely tied to the effectiveness of its supply chain.	The Company fosters strong partnerships and long-term collaborations with reliable suppliers to ensure a stable supply chain.
Geopolitical risk	Factors such as political instability, regulatory changes, and trade disputes can impact the Company's business by disrupting operations, increasing costs, and affecting market access.	The Company diversifies its supplier and customer bases to reduce dependency on volatile regions. It also continuously monitors geopolitical developments and their potential impact on the business.



Our People

VST highly values the talent and well-being of its employees. The Company understands that they are crucial to achieving its goals. The Company has recently hired 22 engineers at the GET level, aiming to build and nurture our talent pool from the ground up. It is dedicated to cultivating a welcoming, diverse, and inclusive culture. Through mentorship programs, continuous learning initiatives, and access to resources, it empowers them to reach their full potential and contribute meaningfully to the Company's collective success.

755
Permanent Workforce

2,668
Training Man-days

Internal Control Systems

The Company has implemented robust internal financial controls, considering the nature of its operations and the complexity of its financial reporting systems. At the Board level, there is a well-defined

risk management strategy based on pre-identified risk categories, occurrences, or variables that require regular assessment and probability-based actions. Both statutory and internal auditors conduct frequent effectiveness tests on these controls. Regular physical audits of inventory, fixed assets, and cash in hand are conducted, with results compared to the books of accounts. Any discrepancies are promptly investigated by relevant functional heads. The Audit Committee oversees the effectiveness and sufficiency of the Company's internal control environment and monitors the implementation of audit recommendations.

Outlook

We are on the path to achieve a revenue target of ₹ 3,000 Crores by FY 2026, with current visibility at ₹ 2,000 Crores. We are committed to expanding our business by evolving from Power Tillers to Small Farm Mechanization, commencing manufacturing power weeders in the next financial year, and entering the Bangladesh market with our SFM product range. Additionally, our rural distribution network will see significant enhancement as we scale up the electric pump business and explore new opportunities. Alongside our strategic entry into the US market by FY 2026 and continued global expansion in Europe (Nordic) and South America. To maximize capacity utilization, we are focusing on the volume scale-up of VST Zetor HHP tractors. In the technology evolution space, products are at various stages of development in both ICE and electric variants for domestic and international markets, ensuring readiness for Stage 5 compliance in our compact and HHP tractor ranges, as well as the advancement of electric power tillers and weeders in the SFM range.

Cautionary Statement

Statements in this Annual Report may be considered as 'forward-looking'. These statements are subject to various risks, uncertainties, and other factors that could cause actual results to differ materially from those implied by such forward-looking statements. The Company's operations could be impacted by global and domestic demand and supply conditions affecting selling prices of finished goods, availability and prices of inputs, changes in government regulations and tax laws, economic developments in India and other countries where the Company operates, litigation, industrial relations, and other incidental factors.

Board's Report

Dear Members,

The Board of Directors hereby submits the 56th Annual Report of your Company ("the Company" or "VST"), along with the audited financial statements, for the financial year ended March 31, 2024. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL PERFORMANCE

Amount (₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the F.Y 2023-24	For the F.Y 2022-23	For the F.Y 2023-24	For the F.Y 2022-23
Operating Income	96,805	1,00,643	96,805	1,00,643
Non-Operating Income	6,058	2,495	6,058	2,495
Total Income	1,02,863	1,03,138	1,02,863	1,03,138
Finance Cost	215	127	215	127
Depreciation	2,701	2,694	2,701	2,694
Total Expenses	87,302	90,743	87,302	90,743
Exceptional Item	-	-	-	-
Profit Before Tax	15,561	12,394	15,516	12,394
Tax	3,410	3,158	3,410	3,158
Profit After Tax	12,151	9,236	12,106	9,236
Other Comprehensive Income	(55)	(16)	(55)	(16)
Total Comprehensive Income	12,096	9,220	12,051	9,220
Earnings Per Share (Basic) (Amount in ₹)	140.64	106.90	140.13	106.90
Earnings Per Share (Diluted) (Amount in ₹)	140.62	106.90	139.83	106.90

FINANCIAL PERFORMANCE/ STATE OF COMPANY AFFAIRS

The brief highlights of the Company's performance for the financial year ('FY') ended March 31, 2024, are:

During the year under review i.e. FY 2023-24, your Company's Operating income is ₹ 96,805 lakhs as against ₹ 100,643 lakhs in the previous FY 2022-23.

Profit Before Tax (PBT) for FY 2023-24 is ₹ 15,561 lakhs as against ₹ 12,394 lakhs in the previous FY 2022-23.

Profit after Tax (PAT) for FY 2023-24 is ₹ 12,151 lakhs as against ₹ 9,236 lakhs in the previous FY 2022-23.

With respect to volumes, your Company has sold 36,480 Nos of Power tillers against the previous year of 38,247 Nos and on tractors, 5,388 Nos against the previous year of 6,875 Nos of tractors.

Despite challenging market conditions, your Company's Compact Tractor market share stood at ~10% and power tiller market share at 70% in FY24.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

DIVIDEND

Based on the Company's performance, your directors are pleased to recommend, for the approval of the members, Dividend of ₹ 20 /- per equity share of face value of ₹10 each (i.e. @ 200%) payable to those members whose names appear in the Register of Members as on the Record Date. i.e. September 12, 2024

The dividend payout is subject to the approval of members at the ensuing Annual General Meeting (AGM).

The dividend payout for the period under review has been formulated in accordance with shareholders' aspirations and the Company's Dividend Distribution Policy to pay sustainable dividend linked to long-term growth objectives of the Company to be met by internal cash accruals. The Dividend will be disbursed on or after September 19, 2024, if approved by the members at the 56th AGM. The total outflow will be around ₹ 17.28 Crores. The Company does not propose to transfer any amount to Reserves for the year under review.

Board's Report (Contd.)

QUALITY INITIATIVES

For Operational Excellence, it is necessary to be continually introspective of readiness into the future. It not only helps benchmark an existing state of excellence in a realistic way but also provides seasoned advisory on what needs to be done for emulating the best in the industry. Few of the Quality Initiatives are given below:

IMexI 2023-24 Assessment (Integrated Manufacturing Excellence)

- 3-day Assessment conducted by Kaizen Hansei team for both Hosur & Malur Plant
- Received IMexI Commitment **Silver Medallion** Award for both Hosur & Malur Plant
- Based on Assessment Identified the Improvement Areas for Operation related 20 Projects in Hosur & 13 Projects in Malur for Excellence Initiatives.

Total Quality Management

- Implemented Kaizens – 2845 Nos reported in FY24
- Training for Capability building of the people with respect to their roles
- Participate the External QCC Competition 37th CII Karnataka Region – Won the Best Tool Category in Hosur Plant, Special Award in Malur Plant & Best Theme in Mysuru Plant.
- Mysuru Plant participated in QCFL competition & won the Gold Award.

Quality Management System

- Kick off the **Integrated Management System** – Implementation in all '3' Manufacturing Plant & HO IMS – ISO 9001, ISO 14001 & ISO 45001
- The Company successfully completed 2nd annual Surveillance audit and retained the ISO certification for All '3' Plants QMS - ISO 9001:2015
- The Company successfully completed Re-Certification audit and received the ISO certification for EMS & Safety in Hosur Plant - ISO14001:2015 & ISO 45001:2018

DETAILS OF DIRECTORS AND KMP APPOINTMENT/ REAPPOINTMENT

- Mr. Rajen Krishnanand Padukone (DIN:00262729) has been appointed as Independent Director of the Company for 5 consecutive years effective from May 04, 2023 through postal ballot and he is not liable to retire by rotation.
- Mr. Ajith Kumar Rai (DIN: 01160327) has been appointed as Independent Director of the Company for 5 consecutive years effective from November 07, 2023 through postal ballot and he is not liable to retire by rotation.

- Mr. V.T. Ravindra (DIN: 00396156) has been re-appointed as the Managing Director of the Company for a period of 3 years effective from April 01, 2024 through postal ballot on January 21, 2024, liable to retire by rotation. Further he will be liable to retire by rotation and being eligible, offers himself for re appointment at the 56th Annual General Meeting of the Company scheduled to be held on September 19, 2024
- Mr. V.K Surendra (DIN:00459069) resigned from the position of Chairman and Non-Executive Director of the Company effective from February 01,2024, allowing the Company to continue its journey under new leadership.
- Mr. Arun V. Surendra (DIN:01617103), was appointed as the new Chairman of the Company. He will continue as Non-Executive Director of the company.
- Mr. Nitin Agrawal has been appointed as Chief Financial Officer of the Company w.e.f. May 12, 2023.

In the opinion of the Board, all the Independent Directors possess integrity, expertise, and experience (including the proficiency).

KEY MANAGERIAL PERSONNEL (KMP)

The following persons are Key Managerial Personnel (KMP) of the Company under section 203 of the Companies' Act, 2013, during the FY 2023-24.

Mr. V.T Ravindra	: Managing Director
Mr. Antony Cherukara	: Chief Executive Officer
Mr. Nitin Agrawal	: Chief Financial Officer
Mr. Chinmaya Khatua	: Company Secretary

Mr. Pankaj Khemka had resigned from the post of CFO w.e.f. April 03, 2023

CORPORATE GOVERNANCE

Your Company believes that strong corporate governance is critical to enhancing and retaining investor trust. Your Company also endeavors to enhance long-term shareholder value and respect minority rights in all its business decisions. Corporate Governance is about maximizing shareholders value, ethically and sustainably.

Your Company reaffirms its commitment to good corporate governance practices and has adopted the Code of Business Conduct which has set out the systems, processes and policies with all its requisite standards. Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company is provided in this Report. A report of the Statutory Auditors

Board's Report (Contd.)

of the Company confirming the compliance of conditions of Corporate Governance as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this report.

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

DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013.

- (a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year on March 31, 2024 and of the profit and loss of the company for that period;
- (c) That proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the annual accounts have been prepared on a going concern basis;
- (e) That the internal financial controls to be followed by the company have been laid down and that such internal financial controls are adequate and are operating effectively;
- (f) That proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors including the audit of internal financial controls over financial reporting by the Internal Auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2023-24.

AUDITORS

Pursuant to the provisions of Section 139 of the Act read with rules thereunder, the shareholders of the Company at the 53rd Annual General Meeting ("AGM") held during FY 2020-21 had re-appointed M/s. K.S. Rao & Co, Chartered Accountants (Firm Regd. No. 003109S), as Statutory Auditors of the Company for a for a second term of five financial years effective from the FY 2021-22.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, read with the Companies (Cost Records and Audit) Rules, 2014 (as amended), your Company is required to maintain the cost records and the said cost records are required to be audited. The Company is maintaining all the aforesaid cost records. M/s. Rao, Murthy & Associates (Firm Registration No: 00065), Practicing Cost Accountants were appointed as Cost Auditors of the Company for FY25 by the Board on the recommendations of Audit Committee. The remuneration payable to the Cost Auditor is subject to ratification of members at the ensuing AGM and the same is included in 56th AGM Notice.

INTERNAL AUDITORS

Pursuant to Section 138 of Companies Act, your directors, on the recommendation of the Audit Committee had appointed M/s. Brahmayya & Co, Chartered Accountant as Internal Auditors for the FY 2023-24.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rules made there under, the Board had appointed M/s Thirupal Gorige & Associates LLP, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the FY 2023-24. The Secretarial Audit Report is enclosed herewith as Annexure-4.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 1 and forms part of this Report.

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

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

Board's Report (Contd.)

DEPOSITS

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

INDUSTRIAL RELATION

Our manufacturing facilities in Mysore, Malur, and Hosur all maintained positive industrial relations throughout the year under review.

- **Malur Plant:** Successfully negotiated and settled annual increments and bonuses with employees.
- **Hosur Plant:** Achieved a negotiated settlement on bonuses with employees.
- **Mysore Plant:** Delivered annual increments and bonuses as per the established agreement.

As of March 31, 2024, the company employed a total of 755 permanent staff across all manufacturing locations.

SAFETY, HEALTH AND ENVIRONMENT

VST considers its people as the most valuable assets and upholding their mental and physical health as a top priority. Your Company is a safe workplace and the Safety & Health of our employees, as per the requirement of the Factories Act are ensured to the best of our efforts. Our motto is "Zero Accident". Our commitment is to protect the environment as per the policy.

At each Plant location, annual events like National Safety Day/Month and Fire Service Week were organized. As per new norms, various topics and projects were undertaken to train employees on Safety, Health and Environment.

The following are some of the key initiatives undertaken during FY 2023-24:

- Creation and Drive on Safety Culture and employee awareness/engagement program.
- Emergency Preparedness and Response – Creating of team and imparting of training.
- Implementation of Sustainability Practice by reducing water waste.

INFORMATION TECHNOLOGY

Your company ensures that digital advancements are utilized effectively to improve Sales and Reduce Costs in a controlled and safe environment.

Your company follows the most advanced TOC (Theory of Constraints) for effective Supply Chain Management and has seamless integration between ERP (SAP S4 Hana), Supplier Relationship Management (SRM) and Dealer Management System (DMS). This ensures that the Demand and Supply are balanced, thereby improving the overall efficiency in the system.

Your company has a fully functional ERP – SAP S4 Hana which ensures data integrity and functional stability. To support it there are other functional systems – Digital Approval System, Travel Management System, Dealer Management System, Supplier Relationship Management System, Sales Capability Building System, Dealer Scouting & Onboarding System and Quality Management System.

The infrastructure is strong with Servers hosted on premises, at an external data center and multiple clouds.

BOARD MEETING

The company has conducted 7 meetings of the Board of Directors during this financial year. For further details, please refer to the section on Corporate Governance in this Annual Report.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS

Mr. V.V. Pravindra, Mr. V.T. Ravindra and Mr. Arun V. Surendra belong to the promoters' family. Apart from the promoter directors, none of the other Directors are related to each other.

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all Independent Directors of the Company that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under Regulations 16 and 25 of SEBI Listing Regulations and there has been no change in the circumstances affecting their status as Independent Directors of the Company. The Company has also received a declaration from all the Independent Directors that they have registered their names in the Independent Director data bank and have passed/ are exempt from the requisite proficiency test conducted by Ministry of Corporate Affairs. or same will be completed with in the due date as may be prescribed by MCA.

The respective second term of Mr. K.M Pai (DIN: 01171860) and Mr. M.K. Bannerjee (DIN: 00219178) as Independent Directors of the Company is set to expire on August 13, 2024.

The Board places on record its appreciation for the valuable contribution made by Mr. M.K. Bannerjee & Mr. K.M. Pai during their tenure as Directors of the Company.

During the FY 2023-24, in compliance with the provisions of Schedule IV to the Companies' Act 2013, a separate meeting, exclusively of the Independent Directors was held on March 14, 2024, without the participation of non-independent Directors or members of the management.

COMMITTEES

Our Board has established 5 committees as per the statutory requirements of SEBI(LODR) & Companies Act

Board's Report (Contd.)

2013 i.e. Audit Committee, Corporate Social Responsibility Committee, Nomination Compensation & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee. We place all minutes of Committees meetings before the Board of Directors. Details of these Committees may be found in the Report on Corporate Governance forming part of the Directors' Report.

VIGIL MECHANISM CUM-WHISTLE BLOWER POLICY

The Company has formulated the Whistleblower Policy in line with the mandated regulatory requirements of Section 177(9) of the Companies Act, 2013 and Regulation 22 of Listing Regulations, which mandates listed companies to establish a "vigil mechanism" for reporting genuine concerns. The forum is predominantly for the receipt, retention and treatment of complaints regarding matters of probable discrepancies in accounting, internal accounting controls or auditing, irregularities etc. The policy is available on the website of the Company at the link <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>.

The Company has in place robust measures to safeguard whistle blowers against victimization. Directors and employees are duly sensitized about mechanisms and guidelines for direct access to the Chairman of the Audit Committee, in appropriate cases. Further, during the FY 2023-24, the company has not received any complaints.

AUDITORS QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER

There was no qualification, reservation or adverse remark or disclaimer from Statutory & Secretarial Auditors and the comments (if any) given by the Statutory & Secretarial Auditors in their respective Reports are self-explanatory and hence, do not call for any further explanations or comments from the Board.

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

LOANS, GUARANTEE & INVESTMENT

The Company has made investment during the FY 2023-24. The investments details forms part of the notes to the financial statements provided in this Annual Report. The company has not given any Loan or Guarantee during the FY 2023-24.

RELATED PARTY TRANSACTIONS

We ensure that all the transactions that are entered into with related parties during the financial year meets the criteria of an arm's length price basis. There are no materially significant related party transactions made by the company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have

a potential conflict with the interests of the Company at large.

All Related Party Transactions were placed before the Audit Committee and before the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were audited and a statement giving details of all related party transactions were placed before the Audit Committee and the Board of Directors for their information and approval. The policy on dealing with Related Party Transactions as approved by the Board can be accessed at <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>

The Related Party Transaction details including the transaction(s) of the Company if any, with a person/entity belonging to the promoter/promoter group which hold(s) more than 10% shareholding in the Company as required pursuant to para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the notes to the financial statements provided in this Annual Report. Please refer to the details in Annexure -5 for AOC-2 Form.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

There are no material changes affecting the financial position of the Company subsequent to the closure of FY24 till the date of this report.

AUDIT COMMITTEE

The Members of the Audit Committee possess accounting and/ or financial management knowledge and expertise. The Company Secretary of the Company is the Secretary of the Committee. In pursuance of the amended SEBI Listing Regulations effective from January 01, 2022, members of the audit committee who are Independent Directors approve the related party transactions. Details of the composition, roles and responsibilities, particulars of meeting and attendance thereat are mentioned in the Corporate Governance Report

NOMINATION COMPENSATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Policy, inter-alia, provides for criteria and qualifications for appointment of Director, Key Managerial Personnel and Senior Management, Board diversity, remuneration to Directors, Key Managerial Personnel, etc. The policy can be accessed at the following link: <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>. For more details on the committee, please refer to the report on Corporate Governance.

Board's Report (Contd.)

RISK MANAGEMENT

Your Company has a robust framework in place to effectively manage risks. The Risk Management Committee, which is constituted by the Board, is responsible for overseeing the Risk Management Framework. The Framework covers the Company's risk appetite statement, risk limits, risk dashboards, and early warning signals. The risk management framework works at various levels across the enterprise. These levels form the strategic defense cover of the Company's risk management. The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 21 of the Listing Regulations.

The Risk Management Committee has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has formed CSR policy and Committee as required by the Act and the details of the same are available on the Company website i.e. <http://www.vsttractors.com/investors/policies>. During the FY 2023-24 the Company was supposed to have spent ₹2,17,62,446/- for CSR activities. Out of which the ₹ 1,20,00,000/- for CSR activities during FY24 and an amount of ₹ 97,62,446/- had been earmarked for an ongoing project pursuant to the decision taken by the Board at its meeting along with the recommendations of CSR Committee. The same has been transferred to the "UNSPENT CSR ACCOUNT"

Further pursuant to the resolution passed at the CSR Committee and Board meetings, the earmarked CSR fund amounting to ₹ 1,93,30,867/- pertaining to the FY 2020-21 had been utilized before 31st March 2024.

The CSR details form part of annexure -3 to the Board's Report. For more details, please refer annexure to the Board Report.

VARIATION IN MARKET CAPITALISATION

Date	Paid up Capital (in ₹)	Closing Market Price per shares	EPS	PE Ratio	Market Capitalization (₹ in Crores)
31.03.2023	8,63,95,280	2,272.70	106.90	21.26	1963.51
31.03.2024	8,63,95,280	3,248.90	140.65	23.09	2806.9
Increase/Decrease	NIL	976.2	33.75	1.83	843.39
% Increase/Decrease	NIL	42.95	31.57	8.60	42.95
No of issue of shares during the year	-	-	-	-	-

Data Source: BSE Ltd.

EVALUATION OF BOARD PERFORMANCE

The Board works with the Nomination Compensation & Remuneration Committee to lay down the evaluation criteria for the performance of executive/non-executive/ independent directors through a peer-evaluation process excluding the director being evaluated. The evaluation of Board, Committees and Individual Directors was conducted as per the procedure followed by the Company. The details are provided in the Corporate Governance section of the Annual Report.

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

Details of subsidiary, Associate, or joint Venture Company.

During the under review during the FY 2023-24, the Company incorporated a Joint Venture Cum Subsidiary Company in the name of VST ZETOR PRIVATE LIMITED, on September 26, 2023, jointly with HTC INVESTMENTS a.s. , Czech Republic.

The Company has also on April 25, 2024, incorporated a Wholly Owned Subsidiary in the name of VST Americas Inc and stepped down subsidiary named as VST FIELDTRAC LLC in the United States, to inter-alia assist the Company in augmenting the growth opportunities by catering to the needs of the US market in tractor and farm machineries segment.

The statement containing the salient features of the company's subsidiaries/ Joint ventures/ Associates are given in form AOC-1 forming part of this report as Annexure-7 The Subsidiary Company has started its operation at the end of the last year with a turnover of Rs.161.34 lakhs. we expect the permanence will improve during current financial year. The complete financial of the subsidiary Company is available in <https://www.vsttractors.com/investor/financials/?tab=vst-tab-btn-5>

SIGNIFICANT AND MATERIAL ORDERS

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

Board's Report (Contd.)

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaint was received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

Employee stock options / Restricted Stock Units (RSUs)

The Company grants share-based benefits to eligible employees with a view to retain talent, have long term commitment and association of employees for sustained growth, development and long-term interest of the Company.

RESTRICTED STOCK UNITS PLAN

The Company has adopted and implemented "VST Tillers Tractors Limited - Restricted Stock Unit Plan 2024" ("RSU 2024" / "Plan") for granting Restricted Stock units ("RSUs") to the employees of the Company, its subsidiary & associate company(ies).

In terms of the RSU Plan, a maximum of 50,000 (Fifty thousand) RSUs in one or more tranches may be granted, which on exercise would entitle not more than 50,000 (Fifty thousand) equity shares of INR 10/- each (approximately 0.58% of the paid-up equity share capital as on March 31, 2024), with each such RSU conferring a right to apply for one equity share of the Company against each RSU vested.

The RSU Plan has been implemented directly by the company by issuing the fresh equity shares of the company for transferring the same to the eligible employees on exercise of the vested RSUs. Accordingly, 50,000 fresh shares will be issued by the Company under this plan.

RSU Plan is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021,

as amended from time to time and there have been no changes in the said plan during the financial year under review. The RSU Plan was approved by the shareholders of the Company on 21st January, 2024. The details of RSU Plan including requirements specified under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and disclosure under companies act 2013, Rule 12(9) of Companies (share Capital and Debentures) Rules 2014 are available on the Company's website at <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>.

The details of the RSU 2024 form part of the Notes to accounts of the financial statements in this Annual Report.

The Company has obtained a certificate from Auditor Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The same is available in above link.

OTHER DISCLOSURES

No disclosure or reporting is required with respect to the following items, as there were no transactions or the same were not applicable during the year under review:

- The issue of equity shares with differential rights as to dividend, voting or otherwise.
- The company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
 - Redemption of shares/debentures
 - Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
 - The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

Annual Return

The draft Annual Return for FY 2023-24 is available on the Company's website i.e. <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure14-tab>

Secretarial Standards

The Company is in compliances with all the applicable Secretarial Standards, issued by the Institute of Company Secretaries of India (ICSI).

Board's Report (Contd.)

Disclosure of Certain Type of Agreements Binding Listed Entity

Pursuant to Regulation 30A(2) of SEBI Listing Regulations there is no agreement impacting the management or control of the Company or imposing any restrictions or create any liability upon the Company.

Investor Education and Protection Fund

During the FY 2023-24, the Company had transferred ₹9,09,330/- unpaid and unclaimed dividend to Investor Education and Protection Fund (IEPF) and further transferred 3,118 Nos of shares to IEPF Authority as per IEPF Rules during the FY 2023-24. As per the said rule, any benefits such as dividend shall be transferred to IEPF with respect to shares transferred to IEPF and accordingly dividend of the corresponding shares transferred to IEPF, has also been transferred to IEPF. The details of such Dividends and shares are available on Company's website at www.vsttractors.com. Mr. Chinmaya Khatua has been appointed as nodal officer under IEPF Rule.

The details of unclaimed dividends & shares summary as on 31/03/2024 is given below:

Sl. Nos.	Years	Total No. of Shareholders	Unclaimed Dividend Amount (In ₹)	No. of Corresponding Shares	Due Date of Transfer To IEPF
1	2016-17 FINAL	448	1002150	66810	12-10-2024
2	2017-18 FINAL	260	2055450	41109	11-10-2025
3	2018-19 FINAL	254	589725	39315	10-10-2026
4	2019-20 INTERIM	283	605580	40372	21-05-2027
5	2020-21 FINAL	245	627987	36439	28-10-2028
6	2021-22 FINAL	212	555617	32612	21-10-2029
7	2022-23 FINAL	232	646776	30519	10-11-2030

Details of Nodal officer:

Name: Mr. Chinmaya Khatua (Company Secretary)
 Email: investors@vsttractors.com
 Phone: 080-67141111

The above details are available in Company website: www.vsttractors.com

ACKNOWLEDGEMENTS

Your directors would like to extend their sincere gratitude towards customers, vendors, dealers, investors, business associates and bankers for their continued support during the year.

We take the opportunity to express our sincere appreciation for the contribution made by the employees at all levels.

Our resilience to meet challenges and the consistent growth of the Company was made possible by their hard work, solidarity, co- operation, and support.

Your Directors would like to express their sincere appreciation of the positive co-operation received from the Government of India, the State Governments and other regulatory authorities and government agencies for their support and look forward to their continued support in the future.

The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

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

Arun V. Surendra

Chairman

DIN: 01617103

Date: August 13, 2024

Place: Bengaluru

Annexure-1

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during the FY 2023-24 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2023-24 are as under:

Sl. No.	Name of Director/ KMP	Designation	% Increase / Decrease in Remuneration in the FY 2023-24	Ratio of remuneration of each Director/ to the median remuneration of employees	No. of RSUs granted during the financial Year
1.	Mr. V.T. Ravindra	Managing Director	-	14.30	
2.	Mr. Antony Cherukara	Chief Executive Officer	8.94	36.50	6,000 Nos
3.	Mr. Nitin Agrawal	Chief Financial Officer	NA	12.83	3,240 Nos
4.	Mr. Chinmaya Khatua	Company Secretary	10.54	5.16	
5.	Mr. V K Surendra (resigned on February 01, 2024)	Chairman, Non- Executive Director	15.38	1.20	
6.	Mr. Arun V. Surendra**	Chairman, Non- Executive Director	33.33	0.97	
7.	Mr. M.K. Bannerjee	Independent Director	38.89	2.00	
8.	Mr. K. M. Pai	Independent Director	38.89	2.00	
9.	Mrs. Siva Kameswari Vissa	Independent Director	30.00	1.00	
10.	Dr. Nandakumar Jairam	Independent Director	33.33	0.65	
11.	Mr. Rajen Padukone (Appointed on May 04, 2023)	Independent Director		1.00	
12.	Mr. Ajith Kumar Rai (Appointed on November 07, 2023)	Independent Director		0.32	
13.	Mr. V. V. Pravindra	Non-Executive Director	(28.57)	0.40	

**Subsequent to the resignation of Mr. V.K. Surendra (DIN:00459069) as the Chairman & Non-Executive Director of the Company, Mr. Arun V. Surendra (DIN:01617103) was appointed as the Chairman of the Company by the Board at its meeting held on February 01, 2024.

The Company's PAT has increased from ₹ 9,236 lakhs to ₹ 12,151 lakhs. The change in KMP remuneration is in line with the current market scenario and with Company's policy. However, salary of Managing Director was approved by the shareholders.

The Company has given about 9.8% average increase in salaries to the employees keeping in view the overall industry standards and interests of the employees. The unionized employees of the Company are eligible for salary increment as per the terms and conditions of their wage settlement. There are no exceptional circumstances for increase in the managerial remuneration.

The Company has 755 number of permanent employees on roll as on March 31, 2024. The Company fixes the salary of the employees on the basis of Remuneration Policy of the Company. The average increase in median remuneration of employees during the year 2023-24 is about 4.33%.

Payment of Commission to Managing Director - commission on net profit of the Company as approved by the Members.

Annexure-1 to the Board's Report (Contd.)

Name	Designation	Commission
Mr. V T Ravindra	Managing Director	One percent on the net profit of the Company subject to a maximum of one and half times of annual basic salary drawn and subject to the overall ceiling stipulated under the Companies' Act 2013 and the rules made thereunder.

Mr. Antony Cherukara, CEO received remuneration in excess of the highest paid director during the year considering his salary for the full year.

Note:

- All the appointments are permanent in nature & as per the service contract of the Company and can be terminated by giving notice by either party.
- Mr. V.T. Ravindra, Mr. V. V. Pravindra and Mr. Arun V. Surendra belong to promoter and promoter group.

The information required under Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexure (s) forming part of the Annual Report. The information in respect of employees of the Company required pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available before the Annual General Meeting in electronic mode to any shareholder upon a request sent to vstagn@vsttractors.com.

All the eligible employees, including KMPs have received variable pay (part of the CTC) during FY24. Hence there is an impact in salary percentage while comparing with FY23.

Annexure-2

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

1. Conservation of Energy:

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. Energy conservation measures have been implemented at all the plants and offices of the Company.

The company has taken various steps for conservation of energy and to utilize the alternative sources of energy. The details are given below:

1. Identified and ungraded less efficient equipment with newer, energy-saving models. This included motors, compressors, and lighting systems.
2. Implemented a robust preventative maintenance program to ensure equipment runs efficiently. Regularly cleaning and servicing equipment to significantly improve energy use
3. Reviewed and optimize manufacturing processes to reduce energy waste.

a. Malur Plant:

- i. Installed 200 KW of Solar Power on Opex model and on Nett metering. (No further investment done so no changes)
- ii. Installed Water treatment system which allows us to re-use 75% of water requirement per day. (Increase of 3% in water saving)
- iii. Have a Zero Discharge Effluent treatment plant installed.

b. Mysore:

- i. Installed 300 KW of Solar Power on Opex model and on Nett metering. (No further investment done so no changes)
- ii. Installed Water treatment system which allows us to re-use 70% of water requirement per day. (Increase of 5% in water saving)

c. Hosur:

- i. Installed 600kW of Solar Power. (No further investment done so no changes)
- ii. Installed Water treatment system which allows us to re-use about 83% of water requirement per day. (Increase of 1% in water saving)
- iii. Rainwater conservation facility with the capacity of 5 Lakhs ltr.

- iv. Sending Waste generation to Co Incineration and getting Zero Landfill
- v. Have a Zero Discharge Effluent treatment plant installed.

2. Technology Absorption & Benefit Derived:

- Additional 20 Licenses of CREO Added & Installed at design office at R&D Hosur
 - Productivity enhancement & faster design deliveries
- Design & development activities initiated for New Tractor Platforms for the US Market
 - To increase the footprints of VST across the Globe and also help to increase the Top line & Bottom line of the organization
- To Meet the EUROPE Engine emission compliance – Stage V for above 19 KW, VST 932 Stage-V Tractor going to be launch in Q3 FY25
 - Increase the international business offerings – extension of Product range upto 35hp
- Design & Development activities initiated for the Tractor Attachments – Loader, Mid Mower, Back Hoe with EUROPEAN company M Extend, Tenias and US Company KMW, Amequip
 - To offer solutions which is compatible with VST range for both Europe and US market.
- Design and development of Tractor Cabin for Europe Market:
 - To meet the customer requirements and also help to entry to Scandinavian countries
- Technology upgradation of Engine from Term 3A to BT 5.
 - Technology Upgradation
 - Range extension upto 55hp
- Torque enhancement of compact tractors [18 – 30 HP].
 - Self reliance on Mid Engine Hp Segment

Expenditure on R&D:

The Companies expenditure on R&D during the year was ₹ 1.31 crores.

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

Foreign exchange earnings: ₹ 126.71 Crores.

Foreign exchange outgo: ₹ 19.26 Crores.

Annexure-3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

1. Brief outline on CSR Policy of the Company:

The Company has been doing CSR activities directly or through other entities to make CSR a key business process for sustainable development of society since many years. The main objective of CSR policy is to lay down guidelines for the company and actively contribute to the social and economic development of the communities in which we operate.

2. Composition of CSR Committee:

SI No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the FY 2023-24	Number of Meetings of the CSR Committee attended during the FY 2023-24
1.	Mr. V.K. Surendra (Resigned on February 01, 2024)	Past Chairman, Non-executive Director	3	2
2.	Mr. Arun V. Surendra (Appointed as the Chairman of the Committee with effect from February 01, 2024)	Chairman, Non-executive Director	3	1
3.	Mr. M.K. Bannerjee	Member, Independent Director	3	3
4.	Mr. K. M. Pai	Member, Independent Director	3	3
5.	Mr. V.V. Pravindra	Member, Non-executive Director	3	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The web-link for CSR Policy is <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab> and web-link for Composition of CSR committee, CSR Policy and CSR projects approved by the board disclosed on the website of the company is: <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>

4. Provide the executive summary along with web-Link(s) of Impact Assessment of CSR projects carried out in pursuance of Sub rule (3) of rule 8, if applicable: Not applicable.

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 108,81,22,278 /-
- (b) Two percent of the average net profit of the company as per sub- section (5) of Section 135: ₹ 2,17,62,446 /-
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial year: NIL
- (d) Amount required to be set-off for the financial year, if any: NIL
- (e) Total CSR Obligation for the financial year [(b) + (c) – (d)]: ₹ 2,17,62,446 /-
6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project): ₹ 1,20,00,000/- (Other than ongoing) and ₹ 1,93,30,867/- which was earmarked for long term ongoing project, during FY 2020-21.
- (b) Amount spent on administrative overheads: NIL
- (c) Amount spent on Impact Assessment, if applicable: NA
- (d) Total Amount spent for the financial year [(a) + (b) + (c)]: ₹ 3,13,30,867/- (Including ₹ 1,93,30,867/- which was earmarked for long term ongoing project, during FY 2020-21)
- (e) CSR Amount spent or unspent for the financial year:

Amount Unspent (in ₹)

Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 1,20,00,000/-	₹ 97,62,446/-	29-04-2024	NA	Nil	NA

Annexure-3 to the Board's Report (Contd.)

(f) Excess amount for set-off, if any: **Not Applicable**

S. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. **Details of unspent Corporate Social Responsibility amount for the preceding three financial Years: Not Applicable**

Sl.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund specified under Schedule VII as per Second proviso to Sub section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (In ₹)	Deficiency, If any
					Amount (In ₹)	Date of transfer		
1.	FY-1							
2.	FY-2							
3.	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year.

Yes No

If yes, enter the Number of capital Assets created / Acquired - NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short particulars of the property or asset(s) [including complete address. And location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR Spent (in ₹)	Details of entity/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1.							

9. **Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135 – The Company has transferred the unspent amount of Rs. 97,62,446/- to a separate bank account for the ongoing projects.**

Place: Bengaluru
Date: August 13, 2024

Sd/-
V.T.Ravindra
Managing Director
DIN: 00396156

Sd/-
Arun V. Surendra
Chairman
DIN: 01617103

Annexure-4

SECRETARIAL AUDIT REPORT For the Financial Year Ended 31 March, 2024

FORM No. MR3

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

To
The Members
VST TILLERS TRACTORS LIMITED
Regd. Office: Plot No-1, Dyavasandra Indl. Area,
Whitefield Road, Mahadevapura P.O,
Bengaluru - 560 048.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2024 according to the provisions of:

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the audit period);
- (d) The Securities and Exchange Board of India (share-based employee benefits and sweat equity) Regulations, 2021;
- (e) The SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable during the audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable during the audit period).
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 (Not applicable during the audit period).
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (j) The Securities and Exchange Board of India (Listing obligations and disclosure Requirements) Regulation 2015 (LODR Regulations).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the company with Stock Exchange(s) if applicable;

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

- 1. NIL

Annexure-4 to the Board's Report (Contd.)

We further report that:

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

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

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

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

We further report that during the audit period there are following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards taken place: Nil.

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

CS Thirupal Gorige
Designated Partner

Date: May 09, 2024 FCS No. 6680; CP No.6424
Place: Bengaluru UDIN: F006680F000336493

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

Annexure-4 to the Board's Report (Contd.)

'Annexure A'

To
The Members

VST TILLERS TRACTORS LIMITED

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

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

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

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

CS Thirupal Gorige
Designated Partner

Date: May 09, 2024
Place: Bengaluru

FCS No. 6680; CP No.6424
UDIN: F006680F000336493

Annexure-5

FORM NO. AOC-2

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

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

1 Details of contracts or arrangements or transactions not at arm's length basis: V.S.T. Tillers Tractors Ltd (the Company) has not entered any contract/arrangement/transaction with its related parties which is not at arm's length during FY 2023-24.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts / arrangements/ transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering such contracts or arrangements or transactions: Not Applicable

- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

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

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

Other related party transactions form part of notes to the Financial Statements.

On behalf of **Board of Directors**

Arun V. Surendra
Chairman
DIN:01617103

Date: August 13, 2024
Place: Bengaluru

Annexure-6

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members

VST TILLERS TRACTORS LIMITED

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

In pursuance of Regulation 34(3) read with sub-clause 10(i) of para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have examined the relevant registers, records, forms, returns and disclosures received from the Directors of VST TILLERS TRACTORS LIMITED (hereinafter referred to as 'the Company') having CIN L3101KA1967PLC001706 and having registered office at Regd. Off. at Plot No-1., Dyavasandra Indl. Layout, Whitefield Road, Mahadevapura Post, Bengaluru- 560048, Karnataka as produced before us by the Company for the purpose of issuing this Certificate.

On the basis of the written disclosures/declarations received from the Directors of the Company and according to the verifications (including view Director Master Data & DIN status at the portal www.mca.gov.in as considered necessary and to the best of our information, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2024 has been debarred or disqualified from being appointed or continuing as directors of the company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. no	Name of director	DIN	Designation	Date of appointment in the company	Date of resignation (if any)
1	Moloy Bannerjee Kumar	00219178	Independent Director	12/06/1990	-
2	Vellore Velu Pravindra	00239888	Non -Executive Director	28/07/2008	-
3	Nandakumar Jairam	00321693	Independent Director	21/06/2021	-
4	Vellore Tiruvengadaswamy Ravindra	00396156	Managing Director	27/05/2016	-
5	Vellore Krishnamoorthy Surendra	00459069	Chairman	29/09/1980	01/02/2024
6	Kashinath Martu Pai	01171860	Independent Director	05/08/2015	-
7	Arun Vellore Surendra	01617103	*Chairman	11/05/2018	-
8	Siva Kameswari Vissa	02336249	Independent Director	29/07/2016	-
9	Kula Ajith Kumar Rai	01160327	Independent director	07/11/2023	
10	Rajen Krishnanand Padukone	00262729	Independent director	04/05/2023	
11	Mahendra Vellore Padmanaban	00033270	Vice chairman and Non-Executive Director	20/02/1984	Passed Away on 30/05/2023

*Mr. Arun Vellore Surendra is the chairman of the company with effect from 01.02.2024.

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

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680F000339518

Place: Bengaluru
Date: May 09, 2024

Annexure-7

FORM NO. AOC-1

[Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures]
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(Amounts in Lakhs INR)

1	Name of the Subsidiary	VST Zetor Private Limited
2	Reporting	September 26, 2023
1	The date since when subsidiary was acquired	Not Applicable
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiary	Not Applicable
3	Share Capital	1900
4	Reserves & Surplus	(87.63)
5	Total Assets	1920.45
6	Total Liabilities	1920.45
7	Investments	Nil
8	Turnover	161.34
9	Profit/(Loss) before taxation	(87.63)
10	Provision for taxation	Nil
11	Profit/(Loss) after taxation	(87.63)
12	Proposed Dividend	Nil
13	% of Shareholding	51%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: Not applicable

2. Names of subsidiaries which have been liquidated or sold during the year: Not applicable

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:
Not applicable

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

V.T.Ravindra
DIN: 00396156
Managing Director

K.M. Pai
DIN:01171860
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
Company Secretary
Membership No. ACS-21759

Place: Bengaluru
Date: August 13, 2024.

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

To
The Board of Directors

V.S.T. TILLERS TRACTORS LTD

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

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, there are no transactions entered into by the listed entity during the year which are fraudulent, illegal or violate the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee wherever applicable:
 - (1) Significant changes in internal control over financial reporting during the year.
 - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal controls system over financial reporting.

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Place: Bengaluru
Date: August 13, 2024

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We have examined the compliance of conditions of Corporate Governance by V.S.T. Tillers Tractors Limited ("the Company"), for the year ended on March 31, 2024, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31,2024.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s K. S. Rao & Co**
Firm Reg. No: 003109S
Chartered Accountants

Hitesh Kumar P
Membership No.233734
UDIN: 24233734BKDGKW7846

Place: Bengaluru
Date: May 09, 2024

Corporate Governance Report

PHILOSOPHY ON CORPORATE GOVERNANCE

Our Corporate Governance is a reflection of our system, values, policies and practices with our stakeholders. Its practices stem from the dynamic culture and positive mindset of the organisation. We are committed to meet the aspirations of all our stakeholders. The company's philosophy of Corporate Governance includes maximising shareholders' interest by ensuring Transparent Accounting Policies, Strong Independent Board, Preserving Shareholders' Interest and Timely Disclosures. Your Company's robust governance framework ensures compliance with regulations and best practices.

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

BOARD OF DIRECTORS

The Company's Board is characterized by independence, professionalism, transparency in decision making and accountability. The composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 2013, ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time. The Board of the Company comprises optimum combination

of Executive and Non-Executive Directors as on 31st March,2024, out of which Six Directors are Independent Directors, two are non-Executive and one executive Director. Mr. V. K Surendra (DIN: 00459069) resigned from the position of Chairman and Non-Executive Director of the Company, subsequent to which, Mr. Arun V. Surendra (DIN: 01617103) was appointed as the Non-executive Chairman of the Board. During the year under review, Mr. Rajen Padukone (DIN:00262729) and Mr. Kula Ajith Kumar Rai (DIN:01160327) were appointed as Independent Directors and their appointments were approved by the shareholders through postal ballot.

The Company recognizes and embraces the importance of a diverse Board in its success. The Board provides strategic direction and leadership and oversees the management policies and their effectiveness looking at long-term interests of shareholders and other stakeholders. The Board of Directors along with various Committees provides guidance to the management and directs, supervises and controls the performance of the Company. Information provided to the Board includes quarterly and yearly results of the Company, Minutes of Audit and other Committees, information on recruitment and remuneration of senior officers just below the Board, review of annual operating plans and compliance report etc.

Based on the requisite certifications/affirmations received from respective directors, their directorships and committee memberships/chairmanships are within permissible limits.

Corporate Governance Report (Contd.)

(a) **Composition of the Board**
The composition and category, shareholdings, the attendance at Board Meetings and last AGM, number of Directorships in other Public Companies is as follows:

Name of Director	Director Identification number (DIN)	Category	Directorship in other listed entity & Category	Number of Board meetings during the period from April 01, 2023 to March 31, 2024		Whether attended the last AGM held on 01.09.2023	No. of directorships held in Public Limited Companies as on 31.03.2024	No. of committee Memberships / Chairmanship held in Public Companies (@) as on 31.03.2024	No. of Shares held
				Held	Attended				
Mr. V. K. Surendra (resigned on February 01, 2024)	00459069	Non-Executive	-	7	6	Yes	1	2/0	19,34,534*
Mr. M. K. Bannerjee	00219178	Independent Director	-	7	7	Yes	1	2/0	Nil
Mr. K. M. Pai	01171860	Independent Director	Oriental Bell Limited, Independent Director	7	7	No	2	4/2	Nil
Ms. Siva Kameswari Vissa	02336249	Independent Director	GMR Power and Urban Infra Limited, Independent Director	7	7	Yes	6	5/2	Nil
Mr. V. V. Pravindra	00239888	Non-Executive	-	7	4	Yes	1	-	2,24,146*
Mr. V. T. Ravindra	00396156	Executive	-	7	6	Yes	1	-	29,152*
Mr. Arun V. Surendra	01617103	Non-Executive	-	7	6	Yes	2	1/0	2,25,630*
Dr. Nandakumar Jairam	00321693	Independent Director	-	7	7	Yes	3	2/1	50
Mr. Rajen Padukone (Appointed on May 04, 2023)	00262729	Independent Director	-	7	6	Yes	1	1/0	Nil
Mr. Ajith Kumar Rai (Appointed on November 07, 2023)	01160327	Independent Director	Suprajit Engineering Limited Director	7	3	NA	2	2/0	Nil

*Holding individually / jointly.

Note:

Committee Membership / Chairman of Audit Committee and Stake Holders Relationship Committee of Public Companies are considered. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director.

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

Mr. V.K. Surendra, Mr. V.V. Pravindra, Mr. V.T. Ravindra and Mr. Arun V. Surendra belong to promoters' family. Apart from the promoter directors, none of the other Directors are related to each other.

During the year under review, the senior management of the Company comprises of Chief Executive Officer, Chief Financial Officer, Company Secretary, and other persons heading various functions of the Company, excluding the Board of Directors. During FY 2023-24, Mr. Pankaj Khemka, CFO has resigned and Mr. Nitin Agarwal, has joined the Company as CFO of the Company.

Corporate Governance Report (Contd.)

BRIEF LIST OF SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD:

The Board is comprised of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its' Committees. The Board members are committed to ensuring highest standards of corporate governance.

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

Business:

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

Governance:

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

Integrity and ethical standards:

Adherence to compliance and defined procedures, protecting shareholders' interests and observing appropriate governance practices.

Leadership:

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

The table below provides the key qualifications, skills, expertise and attributes which are broadly taken into consideration while nominating candidates to serve on the Board:

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

Name of the Directors	Business Management & Administration	Experience in Automobile/ Farm Machinery Marketing	Technical	Finance and Taxation	Governance	Integrity and ethical standards	Leadership
Mr. Moley Kumar Bannerjee	√	√	-	√	√	√	√
Mr. K M Pai	√	-	-	√	√	√	√
Ms. Siva Kameswari Vissa	√	-	-	√	√	√	√
Mr. V V Pravindra	√	√	√	√	√	√	√
Mr. V T Ravindra	√	√	√	√	√	√	√
Mr. Arun V. Surendra	√	√	√	√	√	√	√
Dr. Nandakumar Jairam	√	-	-	√	√	√	√
Mr. Rajen Krishnanand Padukone	√	√	-	√	√	√	√
Mr. Ajith Kumar Rai	√	√	√	√	√	√	√

Directors Expertise and Skills:

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

(b) Details of Board Meetings:

The Board of Directors of your Company met 7 times on 04/05/2023, 12/05/2023, 04/08/2023, 07/11/2023, 08/12/2023, 01/02/2024 and 27/02/2024 during FY 2023-24

(c) Code of Conduct:

The Board has laid down a code of conduct ('the Code') for all Board Members and Senior Management Personnel of the Company. in compliance with SEBI (LODR) Regulation, 2015 and the same is available in Company website i.e. www.vsttractors.com.

Corporate Governance Report (Contd.)

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

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

It is hereby confirmed that the Directors and Senior Management have duly complied with the code of conduct laid down by the Company during the financial year ended March 31, 2024.

Date: August 13, 2024
Place: Bengaluru

Antony Cherukara
Chief Executive Officer

Corporate Governance Report (Contd.)

COMMITTEE MEETINGS:

Details of Audit Committee Composition and Meetings:

As on March 31, 2024 the Audit Committee comprises of the following Independent Directors. All the members of Audit Committee are financially literate.

During the year under review the Audit Committee met 5 times as mentioned below table. Required quorum was present for all the meetings.

The gap between any two Consecutive Audit Committee meetings during the year did not exceed 120 days.

The Company Secretary acts as the secretary to the Audit Committee. All members of the Audit Committee are financially literate and have accounting and related financial management expertise.

Composition and attendance

Sl. No.	Name of the Member	Designation	Meeting Dates and attendance				
			12/05/2023	04/08/2023	07/11/2023	08/12/2023	01/02/2024
1	Mr. K M Pai	Chairman	Yes	Yes	Yes	Yes	Yes
2	Mr. M. K. Bannerjee	Member	Yes	Yes	Yes	Yes	Yes
3	Ms. Siva Kameswari Vissa	Member	Yes	Yes	Yes	Yes	Yes
4	Mr. Rajen Padukone*	Member	NA	Yes	Yes	Yes	Yes

*Mr. Rajen Padukone was appointed as the member of the Audit Committee with effect from May 12, 2023.

Terms of Reference:

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

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommend appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered to the Company;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings, if any.
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report, if any.
5. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
6. Approval or/and any subsequent modification of transactions of the Company with related parties;
7. Scrutiny of inter-corporate loans and investments;
8. Valuation of undertakings or assets of the Company, wherever it is necessary;
9. Evaluation of internal financial controls and risk management systems;
10. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
11. 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;

Corporate Governance Report (Contd.)

Corporate Social Responsibility (CSR) Committee

The CSR Committee is vested with the powers and the role that are in accordance with section 135 of the Companies Act, 2013 and Rules made thereunder.

The Committee is authorized to formulate the CSR policy and undertake CSR activity as specified in Schedule VII of the Companies Act, 2013. The CSR policy is available on your Company website i.e. <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>.

The role of CSR Committee includes recommendation of the amount of expenditure to be incurred on the CSR activities as enumerated in Schedule VII of the Act and referred to in the CSR Policy of the Company, and also to monitor the CSR Policy from time to time, etc.

Composition and attendance

Sl. No.	Name of the Member	Designation	Meeting Dates and attendance		
			12/05/2023	06/11/2023	27/02/2024
1	Mr V.K. Surendra*	Past Chairman	Yes	Yes	NA
2	Mr. M. K. Bannerjee	Member	Yes	Yes	Yes
3	Mr K M Pai	Member	Yes	Yes	Yes
4	Mr. V V Pravindra,	Member	No	Yes	No
5	Mr. Arun V. Surendra*	Chairman	NA	NA	Yes

NOMINATION COMPENSATION AND REMUNERATION COMMITTEE

The Nomination Compensation & Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

The Key Objectives of the Committee includes

1. Formulate a criteria, for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
3. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company; and
4. Undertake any other matters as the Board may decide from time to time.

The Company has for the purpose of implementing VST Tillers Tractors Limited-Restricted Stock Unit Plan 2024, in accordance with the SEBI (Share Based Employee Benefit & Sweat Equity) Regulations, 2021, designated the Committee as Nomination, Compensation & Remuneration Committee.

The Company has adopted a Nomination and Remuneration Policy as defined under the Act. The Policy is available on the website of the Company at <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>. The details of the remuneration paid to the directors forms part of the Annual Report.

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

Composition and attendance

Sl No	Name of the Member	Designation	Meeting dates and Attendance			
			04/05/2023	09/06/2023	06/11/2023	01/02/2024
1.	Mr. M. K. Bannerjee	Chairman	Yes	Yes	Yes	Yes
2.	*Mr. V.K. Surendra	Member	Yes	Yes	Yes	Yes
3.	Mr. K M Pai	Member	Yes	Yes	Yes	Yes
4.	*Mr. Arun V. Surendra	Member	NA	NA	NA	NA

*on resignation of Mr. V.K.Surendra, Mr. Arun V. Surendra was appointed as members/chairman of the Committees on February 01, 2024.

Corporate Governance Report (Contd.)

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

SI No.	Name of the Member	Designation	Meeting date & Attendance
			14/03/2024
1	Mr. K M Pai	Chairman	Yes
2	Mr. Arun V. Surendra*	Member	Yes
3	Mr. M. K. Bannerjee	Member	Yes

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

The details of the shareholder's complaints mentioned in corporate governance section of the Annual Report.

RISK MANAGEMENT COMMITTEE

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

The Committee is responsible for monitoring and reviewing of risk management plan of the Company and all other incidental matters thereto, from time to time as required under Regulation 21 of the Listing Regulations

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

Composition and attendance

SI No	Name of the Member	Designation	Meeting Dates and attendance			
			04/07/2023	06/10/2023	06/11/2023	23/02/2023
1	Mr. M.K. Bannerjee	Chairman	Yes	Yes	Yes	Yes
2	Mr. V. K. Surendra*	Member	Yes	Yes	Yes	NA
3	Mr. K M Pai	Member	Yes	Yes	Yes	Yes
4	Mr. Arun V. Surendra	Member	Yes	Yes	Yes	Yes

The Risk Management Policy is available on the Company's website at: <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>

INDEPENDENT DIRECTORS MEETING

During the FY 2023-24, in compliance with the provisions of Schedule IV to the Companies' Act 2013, a separate meeting, exclusively of the Independent Directors was held on February 14, 2024, without the participation of non-independent Directors or members of the management.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013, Regulation 16(1)(b) and 25 of SEBI Listing Regulations and there has been no change in the circumstances affecting their status as Independent Directors of the Company.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarization program imparted to independent directors pursuant to Regulation 25(7) of the SEBI Listing Regulations and Schedule IV to the Companies Act 2013 is displayed on Company's website and can be accessed at <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>

VIGIL MECHANISM

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It is to protect employees who wish to raise a concern about serious irregularities within the Company. It is hereby confirmed that, no personnel have been denied access to audit committee of the Company. The details of the policy are available on the company website i.e <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>

Corporate Governance Report (Contd.)

CONTACT DETAILS OF COMPLIANCE OFFICER

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

No.1, DyavasandraIndl. Layout,

Whitefield Road, Mahadevapura Post, Bengaluru – 560 048.

Ph. No. 080-67141111

E-mail: chinmaya@vsttractors.com

INSIDER TRADING REGULATIONS:

The Company has prescribed a code of conduct and disclosure practice to prevent insider trading. No violation of Insider trading was reported during the year 2023-24. The company has installed a Structured Digital Database as required under Reg 3(5) of SEBI (Prohibition of Insider Trading Regulations) 2015, to track the sharing of Unpublished Price Sensitive Information.

The Company has also pursuant to SEBI circulars SEBI/HO/ISD/ISD-SEC-4/P/CIR/2022/107 dated August 05, 2022 and SEBI/HO/ISD/ISD-PoD-2/P/CIR/2023/124 dated July 19, 2023, closed the trading window, freezing the respective Permanent Account Number (PAN) of Designated persons and insiders at appropriate times, thereby preventing trading on the basis of Unpublished Price Sensitive Information.

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies' Act 2013 and the SEBI Listing Regulations, the Company has

During 2023-24, the Company has not given any loan to any of its directors. The remuneration paid to the Managing Director for the year 2023-24 is given below:

Name of the Director	Category	Salary (in Lakhs)	Commission (in Lakhs)	Total (in Lakhs)
Mr. V.T Ravindra	Managing Director	₹ 40	₹ 40.50	₹ 80.50

Sitting fees paid to Non-Executive Directors during the year 2023-24:

Name of the Director	Category	Sitting Fees (in ₹)
Mr. V. K. Surendra (Resigned on February 01, 2024)	Past Chairman	7,50,000
Mr. M. K. Bannerjee	Independent Director	12,50,000
Mr. K.M. Pai	Independent Director	12,50,000
Ms. Siva Kameswari Vissa	Independent Director	6,50,000
Dr. Nandakumar Jairam	Independent Director	4,00,000
Mr. Rajen Padukone (appointed on May 04, 2023)	Independent Director	6,50,000
Mr. Ajith Kumar Rai (appointed on November 07, 2023)	Independent Director	2,00,000
Mr. V.V. Pravindra	Non-Executive Director	2,50,000
Mr. Arun V. Surendra (appointed as Chairman with effect from February 01, 2024)	Chairman & Non-Executive Director	6,00,000

formulated a Policy on Related Party Transactions. The Policy can be accessed on the Company's website at <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>

The policy is regularly reviewed and updated by the Board in accordance with the provisions of Regulation 23(1) of the SEBI Listing Regulations.

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') the Board of Directors of the Company (the 'Board') has formulated and adopted the Dividend Distribution Policy (the 'Policy'). The Policy is available on our website at <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>

OTHER POLICIES

The Company has also formulated other policies as required under Companies Act, 2013 and SEBI (LODR) Regulation 2015 and the same have been disclosed on Company's Website at: <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>

DIRECTORS REMUNERATION

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

Corporate Governance Report (Contd.)

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

MEANS OF COMMUNICATION

The outcome of the Board Meetings, quarterly and annual financial results are sent to Stock Exchanges immediately after the Board approval within the timeline specified under Regulation 30 of the SEBI Listing Regulations. The quarterly and annual financial results are also available on Company's website i.e., www.vsttractors.com.

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

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS ON 31ST MARCH 2024

Category	No. of Shareholders	% to total No. of shareholders	Shares Amount (₹)	% to total shares amount
Upto 5, 000	26167	97.38	10051490	11.63
5,001 10, 000	345	1.28	2483280	2.87
10,001 20,000	189	0.70	2678960	3.10
20,001 30,000	46	0.17	1149420	1.33
30,001 40,000	21	0.08	721060	0.83
40,001 50,000	15	0.06	687790	0.80
50,001 1,00,000	32	0.12	2299910	2.66
1,00,001 and above	55	0.20	66323370	76.77
	26870	100.00	86395280	100.00

DETAILS OF REQUEST/COMPLAINTS RECEIVED DURING THE YEAR 2023-24

Nature of Request	OB	Received	Attended	Pending
Change of Address	-	4	4	-
Bank Mandate	-	32	32	-
Revalidation of Warrants	-	22	22	-
Duplicate Share Certificates	-	23	23	-
Transfer/Transmission	-	4 Tm	4 Tm	-
Dematerialisation	-	65	65	-
Rematerialisation	-	-	-	-

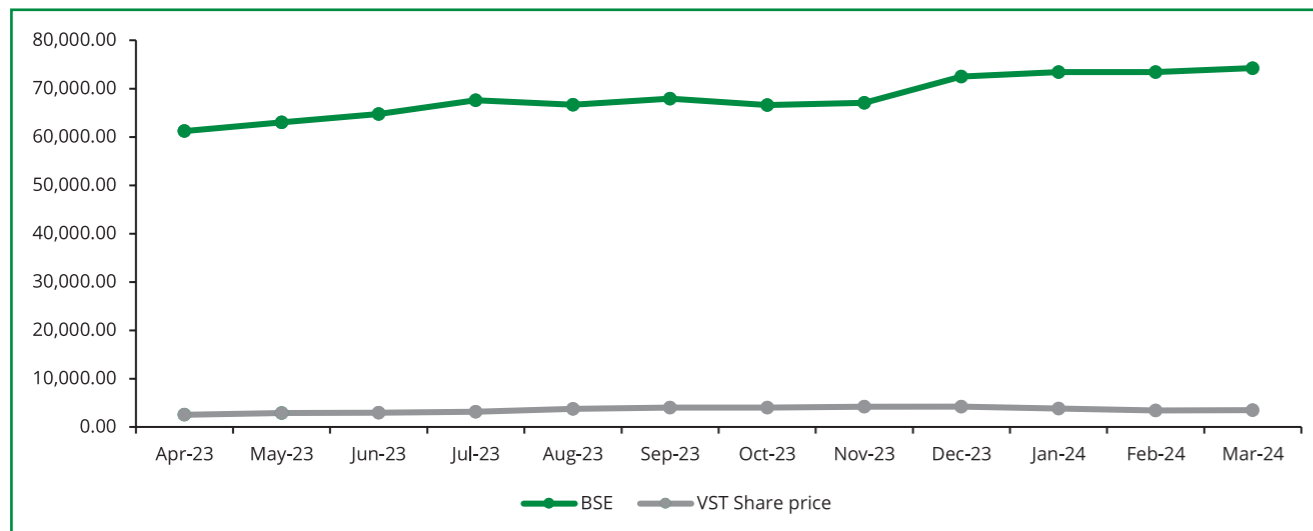
SHAREHOLDING PATTERN AS ON 31ST MARCH 2024

Category	No. of Shareholders	No. of shares held	% to total No. of shares
Promoters/Associates	40	4553465	52.71
Foreign Promoters	1	253125	2.93
Bodies Corporate	298	253734	2.94
Mutual Funds	10	1439073	16.66
Alternate Investment Funds	2	16000	0.19
Banks	3	1763	0.02
Financial Institutions	1	225	0.00
Foreign Financial Institutions	50	162961	1.89
Non-Resident Indians	1143	105307	1.22
Clearing Members	0	0	0.00
Public/Others	25322	1853875	21.46
Total	26870	8639528	100.00

Corporate Governance Report (Contd.)

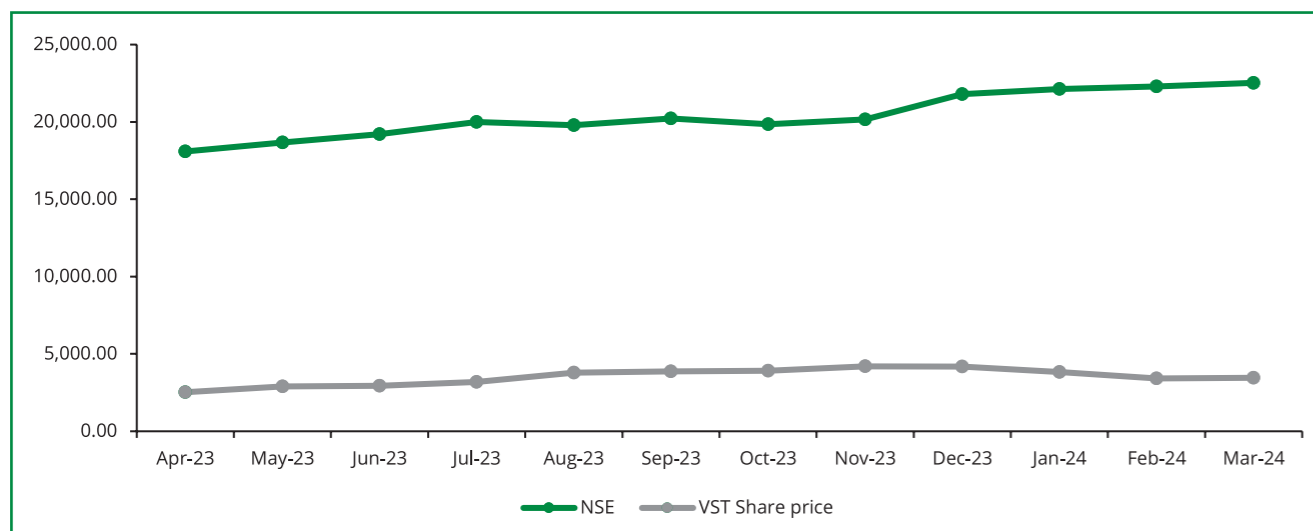
Market Price Data Information (BSE)

Month	High	Low	Month	High	Low
Apr-23	2519.15	2,349.85	Oct-23	3,976.95	3,386.00
May-23	2,894.90	2,367.00	Nov-23	4,184.25	3,454.40
Jun-23	2,932.45	2,711.75	Dec-23	4,181.05	3,690.80
Jul-23	3,179.00	2,811.70	Jan-24	3,820.00	3,100.05
Aug-23	3755.05	2,968.15	Feb-24	3,415.35	2,960.80
Sept-23	3,999.95	3,404.40	Mar-24	3,455.05	2,998.90



Market Price Data Information (NSE)

Month	High	Low	Month	High	Low
Apr-23	2,525.00	2,347.55	Oct-23	3,914.00	3,388.60
May-23	2,900.00	2,362.55	Nov-23	4,196.00	3,450.10
Jun-23	2,938.35	2,712.00	Dec-23	4,180.00	3,685.10
Jul-23	3,184.35	2,810.00	Jan-24	3,827.40	3,130.00
Aug-23	3,790.00	2,975.00	Feb-24	3,414.35	2,996.40
Sept-23	3,879.95	3,417.05	Mar-24	3,464.90	3,001.00



Corporate Governance Report (Contd.)

Dematerialization of Shares and Liquidity

Trading in equity shares of the Company became mandatory in dematerialized form. To facilitate trading in demat form, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both NSDL and CDSL. Shareholders can open their accounts with any of the Depository Participants to hold their shares in dematerialized form. About 99.06 % of the Equity Shares of the Company are held in the dematerialized form.

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

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2024, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

Commodity price risk or foreign exchange risk is covered in the Annual report. The company is not undertaking any hedging activities.

DETAILS OF UNCLAIMED SHARES

Particulars	As on 31.03.2023		Transferred during the Year		As on 31.03.2024	
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares
Unclaimed Shares	15	378	0	0	15	378

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

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

During the FY 2023-24, the Company had transferred ₹ 9,09,330 /- unpaid and unclaimed dividend to Investor Education and Protection Fund (IEPF). There is no amount which were to be transferred to IEPF but have not been transferred. The details of the unpaid and unclaimed dividend are available in the company website i.e. www.vsttractors.com and IEPF website.

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

During the year 3118 Nos of shares have been transferred to IEPF to comply with IEPF Rules. The details of such shares is available in Company website at www.vsttractors.com.

GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of the 56 th Annual General Meeting	September 19, 2024, at 11:00 A.M. Through Video Conferencing / OAVM deemed to be held At Registered Office: Plot No.1, Dyvasandra Indl Layout, Mahadevapura Post, Whitefield Road, Bengaluru – 560 048
Book Closure Dates	From September 13, 2024 to September 19, 2024
Record Date for Dividend	September 12, 2024
Dividend Payment	Final Dividend of ₹ 20/- per equity share will be paid on or after September 19, 2024 for the financial year 2023-24. If approved by the shareholders
Financial Year	2023-24
E-voting date	From September 16, 2024 (9:00 am) to September 18, 2024 (upto 5:00 pm)
E-voting cut-off date	September 12, 2024

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

- June 30, 2024 – by Second week of August, 2024;
- September 30, 2024 - by Second week of November, 2024;
- December 31, 2023 - by Second week of February, 2025;
- March 31, 2025 - by Last week of May, 2025

Payment of Listing Fees: Annual listing fee for the year 2024-25 has been paid to BSE & NSE.

Payment of Depository Fees: Annual Custody/Issuer fee for the year 2024-25 has been paid to NSDL & CDSL.

Corporate Governance Report (Contd.)

SHARE TRANSFER SYSTEM

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

The Company has appointed M/s. Integrated Registry Management Services Private Limited, Registrar & Share Transfer Agents for handling all matters relating to share transfers including transfer/transmission of shares, de-materialization of share certificates, sub division / consolidation of share certificate etc. During the year no shares have been transferred to Escrow account.

Shareholders 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 at the following address.

M/s. Integrated Registry Management Services Private Limited

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

Stock Exchanges Address

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

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

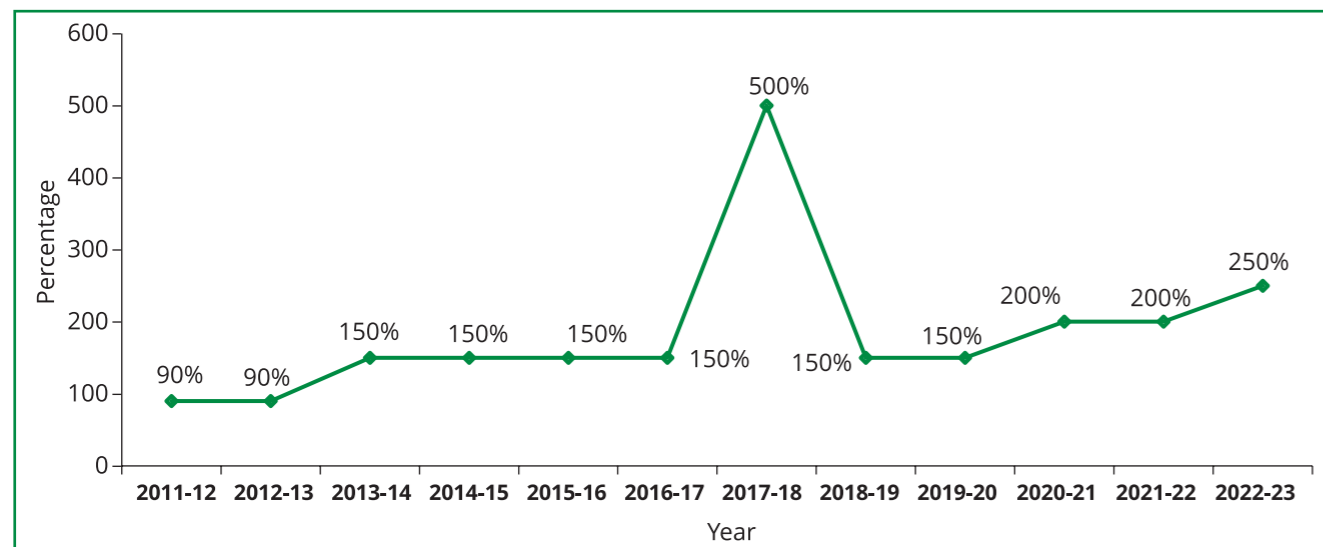
STOCK CODE

BSE Ltd: 531266
National Stock Exchange of India Ltd: VSTILLERS
ISIN: INE 764D01017
CIN: L34101KA1967PLC001706

ADDRESS FOR CORRESPONDENCE

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

Percentage of Dividend Declared



Corporate Governance Report (Contd.)

Particulars of last 3 Annual General Meetings

Date/Time	Location	Summary of Special Resolutions
01/09/2023 11:00 A.M	AGM held through VC & Venue deemed to be at Plot No-1, Dyavasandra Indl. Layout, Whitefield Road, Mahadevpura Post, Bengaluru-560048	NA
19/08/2022 11:00 A.M	AGM held through VC & Venue deemed to be at Plot No-1, Dyavasandra Indl. Layout, Whitefield Road, Mahadevpura Post, Bengaluru-560048	NA
27/08/2021 11:00 A.M	AGM held through VC & Venue deemed to be at Plot No-1, Dyavasandra Indl. Layout, Whitefield Road, Mahadevpura Post, Bengaluru-560048	Appointment of Dr. Nandakumar Jairam as an Independent Director of the company.

During the Year, the following resolutions were passed through postal ballot.

1. Appointment of Mr. Rajen Krishnanand Padukone as an Independent Director of the Company for a terms of 5 years
2. Re-appointment of Mr. V.T. Ravindra (DIN:00396156), as Managing Director of the Company
3. Approval of the Employee Stock Option Scheme (VST Restricted Stock Unit Plan 2024)
4. Approval for grant of employee stock units to the employees of its group company(ies) including Holding, subsidiary(ies) or its associate company(ies) in India or otherwise under of VST Tillers Tractors Limited - Restricted Stock Unit Plan 2024 ("RSU Plan" / "Plan")
5. Appointment of Mr. Kula Ajith Kumar Rai, (DIN: 01160327) as an Independent Director of the Company.

M/s. Thirupal Gorige & Associates LLP, practicing company secretaries had conducted the postal ballot process. All the above resolutions were approved by the members by special resolution through postal ballot. The procedure of postal ballot as specified by the Companies Act is available on the Company website : www.vsttractors.com

PLANT LOCATIONS:

HOSUR	MYSORE	MALUR
Plot No:39, Sipcot – Phase I, Mookandapalli Post, Hosur – 635 126, Tamil Nadu	Plot No.42/43, Metagalli Industrial Area, Mysuru -570016. Karnataka	Plot No-222-224 & 229-232, KIADB Industrial Area, Malur III Phase, Malur -563130, Karnataka

DISCLOSURES

- During the year under review, besides the transactions mentioned under note no 39 of Annual Report, there were no materially significant related party transactions that may have potential conflict with the interests of the company at large. The policy on Related Party Transactions is available at <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>
- There are no instances of non-compliance on any matter relating to the capital market during the last three years and no penalty was levied.
- The Company has formulated whistle-blower policy and vigil mechanism and no person has been denied access to the Audit Committee with regard to whistle-blower policy.
- Web link of policy determining material subsidiaries and policy on dealing with RPT's <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of financial statements. The Company has not adopted a treatment different from that prescribed in the Accounting Standard.
- The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:
 - The auditors' report on statutory financial statements of the Company are unmodified.
 - The Company has appointed separate persons to the post of chairperson and managing director

Corporate Governance Report (Contd.)

- or chief executive officer.
- The internal auditor reports directly to the audit committee.
- The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses(b) to(i) of sub-regulation (2) of regulation 46 of SEBI (Listing Regulation and Disclosure Requirement) Regulations, 2015.
- Credit rating - The Company has obtained credit rating (ICRA AA-) during the FY 2023-24.
- The Company has taken a certificate from Thirupal Gorige & Associates LLP, practicing company secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority (Please refer Annexure-6).

- During the FY 2023-24, the Board has accepted all the recommendations of its committees.
- The company's share has not been suspended for trading at any time during the FY 2023-24.
- The Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint was received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

Fees paid to statutory Auditors:

Type of Service	Fees For the Financial Year (in ₹)
Audit Fees	25.50 Lakhs
Tax Audit Fees	5.00 Lakhs

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

Arun V. Surendra
Chairman
DIN:01617103

Date: August 13, 2024
Place: Bengaluru

Business Responsibility & Sustainability Report

(Business Responsibility and Sustainability Reporting (BRSR) is the practice of companies disclosing information about their environmental, social, and governance (ESG) performance. It goes beyond financial reporting to provide stakeholders with a comprehensive view of a company's non-financial impacts and contributions to sustainable development. BRSR covers topics such as environmental impact, social responsibility, and governance practices, aiming to promote transparency and accountability).

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	FY 2023-2024
1	Corporate Identity Number (CIN) of the Listed Entity	L34101KA1967PLC001706
2	Name of the Listed Entity	VST TILLERS TRACTORS LIMITED
3	Year of incorporation	December 18, 1967
4	Registered office address	Plot No-1, Dyavasandra Indl Layout, Whitefield Road, Mahadevapura Post, Bengaluru-560048
5	Corporate address	Plot No-1, Dyavasandra Indl Layout, Whitefield Road, Mahadevapura Post, Bengaluru-560048
6	E-mail	chinmaya@vsttractors.com
7	Telephone	(91) 8067141111
8	Website	http://www.vsttractors.com/
9	Financial year for which reporting is being done	1st April 2023 to 31st March 2024
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Ltd.
11	Paid-up Capital	₹ 8,63,95,280/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Chinmaya Khatua Company Secretary Email: chinmaya@vsttractors.com Tel No. (91)-080-67141111
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14	Name of assurance provider	NA
15	Type of assurance obtained	NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing and Trading	VST Tillers Tractors Limited is engaged in the manufacturing and trading of tractor, power tiller and other agricultural machineries and their spare parts	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Tractor and Spares	28211	37%
2.	Power tiller and other Small Farm Machineries and Spares	28212	63%

Business Responsibility & Sustainability Report (Contd.)

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices*	Total
National	3	23	26
International	0	0	0

*This includes 8 sales offices and 15 stockyards.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 states and 8 Union Territories
International (No. of Countries) *	40

*The Company operates through distributors in these countries.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

13.46%

c. A brief on types of customers

VST is a leading player in the Indian farm mechanization sector and the largest producer of power tillers and pioneers of 4WD compact tractors in India. The Company has established itself as a leading brand in agricultural equipment within the country. VST has expanded its reach to over 40 countries, becoming a recognized name. The Company maintains a strong distribution network of dealers and distributors, providing tractors, tillers, small farm machinery, automotive lubricants, electric pumps, precision components, and spare parts in both domestic and international markets. In Karnataka, the Company engages in direct sales to small and marginal farmers.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	528	511	96.78%	17	3.22%
2	Other than Permanent (E)	25	17	68.00%	8	32.00%
3	Total employees (D + E)	553	528	95.48%	25	4.52%
WORKERS						
4	Permanent (F)	227	226	99.56%	1	0.44%
5	Other than Permanent (G)	390	378	96.92%	12	3.08%
6	Total workers (F + G)	617	604	97.89%	13	2.11%

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	1	1	100%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total differently abled employees (D + E)	1	1	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	0	0	0%	0	0%
5	Other than Permanent (E)	0	0	0%	0	0%
6	Total differently abled workers (F + G)	0	0	0%	0	0%

Business Responsibility & Sustainability Report (Contd.)

21. Participation/Inclusion/Representation of women

Particular	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	9	1	11.11%
Key Management Personnel	4	0	0%

22. Turnover rate for permanent employees and workers

Particular	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	39.73%	35.29%	39.59%	46.69%	51.85%	46.69%	50.54%	53.85%	50.63%
Permanent Workers	0%	0%	0%	0.55%	0%	0.55%	13.57%	0%	13.5%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1.	VST ZETOR PRIVATE LIMITED	Subsidiary	51%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

a. Turnover (in ₹)	9,68,04,78,045
b. Net worth (in ₹)	9,24,06,73,000

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	Nil	0	0	Nil
Investors (other than shareholders)	Yes	0	0	Nil	0	0	Nil
Shareholders**	Yes	0	0	Nil	1	0	Nil
Employees and workers	Yes	0	0	Nil	0	0	Nil
Customers	Yes	4,463	0	Nil	5,469	15	Nil
Value Chain Partners	No	0	0	Nil	0	0	Nil
Other (please specify)							

* Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)

Business Responsibility & Sustainability Report (Contd.)

Business Responsibility & Sustainability Report (Contd.)

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	https://www.vsttractors.com
Investors (other than shareholders)	
Shareholders	
Employees and workers	
Customers	
Value Chain Partners	
Other (please specify)	

* The Policies of the Company are placed on the Company's website under investors tab and the same can be accessed through the weblink: <https://www.vsttractors.com/investor/>. Further, there are some internal policies placed on the intranet of the Company.

** The Company has a dedicated team exclusively responsible for monitoring and addressing shareholder complaints in a timely manner, ensuring prompt resolution to the satisfaction of the complainant without delay. Any complaints received from shareholders in a quarter, along with the corresponding actions taken, are presented before the Board and stakeholder relationship committee established under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 178 of the Companies Act, 2013 before the Board.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	GHG and Climate Change	R	VST majorly rely on non-renewable fuel and energy sources which result in GHG emissions. Also climate change poses various emerging risk for VST business. These include transitional risk such as business impact due to reduced agricultural productivity due to shifting weather patterns, increased operational costs from extreme weather events, and changing market demands. Regulatory changes may also necessitate modifications in design to meet emissions standards. Additional carbon taxes may require company to opt for clean energy solution in order to reduce cost. There are also growing physical	To achieve environmental excellence, business units have improved energy efficiency and increased renewable energy use. Measures include energy audits, LED street lights, Power Factor Panels, and solar power at Hosur, Malur, and Mysore plants. VST reduces greenhouse gas emissions from diesel and electricity, aiming to cut waste emissions and adopt green technology. Additionally, VST planted 346 trees at Malur and 865 plants at Hosur to positively impact the environment.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			risk like flash flood, seasonal water scarcity, and heat waves impacting operations. Reliance on non-renewable sources of fuel and energy can also impact the reputation and result in loss of business		
2.	Waste Management	R	Waste generation can have a significant impact on the environment and our overall efficiency. VST during its operations generate non-hazardous wastes like metal scrap from Machining and fabrication processes, packaging waste, and non-hazardous waste like painting, and coating waste. These waste if not handled appropriately have a potential of detrimental impact on ecosystems and society. This can also result in non-compliance and reputational damages to the organization.	Our facilities have implemented waste management programs to adhere to regulations and boost recycling efforts. We partner with authorized suppliers for proper recycling or reuse after waste segregation. Future efforts will focus on minimizing waste generation rather than disposal. We are committed to reducing waste intensity and encouraging recycle and reuse of materials.	Negative
3.	Water Management	R	Water is an important resource for VST's operations and also a critical driving factor for its business. However, factors like droughts, extreme weather events, and increasing demand create water scarcity, impacting farmers, communities, and also VST's operations as few of our location are in water scare zones. Additionally, company's operation also generates hazardous water which require treatment before discharge. If non properly managed this can result in non-compliances.	We minimize freshwater use through optimization, touch sensors, awareness, and reuse. Rainwater is collected and reused, and all three Manufacturing facilities maintain a zero-discharge plants. Wastewater is treated and reused, with sludge managed by third-party vendors. Office and canteen wastewater is treated and recycled for gardening, with sludge used as fertilizer.	Negative

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Reducing Life Cycle Emission	O	Agriculture's contribution to greenhouse gas emissions is significant, accounting for roughly one-quarter. This necessitates a material focus on mitigation strategies. VST can address this challenge through targeted actions contributing to reduction of life cycle emission of its products with initiatives such as improving fuel efficiency, reducing its own emission and energy consumption. By making investments in renewable energy solutions to power operations can further enhance energy efficiency. Other than positive impact on environment it will also help VST to attract climate conscious customer and build reputation	NA	Positive
5.	Sustainable Supply Chain	R	Supply chain contributes to a very critical element in VST's business operations. Hence sourcing efficiency are critical aspects of sustainability strategy. Failure to effectively monitor ESG risk within supply chain may lead to legal penalties, reputational damage, and consumer backlash from issues such as non-compliance with regulations, corruption, human rights violations, and environmental harm within the supply chain. These risks also threaten, disrupt operations, and hinder long-term viability, highlighting the imperative for rigorous monitoring and proactive measures to uphold ethical standards, resulting from supply disruptions and fluctuating input costs.	The Company has implemented a Supplier Risk Management and Mitigation (SRMM) process to reduce supply chain vulnerabilities. Supplier development programs enhance supplier capacity, boosting transparency and operational efficiency. These strategies collectively mitigate supply chain risks and improve overall performance. The Company is also in the process for developing and implementing supplier code of conduct integrating ESG parameters in it.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Human Rights Management	R	VST operates from multiple plants. Non-standard practices toward Human rights and labor management may lead to forced labor, child labor, and unsafe working conditions, leading to physical and mental harm to employees. Additionally, failure to provide fair wages, reasonable working hours, and proper benefits can perpetuate socioeconomic inequality and contribute to social unrest. Such violations tarnish the Company's reputation, lead to legal repercussions, and erode trust among stakeholders, ultimately undermining organizational sustainability and ethical credibility.	The Company is committed to strengthening systems for implementing VST's Sustainability Policies, particularly regarding human rights and labour practices. These policies ensure adherence to applicable laws and uphold human rights. Employees are responsible for maintaining the standards of honour and integrity outlined in the Code of Business Conduct, which they must review and integrate into their work and conduct. This approach mitigates risks related to human rights and labour practices.	Negative
7.	Occupational health & safety	R	From managing raw material to manufacturing, testing and dispatch, VST's operation exposes employees and worker to heavy load and precision operations. This may result in risk of health and safety risk for employee and workers. If not mitigated it may result in high impact on individual working in the field and shop floor. This can further result in reduced efficiency, burden of compliance.	The Company maintains a notice board detailing the required PPEs for specific tasks. Additionally, we offer non-occupational health services, such as eye check-ups and blood tests, to employees. This approach ensures that safety and health standards are met, reduces risks and promotes overall employee and worker well-being.	Negative
8.	Employee satisfaction and wellbeing	O	A focus on employee well-being and capability development is considered a critical approach to achieving organizational goals. This necessitates fostering an inclusive and diverse work environment. Comprehensive wellness programs promote physical and mental health, fostering a happier and	NA	Positive

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			more engaged workforce. Through mentorship, training initiatives, and flexible work arrangements, the Company nurtures talent and encourages continuous learning. This can result in attrition cost and reduce the turnover rate.		
9.	Product Quality and Safety	R	Instances of faulty or unsafe products can lead to accidents, injuries, or even fatalities for users or bystanders. Beyond the immediate human toll, such incidents can result in costly lawsuits, damage to the VST's reputation, and loss of consumer trust. Additionally, regulatory fines and penalties may be imposed, along with the expenses associated with product recalls and replacements. VST also does the white label manufacturing and lapse in quality can result in impact on third party brand as well.	Our product development and design process strictly adhere to our Product Safety regulations, ensuring that designs do not pose unreasonable risks to users or those nearby. We consider various factors, including individuals, environmental conditions, and interactions with other products, to enforce these regulations effectively. This approach underscores our commitment to mitigating risks and maintaining high standards of product quality and safety.	Negative
10.	Product Stewardship and Innovation	O	Implementing robust product stewardship practices, such as sustainability focused design and innovation, the Company can enhance its reputation. Additionally, innovation in product design and technology can lead to more efficient, safer, and environmentally friendly tractors, improving customer satisfaction and market competitiveness. Furthermore, by staying ahead of regulatory requirements and consumer expectations, the Company can mitigate risks and seize new market opportunities, fostering long-term growth and success	NA	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11.	Customer Satisfaction	R	By developing innovative solutions that address the challenges faced by farmers, while simultaneously contributing to a more sustainable future. Continuously developing and expanding the Company's operations in areas that generate substantial returns for farmers and ensure profitable growth for stockholders, providing affordable and reliable SMART farm mechanization solutions to small and marginal farmers, a meaningful impact on the lives of these farmers is pursued. By strengthening the dealership network, the growing demand can be effectively catered to, while also providing enhanced customer service. This, in turn, elevates customer satisfaction and ultimately fuels overall sales growth.	In response to emerging product demands, the Company is actively involved in the research, development, production, and marketing of eco-friendly products. Our commitment to innovation and our comprehensive product portfolio positions us to effectively seize opportunities and ensure customer satisfaction.	Negative
12.	Community Engagement	O	Through targeted investments in farmer-focused initiatives and proactive participation in philanthropic endeavors, companies have the potential to make a positive and lasting impact on neighboring communities and the broader network of farming communities they serve. These impact-driven agricultural initiatives empower farmers and foster sustainable practices, ultimately transforming lives worldwide through collaboration with dealer and distributor networks.	NA	Positive

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Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
13.	Diversity, Equity, & Inclusion	O	Fostering diversity and inclusion within an organization not only nurtures innovation, creativity, and a positive work culture but also extends the Company's reach in terms of talent acquisition.	NA	Positive
14.	Business Ethics and Compliance	R	To ensure the organization fulfills its mission and maintains stakeholder trust, ethical conduct of business and compliance to law is important. Failure to comply with law and address critical issues like bribery and corruption risks can undermine this foundation, potentially leading to regulatory fines, legal repercussions, and reputational damage. This, in turn, can erode customer confidence and decrease investor interest, ultimately impacting the sector's integrity and profitability.	VST is dedicated to maintaining the highest ethical standards, actively encouraging employees to report any concerns or potential violations of the Code of Conduct, policies, or laws without fear of retaliation. Our vigilant approach to business ethics is supported by a robust corporate governance framework, ensuring consistent adherence to evolving laws and regulations in a dynamic business environment.	Negative
15.	Corporate Governance	O	Long-term shareholder value is achieved through robust, ethical, and sustainable corporate governance practices. By ensuring fairness for all stakeholders and prioritizing compliance with the law, companies demonstrate their commitment to integrity. This focus on strong corporate governance fosters investor confidence, ultimately creating long-term value for shareholders.	NA	Positive

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SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sr. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
	b Has the policy been approved by the Board? (Yes/No/NA)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
	c Web Link of the Policies, if available	https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab								
2.	Whether the entity has translated the policy into procedures. (Yes / No/ NA)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Yes	No	No	No	No	No	No	No	No
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	ISO 9001:2015	ISO 45001:2018	-	-	ISO 14001:2015	-	-	ISO 9001:2015
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	We are committed to upholding ethical standards, fostering openness, and promoting responsibility in all our endeavors as per our established policies. We are engaged in various initiatives and plan to conduct comprehensive studies to set clear, measurable goals. Our dedication to providing health and safety benefits to our employees and workers remains steadfast. We pledge to uphold a stance against all forms of discrimination and ensure our interactions adhere to our Code of Conduct. Additionally, we are committed to allocating our CSR funds towards societal development and maintaining a customer-focused approach.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-

7 Governance, leadership and oversight

Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).

At VST, we recognize the need to align our operations with sustainable development principles, hence our commitment to the ESG (Environmental, Social, Governance) framework.

Our sustainability approach focuses on bringing positive environmental changes by identifying specific ESG parameters. We have made notable progress in water conservation, increasing renewable energy consumption, and managing hazardous waste effectively. In renewable energy, we have installed solar panels at our Mysore, Malur, and Hosur plant locations, enabling us to meet a substantial part of our power requirements from renewable sources. Our water conservation efforts include recycling and reusing water within our facilities. Additionally, we have installed stacks to

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reduce air pollution and created a green belt around our Malur plant. We have also addressed material ESG issues with potential financial implications by calculating emissions from energy consumption, allowing us to track, monitor, and aim to reduce our carbon footprint continuously. This year, we have also conducted assessment of our Scope 3 emissions.

On the governance front, we maintain our commitment to transparent and ethical practices, as demonstrated by our recertification for QMS - ISO 9001:2015, EMS - ISO 14001:2015, and Safety - ISO 45001:2018. We believe that effective corporate governance is the foundation of a successful enterprise, and we are proud of our strong legacy in this area.

Our social responsibility efforts focus on the wellbeing of our employees. We strive to foster an inclusive culture that encourages diversity and offers training and development opportunities. Ensuring the mental and physical health of our employees is a top priority, and we aim to maintain a safe workplace in accordance with the Factories Act. Our motto, "Zero Accident," underscores this commitment.

The publication of the Business Responsibility and Sustainability Report is a testament to our robust corporate sustainability strategy, emphasizing environmental stewardship, social responsibility, and good governance. Our goal is to create a sustainable future for our company, stakeholders, and the communities we serve. We appreciate your support in this endeavour and look forward to your active engagement as we continue to refine our sustainability strategy and strive to make a significant difference.

8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Board of Directors

9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/ NA).

Yes

If Yes please provide details

Mr. V. T. Ravindra, Managing Director

10 Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action	Committee of the Board								
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Committee of the Board								

Subject for Review	Frequency (Annually / Half yearly /Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action	Annually								
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Quarterly								

11 Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).	No	Yes	Yes	No	No	Yes	No	No	Yes
If yes, provide name of the agency.		TUV NORD	TUV NORD			TUV NORD			TUV NORD

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12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	No	NA	NA	No	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	No	NA	NA	No	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	No	NA	NA	No	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	Yes	NA	NA	Yes	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

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SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions)

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the Financial Year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	7	Nature of Industry, Business model, roles, rights, responsibilities, regulatory updates	100%
Key Managerial Personnel	4	Governance, Compliances, Business Related	100%
Employees other than BOD and KMPs	50	Soft skills, Basic software skills, Posh awareness and training sessions, Skill upgradation, Health and safety, Business and financial acumen	100%
Workers	10	Machine operation and maintenance, Multi Machining Skills, Process or Method, Training on Health and Safety, Skill upgradation	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

Monetary					
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR) (For Monetary Cases only)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	NA	NA	NA
Settlement	NA	NA	NA	NA	NA
Compounding fee	NA	NA	NA	NA	NA

Non-Monetary					
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	NA	NA	NA	NA	
Punishment	NA	NA	NA	NA	

Note - No such instance where fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions in FY 2023-24.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

Note - No such instance has taken place in FY 2023-24.

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4. Does the entity have anti-corruption or anti-bribery policy? (Yes/ No)

Yes

If Yes, provide details in brief

The company has implemented protocols to address anti-corruption and anti-bribery concerns. The Company is committed to uphold the highest moral and ethical standards, rejecting any form of bribery or corruption.

If Yes, Provide a web link to the policy, if available -Web link anti-corruption or anti bribery policy is place <https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab>

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particular	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Case Details	FY 2023-24		FY 2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Nil	0	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Nil	0	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No such issue related to corruption and conflict of interest has taken place in FY 2023-24.

8. Number of days of accounts payables in the following format:

Particular	FY 2023-24	FY 2022-23
Number of days of accounts payables	55	68

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	93.11%	92.28%
	b. Number of dealers / distributors to whom sales are made	1,234	1,162
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	21.86%	23.34%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	2.65%	0.52%
	b. Sales (Sales to related parties / Total Sales)	0.14%	0.11%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	0%
	d. Investments	2.00%	0%

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PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimize the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Sr. No.	Particular	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
1	R&D	Nil	Nil	NA
2	Capex	1.41%	2.47%	Development of Trem 4, Trem V, Stage V Technologies

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No

b. If yes, what percentage of inputs were sourced sustainably?

NA

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) Plastics (including packaging)	Currently, the Company does not reclaim products such as plastic, e-waste, or hazardous waste. However, it undertakes various initiatives to minimize waste production, promote reuse, and implement recycling. Carton boxes and wood waste are sent to vendors for reuse, and all hazardous waste generated is managed through authorized recyclers.
(b) E-waste	
(c) Hazardous waste	
(d) other waste	

4. a Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No)

Yes*

b If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

No

c If not, provide steps taken to address the same

Not Applicable

*The Company has initiated the EPR submission process.

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PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasizes the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	511	511	100%	511	100%	0	0%	511	100%	0	0%
Female	17	17	100%	17	100%	17	100%	0	0%	0	0%
Total	528	528	100%	528	100%	17	100%	511	100%	0	0%
Other than permanent employees*											
Male	17	0	0%	0	0%	0	0%	0	0%	0	0%
Female	8	0	0%	0	0%	0	0%	0	0%	0	0%
Total	25	0	0%	0	0%	0	0%	0	0%	0	0%

*All the eligible contractual employees are covered under ESI.

1. b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	226	226	100%	226	100%	0	0%	226	100%	0	0%
Female	1	1	100%	1	100%	1	100%	0	0%	0	0%
Total	227	227	100%	227	100%	1	100%	226	100%	0	0%
Other than permanent workers *											
Male	378	0	0%	0	0%	0	0%	0	0%	0	0%
Female	12	0	0%	0	0%	0	0%	0	0%	0	0%
Total	390	0	0%	0	0%	0	0%	0	0%	0	0%

*All the eligible contractual workers are covered under ESI.

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	0.069%	0.050%

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2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI *	100%	100%	Yes	7%	23%	Yes
Others - please specify						
Group Medclaim Cover (For Non-ESI)	100%	100%	NA	93%	77%	NA

*All the eligible employees and workers are covered.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

If not, whether any steps are being taken by the entity in this regard.

Our office is designed to be accessible to individuals with disabilities. We are committed to continuously improving our infrastructure to eliminate accessibility barriers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

If so, provide a web-link to the policy.

Our Code of Conduct for Directors and Senior Management outlines our commitment to providing equal employment opportunities and preventing illegal discrimination or harassment, including derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances.

The Code can be accessed at <https://www.vstractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab> Additionally, our Recruitment Policy ensures non-discrimination and is accessible to internal stakeholders via the intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	VST emphasizes transparent communication and encourage staff and affiliates to report any ethical concerns or non-compliance with the Code promptly. The Company investigates all complaints thoroughly and adheres to Company policy for disciplinary action against violators. Employees should inform their supervisor or reporting manager about operational and performance issues. For complaints related to organizational matters, performance appraisals, or issues involving a supervisor or reporting manager, employees should contact the Human Resource Manager. Complaints under the whistle blower policy can be addressed with the assistance of counsellors. The Internal Complaints Committee handles and reports on complaints under POSH. Canteen Committee and Union meetings are convened as needed to resolve issues.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

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7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/c)
Total Permanent employees	528	0	0%	546	0	0%
Male	511	0	0%	531	0	0%
Female	17	0	0%	15	0	0%
Total Permanent Workers	227	151	66.52%	196	151	77.04%
Male	226	150	66.37%	195	151	77.04%
Female	1	1	100%	1	0	0%

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23*				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (C/D)
Employees										
Male	528	528	100%	528	100%	531	343	64.59%	140	26.37%
Female	25	25	100%	25	100%	15	2	13.33%	1	6.67%
Total	553	553	100%	553	100%	546	345	63.19%	141	25.82%
Workers										
Male	604	604	100%	604	100%	195	120	61.54%	130	66.67%
Female	13	13	100%	13	100%	1	1	100%	0	0%
Total	617	617	100%	617	100%	196	121	61.73%	130	66.33%

*FY 22-23 details are reported only for permanent employees and permanent workers.

9. Details of performance and career development reviews of employees and worker*:

Category	FY 2023-24			FY 2022-23**		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
Employees						
Male	528	511	96.78%	531	531	100%
Female	25	17	68%	15	15	100%
Total	553	528	95.48%	546	546	100%
Workers						
Male	604	226	37.42%	195	195	100%
Female	13	1	7.69%	1	1	100%
Total	617	227	36.79%	196	196	100%

*All the permanent employees and permanent workers receive performance and career development reviews.

** FY 22-23 details are reported only for permanent employees and permanent workers.

Business Responsibility & Sustainability Report (Contd.)

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)

Yes

If Yes, the Coverage such systems?

VST Tillers Tractors being an ISO certified company ensures that employee health is given top priority. To ensure risk free work environment checks are in place. At all our facilities we strive to eliminate hazards and reduce OH&S risks through ongoing identification of hazards and assessing risks and through effective deployment of operational controls at the workplace. We are in the process of getting IMS certification for the VST Tiller and Tractor Group.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

To ensure safety, routine activities are monitored through Job Safety Analysis, Hazard Identification & Risk Assessment (HIRA), Standard Operating Procedures (SOPs), and Operational Control Procedures (OCPs) for the generation, collection, and disposal of hazardous and e-waste. Safety training is provided to personnel across all facilities for skill enhancement. Additionally, in accordance with ISO 45001, processes and SOPs are periodically updated to mitigate risks and ensure workplace safety.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Yes/ No)

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

VST is ISO 45001 and 14001 certified. The Company has established EHS policies, rules, and regulations applicable to all employees and workers. Various processes are implemented to eliminate workplace risks. Internal and external safety audits are conducted, and safety training is provided to develop competence. An induction program is offered to every new joiner.

As a responsible organization, processes are rolled out in a manner that enables protection of the environment including prevention of pollution and provide a safe and healthy working condition to all personnel.

Periodic evaluation – we ensure that all the applicable legal requirements in relation to EH&S are complied by tracking changes and periodic evaluation.

Adoption of latest technology – we use latest technology to reduce or reuse waste arising from product.

Continual Improvement – EHS performance is continuously monitored. Any opportunity for improvement is identified through consultation and arrangements and establishing quantifiable objectives.

Business Responsibility & Sustainability Report (Contd.)

Elimination of hazards – Any OHS risks and hazards are mitigated through positioning of operational controls at the workplace.

Prevention of hazards – through awareness of EHS issues among personnel and related control measures, risk of pollution, injury and ill- health is prevented.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

14. Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%*
Working Conditions	100%*

*The assessment has been carried out by the Company and third parties.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

VST documents near misses and unsafe conditions, and for identified cases, the Company has a CAPA process in place. The system includes safety inspections, operational control, monitoring, and audits. Identified shortcomings, lessons, and areas for improvement are incorporated across the organization to prevent incident recurrence. Each site's head is responsible for implementing corrective measures.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company acknowledges the importance of stakeholder engagement and has established practices to identify and map all relevant internal and external stakeholders. Systems and procedures are in place to effectively identify, prioritize, and address stakeholder needs and concerns across all plant locations and operational areas. Mechanisms for stakeholder engagement include the implementation of the Theory of Constraints (TOC) and its integration with other software, ensuring a clear flow of information and visibility across the supply chain. Additionally, tools and portals such as Supplier Relationship Management (SRM), Product Lifecycle Management (PLM), Warehouse Management System (WMS), and Travel Management System have been developed to enhance transparency and operational efficiency.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders / Investors	No	Others - • General Body Meetings • Interaction with Investors • Annual Report • Press Release • Company's website	• AGMs • Quarterly Investor meets	• Discussion on financial & non-financial performance, • market value of shares • Effective & robust corporate governance
Employees	No	Others - • Email • Intranet • Training and Safety Programmes • Feedback sessions	Regular	• Meeting on regular basis and employees townhall • Training & Development • Performance review • Grievance redressal mechanism
Customers	No	Others - • Customer Satisfaction Survey • Web Portals • E-Catalogue/ Manual • In person engagement	Throughout the year	• All means of communication throughout the year with our customers on: • Updates on products • Customer Satisfaction • Customer complaints • Extending product & services
Dealers	No	Others - • Website • Email	Regular	• Updates on products • Service Quality, Sustainability • Creating Customer Delight

Business Responsibility & Sustainability Report (Contd.)

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers	No	Others - • Website • Email	Regular	• Supply Chain Management • Materials Sourcing and Material Efficiency
Local Community	No	Others- • CSR Initiatives • Public disclosure of company information • Local Employment • Website	Periodic/ Need-based	• Creation of job opportunities • Relationship development • CSR Initiatives
Regulators/ Government	No	Others - • Regulatory compliance CSR initiatives • Representation through trade bodies	Regular	• Obtaining permissions/licenses/clarifications/waivers/ business development • Regulatory & Legal requirements • Technology & Innovation • Capacity expansion

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 5 Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Benefits	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	528	528	100%	546	0	0%
Other than permanent	25	25	100%	21	0	0%
Total Employees	553	553	100%	567	0	0%
Workers						
Permanent	227	227	100%	196	0	0%
Other than permanent	390	390	100%	543	0	0%
Total Workers	617	617	100%	739	0	0%

2. Details of minimum wages paid to employees and workers

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	511	0	0%	511	100%	531	0	0%	531	100%
Female	17	0	0%	17	100%	15	0	0%	15	100%
Total	528	0	0%	528	100%	545	0	0%	545	100%
Other than Permanent										
Male	17	12	70.59%	5	29.41%	16	12	75%	4	25%
Female	8	5	62.5%	3	37.5%	5	5	100%	0	0%
Total	25	17	68%	8	32%	21	17	80.95%	4	19.05%
Workers										
Permanent										
Male	226	0	0%	226	100%	195	0	0%	195	100%
Female	1	0	0%	1	100%	1	0	0%	1	100%
Total	227	0	0%	227	100%	196	0	0%	196	100%
Other than Permanent										
Male	378	236	62.43%	142	37.57%	543	352	65%	191	35%
Female	12	8	66.67%	4	33.33%	0	0	0%	0	0%
Total	390	244	62.56%	146	37.44%	543	352	65%	191	35%

Business Responsibility & Sustainability Report (Contd.)

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

Particular	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)*	1	85,50,000	0	0
Key Managerial Personnel	4	76,27,767	0	0
Employees other than BoD and KMP	507	6,41,070	17	5,12,664
Workers	226	4,02,792	1	5,94,252

*Only Executive directors have been considered for median remuneration calculations.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	1.97%	1.76%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have an internal grievance committee and POSH committee which addresses such human right issues

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour/Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has established an Internal Complaints Committee (ICC) to address sexual harassment matters. The committee comprises both internal and external members with relevant expertise. Clear criteria have been set to handle cases of sexual harassment. The Company's Code of Conduct underpins a work environment that is productive, positive, and safe, ensuring freedom from harassment and discrimination for all employees. VST maintains that any form of discrimination is unacceptable, and all reported incidents are thoroughly investigated.

Business Responsibility & Sustainability Report (Contd.)

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)
No

10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No such risk or concern arose from the assessment.

Business Responsibility & Sustainability Report (Contd.)

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

(This principle emphasizes the importance of environmental stewardship. Companies should minimize their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources (GJ)	3,615.24	2,597.13
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C.)		
Total energy consumed from renewable sources (A+B+C)	3,615.24	2,597.13
From non-renewable sources (GJ)		
Total electricity consumption (D)	9,925.39	9,436.43
Total fuel consumption (E)	28,373.81	32,654.85
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	38,299.20	42,091.28
Total energy consumed (A+B+C+D+E+F) (GJ)	41,914.44	44,688.41
Energy intensity per rupee of turnover (Total energy consumed in GJ / Revenue from operations in ₹)	0.00000433	0.00000444
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed in GJ/ Revenue from operations in ₹ adjusted for PPP)*	0.00008755	0.00008982
Energy intensity in terms of physical output (Total energy consumed in GJ /Total production in nos)	1.00110920	0.99039072

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

If yes, name of the external agency.

Not Applicable.

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor for India published by the World Bank for the year 2023, which is 20.22.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24*	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	20,932	16,601.41
(iii) Third party water	10,608	8,916
(iv) Seawater / desalinated water	0	0

Business Responsibility & Sustainability Report (Contd.)

Parameter	FY 2023-24*	FY 2022-23
(v) Others - Rain water	502	0*
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	32,042	25,517.41
Total volume of water consumption (in kilolitres)	32,042	25,517.41**
Water intensity per rupee of turnover (Total water consumption in KL / Revenue from operations in ₹)	0.00000331	0.00000254
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption in KL / Revenue from operations in ₹ adjusted for PPP)	0.00006693	0.00005129
Water intensity in terms of physical output (Total water consumption in KL / Total production in nos)	0.76531002	0.56552037

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)

No

If yes, name of the external agency.

Not Applicable

*Details of rainwater harvesting were not reported for FY 2022-23.

**Recycled water has been excluded from the total water consumption for FY 2022-23.

***For FY 2023-24, recycled water constitutes 44% of the total water withdrawal, and for FY 2022-23, it constitutes 39% of the total water withdrawal.

**** Water withdrawal for all three plants have been measured and reported by the company and water withdrawal for offices is calculated based on the National Building Code 2016.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	
With treatment - please specify level of treatment	0	
(ii) To Groundwater		
No treatment	0	
With treatment - please specify level of treatment	0	
(iii) To Seawater		
No treatment	0	
With treatment - please specify level of treatment	0	
(iv) Sent to third-parties		
No treatment	2,718*	
With treatment - please specify level of treatment	0	
(v) Others		
No treatment	0	
With treatment - please specify level of treatment	0	
Total water discharged (in kilolitres)	2,718	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

Not Applicable

*Water consumption at office locations of VST gets discharged into community sewage.

Business Responsibility & Sustainability Report (Contd.)

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

Yes

If yes, provide details of its coverage and implementation.

At VST Tillers Tractors Zero Liquid Discharge (ZLD) is implemented according to Pollution Control Board guidelines of the states. All three manufacturing plants have implemented ZLD to ensure that there will be no discharge of industrial wastewater into the environment. There is sewage treatment and the water used by employees are recycled for garden use.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	Mg/m3	45.83	28.17
SOx	Mg/m3	14.04	20.98
Particulate matter (PM)	Mg/m3	30.46	28.18
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others - please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

National Analytical Laboratories and Research Center

Tejus Enterprises

Tamil Nadu Pollution Control Board

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,953.49	2,298.07
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,974.05	2,123.20
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions in MT / Revenue from operations in ₹)		0.00000041	0.00000044
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions in MT / Revenue from operations in ₹ adjusted for PPP)		0.00000820	0.00000889
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emissions in MT / Total production in nos)		0.09380768	0.09798480

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

Not Applicable

Business Responsibility & Sustainability Report (Contd.)

8. Does the entity have any project related to reducing Green House Gas emission? (Yes/ No)

Yes

If Yes, then provide details.

VST annually invests in energy conservation projects, resulting in a reduction of greenhouse gas emissions. All three plants of VST have roof top solar power plant which significantly reduces the energy consumption from non-renewable energy sources. The Company has deployed EV forklifts to reduce the fuel consumption. These efforts underscore VST's commitment to sustainable practices and environmental responsibility.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	21.57	6.161
E-waste (B)	0.22	0.306
Bio-medical waste (C)	0.02	0.020
Construction and demolition waste (D)	0	0
Battery waste (E)	0.16	3.48
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	28.95	80.73
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	268.19	477.06
Carton box	102.84	205.57
Wood scrap	108.53	150.97
Metal scrap	56.82	120.52
Total (A+B + C + D + E + F + G + H)	319.11	567.76
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (in ₹)	0.00000003	0.00000006
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (in ₹)	0.00000067	0.00000114
Waste intensity in terms of physical output (Total waste generated / Total production in nos)	0.00762181	0.01258278

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Recycled	319.09	473.18
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	319.09	473.18

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Incineration	0	50.23
(ii) Landfilling	0	0
(iii) Other disposal operations	0.02	32.78
Total	0.02	83.01

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

Not Applicable

Business Responsibility & Sustainability Report (Contd.)

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

VST is an ISO 14001 certified company. Both hazardous and non-hazardous waste are managed in compliance with Hazardous Waste Management (HWM) under respective State Pollution Control Board (SPCB)'s regulations, e-manifests are maintained according to the norms. The Company has reduced paint sludge quantity by adopting process infraction.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.

VST does not have any operations or offices in ecologically sensitive area.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link

Environmental impact assessment has not been carried out for any project in FY 2023-24.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).

Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any

No such case of non-compliance has taken place.

Business Responsibility & Sustainability Report (Contd.)

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

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

5

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National/ International)
1.	Confederation of Indian Industry (CII)	National
2.	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3.	Mysore Chamber of Commerce	State
4.	Karnataka Employers Association	State
5.	WACIA - Whitefield Area Commerce & Industry Association	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No such adverse order has been received from regulatory authority on any issue related to anti-competitive conduct.		

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

(This principle emphasizes the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalized groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Social Impact Assessment (SIA) has not been conducted for any project in FY 2023-24.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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Rehabilitation and Resettlement (R&R) has not been undertaken for any of the project in FY 2023-24.

3. Describe the mechanisms to receive and redress grievances of the community.

VST has established a Grievance Redressal Policy and system to address inquiries or grievances from both internal and external stakeholders. Stakeholders can also find company contact information on the website. The Corporate Social Responsibility (CSR) division has implemented a community feedback system for its initiatives, allowing individuals or groups to voice concerns as needed.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particular	FY 2023-24	FY 2022-23*
Directly sourced from MSMEs/ small producers	45.90%	43.95%
Directly from within India	97.66%	98.03%

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Particular	FY 2023-24	FY 2022-23
Rural	10.64%	9.77%
Semi-urban	0%	0%
Urban	41.22%	39.19%
Metropolitan	48.14%	51.04%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban/metropolitan)

* FY 2022-23 details are updated

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a service team to handle consumer complaints. They have a system to promptly collect and address all consumer issues. For product complaints related to tractors after delivery, the process involves reporting the tractor to the dealership, where the complaints are registered through a job card.

The complaint attending process at the dealership or RSO begins with the receipt of the tractor from either the RSO or direct billing from the plant. On the same day, an inward PDI (Pre delivery inspection) is conducted, and any shortages or defects found in the tractors are immediately reported to VST through a PDI job card. Complaints are registered through a job card, and a PCIR (Product Concern Intimation Report) is raised for the reported issues. Based on approvals, the dealer carries out the necessary work and closes the complaint.

Complaint Attending process at HO.

- PDI - Pre-Delivery Inspections - Job card
- QCRS - Based on severity of PCIR (no of complaint reported) QCRS will raise.
- CFT - Already formed CFT team member review complaints and push to ORC.
- CAR - Once complaint closed CAR will be released by QA team.
- ORC - in ORC complaint will be tracked and revised - actions will be taken to closers.
- END - Once CAR released from Service Dept release Tech Bulletin field on actions taken.

Moreover, our customer care team is also receptive to feedback from customers, which is essential to our constant improvement and ensures we uphold our commitment to excellent customer service

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following:

Particular	FY 2023-24		Remark	FY 2022-23		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of essential services	0	0	Nil	0	0	Nil
Restrictive Trade Practices	0	0	Nil	0	0	Nil
Unfair Trade Practices	0	0	Nil	0	0	Nil
Other	4,463	0	Nil	5,469	15	Nil

Business Responsibility & Sustainability Report (Contd.)

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web link of the policy

<https://www.vsttractors.com/wp-content/uploads/2024/02/Data-Privacy-Policy-9th-Feb-24-Domestic.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NA

No such corrective action has been taken by the Company in FY 2023-24.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact	0
b. Percentage of data breaches involving personally identifiable information of customers	0
c. Impact, if any, of the data breaches	NA

No such instance of data breach has taken place in FY 2023-24.

Independent Auditor's Report

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

Report on the Audit of Standalone Financial Statements

OPINION

1. We have audited the accompanying standalone financial statements of M/s. **V.S.T. Tillers Tractors Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 2024, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year ended March 31, 2024, and notes to the standalone financial statements, and a summary of the material accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements for the year ended March 31, 2024 give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2024, and its profit (financial performance including other comprehensive income), its changes in equity, and its cash flows for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

4. Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How the matter was addressed in our Audit
<p>Appropriateness of capitalisation of costs as per Ind AS 16 Property, Plant and Equipment(PPE): The Company has incurred total cost Rs. 1,528.17 lakhs on property, plant and equipment (PPE - representing cost incurred for development of Engines and acquisition of plant & machinery, and other capital equipment) as part of business expansion and product development.</p> <p>This cost needs to be capitalised and depreciated once the assets are ready for use as intended by the management and certainty about the future economic cash flows. Inappropriate timing of capitalisation of the cost and/or inappropriate classification of categories of items of PPE could result in material misstatement of PPE with a consequent impact on depreciation charged.</p> <p>Owing to the above factors, we have identified this as a key audit matter for current year audit due to the significance of the capital expenditure incurred during the year.</p>	<p>Our audit procedures to assess appropriate capitalization of such expenditure includes, but were not limited to the following:</p> <ul style="list-style-type: none"> • Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs. • Reviewed management's capitalization policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16, Property, Plant and Equipment. • Compared the additions with the budgets and the orders given to the vendors. • Tested the additions on a sample basis for their nature and purpose to ensure that the capitalization is as per company's accounting policy. • Assessed the appropriateness and adequacy of the related disclosures in the financial statements in accordance with the applicable Indian accounting standards.

Independent Auditor's Report (Contd.)

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the standalone financial statements and auditor's report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

6. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to

the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - (i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate

Independent Auditor's Report (Contd.)

- internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - (v) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
 12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors/managers during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Appendix - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014 (as amended).
 - c) The standalone balance Sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flow dealt with by this Report are in agreement with the books of account.

Independent Auditor's Report (Contd.)

- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of written representations received from the directors as on March 31, 2024 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2024 from being appointed as directors in terms of section 164(2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014 as amended.
- g) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Appendix - B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – (Refer Note 44 to the standalone financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The amount required to be transferred to the Investor Education and Protection Fund has been transferred by the Company during the year ended March 31, 2024.
 - iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall,

- whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The dividend paid by the Company is in accordance with provisions of Section 123 of Companies Act, 2013.
- vi. The Books of account of the Company are being maintained using an accounting software that has audit trail feature. Based on our examination which includes test checks, barring the instances described below, the audit trail feature has operated throughout the year with respect to all the transactions that are recorded using the software.
Audit trail feature is not there for logging the changes done by the users having privileged access, at the application level for certain tables that relate to the significant financial processes, and the changes done at the data base level.
Further, where audit trail was enabled, we didn't come across any instance of audit trail feature being tampered with.

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

Hitesh Kumar P
Partner

Place: Bengaluru
Date: May 09, 2024

Membership No.: 233734
UDIN: 24233734BKDGKX7244

Appendix - A

The Appendix referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2024, we report that:

- (i) In respect of the Company's Property, Plant and Equipment, Right-of-use assets and Intangible Assets
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ('PPE') including right-of-use asset.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets over a period of three years, which in our opinion, is reasonable having regard to size of the Company and nature of its assets. Pursuant to the program certain Property, Plant and Equipment and right-of-use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and material discrepancies noted have been properly dealt in the books of account.
- (b) According to the information and explanation given to us, and on the basis of our examination of the records of the company, the company has been sanctioned working capital limit in excess of five crores rupees, in aggregate, from banks on the basis of security of current assets.

- In our opinion and based on the information and explanation provided to us, there are no significant variances in the monthly information filed with the bankers related to current assets and liabilities of the company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnership or any other party. Accordingly, clauses from 3(iii)(a), and 3(iii) (c) to (iii) (f) of paragraph 3 of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, and based on the audit procedures performed by us, in our opinion the investments made during the year, are, prima facie, not prejudicial to the interest of the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of Companies Act 2013 in respect of loans, making investments and providing guarantee and security as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted deposits and does not have any unclaimed deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of the clause 3 (v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, in respect of the Company's manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we have not conducted a detailed examination of the same.
- (vii) (a) 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, employee's state insurance, income tax, goods and service tax, customs duty, cess and other material statutory dues, as applicable, and there are no arrears of outstanding statutory dues as at March 31, 2024 for a period of more than six months from the date they became payable.

Appendix - A to the Independent Auditors' Report (Contd.)

- b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess which have not been deposited on account of dispute except for the below:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period for which the amount relates	Amount involved (₹ in lakhs)
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Income Tax Appellate Tribunal	2010-11	3.41
The Income Tax Act, 1961	Disallowance of Marketing Expenses.	Income Tax Appellate Tribunal	2011-12	344.94
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Commissioner of Income Tax (Appeals)	2011-12	196.68
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Income Tax Appellate Tribunal	2012-13	4.05
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Income Tax Appellate Tribunal	2013-14	16.45
The Income Tax Act, 1961	Disallowance of Advance written off and 80G disallowance.	Commissioner of Income Tax (Appeals)	2016-17	75.32
The Income Tax Act, 1961	Disallowance u/s 14A.	Commissioner of Income Tax (Appeals)	2019-20	30.40
The Customs Act, 1962	Disallowance of Concessional Custom Duty availed under Customs Notification No.12/2012 for Reaper Combinder.	Appellate Tribunal	2014-2017	25.68
Indirect Tax Matters	Mismatch of sales as per GSTR1 and 3B, mismatch of Input Tax Credit as per GSTR2A and 3B, Mismatch with e-way bills and non-submission of details for Expenses.	GST Appellate Authority	2017-2021	11,481.09

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) According to the information and explanations provided to us and based on examination of the standalone financial statements, the Company is not having any loans except for working capital loan from Banks. Further, there are no defaults in the repayment of the working capital loan.
- (b) According to the information and explanations provided to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender;
- (c) According to the information and explanations provided to us and based on examination of the standalone financial statements, the Company is not having any borrowings. Accordingly, reporting under this clause is not applicable.
- (d) According to the information and explanations provided to us and based on an overall examination of the standalone financial statements, the Company has not raised any funds on short-term basis, prima facie. Accordingly, reporting under this clause is not applicable.
- (e) According to the information and explanation provided to us and based on the examination of the standalone financial statements, the

Appendix - A to the Independent Auditors' Report (Contd.)

- Company has not taken any funds from any entity or person on account of or to meet the obligations of its Joint venture as defined under the Act.
- (f) According to the information and explanation provided to us and based on the examination of the standalone financial statements, the Company has not raised loans during the year on the pledge of securities held in its Joint venture as defined under the Act.
- (x) (a) According to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer or debt instruments or term loans and hence the reporting under clause 3 (x) (a) is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the period.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given by the management the Company has not received any whistle blower complaints during the year (and upto the date of this report). Accordingly, reporting under this clause is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the books of account
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one

Appendix - A to the Independent Auditors' Report (Contd.)

- year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of other than ongoing projects. Accordingly,
- reporting under clause 3(xx)(a) of the Order is not applicable for the year
- (b) The unspent CSR amount in respect of ongoing project has been transferred to the separate bank account within 30 days from the end of the financial year.
- (xxi) The reporting under clause 3(xxii) is not applicable in respect of audit of the standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **K.S. Rao & Co.,**
Chartered Accountants
ICAI Firm Registration No: 0031095

Hitesh Kumar P
Partner

Place: Bengaluru
Date: May 09, 2024

Membership No.: 233734
UDIN: 24233734BKDGKX7244

Appendix - B

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to the standalone financial statements of M/s. **V.S.T. Tillers Tractors Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of

the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

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

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

Appendix - B to the Independent Auditors' Report (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS.

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error

or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Hitesh Kumar P
Partner

Place: Bengaluru
Date: May 09, 2024

Membership No.: 233734
UDIN: 24233734BKDGKX7244

Standalone Balance Sheet

As At March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
A ASSETS			
1. Non-current assets			
a) Property, plant and equipment	4(a)	22,159.85	22,867.30
b) Capital work-in-progress	4(b)	524.40	1,410.91
c) Investment property	5	2,156.05	2,184.22
d) Right-of-use assets	4(c)	447.31	502.93
e) Other Intangible assets	6	227.81	584.12
f) Financial assets			
i) Investments	7	4,648.83	4,058.41
ii) Loans	8	6.35	6.04
iii) Other financial assets	9	226.39	315.00
g) Other non-current assets	11	162.38	79.39
Total non-current assets		30,559.37	32,008.32
2. Current assets			
a) Inventories	12	11,780.31	10,790.86
b) Financial assets			
i) Investments	7	43,795.57	38,927.47
ii) Trade receivables	13	15,516.13	14,924.43
iii) Cash and cash equivalents	14	4,367.09	1,091.85
iv) Bank balances other than (iii) above	15	306.26	1,721.77
v) Loans	8	7.27	5.40
vi) Other financial assets	9	26.71	98.60
c) Current tax asset (net)	10	1,962.46	1,952.95
d) Other current assets	11	8,407.99	7,557.50
Total current assets		86,169.79	77,070.83
Total assets		1,16,729.16	1,09,079.15
B EQUITY AND LIABILITIES			
1. Equity			
a) Equity share capital	16	863.95	863.95
b) Other equity	17	91,542.78	81,581.23
Total Equity		92,406.73	82,445.18
2. Liabilities			
Non current liabilities			
a) Financial liabilities			
i) Other financial liabilities	19	4,141.19	4,186.74
ii) Lease liabilities	18	53.33	112.87
b) Provisions	20	683.84	446.39
c) Deferred tax liabilities (net)	21	696.07	251.98
d) Other Non current liabilities	22	10.44	14.14
Total Non current liabilities		5,584.87	5,012.12
Current liabilities			
a) Financial liabilities			
i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	23	3,662.07	4,112.53
- total outstanding dues of creditors other than micro enterprises and small enterprises	23	6,228.75	8,958.70
ii) Lease liabilities	18	82.12	75.96
iii) Other financial liabilities	19	5,008.98	4,879.51
b) Provisions	20	257.95	255.40
c) Other current liabilities	22	3,497.69	3,339.75
Total Current liabilities		18,737.56	21,621.85
Total Liabilities		24,322.43	26,633.97
Total Equity and Liabilities		1,16,729.16	1,09,079.15

The accompanying notes form an integral part of Financial Statements.

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

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

Hitesh Kumar. P
Partner
Membership No:233734

V.T.Ravindra
DIN: 00396156
Managing Director

K.M. Pai
DIN:01171860
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
Company Secretary
Membership No. ACS-21759

Place: Bengaluru
Date: May 09, 2024.

Place: Bengaluru
Date: May 09, 2024.

Standalone Statement of Profit and Loss

For The Year Ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	24	96,804.78	1,00,642.67
II Other Income	25	6,058.29	2,494.70
III Total Income (I+II)		1,02,863.07	1,03,137.37
IV Expenses			
a) Cost of materials consumed		57,857.30	62,455.34
b) Purchase of Stock-in-Trade		8,623.67	8,337.30
c) Change in inventories of finished goods, work in progress and Stock in Trade	26	(730.81)	(324.02)
d) Employee benefit Expenses	27	8,627.87	7,908.61
e) Finance costs	28	214.92	127.20
f) Depreciation and amortization expenses	29	2,700.59	2,694.25
g) Other expenses	30	10,008.45	9,544.81
Total Expenses		87,301.99	90,743.49
V Profit before exceptional items and tax (III-IV)		15,561.08	12,393.88
VI Exceptional Items		-	-
VII Profit before tax (V-VI)		15,561.08	12,393.88
VIII Tax expense:			
a) Current tax		2,947.02	3,061.00
b) Deferred tax		462.67	97.06
IX Profit for the year (VII-VIII)		12,151.39	9,235.82
X OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to the statement of profit or loss			
a) Remeasurement of Defined employee benefit plans	31	(73.83)	(21.99)
(ii) Income tax on items that will not be reclassified to the profit or loss	31	18.58	5.53
B (i) Items that will be reclassified to the profit or loss		-	-
Total Other Comprehensive Income (net of taxes)		(55.25)	(16.46)
Total Comprehensive Income for the year (IX+X)		12,096.14	9,219.36
XI Earnings per share	32		
- Basic (in ₹ per share)		140.64	106.90
- Diluted (in ₹ per share)		140.62	106.90

The accompanying notes form an integral part of Financial Statements.

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

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

Hitesh Kumar. P
Partner
Membership No:233734

V.T.Ravindra
DIN: 00396156
Managing Director

K.M. Pai
DIN:01171860
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
Company Secretary
Membership No. ACS-21759

Place: Bengaluru
Date: May 09, 2024.

Place: Bengaluru
Date: May 09, 2024.

Standalone Statement of Changes in Equity

For The Year Ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

I Equity Share capital

Particulars	At the beginning of the year	Changes during the year	At the end of the year
For the year ended March 31, 2023	863.95	-	863.95
For the year ended March 31, 2024	863.95	-	863.95

II Other Equity

Particulars	Capital Reserve	General reserve	Share Option Outstanding Account	Surplus in Statement of Profit and Loss	Other comprehensive Income	Total
As at April 01, 2022	264.05	30,000.00	-	44,042.13	(216.40)	74,089.78
Profit for the year	-	-	-	9,235.82	-	9,235.82
Other comprehensive income	-	-	-	-	(16.46)	(16.46)
Total comprehensive income	-	-	-	9,235.82	(16.46)	9,219.36
Dividends	-	-	-	1,727.91	-	1,727.91
Dividend distribution tax	-	-	-	-	-	-
As at March 31, 2023	264.05	30,000.00	-	51,550.04	(232.86)	81,581.23
Profit for the year	-	-	-	12,151.39	-	12,151.39
Share based payment to employees	-	-	25.30	-	-	25.30
Other comprehensive income	-	-	-	-	(55.25)	(55.25)
Total comprehensive income	-	-	25.30	12,151.39	(55.25)	12,121.43
Dividends	-	-	-	2,159.88	-	2,159.88
Dividend distribution tax	-	-	-	-	-	-
As at March 31, 2024	264.05	30,000.00	25.30	61,541.54	(288.10)	91,542.78

The accompanying notes form an integral part of Financial Statements.

Description of the nature and purpose of Other Equity:

- (i) **Capital reserve:** Capital reserve mainly represents the amount of profit on reissue of shares.
- (ii) **General reserve:** General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.
- (iii) **Retained earnings:** Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to/from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.
- (iv) **Employee stock option outstanding account:** Share option outstanding account represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the Employee Stock Option Plan.

As per our report of even date
For K.S. Rao & Co.,
 Chartered Accountants
 Firm Registration No. 0031095

Hitesh Kumar. P
 Partner
 Membership No:233734

V.T.Ravindra
 DIN: 00396156
 Managing Director

Antony Cherukara
 Chief Executive Officer

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

K.M. Pai
 DIN:01171860
 Director

Nitin Agrawal
 Chief Financial Officer

Chinmaya Khatua
 Company Secretary
 Membership No. ACS-21759

Place: Bengaluru
 Date: May 09, 2024.

Place: Bengaluru
 Date: May 09, 2024.

Standalone Cash Flow Statement

For The Year Ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
I Cash flow from operating activities:		
A. Profit before tax	15,561.08	12,393.88
B. Adjustment for:		
a. Depreciation and amortization	2,700.59	2,694.25
b. Interest income from Investments	(148.24)	(216.96)
c. Dividend Income	(139.19)	(151.57)
d. (Profit)/Loss on sale of PPE	9.91	(5.79)
e. Allowance for expected credit loss	441.96	473.12
f. Rent received	(220.58)	(200.31)
g. (Profit)/Loss on Sale of Investment	(419.86)	(161.94)
h. Provisions Written back	(169.78)	(208.08)
i. Unrealized foreign exchange (gain)/loss	8.37	(7.48)
j. Finance cost	199.21	111.72
k. Interest expense on security deposit	5.03	4.44
l. Interest on SD	(0.54)	(0.43)
m. Deferred rental income on security deposits received	(5.35)	(4.61)
n. Unrealised (gain)/Loss on Investments	(4,641.23)	(1,253.29)
o. Amortization of Prepaid lease rentals	0.53	0.45
p. Finance cost on lease rentals	10.68	11.04
q. Asset Written Off	-	94.47
	13,192.60	13,572.91
C. Adjustment for movements in Working capital		
a. Trade payables, Other liabilities and Provisions (Net of fair value adjustment on deposits)	(2,581.21)	4,997.71
b. Trade receivables	(1,042.01)	(8,632.83)
c. Inventories	(989.45)	(727.45)
d. Financial and other current assets (Net of fair value adjustment on deposits)	(761.98)	(2,556.93)
D. Cash generated from Operations	7,817.95	6,653.41
Less: Direct taxes Paid	(2,956.53)	(3,010.67)
Net cash flow from operating activities (I)	4,861.42	3,642.74
II Cash flows from investing activities		
a. Purchase of PPE, including CWIP	(740.56)	(2,424.31)
b. Proceeds from sale of PPE	7.92	25.07
c. Redemption/maturity of bank deposits	1,415.51	(1,112.26)
d. Purchase of investments	(14,793.77)	(11,375.03)
e. Proceeds from sale of Investment	14,396.33	11,160.37
f. Interest received	218.65	216.96
g. Income from investment	139.19	151.57
h. Rent Received	220.58	200.31
Net cash flow from/ (used in) investing activities (II)	863.87	(3,157.32)

Standalone Cash Flow Statement
For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
III Cash flows from financing activities		
a. Interest paid	(199.21)	(111.72)
b. Payment of Lease Liability	(90.95)	(73.20)
c. Dividends paid on equity shares	(2,159.88)	(1,727.91)
Net cash flow from/ (used in) financing activities (III)	(2,450.05)	(1,912.83)
IV Net Increase/(decrease) in cash and cash equivalents (I + II + III)	3,275.24	(1,427.41)
Cash and cash equivalents at the beginning of the period	1,091.85	2,519.26
V Cash and cash equivalents at the end of the year	4,367.09	1,091.85
VI Components of cash and cash equivalents:		
a. Cash on hand	-	-
b. With banks		
i. FD with Bank	2,845.00	100.00
ii. on current account	1,522.09	991.85
Total cash and cash equivalents	4,367.09	1,091.85

The accompanying notes form an integral part of Financial Statements.

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

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

Hitesh Kumar. P
Partner
Membership No:233734

V.T.Ravindra
DIN: 00396156
Managing Director

K.M. Pai
DIN:01171860
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
Company Secretary
Membership No. ACS-21759

Place: Bengaluru
Date: May 09, 2024.

Place: Bengaluru
Date: May 09, 2024.

Notes to the Standalone Financial Statements

As At and For The Year Ended March 31, 2024
(All amounts in ₹ lakhs, unless otherwise stated)

01. CORPORATE INFORMATION

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

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

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

02. BASIS OF PREPARATION

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

These standalone financial statements were approved by the Company's Board of Directors and authorized for issue on May 09, 2024.

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

03. MATERIAL ACCOUNTING POLICIES

a) Significant accounting estimates and assumptions

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

material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Estimates and assumptions:

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

i. Impairment of non-current assets:

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

ii. Defined Benefit Plans:

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

iii. Fair Value measurement of financial instruments:

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

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

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

iv. Contingencies:

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

v. Property, Plant and Equipment:

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

vi. Intangibles:

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

vii. Income Taxes:

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

viii. Provision for Warranty expenditure:

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

b) Current Vs Non-current classifications:

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

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

- i. Expected to be realized or is intended to be sold or consumed in its normal operating cycle;

- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period; or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

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

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

All other liabilities are classified as non-current liabilities.

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

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

c) Property, Plant and Equipment:

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

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

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

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

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

of the asset, past history of replacement, maintenance supports etc.

Estimated useful life of the assets are as follows:

Type of the Asset	Method of Depreciation	Useful life considered
Buildings	Straight line Method	3 - 60 Years
Plant and Machinery	Straight line Method	2 - 15 Years
Data processing equipment	Straight line Method	3 - 6 Years
Furniture and fixtures	Straight line Method	5 - 10 Years
Vehicles	Straight line Method	8 Years
Office Equipment	Straight line Method	5 Years

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

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant, and Equipment recognized as at March 31, 2016 measured as per Previous GAAP as the deemed cost of Property, Plant and Equipment.

d) Intangible Assets:

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

Computer software:

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

An intangible asset is derecognized on disposal, or when no future economic benefits are expected

from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

e) Investment Properties:

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

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

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

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

f) Impairment of tangible and intangible assets:

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

their present value using appropriate discounting factor. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

- ii. When there is an indication previously recognized impairment losses no longer exists or may have decreased such reversal of impairment loss is recognized in the Statement of Profit and Loss.

g) Borrowing Cost:

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

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

All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

h) Leases:

The Company assesses a contract at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-Use Assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the

estimated useful lives of the assets. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease Liabilities:

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included in the measurement of the lease liability include fixed payments (including in substance fixed payments), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit and Loss.

In the case of a short-term lease contract and lease contracts for which the underlying asset is of low value, lease payments are charged to the Statement of Profit and Loss on accrual basis.

i) Inventories:

i. Stock-in-Trade:

Stock-in-Trade is stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price of inventories less estimated costs of completion and costs necessary to make the sale. Cost is determined on weighted Average basis.

ii. Stores and Spares:

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

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

j) Investment in joint venture:

The Company accounts for its equity investments in joint venture at cost less accumulated impairment loss, if any.

k) Fair Value Measurement:

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

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

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

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

l) Revenue recognition:

i. Revenue from operations:

Revenue is recognized only when it can be reliably measured, and it is reasonable to expect

ultimate collection. Revenue from operations includes sale of goods and services, net of Goods and Service Tax (GST) and trade discounts, cash discounts and other discounts.

ii. Interest and dividend:

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

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

iii. Rental income:

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

m) Foreign currency transactions:

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

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

n) Retirement and other employee benefits:

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

ii. Gratuity liability is in the nature of defined benefit obligation. The Company's Plant Assets comprise of Gratuity fund maintained by Life Insurance Corporation of India and liability is provided based on independent actuarial valuation on

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

projected unit credit method made at the end of each reporting period as per the requirements of Ind AS 19 on "Employee Benefits".

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

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

iv. Share based payments to employees:

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest, with a corresponding increase in equity.

v. Termination Benefits:

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for those benefits. The Company recognizes the termination benefits at the earlier of the following dates:

- a) when the Company no longer withdraw the offer of those benefits and
- b) when the Company recognizes the costs for a restructuring that is within the scope of Ind AS 37 and involves payment of termination benefits.

o) Earnings per share:

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

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

p) Provisions:

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

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

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

q) Contingencies:

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

r) Taxes on Income:

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

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

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carried forward tax losses, all deferred tax assets are recognized only if it is probable that they can be utilized against future taxable profits.

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

s) Prior period items:

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

t) Cash and cash equivalents:

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

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

u) Financial instruments:

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

Financial Assets:

A. Initial recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual

provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

B. Subsequent measurement:

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

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

a. Debt Instruments at amortized cost:

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

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

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

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

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

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

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

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

C. Derecognition:

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither

transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement.

D. Impairment of financial assets:

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

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

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

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the Statement of Profit and Loss. In case of Balance Sheet it is shown as reduction from the specific financial asset.

Financial liabilities:

A. Initial recognition and measurement:

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

B. Subsequent measurement:

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

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

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As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

b. Financial liabilities at amortized cost:

Amortized cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortization is included as finance costs in the Statement of Profit and Loss.

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

C. Derecognition:

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the

consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in Statement of Profit and Loss as other income or finance costs.

v) 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.

w) Segment reporting:

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

x) Exceptional items:

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

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

04. (A) PROPERTY PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant & Machinery	Computer Equipments	Office Equipments	Vehicles	Furniture & Fixtures	Total
Gross Block								
At April 01, 2022	4,889.26	9,490.47	19,480.85	917.71	278.93	195.98	278.22	35,531.42
Additions	-	60.98	1,963.94	26.09	9.23	89.52	15.93	2,165.69
Disposals	-	-	427.48	-	-	0.53	-	428.01
At March 31, 2023	4,889.26	9,551.45	21,017.31	943.80	288.16	284.97	294.15	37,269.10
Additions	-	85.68	1,226.59	35.66	5.56	162.95	11.74	1,528.17
Disposals	-	-	17.92	-	-	20.21	-	38.13
At March 31, 2024	4,889.26	9,637.12	22,225.98	979.46	293.73	427.70	305.90	38,759.14
Accumulated Depreciation								
At April 01, 2022	-	2,617.22	8,669.44	794.08	190.73	63.34	152.26	12,487.07
Charge for the year	-	337.22	1,770.45	37.54	30.19	26.85	26.71	2,228.96
Disposals	-	-	314.15	-	-	0.08	-	314.23
At March 31, 2023	-	2,954.44	10,125.74	831.62	220.92	90.11	178.97	14,401.80
Charge for the period	-	312.51	1,758.97	48.67	24.95	44.50	28.18	2,217.79
Disposals	-	-	10.13	-	-	10.16	-	20.29
At March 31, 2024	-	3,266.95	11,874.58	880.29	245.87	124.45	207.16	16,599.29
Net Block								
At March 31, 2023	4,889.26	6,597.01	10,891.57	112.18	67.24	194.86	115.18	22,867.30
At March 31, 2024	4,889.26	6,370.17	10,351.40	99.17	47.86	303.25	98.74	22,159.85

04. (B) CAPITAL WORK -IN-PROGRESS

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Work In progress (refer Note No. 50A)	524.40	1,410.91
	524.40	1,410.91

04. (C) RIGHT-OF-USE ASSETS

Particulars	Leasehold Land	Leasehold Assets	Total
Gross Block			
At April 01, 2022	329.37	126.28	455.65
Additions	-	140.79	140.79
Disposals	-	-	-
At March 31, 2023	329.37	267.07	596.44
Add: Additions	-	26.89	26.89
Less: Disposals	-	-	-
At March 31, 2024	329.37	293.96	623.33
Accumulated Depreciation			
At April 01, 2022	3.33	23.98	27.31
Charge for the year	3.33	62.87	66.20
Disposals	-	-	-
At March 31, 2023	6.66	86.85	93.51
Charge for the period	3.33	79.18	82.51
Disposals	-	-	-
At March 31, 2024	9.99	166.03	176.02
Net Block			
At March 31, 2023	322.71	180.22	502.93
At March 31, 2024	319.38	127.93	447.31

(Refer Note No. 46 for detailed disclosure as per IND AS 116).

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

05. INVESTMENT PROPERTY

	Land	Buildings	Total
Gross Block			
At April 01, 2022	1,389.18	1,017.26	2,406.44
Additions	-	3.18	3.18
Less: Disposals	-	-	-
At March 31, 2023	1,389.18	1,020.44	2,409.62
Additions	-	-	-
Less: Disposals	-	-	-
At March 31, 2024	1,389.18	1,020.44	2,409.62
Accumulated Depreciation			
At April 01, 2022	-	197.43	197.43
Charge for the year	-	27.96	27.96
Disposals	-	-	-
At March 31, 2023	-	225.40	225.40
Charge for the year	-	28.17	28.17
Disposals	-	-	-
At March 31, 2024	-	253.57	253.57
Net Block			
At March 31, 2023	1,389.18	795.04	2,184.22
At March 31, 2024	1,389.18	766.87	2,156.05

(Refer Note No. 41 for fair value details).

06. OTHER INTANGIBLE ASSETS

	Technical Knowhow	Software	Total
Gross Block			
At April 01, 2022	1,407.40	666.43	2,073.83
Add: Additions	-	42.64	42.64
Less: Disposals	-	-	-
At March 31, 2023	1,407.40	709.07	2,116.47
Add: Additions	-	15.83	15.83
Less: Disposals	-	-	-
At March 31, 2024	1,407.40	724.90	2,132.30
Accumulated Amortization			
At April 01, 2022	840.63	320.60	1,161.23
Add: Charge for the period	235.30	135.83	371.12
Less: Disposals	-	-	-
At March 31, 2023	1,075.93	456.43	1,532.35
Add: Charge for the period	235.28	136.85	372.13
Less: Disposals	-	-	-
At March 31, 2024	1,311.21	593.28	1,904.49
Net Block			
At March 31, 2023	331.47	252.64	584.12
At March 31, 2024	96.19	131.62	227.81

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

07. FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Investments consists of the following		
Non - Current Investments		
a) Investments carried at fair value through profit or loss		
- Fully paid Equity shares (unquoted)	875.06	753.64
- Convertible Preference shares (Zimeno Inc)	2,304.77	2,304.77
b) Investments carried at amortised cost		
- Non Convertible Debentures	500.00	1,000.00
c) Investments in unquoted equity instruments of Joint Venture at cost		
- VST Zetor Private Limited	969.00	-
	4,648.83	4,058.41
Current Investments		
a) Investments carried at fair value through profit or loss		
- Fully paid Equity shares (quoted)	5,820.21	4,618.50
- Mutual funds (quoted)	37,975.36	34,308.97
	43,795.57	38,927.47
Aggregate amount of Quoted Investments and market value thereof	43,795.57	38,927.47
Aggregate amount of Un-Quoted Investments	4,648.83	4,058.41

08. FINANCIAL ASSETS - LOANS

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured Loans consist of the following		
Non - Current		
Considered good		
- Loans to employees	6.35	6.04
	6.35	6.04
Current		
Considered good		
- Loans to employees	7.27	5.40
	7.27	5.40

09. FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2024	As at March 31, 2023
Other financial assets consist of the following:		
Non - Current		
a) Deposits with original maturity more than 12 months	1.50	1.50
b) Security deposits	224.89	313.50
	226.39	315.00
Current		
a) Security deposits	-	-
b) Income accrued but not due	26.71	98.60
	26.71	98.60

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

10. CURRENT TAX ASSET (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax asset (net)	1,962.46	1,952.95
	1,962.46	1,952.95

11. OTHER ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
Considered good		
a) Capital advances	162.11	79.06
b) Prepaid lease rentals	0.27	0.33
	162.38	79.39
Current		
Considered good		
a) Advance to suppliers	285.90	279.29
b) Advances to employees	6.49	13.82
c) Prepaid expense	289.71	252.75
d) Prepaid lease rentals	0.46	0.48
e) Indirect tax recoverable	7,825.44	7,011.16
	8,407.99	7,557.50

12. INVENTORIES

Particulars	As at March 31, 2024	As at March 31, 2023
a) Raw material and components	6,325.92	6,021.73
b) Work-in-progress	1,150.56	1,234.12
c) Finished goods	3,232.84	2,278.47
d) Stock-in-trade	748.60	888.60
e) Loose tools	207.99	245.29
f) Machinery spares and others	114.41	122.65
	11,780.31	10,790.86

13. TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Secured :-		
a) Secured, considered good	2,369.23	2,481.56
Unsecured :-		
a) Unsecured, considered good	13,146.90	12,442.87
b) Unsecured, considered doubtful	3,231.93	2,802.03
Total	18,748.06	17,726.46
Less: Allowance for expected credit loss	3,231.93	2,802.03
Trade Receivables (net)	15,516.13	14,924.43

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

14. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
a) Balances with banks		
- On current accounts	1,522.09	991.85
- Deposits with original maturity of less than 3 months	2,845.00	100.00
b) Cash on hand	-	-
	4,367.09	1,091.85

15. OTHER BANK BALANCES

Particulars	As at March 31, 2024	As at March 31, 2023
a) Earmarked balances with banks (unpaid dividend & unspent CSR expense)	160.84	258.61
b) Marginal money deposits	145.42	413.16
c) Deposit with banks	-	1,050.00
	306.26	1,721.77

16. SHARE CAPITAL

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Authorised:		
1,00,00,000 Equity Shares of ₹10/- each.	1,000.00	1,000.00
(b) Issued, Subscribed and Paid-up :		
86,39,528/- Equity Shares of ₹10/- each paid up.	863.95	863.95

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the year	86,39,528	863.95	86,39,528	863.95
Movement during the year	-	-	-	-
At the end of the year	86,39,528	863.95	86,39,528	863.95

(d) Terms / Rights attached to equity shares

- i. The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.
- ii. In 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 share holders.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10/- each fully paid				
V.K.Surendra	19,34,534	22.39%	19,34,534	22.39%
V.V.Vijayendra	6,26,012	7.25%	1,65,888	1.92%
V.P.Mahendra	-	0.00%	6,27,020	7.26%
Nippon Life India Trustee Ltd	6,02,009	6.97%	6,02,009	6.97%
	31,62,555	36.61%	33,29,451	38.54%

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.

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

17. OTHER EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Capital Reserve		
Opening balance	264.05	264.05
Closing balance	264.05	264.05
(B) General Reserve		
Opening balance	30,000.00	30,000.00
Closing balance	30,000.00	30,000.00
(C) Share Option Outstanding Account		
Opening balance	-	-
Add: Share based payments to employees	25.30	-
Closing balance	25.30	-
(D) Retained Earnings		
Opening balance	51,550.04	44,042.13
Add: Profit/(loss) for the period	12,151.39	9,235.82
	63,701.43	53,277.95
Less: Appropriations		
Dividend paid on equity shares	2,159.88	1,727.91
Closing balance	61,541.54	51,550.04
(E) Other comprehensive income		
On Actuarial gain/(loss) on post employment benefits		
At the beginning of the period	(232.86)	(216.40)
Add: Actuarial gain/(loss) for the period	(55.25)	(16.46)
At the end of the period	(288.10)	(232.86)
Closing Other Equity	91,542.78	81,581.23

18. LEASE LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
a) Lease liabilities	53.33	112.87
	53.33	112.87
Current		
a) Lease liabilities	82.12	75.96
	82.12	75.96

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

19. FINANCIAL LIABILITIES - OTHERS

Particulars	As at March 31, 2024	As at March 31, 2023
Other financial liabilities consists of the following		
Non-Current		
a) Dealer Deposits	4,064.06	4,106.40
b) Rental Deposits	77.13	80.34
	4,141.19	4,186.74
Current		
a) Unclaimed Dividends	60.84	65.29
b) Rental Deposits	37.80	18.00
c) Outstanding expense	3,641.09	3,247.78
d) Incentives and marketing expenses payable	650.57	703.36
e) Employee cost payable	521.06	651.77
f) CSR Payable*	97.62	193.31
	5,008.98	4,879.51

20. PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
a) Provision for gratuity	360.40	200.91
b) Provision for leave benefits	323.45	245.48
	683.84	446.39
Current		
a) Provision for leave benefits	88.23	73.90
b) Provision for warranty	169.72	181.50
	257.95	255.40

21. DEFERRED TAX BALANCES

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
a) Employee benefits	330.00	335.00
b) Allowance for expected credit losses	842.00	725.00
	1,172.00	1,060.00
Deferred tax liabilities		
a) Property, Plant and Equipment & Intangible Assets	678.00	730.00
b) Fair valuation of financial assets	1,190.07	581.98
	1,868.07	1,311.98
Net Deferred tax liability /(Assets)	696.07	251.98

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

22. OTHER LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
a) Deferred rental income	10.44	14.14
	10.44	14.14
Current		
a) Statutory dues	2,780.53	2,704.98
b) Deferred rental income	4.98	5.18
c) Advance received - Customers	712.18	629.59
	3,497.69	3,339.75

23. TRADE PAYABLES

Particulars	As at March 31, 2024	As at March 31, 2023
- Dues to micro enterprises and small enterprises	3,662.07	4,112.53
- Others	6,228.75	8,958.70
	9,890.82	13,071.23

24. REVENUE FROM OPERATIONS

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Sale of products	95,581.46	99,674.29
b) Sale of services	730.16	538.15
c) Other operating revenue	493.16	430.23
Total Revenue from Operations	96,804.78	1,00,642.67

25. OTHER INCOME

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Dividend income	139.19	151.57
b) Income from investment		
i. Change in fair value	4,641.23	1,253.29
ii. Gain on sale of investments	419.86	161.94
c) Rent received		
i. Rental income	220.58	200.31
ii. Deferred rental income	5.35	4.61
d) Interest income		
i. On Financial Assets measured at Amortized Cost	86.91	119.25
ii. Others	131.34	201.08
e) Gain on sale of Property, Plant and Equipment (net)	-	5.79
f) Insurance claims	75.56	4.26
g) Sundry credit balances written back	169.78	208.08
h) Gain on Foreign Exchange Fluctuations (net)	70.30	104.31
i) Bill discounting	66.98	55.18
j) Miscellaneous income	31.22	25.03
	6,058.29	2,494.70

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADING GOODS

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Inventory at the beginning of the period		
- Finished goods	2,278.47	1,880.23
- Stock-in-trade	888.60	1,192.28
- Work-in-progress	1,234.12	1,004.66
	4,401.19	4,077.17
b) Inventory at the end of the period		
- Finished goods	3,232.84	2,278.47
- Stock-in-trade	748.60	888.60
- Work-in-progress	1,150.56	1,234.12
	5,132.00	4,401.19
(Increase) / Decrease in Inventory	(730.81)	(324.02)

27. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Salaries, wages and bonus	7,882.27	7,272.59
b) Contribution to funds	395.80	341.24
c) Share based payments to employees	25.30	-
d) Welfare expenses	324.51	294.78
	8,627.87	7,908.61

28. FINANCE COST

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Interest expense on Lease Liability	10.68	11.04
b) Interest expense on Financial Liabilities measured at Amortized Cost	5.03	4.44
c) Other interest expenses	199.21	111.72
	214.92	127.20

29. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Depreciation on Property, Plant and Equipment	2,217.79	2,228.97
b) Amortization on Other Intangible Assets	372.13	371.12
c) Depreciation on Right-of-use assets	82.51	66.20
d) Depreciation on Investment Property	28.17	27.96
	2,700.59	2,694.25

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

30. OTHER EXPENSES

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Power and fuel	432.14	417.98
b) Stores and tools consumed	591.04	655.42
c) Warranty expenses	143.49	319.20
d) Consultancy and legal charges	1,283.03	674.81
e) Payment to Statutory Auditors (excluding GST)		
- Audit fee	25.50	20.50
- Tax Audit fee	5.00	5.00
- Reimbursement of expenses	2.34	2.18
f) Fees, rates and taxes	79.14	124.35
g) Directors sitting fees	61.50	47.50
h) Insurance expenses	210.20	153.22
i) Rental expenditure		
- Rent	88.91	85.32
- Amortization of lease rental	0.53	0.45
j) Warehousing services	170.92	164.99
k) Repairs and maintenance		
- IT expense	481.45	379.29
- Machinery	344.01	337.22
- Buildings	85.84	79.12
- Others	48.20	35.73
l) Research and development	131.30	153.08
m) Bank charges	44.35	68.40
n) Travelling and conveyance	1,106.07	980.21
o) Communication expenses	101.70	153.94
p) Advertisement and promotion	766.19	910.33
q) Freight and distribution	2,279.51	2,209.08
r) Selling expenses	303.10	302.16
s) Service expenses	238.10	251.32
t) Allowance for expected credit loss	441.96	473.12
u) Loss on sale of assets	9.91	27.58
v) CSR expenditure	217.62	173.80
w) Miscellaneous expenses	315.40	339.51
	10,008.45	9,544.81

31. OTHER COMPREHENSIVE INCOME

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Actuarial Gain/(Losses) on Gratuity Expense for the period	(73.83)	(21.99)
Taxes on above	18.58	5.53
	(55.25)	(16.45)

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

32 EARNINGS PER EQUITY SHARE

Particulars	For the Year ended	
	March 31, 2024	March 31, 2023
Profit for the period attributable to equity share holders	12,151.39	9,235.82
Weighted average number of equity shares of ₹ 10/- each - basic	86.40	86.40
Weighted average number of equity shares of ₹ 10/- each - diluted	86.41	86.40
Earnings per equity share (Basic)	140.64	106.90
Earnings per equity share (Diluted)	140.62	106.90

33 FINANCIAL ASSETS (INVESTMENTS)

S. No	Particulars	Face value (Amt in ₹)	As at March 31, 2024		As at March 31, 2023	
			No. of Shares/units	Fair Value	No. of Shares/units	Fair Value
As per Statements						
Non-Current Investments:						
I. Investment in Equity instruments (unquoted)						
1	MHI - VST Diesel Engines Private Limited	10	41,50,000	875.06	41,50,000	753.64
II. Investment in Preference Shares						
Investment in preference shares (unquoted)						
1	Investment In JV - Zimeno Inc (Monarch)		4,14,477	2,304.77	4,14,477	2,304.77
III. Investment in Non-Convertible Debentures						
1	VST Motors Private Limited	1,00,000	500	500.00	1,000	1,000.00
IV. Investment in Equity instruments of Joint Venture (unquoted)						
1	VST Zetor Private Limited	10	96,90,000	969.00	-	-
Total of Non-Current Investments (I+II+III+IV)				4,648.83		4,058.40
Current Investments:						
I. Investment in Equity Shares						
Investments in Equity Instruments (trade - quoted)						
1	Rane Holdings Limited	10	50,000	538.85	76,583	663.17
2	Asian Paints Limited	1	6,000	170.81	6,000	165.70
3	Infosys Limited	5	28,000	419.45	28,000	399.83
4	Larsen and Toubro Limited	2	17,000	639.86	9,000	194.78
5	Sundaram Finance Limited	10	20,000	827.74	20,000	459.90
6	Tata Consultancy Services Limited	1	12,000	465.16	12,000	384.71
7	Cipla Limited	2	17,000	254.48	10,000	90.05
8	Pidilite Industries Limited	1	8,900	268.31	8,900	209.42
9	Housing Development Finance Corporation Ltd	2	16,800	243.25	10,000	262.55
10	HDFC Life Insurance Company Limited	10	20,000	126.67	20,000	99.84
11	ICICI Bank Limited	2	35,000	382.66	12,000	105.27
12	Kotak Mahindra Bank Limited	5	15,000	267.83	10,000	173.29
13	Mphasis Limited	10	4,000	95.52	4,000	71.83
14	Hindustan Unilever Limited	1	14,000	317.01	2,000	51.21
15	ITC Limited	1	40,000	171.34	-	-
16	Colgate-Palmolive (India) Limited	1	9,000	243.93	-	-
17	Tata Consumer Products Limited	1	20,000	219.24	-	-
Total I				5,652.10		3,331.55

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

S. No	Particulars	Face value (Amt in ₹)	As at March 31, 2024		As at March 31, 2023	
			No. of Shares/units	Fair Value	No. of Shares/units	Fair Value
II. Investment in Units of Trust(trade-quoted)						
1	Powergrid Infrastructure Investment Trust	100	1,77,500	168.11	6,30,000	771.88
2	Embassy Office Parks REIT	300	-	-	1,65,000	515.08
Total II				168.11		1,286.96
III. Investment in Mutual Funds						
<i>(a) Investments in Debt Mutual funds</i>						
1	Aditya Birla Sun Life Savings Fund - Growth - Regular Plan		23,888	119.11	-	-
2	Axis Corporate Debt Fund - Regular Growth(CO-GP)		10,98,545	169.14	77,07,100	1,105.47
3	Axis Short term Fund		70,08,260	1,954.81	1,07,73,492	2,801.84
4	Franklin India Credit Risk Fund		-	-	6,48,325	3.53
5	Franklin India Dynamic Accrual Fund		-	-	1,84,880	1.48
6	HDFC Floating Rate Debt Fund Short Term Plan-Growth		58,67,649	2,645.36	58,67,649	2,449.87
7	HDFC Short term Debt Fund - Regular Plan - Growth		40,76,446	1,177.50	40,76,446	1,093.39
8	HDFC Ultra Short Term Fund - Regular Growth		4,97,50,701	6,889.03	6,81,38,191	8,804.82
9	ICICI Prudential Money Market Fund - Growth		-	-	4,13,389	1,327.53
10	ICICI Prudential Savings Fund-Growth		4,48,716	2,214.51	4,48,716	2,052.82
11	IDFC Corporate Bond Fund Regular Plan-Growth		-	-	76,41,693	1,240.78
12	IDFC Low Duration Fund-Growth		-	-	57,31,411	1,883.94
13	Kotak Low Duration Fund Standard Growth		63,888	1,950.05	63,888	1,824.60
14	Nippon India Money Market Fund - Growth Plan Growth Option		1,21,118	4,577.34	55,448	1,947.69
15	SBI Magnum Ultra Short Duration Fund-Growth		27,545	1,504.22	27,545	1,403.32
16	Hsbc Ultra Short Duration Fund		1,40,378	1,736.61	-	-
17	HDFC Liquid Fund - Regular Plan -Growth		36,326	1,706.56	-	-
18	HDFC Overnight Fund		11,363	400.31	-	-
Sub-Total (a)				27,044.55		27,941.08
<i>(b) Investments in Equity Mutual funds</i>						
1	Aditya BSL MNC Fund		-	-	8,843	77.12
2	Axis Flexi multi Cap Fund - Regular Growth		9,02,334	202.21	9,02,334	151.32
3	Canara Robeco Flexi Cap Fund - Regular Growth(DVGP)		1,44,637	419.35	1,44,637	313.63
4	DSP Flexi Cap Fund - Regular Plan - Growth		7,15,344	605.20	7,15,344	444.83
5	Franklin India Smaller Companies Fund - Growth		2,98,846	440.30	-	-
6	Franklin India Bluechip Fund		-	-	25,489	171.56
7	HDFC Flexi Cap Fund- Growth		55,751	895.19	49,185	551.61
8	HDFC Large and Mid Cap Fund-Reg-Growth		1,50,375	432.63	1,32,557	254.59
9	HDFC Small Cap Fund		6,51,043	765.98	5,58,619	444.91
10	ICICI Prudential Blue Chip Fund		8,89,926	855.57	8,89,926	600.97
11	ICICI Prudential Value Discovery Fund - Growth		69,686	274.98	69,686	190.77
12	Kotak Blue Chip Fund		38,965	191.44	38,965	144.74
13	Kotak Eq. Opportunities-Gr Reg Plan		-	-	27,254	55.41
14	Kotak Equity Saving Fund		24,15,128	566.78	-	-

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

S. No	Particulars	Face value (Amt in ₹)	As at March 31, 2024		As at March 31, 2023	
			No. of Shares/units	Fair Value	No. of Shares/units	Fair Value
15	Kotak Flexi Cap Fund-Regular Growth		10,78,445	770.33	10,78,445	571.74
16	SBI Large & Mid Cap Fund Regular Growth		1,38,707	712.54	1,38,707	533.21
17	Black Rock India Enhanced		28,19,779	539.85	-	-
18	NIPPON INDIA FLEXI CAP FUND - GROWTH PLAN		14,02,570	202.17	-	-
19	Kotak Multicap Fund Regular Plan - Growth		12,95,375	211.28	-	-
20	HSBC Value Fund - Regular Growth		2,21,325	202.48	-	-
21	Tata Flexicap Fund - Regular Plan - Growth		9,22,310	186.56	9,22,310	137.88
	Sub-Total (b)			8,474.83		4,644.29
	<i>(c) Investments in Arbitrage Mutual funds</i>					
1	HDFC Arbitrage Fund-Growth		10,91,179	306.48	10,91,179	284.96
2	IDFC Arbitrage Fund-Growth		19,63,155	584.48	19,63,155	543.79
3	Kotak Equity Arbitrage Fund		18,99,189	651.51	18,99,189	604.23
4	Nippon India Arbitrage Fund - Growth Plan		12,80,539	312.40	12,80,539	290.62
5	SBI Arbitrage Opportunities Fund - Regular Plan		19,39,767	601.11	-	-
	Sub-Total (c)			2,455.98		1,723.60
	Total of Investment in Mutual Funds III (a+b+c)			37,975.36		34,308.97
	Grand total of Current Investments (I+II+III)			43,795.57		38,927.48
	Total Investments			48,444.40		42,985.88

34. RETIREMENT BENEFIT OBLIGATIONS

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
A. Defined Contribution Plan (Expenses):		
Contribution to Provident Fund	305.76	267.01
Contribution to Employee State Insurance	4.08	6.49
Contribution to Labor Welfare Fund	0.31	0.75

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
B. Defined Benefit Plans (Gratuity):		
1. Movement in Obligation - Gratuity:		
Present Value of Obligation at the beginning of year	571.66	534.43
Current Service Cost	70.70	59.20
Interest Cost	42.59	37.20
Benefits Paid	(79.89)	(76.43)
Past Service Cost (Vested and Non-Vested)	-	-
Actuarial (Gain)/Loss on Obligation	68.57	17.26
Present Value of Obligation at the end of year	673.63	571.66
2. Movement in Plan Assets - Gratuity:		
Fair Value of Planned assets at the beginning of the year	370.76	422.51
Return of Plan Assets (excl. int. income)	27.62	29.41
Actuarial Gain/(Loss)	(5.26)	(4.73)

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Contributions during the year	-	-
Benefits Paid during the year	(79.89)	(76.43)
Fair Value of Planned assets at the end of the year	313.23	370.76
3. Expenses recognized in Profit and Loss Statement:		
Gratuity: -		
Current Service Cost	70.70	59.20
Net Interest Cost	14.97	7.79
Past Service Cost	-	-
Expense for the year	85.67	66.99
4. Recognized in Other Comprehensive Income:		
Actuarial (Gain)/Loss for the year	73.83	21.99
5. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:		
a. Attrition Rate	22.00%	22.00%
b. Discount Rate	7.21%	7.45%
c. Expected Rate of Increase in Salary	8%	8%
d. Expected Rate of return on Plan Assets	7.45%	6.96%
e. Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
f. Decrement Adjusted Future Service	22.79	22.99

6. Sensitivity Analysis:

Sensitivity	Change	Effect on obligations
Salary Escalation Rate	+1%	69.15
	(-1%)	(59.09)
Withdrawal Rate	+1%	(6.24)
	(1%)	2.00
Discount Rates	+0.5%	(31.02)
	(0.5%)	33.89

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

7. Expected Payout - Gratuity:

	Amount
Expected payments - 1 st Year	94.75
Expected payments - 2 nd Year	50.90
Expected payments - 3 rd Year	52.32
Expected payments - 4 th Year	60.49
Expected payments - 5 th Year	47.40
Expected payments - After 5 Years	1,383.10

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

8. Other Information:

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

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

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

C. Compensated absences amounting to ₹ 121.20 Lakhs (March 31, 2023: ₹ 102.57 Lakhs) is recognized as expense and included in the Note 27 'Employee Benefit Expenses'.

35. EMPLOYEE STOCK OPTION PLAN

VST Tillers Tractors Limited – Restricted Stock Units Plan 2024

On January 22, 2024, pursuant to the approval by the shareholders through postal ballot, the Board was authorized to introduce, offer, issue and allot share based incentives to the eligible employees of the Company under the "VST Tillers Tractors Limited – Restricted Stock Units Plan 2024" ("the RSU plan"). The maximum number of shares under the RSU plan shall not exceed 50,000 equity shares. These instruments will generally vest equally over a period of 4 years starting from March 31, 2025. The options shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NRC). The exercise price of the equity-settled RSUs will be equal to the par value of the shares.

The fair value of the options is estimated using the Black-Scholes Model. The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk-free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of the equity-settled options is estimated on the date of grant using the following assumptions:

Particulars	For options granted in FY 2023-24	For options granted in FY 2022-23
Weighted average share price (₹)	3,283.25	-
Exercise price (₹)	10.00	-
Expected volatility	34.07%	-
Expected life of the options (years)*	1-4	-
Expected dividend yield (%)	1.08%	-
Risk free interest rate (%)	6.92%	-
Weighted average fair value as on grant date (₹)	3,182.90	-

*The expected life of the options is estimated based on the vesting and the contractual terms of the RSU and the exercise behavior of the employee who receives the RSU.

The summary of the grants made during the years ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Equity settled RSUs (in Nos.)		
Key Managerial Personnel	9,240	-
Employees other than KMP	8,960	-

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

The activity in the RSU Plan for equity-settled share-based payment transactions during the year ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Outstanding at the beginning	-	-	-	-
Granted	18,200	10	-	-
Exercised	-	-	-	-
Forfeited and expired	-	-	-	-
Outstanding at the end	18,200	10	-	-
Exercisable at the end	-	-	-	-

The summary of the equity-settled RSUs outstanding as at March 31, 2024 and March 31, 2023 is as follows:

Range of exercise price per share (₹)	Year ended March 31, 2024		Year ended March 31, 2023	
	Shares arising out of options	Weighted average remaining contractual life	Shares arising out of options	Weighted average remaining contractual life
0 – 10*	18,200	2.5	-	-

*Weighted average exercise price is ₹ 10

The break-up of the employee compensation expense is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Equity settled RSUs		
Key Managerial Personnel	12.84	-
Employees other than KMP	12.46	-
Total	25.30	-

36. INCOME TAX EXPENSE AND DEFERRED TAXES

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income Tax Expense: -		
a. Current Tax	2947.02	3061.00
b. Deferred Tax (arising on temporary differences)	462.67	97.06
Total Tax Expense for the year	3409.69	3,158.06
Effective Tax Reconciliation: -		
a. Net Profit/(Loss) before taxes	15,561.08	12,393.88
b. Tax rate applicable to the Company as per normal provisions	25.168%	25.168%
c. Tax expense on net profit (c = a*b)	3,916.41	3,119.29
d. Increase/(decrease) in tax expenses on account of:		
i. Effect of Unrealized Income	(1,168.11)	(359.52)
ii. Effect of expenses not deductible in determining taxable profits	314.63	558.37
iii. Effect for deduction for expenses earlier disallowed	(67.92)	(75.85)
iv. Effect of Income not forming part of Business income	5.61	(143.17)

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
v. Net effect of deductible temporary differences recognized as deferred tax liabilities and assets	462.67	97.06
vi. Other adjustments	(53.61)	(38.12)
Net Increase/(decrease) in tax expenses	(506.72)	38.77
e. Income Tax Expense as reported in Statement of Profit and Loss (c + d)	3,409.69	3,158.06
Deferred Tax Expenses/(Income) Recognized for the year ended:		
A. Deferred tax recognized in Profit and Loss	462.67	97.06
B. Deferred tax recognized in Other comprehensive income	(18.58)	(5.53)
C. Deferred tax recognized in Total comprehensive income	444.09	91.53

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

- The fair value of investment in quoted instruments is measured at quoted price at the reporting date. The fair value of unquoted instruments is valued using inputs based on information about market participants assumptions and other data that are available.
- Fair value of Interest free Security deposits are calculated by discounting future cash flows using rates currently available for debt on similar terms credit risk and remaining maturities.

Description of significant observable inputs to valuation:

- Interest free Security Deposits (assets & liabilities):
Interest Rate factor has been considered at a rate of 6.06% p.a. by the Company for discounting the amount receivable at the time of maturity.

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

Particulars	Carrying Value		Fair value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial Assets				
At Fair value through profit & loss A/c				
Investments	46,975.40	41,985.88	46,975.40	41,985.88
At Amortized cost				
Investments	500.00	1,000.00	500.00	1,000.00
Loans	13.62	11.44	13.62	11.44
Trade receivables	15,516.13	14,924.43	15,516.13	14,924.43
Cash and Bank Balances	4,673.35	2,813.62	4,673.35	2,813.62
Other Financial assets	253.10	413.60	253.10	413.60
Total Financial Assets	67,931.60	61,148.97	67,931.60	61,148.97
Financial Liabilities				
At Amortized cost				
Trade Payables	9,890.82	13,071.23	9,890.82	13,071.23
Lease Liabilities	135.45	188.83	135.45	188.83
Other Financial liabilities	9,150.17	9,066.25	9,150.17	9,066.25
Total Financial liabilities	19,176.44	22,326.31	19,176.44	22,326.31

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

38. FAIR VALUE HIERARCHY

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

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2024:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level - 1)	Significant observable inputs (Level-2)	Significant unobservable inputs (Level-3)
Financial Assets: -				
Designated at Fair Value through profit or loss:				
Investments in quoted instruments (Equity & Mutual Funds)	43,795.57	43,795.57	-	-
Investments in unquoted instruments	3,179.83	-	-	3,179.83
Designated at Amortized Cost:				
Investments in unquoted instruments	500.00	-	-	500.00
Loans	13.62	-	-	13.62

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level-1)	Significant observable inputs (Level-2)	Significant unobservable inputs (Level-3)
Financial Assets: -				
Designated at Fair Value through profit or loss:				
Investments in quoted instruments (Equity & Mutual Funds)	38,927.47	38,927.47	-	-
Investments in unquoted instruments	3,058.41	-	-	3,058.41
Designated at Amortized Cost:				
Investments in unquoted instruments	1,000.00	-	-	1,000.00
Loans	11.44	-	-	11.44

39. RELATED PARTY TRANSACTIONS

Details of the Related Parties and the description of relationship

i) **Key Managerial Personnel**

Name of the Key Managerial Personnel	Designation
Mr. Antony Cherukara	Chief Executive Officer
Mr. V. T. Ravindra	Managing Director
Mr. Pankaj Khemka ¹	Chief Financial Officer
Mr. Nitin Agrawal ²	Chief Financial Officer
Mr. Chinmaya Khatua	Company Secretary

- Mr. Pankaj Khemka had been appointed as CFO with effect from November 10, 2020 and has resigned as CFO with effect from April 04, 2023.
- Mr. Nitin Agrawal has been appointed as CFO with effect from May 12, 2023.

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

ii) Directors of the Company (other than those covered above)

Name of the Director	Designation
Mr. Arun V Surendra ¹	Chairman
Mr. V K Surendra ²	Chairman
Mr. V P Mahendra ³	Vice Chairman
Mr. V V Pravindra	Non-executive Director
Mr. K M Pai	Independent Director
Mr. M K Bannerjee	Independent Director
Mr. R Subramanian ⁴	Independent Director
Mr. Rajen Padukone ⁵	Independent Director
Mrs. Siva Kameswari Vissa	Independent Director
Mr. Nandakumar Jairam	Independent Director
Mr. Kula Ajith Kumar Rai ⁶	Independent Director

- Mr. Arun V Surendra has been appointed as the Chairman with effect from February 01, 2024.
- Mr. V K Surendra resigned as the Chairman with effect from February 01, 2024.
- Mr. V P Mahendra passed away on May 30, 2023.
- Mr. R Subramanian resigned as the Independent Director with effect from February 18, 2024.
- Mr. Rajen Padukone has been appointed as an Independent Director with effect from May 04, 2023.
- Mr. Kula Ajith Kumar Rai has been appointed as an Independent Director with effect from November 7, 2023.

iii) Joint Venture

VST Zetor Private Limited

iv) Enterprises over which shareholders of the Company or KMP or relatives of KMP exercise control or significant influence

- Mitsubishi Heavy Industries - VST Diesel Engines Private Limited
- India Garage
- VST & Sons
- VST Motors Private Limited
- Suprajit Engineering Limited
- Bangalore Motors Private Limited
- VST Supercars Private Limited

Transactions entered during the year

i) Compensation to Key Managerial Personnel

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term Employment Benefits	424.15	379.60
Post Employment Benefits ¹	16.33	14.72
Other long-term benefits ²	-	-
Termination benefits	-	-
Share-based payments	12.84	-

- Does not include gratuity expenses.
- Does not include leave salary expenses.

ii) Sitting fee paid to Directors of the Company

The sitting fee paid to Independent Directors and Non-executive Directors for the financial year 2023-24 is ₹ 61.50 and for the Financial Year 2022-23 is ₹ 47.50.

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

iii) Transactions with Other Related Parties

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
VST & Sons		
- Payment of royalty	9.68	10.48
Mitsubishi Heavy Industries - VST Diesel Engines Pvt Ltd		
- Renting of immovable property	96.00	82.94
- Services rendered – Job work	299.55	199.73
- Purchase of diesel engines and other materials	11.25	370.44
- Availing engine testing services	1.23	-
India Garage		
- Renting of immovable property	29.04	28.60
VST Zetor Private Limited		
- Transfer of product development	1,217.63	-
- Supply of tractors and spare parts	152.48	-
- Rendering of warranty, sales support and other related services	2.34	-
- Rendering of service relating to the use of various functions (Accounting, HR, Legal, and Sales & marketing)	2.04	-
- Reimbursement of expenses	7.41	-
- Renting of immovable property	1.28	-
Suprajit Engineering Limited		
- Purchase of various components	9.67	-
- Tool development cost	15.00	-
Bangalore Motors Private Limited		
- Purchase of car	41.39	-
- Sale of old car	9.35	-
VST Supercars Private Limited		
- Renting of immovable property	3.36	-
VST Motors Private Limited		
- Redemption of debentures	500.00	500.00
- Interest received on debentures	86.37	118.82

Outstanding balances at the end of the year

Particulars	As at March 31, 2024	As at March 31, 2023
Amounts due to related parties		
VST & Sons	9.68	10.48
Mitsubishi Heavy Industries - VST Diesel Engines Pvt Ltd	-	0.37
Suprajit Engineering Limited	4.91	-
Key Managerial Personnel	76.75	82.13
Amounts due from related parties		
Mitsubishi Heavy Industries - VST Diesel Engines Pvt Ltd	67.48	46.17
India Garage	8.09	8.09
VST Zetor private limited	49.06	-
Investment in non-convertible debentures		
VST Motors Private Limited	500.00	1,000.00

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As At and For The Year Ended March 31, 2024 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Companies activities expose it to variety of Financial risks- interest rate risk, foreign currency risk, market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance and there has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks

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

i. Market Risk:

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

a. Interest rate risk:

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

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

b. Foreign Currency Risk:

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

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

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

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

Particulars	Change in Rate	For the year ended March 31, 2024	For the year ended March 31, 2023
USD	+5.00 %	(10.38)	6.33
	(5.00 %)	10.38	(6.33)
GBP	+5.00 %	5.18	0.74
	(5.00 %)	(5.18)	(0.74)
Euro	+5.00 %	93.36	49.88
	(5.00 %)	(93.36)	(49.88)

* Decimals has been rounded to nearest rupees Lakhs.

ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty defaults on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposit), the Company minimizes the credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

minimizing losses incurred due to increased credit risk exposure. The Company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

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

a. Exposure to credit risk:

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

b. Credit risk concentration profile:

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

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

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

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

Trade receivables that are past due or impaired at the end of the reporting period, for which lifetime expected credit loss has been provided by the Company according to its policy. These are shown in the balance sheet at carrying value less impairment/expected credit loss (information provided in note no. 13).

iii. Liquidity risk:

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

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

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

	Less than 12 months	1 to 3 years	More than 3 years	Total
As at March 31, 2024				
Trade Payables	9,890.82	-	-	9,890.82
Security Deposits	38.00	4,077.06	80.00	4,195.06
Lease Liability	88.40	56.02	-	144.42
Other Financial Liabilities	4,971.18	-	-	4,971.18
As at March 31, 2023				
Trade Payables	13,071.23	-	-	13,071.23
Security Deposits	18.00	4,126.40	80.00	4,224.40
Lease Liability	85.84	120.00	-	205.84
Other Financial Liabilities	4,861.51	-	-	4,861.51

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

41. INVESTMENT PROPERTY:

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

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Rental Income	215.94	200.31
Less: Direct operating expenses incurred		
i. Repairs and Maintenance	4.01	2.15
ii. Property Taxes	15.22	12.85
(B) Total expenses	19.23	15.00
Net Income / (expense) from Investment Property (A-B)	196.71	185.31

Fair Valuation of Investment Property:

Particulars	As at March 31, 2024	As at March 31, 2023
a) Land	11,994.96	8,749.52
b) Building	1,650.49	1,627.86

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

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

42. CAPITAL MANAGEMENT

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

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

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

43. UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	As at March 31, 2024			As at March 31, 2023		
	#	Foreign Currency	Amount (₹)	#	Foreign Currency	Amount (₹)
Trade Receivables	\$	0.25	20.86	\$	3.25	264.07
	£	1.00	103.70	£	11.33	997.60
	€	21.12	1,870.75	€	0.15	14.85
Trade Payables	\$	2.75	227.21	\$	1.69	137.60
	€	0.04	3.51	€	-	-

Denotes currency symbol

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

44. CONTINGENCIES AND COMMITMENTS:

Particulars	As at March 31, 2024	As at March 31, 2023
Contingent Liabilities		
a. Cases filed by customers in various consumer courts not acknowledged as debts	142.84	102.27
b. Appeals filed by the Company in respect of Income tax matters	671.29	841.34
c. Appeals filed by the Company in respect of Customs matters	25.68	25.68
d. Bank guarantees issued to Government agencies by way of security	285.02	382.55
e. Indirect Tax matters*	11,481.09	6,736.73
Commitments		
a. Estimated value of contracts remaining to be executed on capital accounts and not provided for (net of advances)	1,185.72	1,283.78

*The Company has received GST Assessment Order and Demand for ₹ 109.92 Crores (inclusive of Interest of ₹ 24.78 Crores and Penalty of 42.57 Crores) for FY 2017-18, FY 2018-19 and FY 2019-20 due to mismatch of Sales as per GSTR 1 and 3B, mismatch of Input tax credit as per GSTR 2A and 3B, Mismatch with E- way bills and non-submission of details for Expenses. The Company has filed an appeal with the relevant authority submitting the grounds of appeal and the supporting documentation. Further, the Management has represented that it is confident of obtaining favorable orders from appellate authorities as the appropriate opportunity was not provided for submission of details during the assessment proceedings.

45. MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT)

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers about the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at March 31, 2024 has been made in the financial statements based on the information received and available with the Company. The Company has not received any claim for interest from any supplier under the said acts except as stated below. Further in the Management's view, the impact of interest, if any, that may be applicable in accordance with provisions of the Act is not expected to be material.

Particulars	As at March 31, 2024	As at March 31, 2023
a. The principal and the interest due thereon remaining unpaid as at 31 March		
Principal	3,662.07	4,112.53
Interest	26.08	-
b. The interest paid by the Company in terms of section 16 of the MSMED Act along with the amount of the payment made beyond the appointed day during the year ending 31 March		
Principal	-	-
Interest	-	-
c. Interest due and payable for the period of delay (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
d. Interest accrued and remaining unpaid as at 31 March	26.08	-
e. The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006	-	-

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

46. LEASES

Company as Lessee:

The Company lease assets consist of leases for land, building and computers. The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024.

Particulars	Category of ROU Asset		Total
	Equipment & Building	Land	
Balance as at April 1, 2023	180.22	322.71	502.93
Add: Additions	26.89	-	26.89
Less: Deletions	-	-	-
Depreciation	79.18	3.33	82.51
Balance as at March 31, 2024	127.93	319.38	447.31

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023.

Particulars	Category of ROU Asset		Total
	Equipment & Building	Land	
Balance as at April 1, 2022	102.30	326.04	428.34
Add: Additions	140.79	-	140.79
Less: Deletions	-	-	-
Depreciation	62.87	3.33	66.20
Balance as at March 31, 2023	180.22	322.71	502.93

The depreciation expenses on ROU assets are included under depreciation and amortization expense in the statement of profit and loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023.

Particulars	As at March 31, 2024	As at March 31, 2023
Current Lease liability	82.12	75.96
Non-current lease liability	53.33	112.87
Total	135.45	188.83

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023.

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Lease liability	188.83	104.59
Additions	26.89	140.80
Finance cost accrued during the year	10.68	11.04
Deletions	-	-
Payment of lease liabilities	90.95	67.60
Balance at the end	135.45	188.83

Following amount has been recognized in the statement of profit & loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on right to use asset	82.51	66.20
Interest on lease liability	10.68	11.04
Total amount recognized in the statement of profit and loss	93.19	77.24

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

The details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	88.40	85.84
One to five years	56.02	120.00
More than five years	-	-

47. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

CSR amount required to be spent by the Company during the year is ₹ 217.62 Lakhs (Previous year ₹ 173.80 Lakhs). Further, during the year, the Company has spent an amount ₹ 120.00 Lakhs related to current year liability, details of which are as follows:

Details of amount spending on CSR activities:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening unspent amount*	193.31	193.31
Amount required to be spent as per section 135(5) of companies Act, 2013	217.62	173.80
Less: Amount spent during the year	313.31	173.80
Balance amount to be spent	97.62	193.31
Unspent Amount transferred to separate bank account by April 30, 2024.	97.62	193.31

* Opening unspent amount as on April 01, 2023 is the difference between the amount to be incurred as per Sec 135(5) of the Act and the actual amount incurred till the beginning of previous financial year.

Details of CSR Transactions as follows:

Head	Paid in Cash	Yet to be paid in Cash	Total
Corpus Fund for CSR activities (Kamalabai Education Trust)	210.00	-	210.00
Corpus Fund for CSR activities (V.S.Thiruvengadaswamy Mudaliar Memorial Trust)	60.00	-	60.00
Corpus Fund for CSR activities (Ramakrishna Math)	43.31	-	43.31
Total	313.31	-	313.31

48. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 37 "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS"

a) Movement in provision for warranty

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Carrying amount as at the beginning of the year	181.50	194.93
Add: Additional provision made during the year	169.72	181.50
Less: Provision used during the year	181.50	194.93
Less: Unused amounts reversed during the year	-	-
Carrying amount as at the end of the year	169.72	181.50

b) Nature of Obligation

The Company gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. The provision made as at March 31, 2024 represents the amount of expected cost of meeting such obligations on account of rectification / replacement. The timing of outflow is expected to be within a period of one year from the end of the year.

The Company generally offers 12 months warranties for tiller products except 135DI and 165DI tillers, 17HP-50HP tractors which are offered 24 months warranties. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims.

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

49. DISCLOSURE PURSUANT TO IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

1. Disaggregation of Revenue

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Revenue by type of goods & Services		
Revenue from Products		
- Tillers	55,838.96	57,782.56
- Tractors	21,231.57	26,651.59
- Others	23,399.03	19,596.47
Revenue from Services		
- Job Works	302.51	198.19
- Others	427.66	339.96
Other operating revenue	493.16	430.23
Total	1,01,692.89	1,04,999.02
b) Revenue by geographical region		
Domestic Sales	88,667.32	96,561.27
Export Sales	13,025.57	8,437.75
Total	1,01,692.89	1,04,999.02
c) Revenue by sales Channel		
Dealer Sales	90,535.41	92,877.27
End Customer Sales	7,525.53	7,888.19
Others	3,631.95	4,233.55
Total	1,01,692.89	1,04,999.02
d) Recognition of revenue over the period of time or at a point in time		
Recognition of revenue at a point in time	1,01,692.89	1,04,999.02
Total	1,01,692.89	1,04,999.02

2. Contract Balance:

Out of the opening customer advances amounting to ₹ 629.59 Lakhs, ₹ 358.99 Lakhs have been recognized as revenue during the year ended March 31, 2024 (₹ 2,046.53 Lakhs recognized for the previous financial year).

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract Price	1,01,692.89	1,04,999.02
Less:		
Dealer Discount – Products	1,210.25	1252.55
Dealer Discount – Spares	706.30	681.76
Special Discount	2,366.75	1853.65
Export Agent Discount	117.35	-
Cash Discount	487.46	568.39
Transaction Price	96,804.78	1,00,642.67

4. Revenue from major customers;

There are no major customers exceeding 10% of the total revenue.

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

50. AGEING ANALYSIS

A) Ageing schedule of capital work-in-progress

As at March 31, 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
a) Projects in progress	237.59	124.16	16.76	145.89	524.40
b) Projects temporarily suspended	-	-	-	-	-
Total	237.59	124.16	16.76	145.89	524.40

As at March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,207.69	54.33	55.14	93.75	1,410.91
Projects temporarily suspended	-	-	-	-	-
Total	1,207.69	54.33	55.14	93.75	1,410.91

B) Ageing schedule of Trade Payables

As at March 31, 2024	Outstanding from the due date of payment				Total
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
Due to MSME	3,577.77	-	-	-	3,577.77
Due to Others	6,039.55	131.21	37.36	20.63	6,228.75
Disputed dues — MSME	-	84.30	-	-	84.30
Disputed dues — Others	-	-	-	-	-

As at March 31, 2023	Outstanding from the due date of payment				Total
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
Due to MSME	4,112.53	-	-	-	4,112.53
Due to Others	8,818.70	89.26	19.70	31.04	8,958.70
Disputed dues — MSME	-	-	-	-	-
Disputed dues — Others	-	-	-	-	-

* Amount which is "Not due" is considered in less than 1 year.

C) Ageing schedule of Trade Receivables

As at March 31, 2024	Outstanding from the due date of Receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade receivables – considered good	7,326.07	4,429.65	1,166.44	1,331.80	601.71	660.46	15,516.13
b) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	21.21	124.52	1,478.90	1,624.63
c) Disputed trade receivables – credit impaired	-	26.91	4.53	0.23	1.32	1,574.31	1,607.30
Gross Trade Receivables	7,326.07	4,456.56	1,170.97	1,353.24	727.55	3,713.67	18,748.06
Less: Allowance for Expected credit loss							3,231.93
Net Trade Receivables							15,516.13

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

C) Ageing schedule of Trade Receivables

As at March 31, 2023	Outstanding from the due date of Receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade receivables – considered good	6,210.05	4,867.69	2,007.00	603.88	990.45	175.34	14,924.43
b) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	71.42	294.26	1,192.56	1,558.83
c) Disputed trade receivables – credit impaired	-	-	-	-	68.35	1,174.85	1,243.20
Gross Trade Receivables	6,210.05	4,867.69	2,007.00	675.30	1,353.65	2,542.75	17,726.46
Less: Allowance for Expected credit loss							2,802.03
Net Trade Receivables							14,924.43

51. SHAREHOLDING OF PROMOTERS

Sr No.	Name of the Promoter	For FY 2023-24			For FY 2022-23		
		No. of Shares	% of Share holding	% change during the year	No. of Shares	% of Share holding	% change during the year
1	V K Surendra	19,34,534	22.39%	-	19,34,534	22.39%	0.37%
2	V P Mahendra	-	0.00%	(7.26%)	6,27,020	7.26%	-
3	V V Pravindra	2,24,146	2.59%	-	2,24,146	2.59%	-
4	Arun Vellore Surendra	2,25,630	2.61%	0.06%	2,20,630	2.55%	-
5	V P Tiruvengadaswamy	2,44,692	2.83%	0.52%	1,99,692	2.31%	-
6	V V Vijayendra	6,26,012	7.25%	5.33%	1,65,888	1.92%	-
7	S Mahalakshmi	35,375	0.41%	-	35,375	0.41%	-
8	V V Sujay	72,664	0.84%	-	72,664	0.84%	-
9	M Bharathi	61,200	0.71%	-	61,200	0.71%	-
10	P Jayalakshmi	33,750	0.39%	-	33,750	0.39%	-
11	V Lakshmi	33,007	0.38%	-	33,007	0.38%	-
12	V V Anjali	30,123	0.35%	-	30,123	0.35%	-
13	V T Ravindra	29,152	0.34%	0.01%	28,852	0.33%	-
14	V P Rahul	18,076	0.21%	-	18,076	0.21%	-
15	V M Anand	58,859	0.68%	0.49%	16,195	0.19%	-
16	V M Vishnu	58,720	0.68%	0.49%	16,056	0.19%	-
17	V P Karan	15,714	0.18%	-	15,714	0.18%	-
18	Amritha V M Ward	50,898	0.59%	0.42%	14,330	0.17%	-
19	V T Anusuya	2,250	0.03%	-	2,250	0.03%	-
20	Sita Rajgopal	1,500	0.02%	-	1,500	0.02%	-
21	VST Motors Private Limited	3,88,885	4.50%	-	3,88,885	4.50%	0.37%
22	Mitsubishi Heavy Industries Engine And Turbocharger Limited	2,53,125	2.93%	-	2,53,125	2.93%	-
23	Padmanaban Motors LLP	1,36,311	1.58%	-	1,36,311	1.58%	-
24	K S And Sons LLP	85,690	0.99%	-	85,690	0.99%	-

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

Sr No.	Name of the Promoter	For FY 2023-24			For FY 2022-23		
		No. of Shares	% of Share holding	% change during the year	No. of Shares	% of Share holding	% change during the year
25	V T Velu Investments Private Limited	67,725	0.78%	-	67,725	0.78%	-
26	Gove Finance Limited	66,082	0.76%	-	66,082	0.76%	-
27	Vijayendra Brothers Investments Private Limited	52,470	0.61%	-	52,470	0.61%	-
Total Promoter Holding		48,06,590	55.63%		48,01,290	55.57%	

52. RECONCILIATION OF MONTHLY INFORMATION FILED WITH LENDER

The Company has availed working capital facility from HDFC Bank Limited which is paid within the Financial Year. As per the terms & conditions of the sanction letter, the Company is required to file monthly statement of inventory, trade receivables and trade payables. On reconciliation of books of account and periodical submissions made with the banker, there are no significant variances.

53. RATIOS

Ratio	Numerator	Denominator	FY		% of Change	Remarks
			2023-24	2022-23		
Current ratio	Current assets	Current liabilities	4.60	3.56	29.02%	Due to an increase in investments and fixed deposits by ₹ 76.13 Crores and a decrease in trade payables by ₹ 31.80 Crores.
Debt-equity ratio	Total debt	Shareholders' equity	NA	NA	NA	
Debt service coverage ratio	Earnings available for debt service	Debt service	NA	NA	NA	
Return on equity ratio	Profit after tax	Average of total equity	13.90%	11.74%	18.43%	
Inventory turnover ratio	Costs of goods sold	Average inventories	5.83	6.76	(13.79%)	
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	6.36	9.28	(31.49%)	Due to a decrease in revenue from operations by ₹ 38.38 Crores and an increase in average trade receivables by ₹ 43.79 Crores.
Trade payables turnover ratio	Purchases	Average trade payables	5.82	6.70	(13.20%)	
Net capital turnover ratio	Revenue from operations	Working capital	1.44	1.82	(20.91%)	
Net Profit Ratio	Profit after tax	Revenue from operations	12.55%	9.18%	36.78%	Due to an increase in unrealized and realized gain on investments by ₹ 36.46 Crores and a decrease in revenue from operations by ₹ 38.38 Crores and in cost of materials consumed by ₹ 45.98 Crores.
Return on capital employed	Earnings before interest and tax	Capital Employed	16.99%	15.25%	11.40%	
Return on investment	Return from investments	Average investments	11.38%	3.72%	206.28%	Due to an increase in unrealized and realized gain on investments by ₹ 36.46 Crores.

Notes to the Standalone Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

- 54.** Disclosure required under Schedule III as amended, that are not covered above:
- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
 - No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
 - The Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.
 - The Company has not entered into any scheme of arrangement.
 - No registration and/or satisfaction of charges are pending to be filed with ROC.
 - There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
 - The Company does not have any relationship with struck off companies.
- 55.** The Company is engaged only in the business of manufacturing and trading of agriculture machinery and accordingly the business activity falls within a single business segment in terms of Ind AS 108 on Operating Segments.
- 56.** The Board has recommended dividend of ₹ 20 per equity share having face value of ₹ 10 each for the financial year 2023-2024.
- 57.** Corresponding previous year figures have been reclassified / regrouped wherever necessary.

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

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

Hitesh Kumar. P
Partner
Membership No:233734

V.T.Ravindra
DIN: 00396156
Managing Director

K.M. Pai
DIN:01171860
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
Company Secretary
Membership No. ACS-21759

Place: Bengaluru
Date: May 09, 2024.

Place: Bengaluru
Date: May 09, 2024.

Independent Auditor's Report

To The Members of

V.S.T. Tillers Tractors Limited

Report on the Audit of Consolidated Financial Statements

OPINION

- We have audited the accompanying consolidated financial statements of M/s. **V.S.T. Tillers Tractors Limited** ("the Company"), and its joint venture, which comprise the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended March 31, 2024, and notes to the consolidated financial statements, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
- In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditor on separate financial statements of the joint venture the aforesaid consolidated financial statements for the year ended March 31, 2024 give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (financial position) of the Company and its joint venture as at March 31, 2024, of the consolidated profit (financial performance including other comprehensive income), the consolidated changes in equity, and the consolidated cash flows of the Company and its joint venture for the year ended on that date.

BASIS FOR OPINION

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of the report of the other auditor referred to in paragraph (a) of the "Other Matters" section below is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

- Key Audit Matters are those matters that, in our professional judgement and based on the consideration of the report of the other auditor on the separate financial statements of the joint venture as was audited by such other auditor, were of most significance in our audit of the consolidated financial statements for the year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How the matter was addressed in our Audit
<p>Appropriateness of capitalisation of costs as per Ind AS 16 Property, Plant and Equipment(PPE):</p> <p>The Company has incurred total cost Rs. 1,528.17 lakhs on property, plant and equipment (PPE - representing cost incurred for development of Engines and acquisition of plant & machinery, and other capital equipment) as part of business expansion and product development.</p> <p>This cost needs to be capitalised and depreciated once the assets are ready for use as intended by the</p>	<p>Our audit procedures to assess appropriate capitalization of such expenditure includes, but were not limited to the following:</p> <ul style="list-style-type: none"> Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs. Reviewed management's capitalization policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16, Property, Plant and Equipment.

Independent Auditor's Report (Contd.)

Key Audit Matters	How the matter was addressed in our Audit
<p>management and certainty about the future economic cash flows. Inappropriate timing of capitalisation of the cost and/or inappropriate classification of categories of items of PPE could result in material misstatement of PPE with a consequent impact on depreciation charged.</p> <p>Owing to the above factors, we have identified this as a key audit matter for current year audit due to the significance of the capital expenditure incurred during the year.</p>	<ul style="list-style-type: none"> Compared the additions with the budgets and the orders given to the vendors. Tested the additions on a sample basis for their nature and purpose to ensure that the capitalization is as per company's accounting policy. Assessed the appropriateness and adequacy of the related disclosures in the financial statements in accordance with the applicable Indian accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

6. The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss including other comprehensive income, consolidated changes in equity, and consolidated cash flows of the Company and its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the Company

and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Company as aforesaid.

- In preparing the consolidated financial statements, the respective Board of Directors of the Company and its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
- The respective Board of Directors of the Company and its joint venture are also responsible for overseeing each company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement

Independent Auditor's Report (Contd.)

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements,

including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of the joint venture to express an opinion on the consolidated financial statements. The joint venture included in the consolidated financial statements, has been audited by other auditors and such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.
- Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.
- We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance of the Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report (Contd.)

OTHER MATTERS

15. The consolidated financial statements include the Company's share of total net loss after tax of Rs. 44.69 lakhs for the period ended March 31, 2024, in respect of the joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of the joint venture which was not audited by us, the remuneration paid by the Company and its joint venture to their directors/managers during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company and its joint venture is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Appendix - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements the joint venture as was audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our

knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors, except for the matters stated in paragraph 18 (h)(vi) below on reporting under Rule 11 (g) of the companies (Audit and Auditors) Rules, 2014 (as amended).
- c) The consolidated balance Sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of written representations received from the directors of the Company as on March 31, 2024 taken on record by the board of directors of the Company and the report of the statutory auditors of the joint venture, none of the directors of the Company and its joint venture is disqualified as on March 31, 2024 from being appointed as directors in terms of section 164(2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014 as amended.
- g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and its joint venture and the operating effectiveness of such controls, refer to our separate report in "Appendix - B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls of the Company and its joint venture with reference to financial statements.

Independent Auditor's Report (Contd.)

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on consideration of the report of the other auditors on the financial statements of the joint venture as noted in the "Other Matters" paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2024, on the consolidated financial position (Refer Note 45 to the consolidated financial statements).
 - ii. The Company and its joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company or its joint venture incorporated in India during the year ended March 31, 2024.
 - iv. a. The respective management of the Company and its joint venture have represented to us and the other auditor of the joint venture that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company or its joint venture to or in any persons or entities, including foreign entities ("the Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its joint venture ("the Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective management of the Company and its joint venture have represented that, to the best of their knowledge and belief, no funds have been received by the Company or its joint venture from any persons or entities, including foreign entities ("the Funding Parties"), with the understanding, whether recorded

in writing or otherwise, that the Company or its joint venture shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the joint venture whose financial statements have been audited under the Act, nothing has come to our or other auditor's attention that causes us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The dividend paid by the Company during the year is in accordance with provisions of Section 123 of Companies Act, 2013. The joint venture has neither declared nor paid any dividend.
- vi. The Books of account of the Company are being maintained using an accounting software that has audit trail feature. Based on our examination which includes test checks, barring the instances described below, the audit trail feature has operated throughout the year with respect to all the transactions that are recorded using the software.

Audit trail feature is not there for logging the changes done by the users having privileged access, at the application level for certain tables that relate to the significant financial processes, and the changes done at the data base level.

Further, where audit trail was enabled, we didn't come across any instance of audit trail feature being tampered with.

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

Hitesh Kumar P
Partner

Place: Bengaluru
Date: May 09, 2024

Membership No.: 233734
UDIN: 24233734BKDGKY5967

Appendix - A

The Appendix referred to in Independent Auditors' Report to the members of the Company on the consolidated financial statements for the year ended March 31, 2024, we report that:

(xxi) No qualifications or adverse remarks have been given in the report by the auditors of the joint venture whose financial statements have been included in the aforesaid consolidated financial statements.

Auditors of the joint venture have reported cash losses in the financial year under clause 3(XVII) of the CARO report. Based on information and explanations provided to us, in our opinion, these observations are not considered unfavourable or qualified or adverse in nature and hence not reported under this clause.

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

Hitesh Kumar P
Partner

Place: Bengaluru Membership No.: 233734
Date: May 09, 2024 UDIN: 24233734BKDGKY5967

Appendix - B

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to the consolidated financial statements of M/s. **V.S.T. Tillers Tractors Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

OPINION

In our opinion and based on the consideration of report of the other auditors on internal financial controls with reference to the financial statements of the joint venture as was audited by the other auditors, the Company and its joint venture have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to the financial statements criteria established by the Company and its joint venture considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the

Appendix - B to the Independent Auditors' Report (Contd.)

"Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the auditors of the joint venture in terms of their report referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that,

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to the joint venture, incorporated in India, is based on the corresponding report of the auditors of the joint venture.

Our opinion is not modified in respect of this matter.

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

Hitesh Kumar P
Partner

Place: Bengaluru Membership No.: 233734
Date: May 09, 2024 UDIN: 24233734BKDGKY5967

Consolidated Balance Sheet

As At March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
A ASSETS			
1. Non-current assets			
a) Property, plant and equipment	4(a)	22,159.85	22,867.30
b) Capital work-in-progress	4(b)	524.40	1,410.91
c) Investment property	5	2,156.05	2,184.22
d) Right-of-use assets	4(c)	447.31	502.93
e) Other Intangible assets	6	227.81	584.12
f) Financial assets			
i) Investments	7	4,604.14	4,058.41
ii) Loans	8	6.35	6.04
iii) Other financial assets	9	226.39	315.00
g) Other non-current assets	11	162.38	79.39
Total non-current assets		30,514.68	32,008.32
2. Current assets			
a) Inventories	12	11,780.31	10,790.86
b) Financial assets			
i) Investments	7	43,795.57	38,927.47
ii) Trade receivables	13	15,516.13	14,924.43
iii) Cash and cash equivalents	14	4,367.09	1,091.85
iv) Bank balances other than (iii) above	15	306.26	1,721.77
v) Loans	8	7.27	5.40
vi) Other financial assets	9	26.71	98.60
c) Current tax asset (net)	10	1,962.46	1,952.95
d) Other current assets	11	8,407.99	7,557.50
Total current assets		86,169.79	77,070.83
Total assets		1,16,684.47	1,09,079.15
B EQUITY AND LIABILITIES			
1. Equity			
a) Equity share capital	16	863.95	863.95
b) Other equity	17	91,498.09	81,581.23
Total Equity		92,362.04	82,445.18
2. Liabilities			
Non current liabilities			
a) Financial liabilities			
i) Other financial liabilities	19	4,141.19	4,186.74
ii) Lease liabilities	18	53.33	112.87
b) Provisions	20	683.84	446.39
c) Deferred tax liabilities (net)	21	696.07	251.98
d) Other Non current liabilities	22	10.44	14.14
Total Non current liabilities		5,584.87	5,012.12
Current liabilities			
a) Financial liabilities			
i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	23	3,662.07	4,112.53
- total outstanding dues of creditors other than micro enterprises and small enterprises	23	6,228.75	8,958.70
ii) Lease liabilities	18	82.12	75.96
iii) Other financial liabilities	19	5,008.98	4,879.51
b) Provisions	20	257.95	255.40
c) Other current liabilities	22	3,497.69	3,339.75
Total Current liabilities		18,737.56	21,621.85
Total Liabilities		24,322.43	26,633.97
Total Equity and Liabilities		1,16,684.47	1,09,079.15

The accompanying notes form an integral part of Financial Statements.

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

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

Hitesh Kumar. P
Partner
Membership No:233734

V.T.Ravindra
DIN: 00396156
Managing Director

K.M. Pai
DIN:01171860
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
Company Secretary
Membership No. ACS-21759

Place: Bengaluru
Date: May 09, 2024.

Place: Bengaluru
Date: May 09, 2024.

Consolidated Statement of Profit and Loss

For The Year Ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	24	96,804.78	1,00,642.67
II Other Income	25	6,058.29	2,494.70
III Total Income (I+II)		1,02,863.07	1,03,137.37
IV Expenses			
a) Cost of materials consumed		57,857.30	62,455.34
b) Purchase of Stock-in-Trade		8,623.67	8,337.30
c) Change in inventories of finished goods, work in progress and Stock in Trade	26	(730.81)	(324.02)
d) Employee benefit Expenses	27	8,627.87	7,908.61
e) Finance costs	28	214.92	127.20
f) Depreciation and amortisation expenses	29	2,700.59	2,694.25
g) Other expenses	30	10,008.45	9,544.81
Total Expenses		87,301.99	90,743.49
V Profit before exceptional items and tax and before share of profit/(loss) of a Joint Venture (III-IV)		15,561.08	12,393.88
VI Share of profit/(loss) of a Joint Venture		(44.69)	-
VII Profit before exceptional items and tax (V+VI)		15,516.39	12,393.88
VIII Exceptional Items		-	-
IX Profit before tax (VII-VIII)		15,516.39	12,393.88
X Tax expense:			
a) Current tax		2,947.02	3,061.00
b) Deferred tax		462.67	97.06
XI Profit for the year (IX-X)		12,106.70	9,235.82
XII OTHER COMPREHENSIVE INCOME			
A (i) Items that will not be reclassified to the statement of profit or loss			
a) Remeasurement of Defined employee benefit plans	31	(73.83)	(21.99)
(ii) Income tax on items that will not be reclassified to the profit or loss	31	18.58	5.53
B (i) Items that will be reclassified to the profit or loss		-	-
Total Other Comprehensive Income (net of taxes)		(55.25)	(16.46)
XIII Total Comprehensive Income for the year (XI + XII)		12,051.45	9,219.36
XIV Earnings per share	32		
- Basic (in ₹ per share)		140.13	106.90
- Diluted (in ₹ per share)		140.10	106.90

The accompanying notes form an integral part of Financial Statements.

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

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

Hitesh Kumar. P
Partner
Membership No:233734

V.T.Ravindra
DIN: 00396156
Managing Director

K.M. Pai
DIN:01171860
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
Company Secretary
Membership No. ACS-21759

Place: Bengaluru
Date: May 09, 2024.

Place: Bengaluru
Date: May 09, 2024.

Consolidated Statement of Changes in Equity

For The Year Ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

I Equity Share capital

Particulars	At the beginning of the year	Changes during the year	At the end of the year
For the year ended March 31, 2023	863.95	-	863.95
For the year ended March 31, 2024	863.95	-	863.95

II Other Equity

Particulars	Capital Reserve	General reserve	Share Option Outstanding Account	Surplus in Statement of Profit and Loss	Other comprehensive Income	Total
As at April 01, 2022	264.05	30,000.00	-	44,042.13	(216.40)	74,089.78
Profit for the year	-	-	-	9,235.82	-	9,235.82
Other comprehensive income	-	-	-	-	(16.46)	(16.46)
Total comprehensive income	-	-	-	9,235.82	(16.46)	9,219.36
Dividends	-	-	-	1,727.91	-	1,727.91
Dividend distribution tax	-	-	-	-	-	-
As at March 31, 2023	264.05	30,000.00	-	51,550.04	(232.86)	81,581.23
Profit for the year	-	-	-	12,106.70	-	12,106.70
Share based payment to employees	-	-	25.30	-	-	25.30
Other comprehensive income	-	-	-	-	(55.25)	(55.25)
Total comprehensive income	-	-	25.30	12,106.70	(55.25)	12,076.74
Dividends	-	-	-	2,159.88	-	2,159.88
Dividend distribution tax	-	-	-	-	-	-
As at March 31, 2024	264.05	30,000.00	25.30	61,496.85	(288.10)	91,498.09

The accompanying notes form an integral part of Financial Statements.

Description of the nature and purpose of Other Equity:

- (i) **Capital reserve:** Capital reserve mainly represents the amount of profit on reissue of shares.
- (ii) **General reserve:** General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilized by the Company in accordance with the Companies Act, 2013.
- (iii) **Retained earnings:** Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to/from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.
- (iv) **Employee stock option outstanding account:** Share option outstanding account represents reserve in respect of equity settled share options granted to the Company's employees in pursuance of the Employee Stock Option Plan.

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

Hitesh Kumar. P
 Partner
 Membership No:233734

V.T.Ravindra
 DIN: 00396156
 Managing Director

Antony Cherukara
 Chief Executive Officer

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

K.M. Pai
 DIN:01171860
 Director

Nitin Agrawal
 Chief Financial Officer

Chinmaya Khatua
 Company Secretary
 Membership No. ACS-21759

Place: Bengaluru
 Date: May 09, 2024.

Place: Bengaluru
 Date: May 09, 2024.

Consolidated Cash Flow Statement

For The Year Ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
I Cash flow from operating activities:		
A. Profit before tax	15,516.39	12,393.88
B. Adjustment for:		
a. Depreciation and amortisation	2,700.59	2,694.25
b. Interest income from Investments	(148.24)	(216.96)
c. Dividend Income	(139.19)	(151.57)
d. Share of (profit)/loss of a Joint Venture	44.69	-
e. (Profit)/Loss on sale of PPE	9.91	(5.79)
f. Allowance for expected credit loss	441.96	473.12
g. Rent received	(220.58)	(200.31)
h. (Profit)/Loss on Sale of Investment	(419.86)	(161.94)
i. Provisions Written back	(169.78)	(208.08)
j. Unrealized foreign exchange (gain)/loss	8.37	(7.48)
k. Finance cost	199.21	111.72
l. Interest expense on security deposit	5.03	4.44
m. Interest on SD	(0.54)	(0.43)
n. Deferred rental income on security deposits received	(5.35)	(4.61)
o. Unrealized (gain)/Loss on Investments	(4,641.23)	(1,253.29)
p. Amortisation of Prepaid lease rentals	0.53	0.45
q. Finance cost on lease rentals	10.68	11.04
r. Asset Written Off	-	94.47
	13,192.60	13,572.91
C. Adjustment for movements in Working capital		
a. Trade payables, Other liabilities and Provisions (Net of fair value adjustment on deposits)	(2,581.21)	4,997.71
b. Trade receivables	(1,042.01)	(8,632.83)
c. Inventories	(989.45)	(727.45)
d. Financial and other current assets (Net of fair value adjustment on deposits)	(761.98)	(2,556.93)
D. Cash generated from Operations	7,817.95	6,653.41
Less: Direct taxes Paid	(2,956.53)	(3,010.67)
Net cash flow from operating activities (I)	4,861.42	3,642.74
II Cash flows from investing activities		
a. Purchase of PPE, including CWIP	(740.56)	(2,424.31)
b. Proceeds from sale of PPE	7.92	25.07
c. Redemption/maturity of bank deposits	1,415.51	(1,112.26)
d. Purchase of investments	(14,793.77)	(11,375.03)
e. Proceeds from sale of Investment	14,396.33	11,160.37
f. Interest received	218.65	216.96
g. Income from investment	139.19	151.57
h. Rent Received	220.58	200.31
Net cash flow from/ (used in) investing activities (II)	863.87	(3,157.32)

Consolidated Cash Flow Statement
For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
III Cash flows from financing activities		
a. Interest paid	(199.21)	(111.72)
b. Payment of Lease Liability	(90.95)	(73.20)
c. Dividends paid on equity shares	(2,159.88)	(1,727.91)
Net cash flow from/ (used in) financing activities (III)	(2,450.05)	(1,912.83)
IV Net Increase/(decrease) in cash and cash equivalents (I + II + III)	3,275.24	(1,427.41)
Cash and cash equivalents at the beginning of the period	1,091.85	2,519.26
V Cash and cash equivalents at the end of the year	4,367.09	1,091.85
VI Components of cash and cash equivalents:		
a. Cash on hand	-	-
b. With banks		
i. FD with Bank	2,845.00	100.00
ii. on current account	1,522.09	991.85
Total cash and cash equivalents	4,367.09	1,091.85

The accompanying notes form an integral part of Financial Statements.

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

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

Hitesh Kumar. P
Partner
Membership No:233734

V.T.Ravindra
DIN: 00396156
Managing Director

K.M. Pai
DIN:01171860
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
Company Secretary
Membership No. ACS-21759

Place: Bengaluru
Date: May 09, 2024.

Place: Bengaluru
Date: May 09, 2024.

Notes to the Consolidated Financial Statements

As At and For The Year Ended March 31, 2024
(All amounts in ₹ lakhs, unless otherwise stated)

01. CORPORATE INFORMATION

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

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

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

02. BASIS OF PREPARATION

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

These consolidated financial statements were approved by the Company's Board of Directors and authorized for issue on May 09, 2024.

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

03. MATERIAL ACCOUNTING POLICIES

a) Basis of consolidation:

Joint arrangements

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have the rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are accounted using the equity method of accounting. Where the Company's activities are conducted through joint operations (i.e. the parties have rights

to the assets and obligation for liabilities relating to the arrangement), the Company recognizes its share of assets, liabilities, income and expenses of such joint operations incurred jointly along with its share of income from the sale of output.

b) Significant accounting estimates and assumptions

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

Estimates and assumptions:

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

i. Impairment of non-current assets:

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

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

ii. Defined Benefit Plans:

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

iii. Fair Value measurement of financial instruments:

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

iv. Contingencies:

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

v. Property, Plant and Equipment:

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

vi. Intangibles:

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

vii. Income Taxes:

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

viii. Provision for Warranty expenditure:

Due to the nature of the industry the Company and its joint venture operate in, warranty expenditure needs to be incurred on regular basis. The Company applies rational judgement and past experience in determining the extent of provision to be created at the end of each reporting period.

c) Current Vs Non-current classifications:

The assets and liabilities are presented in the Consolidated Balance Sheet based on current/non-current classification.

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

- i. Expected to be realized or is intended to be sold or consumed in the Company's normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period; or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

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

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

All other liabilities are classified as non-current liabilities.

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

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

d) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost net of GST input credit, less accumulated depreciation and impairment losses if any. Cost comprises the

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

purchase price, any attributable cost of bringing the asset to its working condition for its intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

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

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

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

Estimated useful life of the assets are as follows:

Type of the Asset	Method of Depreciation	Useful life considered
Buildings	Straight line Method	3 - 60 Years
Plant and Machinery	Straight line Method	2 - 15 Years
Data processing equipment	Straight line Method	3 - 6 Years
Furniture and fixtures	Straight line Method	5 - 10 Years
Vehicles	Straight line Method	8 Years
Office Equipment	Straight line Method	5 Years

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

use are removed from the books of account and the carrying value if any is charged to the Consolidated Statement of Profit and Loss.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant, and Equipment recognized as at March 31, 2016 measured as per Previous GAAP as the deemed cost of Property Plant and Equipment.

e) Intangible Assets:

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

Computer software:

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

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

f) Investment Properties:

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

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

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

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

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

g) Impairment of tangible and intangible assets:

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

h) Borrowing Cost:

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

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

All other borrowing costs are recognized in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

i) Leases:

The Company assesses a contract at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-Use Assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease Liabilities:

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included in the measurement of the lease liability include fixed payments (including in substance fixed payments), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Consolidated Statement of Profit and Loss.

In the case of a short-term lease contract and lease contracts for which the underlying asset is of low value, lease payments are charged to the Consolidated Statement of Profit and Loss on accrual basis.

j) Inventories:

i. Stock-in-Trade:

Stock-in-Trade is stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price of inventories less estimated costs of completion and costs necessary to make the sale. Cost is determined on weighted Average basis.

ii. Stores and Spares:

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

k) Fair Value Measurement:

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

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

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

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

l) Revenue recognition:

i. Revenue from operations:

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

ii. Interest and dividend:

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

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

iii. Rental income:

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

m) Foreign currency transactions:

In preparing the consolidated financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies

Notes to the Consolidated Financial Statements
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(All amounts in ₹ lakhs, unless otherwise stated)

are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in the Consolidated Statement of Profit and Loss in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

n) Retirement and other employee benefits:

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

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

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

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

iv. Share based payments to employees:

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest, with a corresponding increase in equity.

v. Termination Benefits:

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for those benefits. The Company recognizes the termination benefits at the earlier of the following dates:

- a) when the Company no longer withdraw the offer of those benefits and
- b) when the Company recognizes the costs for a restructuring that is within the scope of Ind AS 37 and involves payment of termination benefits.

o) Earnings per share:

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

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

p) Provisions:

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

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

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

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)

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q) Contingencies:

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

r) Taxes on Income:

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

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carried forward tax losses, all deferred tax assets are recognized only if it is probable that they can be utilized against future taxable profits.

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

s) Prior period items:

In case prior period adjustments are material in nature the Company prepares the restated financial

statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". In case of immaterial items pertaining to prior periods, they will be shown under respective items in the Consolidated Statement of Profit and Loss.

t) Cash and cash equivalents:

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

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

u) Financial instruments:

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

Financial Assets:

A. Initial recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

B. Subsequent measurement:

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

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

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As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

a. Debt Instruments at amortized cost:

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

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

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

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

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

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

Equity instruments/Mutual funds in the scope of Ind AS 109 are measured at fair value. The classification is made on initial

recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognized in the Consolidated Statement of Profit and Loss.

C. Derecognition:

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

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

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

D. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance. Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

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

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Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the Consolidated Statement of Profit and Loss.. In case of Consolidated Balance Sheet, it is shown as reduction from the specific financial asset.

Financial liabilities:

A. Initial recognition and measurement:

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

B. Subsequent measurement:

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognized in the Consolidated Statement of Profit and Loss..

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

b. Financial liabilities at amortized cost:

Amortized cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective

interest rate amortization is included as finance costs in the Consolidated Statement of Profit and Loss..

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

C. Derecognition:

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

v) 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.

w) Segment reporting:

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

x) Exceptional items:

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

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(All amounts in ₹ lakhs, unless otherwise stated)

04. (A) PROPERTY PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant & Machinery	Computer Equipments	Office Equipments	Vehicles	Furniture & Fixtures	Total
Gross Block								
At April 01, 2022	4,889.26	9,490.47	19,480.85	917.71	278.93	195.98	278.22	35,531.42
Additions	-	60.98	1,963.94	26.09	9.23	89.52	15.93	2,165.69
Disposals	-	-	427.48	-	-	0.53	-	428.01
At March 31, 2023	4,889.26	9,551.45	21,017.31	943.80	288.16	284.97	294.15	37,269.10
Additions	-	85.68	1,226.59	35.66	5.56	162.95	11.74	1,528.17
Disposals	-	-	17.92	-	-	20.21	-	38.13
At March 31, 2024	4,889.26	9,637.12	22,225.98	979.46	293.73	427.70	305.90	38,759.14
Accumulated Depreciation								
At April 01, 2022	-	2,617.22	8,669.44	794.08	190.73	63.34	152.26	12,487.07
Charge for the year	-	337.22	1,770.45	37.54	30.19	26.85	26.71	2,228.96
Disposals	-	-	314.15	-	-	0.08	-	314.23
At March 31, 2023	-	2,954.44	10,125.74	831.62	220.92	90.11	178.97	14,401.80
Charge for the period	-	312.51	1,758.97	48.67	24.95	44.50	28.19	2,217.79
Disposals	-	-	10.13	-	-	10.16	-	20.29
At March 31, 2024	-	3,266.95	11,874.58	880.29	245.87	124.45	207.16	16,599.30
Net Block								
At March 31, 2023	4,889.26	6,597.01	10,891.57	112.18	67.24	194.86	115.18	22,867.30
At March 31, 2024	4,889.26	6,370.17	10,351.40	99.17	47.86	303.25	98.74	22,159.85

04. (B) CAPITAL WORK -IN-PROGRESS

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Work In progress (refer Note No. 50A)	524.40	1,410.91
	524.40	1,410.91

04. (C) RIGHT-OF-USE ASSETS

Particulars	Leasehold Land	Leasehold Assets	Total
Gross Block			
At April 01, 2022	329.37	126.28	455.65
Additions	-	140.79	140.79
Disposals	-	-	-
At March 31, 2023	329.37	267.07	596.44
Add: Additions	-	26.89	26.89
Less: Disposals	-	-	-
At March 31, 2024	329.37	293.96	623.33
Accumulated Depreciation			
At April 01, 2022	3.33	23.98	27.31
Charge for the year	3.33	62.87	66.20
Disposals	-	-	-
At March 31, 2023	6.66	86.85	93.51
Charge for the period	3.33	79.18	82.51
Disposals	-	-	-
At March 31, 2024	9.99	166.03	176.02
Net Block			
At March 31, 2023	322.71	180.22	502.93
At March 31, 2024	319.38	127.93	447.31

(Refer Note No. 46 for detailed disclosure as per IND AS 116).

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

05. INVESTMENT PROPERTY

	Land	Buildings	Total
Gross Block			
At April 01, 2022	1,389.18	1,017.26	2,406.44
Additions	-	3.18	3.18
Less: Disposals	-	-	-
At March 31, 2023	1,389.18	1,020.44	2,409.62
Additions	-	-	-
Less: Disposals	-	-	-
At March 31, 2024	1,389.18	1,020.44	2,409.62
Accumulated Depreciation			
At April 01, 2022	-	197.43	197.43
Charge for the year	-	27.96	27.96
Disposals	-	-	-
At March 31, 2023	-	225.40	225.40
Charge for the period	-	28.17	28.17
Disposals	-	-	-
At March 31, 2024	-	253.57	253.57
Net Block			
At March 31, 2023	1,389.18	795.04	2,184.22
At March 31, 2024	1,389.18	766.87	2,156.05

(Refer Note No. 42 for fair value details).

06. OTHER INTANGIBLE ASSETS

	Technical Knowhow	Software	Total
Gross Block			
At April 01, 2022	1,407.40	666.43	2,073.83
Add: Additions	-	42.64	42.64
Less: Disposals	-	-	-
At March 31, 2023	1,407.40	709.07	2,116.47
Add: Additions	-	15.83	15.83
Less: Disposals	-	-	-
At March 31, 2024	1,407.40	724.90	2,132.30
Accumulated Amortisation			
At April 01, 2022	840.63	320.60	1,161.23
Add: Charge for the period	235.30	135.83	371.12
Less: Disposals	-	-	-
At March 31, 2023	1,075.93	456.43	1,532.35
Add: Charge for the period	235.28	136.85	372.13
Less: Disposals	-	-	-
At March 31, 2024	1,311.21	593.28	1,904.49
Net Block			
At March 31, 2023	331.47	252.64	584.12
At March 31, 2024	96.19	131.62	227.81

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

07. FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Investments consists of the following		
Non - Current Investments		
a) Investments carried at fair value through profit or loss		
- Fully paid Equity shares (unquoted)	875.06	753.64
- Convertible Preference shares (Zimeno Inc)	2,304.77	2,304.77
b) Investments carried at Amortized Cost		
- Non Convertible Debentures	500.00	1,000.00
c) Investments in unquoted equity instruments of Joint Venture measured as per equity accounting method (Refer note 39)	924.31	-
	4,604.14	4,058.41
Current Investments		
a) Investments carried at fair value through profit or loss		
- Fully paid Equity shares (quoted)	5,820.21	4,618.50
- Mutual funds (quoted)	37,975.36	34,308.97
	43,795.57	38,927.47
Aggregate amount of Quoted Investments and market value thereof	43,795.57	38,927.47
Aggregate amount of Un-Quoted Investments	4,604.14	4,058.41

08. FINANCIAL ASSETS - LOANS

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured Loans consist of the following		
Non - Current		
Considered good		
- Loans to employees	6.35	6.04
	6.35	6.04
Current		
Considered good		
- Loans to employees	7.27	5.40
	7.27	5.40

09. FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2024	As at March 31, 2023
Other financial assets consist of the following:		
Non - Current		
a) Deposits with original maturity more than 12 months	1.50	1.50
b) Security deposits	224.89	313.50
	226.39	315.00
Current		
a) Security deposits	-	-
b) Income accrued but not due	26.71	98.60
	26.71	98.60

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

10. CURRENT TAX ASSET (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax asset (net)	1,962.46	1,952.95
	1,962.46	1,952.95

11. OTHER ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
Considered good		
a) Capital advances	162.11	79.06
b) Prepaid lease rentals	0.27	0.33
	162.38	79.39
Current		
Considered good		
a) Advance to suppliers	285.90	279.29
b) Advances to employees	6.49	13.82
c) Prepaid expense	289.71	252.75
d) Prepaid lease rentals	0.46	0.48
e) Indirect tax recoverable	7,825.44	7,011.16
	8,407.99	7,557.50

12. INVENTORIES

Particulars	As at March 31, 2024	As at March 31, 2023
a) Raw material and components	6,325.92	6,021.73
b) Work-in-progress	1,150.56	1,234.12
c) Finished goods	3,232.84	2,278.47
d) Stock-in-trade	748.60	888.60
e) Loose tools	207.99	245.29
f) Machinery spares and others	114.41	122.65
	11,780.31	10,790.86

13. TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Secured :-		
a) Secured, considered good	2,36.23	2,481.56
Unsecured :-		
a) Unsecured, considered good	13,146.90	12,442.87
b) Unsecured, considered doubtful	3,231.93	2,802.03
Total	18,748.06	17,726.46
Less: Allowance for expected credit loss	3,231.93	2,802.03
Trade Receivables (net)	15,516.13	14,924.43

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

14. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
a) Balances with banks		
- On current accounts	1,522.09	991.85
- Deposits with original maturity of less than 3 months	2,845.00	100.00
b) Cash on hand	-	-
	4,367.09	1,091.85

15. OTHER BANK BALANCES

Particulars	As at March 31, 2024	As at March 31, 2023
a) Earmarked balances with banks (unpaid dividend & unspent CSR expense)	160.84	258.61
b) Marginal money deposits	145.42	413.16
c) Deposit with banks	-	1,050.00
	306.26	1,721.77

16. SHARE CAPITAL

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Authorized:		
1,00,00,000 Equity Shares of ₹ 10/- each.	1,000.00	1,000.00
(b) Issued, Subscribed and Paid-up :		
86,39,528/- Equity Shares of ₹ 10/- each paid up.	863.95	863.95

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Amount	Nos.	Amount
Equity Shares				
At the beginning of the year	86,39,528	863.95	86,39,528	863.95
Movement during the year	-	-	-	-
At the end of the year	86,39,528	863.95	86,39,528	863.95

(d) Terms / Rights attached to equity shares

- The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.
- In 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 share holders.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10/- each fully paid				
V.K.Surendra	19,34,534	22.39%	19,34,534	22.39%
V.V.Vijayendra	6,26,012	7.25%	1,65,888	1.92%
V.P.Mahendra	-	0.00%	6,27,020	7.26%
Nippon Life India Trustee Ltd	6,02,009	6.97%	6,02,009	6.97%
	31,62,555	36.61%	33,29,451	38.54%

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.

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

17. OTHER EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Capital Reserve		
Opening balance	264.05	264.05
Closing balance	264.05	264.05
(B) General Reserve		
Opening balance	30,000.00	30,000.00
Closing balance	30,000.00	30,000.00
(C) Share Option Outstanding Account		
Opening balance	-	-
Add: Share based payments to employees	25.30	-
Closing balance	25.30	-
(D) Retained Earnings		
Opening balance	51,550.04	44,042.13
Add: Profit/(loss) for the period	12,106.70	9,235.82
	63,656.74	53,277.95
Less: Appropriations		
Dividend paid on equity shares	2,159.88	1,727.91
Closing balance	61,496.85	51,550.04
(E) Other comprehensive income		
On Actuarial gain/(loss) on post employment benefits		
At the beginning of the period	(232.86)	(216.40)
Add: Actuarial gain/(loss) for the period	(55.25)	(16.46)
At the end of the period	(288.10)	(232.86)
Closing Other Equity	91,498.09	81,581.23

18. LEASE LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
a) Lease liabilities	53.33	112.87
	53.33	112.87
Current		
a) Lease liabilities	82.12	75.96
	82.12	75.96

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

19. FINANCIAL LIABILITIES - OTHERS

Particulars	As at March 31, 2024	As at March 31, 2023
Other financial liabilities consists of the following		
Non-Current		
a) Dealer Deposits	4,064.06	4,106.40
b) Rental Deposits	77.13	80.34
	4,141.19	4,186.74
Current		
a) Unclaimed Dividends	60.84	65.29
b) Rental Deposits	37.80	18.00
c) Outstanding expense	3,641.09	3,247.78
d) Incentives and marketing expenses payable	650.57	703.36
e) Employee cost payable	521.06	651.77
f) CSR Payable	97.62	193.31
	5,008.98	4,879.51

20. PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
a) Provision for gratuity	360.40	200.91
b) Provision for leave benefits	323.45	245.48
	683.84	446.39
Current		
a) Provision for leave benefits	88.23	73.90
b) Provision for warranty	169.72	181.50
	257.95	255.40

21. DEFERRED TAX BALANCES

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
a) Employee benefits	330.00	335.00
b) Allowance for expected credit losses	842.00	725.00
	1,172.00	1,060.00
Deferred tax liabilities		
a) Property, Plant and Equipment & Intangible Assets	678.00	730.00
b) Fair valuation of financial assets	1,190.07	581.98
	1,868.07	1,311.98
Net Deferred tax liability /(Assets)	696.07	251.98

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

22. OTHER LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
a) Deferred rental income	10.44	14.14
	10.44	14.14
Current		
a) Statutory dues	2,780.53	2,704.98
b) Deferred rental income	4.98	5.18
c) Advance received - Customers	712.18	629.59
	3,497.69	3,339.75

23. TRADE PAYABLES

Particulars	As at March 31, 2024	As at March 31, 2023
- Dues to micro enterprises and small enterprises	3,662.07	4,112.53
- Others	6,228.75	8,958.70
	9,890.82	13,071.23

24. REVENUE FROM OPERATIONS

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Sale of Products	95,581.46	99,674.29
b) Sale of Services	730.16	538.15
c) Other Operating Revenues	493.16	430.23
Total Income from Operations	96,804.78	1,00,642.67

25. OTHER INCOME

Other Income	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Dividend income	139.19	151.57
b) Income from investment		
i. Change in fair value	4,641.23	1,253.29
ii. Gain on sale of investments	419.86	161.94
c) Rent received		
i. Rental income	220.58	200.31
ii. Deferred rental income	5.35	4.61
d) Interest		
i. On Financial Assets measured at Amortized Cost	86.91	216.96
ii. Others	131.34	103.37
e) Gain on sale of Property, Plant and Equipment (net)	-	5.79
f) Insurance claims	75.56	4.26
g) Sundry credit balances written back	169.78	208.08
h) Gain on Foreign Exchange Fluctuations (net)	70.30	104.31
i) Bill discounting	66.98	55.18
j) Miscellaneous income	31.22	25.03
	6,058.29	2,494.70

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADING GOODS

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Inventory at the beginning of the period		
- Finished goods	2,278.47	1,880.23
- Stock-in-trade	888.60	1,192.28
- Work-in-progress	1,234.12	1,004.66
	4,401.19	4,077.17
b) Inventory at the end of the period		
- Finished goods	3,232.84	2,278.47
- Stock-in-trade	748.60	888.60
- Work-in-progress	1,150.56	1,234.12
	5,132.00	4,401.19
(Increase) / Decrease in Inventory	(730.81)	(324.02)

27. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Salaries, wages and bonus	7,882.27	7,272.59
b) Contribution to funds	395.80	341.24
c) Share based payments to employees	25.30	-
d) Welfare expenses	324.51	294.78
	8,627.87	7,908.61

28. FINANCE COST

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Interest expense on Lease Liability	10.68	127.20
b) Interest expense on Financial Liabilities measured at Amortized Cost	5.03	
c) Other interest expenses	199.21	
	214.92	127.20

29. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Depreciation on Property Plant and Equipment	2,217.79	2,228.97
b) Amortisation on Other intangible Assets	372.13	371.12
c) Depreciation on Right of use Assets	82.51	66.20
d) Depreciation on Investment Property	28.17	27.96
	2,700.59	2,694.25

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

30. OTHER EXPENSES

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Power and fuel	432.14	417.98
b) Stores and tools consumed	591.04	655.42
c) Warranty expenses	143.49	319.20
d) Consultancy and legal charges	1,283.03	674.81
e) Payment to Statutory Auditors (excluding GST)		
- Audit fee	25.50	20.50
- Tax Audit fee	5.00	5.00
- Reimbursement of expenses	2.34	2.18
f) Fees, rates and taxes	79.14	124.35
g) Directors sitting fees	61.50	47.50
h) Insurance expenses	210.20	153.22
i) Rental expenditure		
- Rent	88.91	85.32
- Amortisation of lease rental	0.53	0.45
j) Warehousing services	170.92	164.99
k) Repairs and maintenance		
- IT expense	481.45	379.29
- Machinery	344.01	337.22
- Buildings	85.84	79.12
- Others	48.20	35.73
l) Research and development	131.30	153.08
m) Bank charges	44.35	68.40
n) Travelling and conveyance	1,106.07	980.21
o) Communication expenses	101.70	153.94
p) Advertisement and promotion	766.19	910.33
q) Freight and distribution	2,279.51	2,209.08
r) Selling expenses	303.10	302.16
s) Service expenses	238.10	251.32
t) Allowance for expected credit loss	441.96	473.12
u) Loss on sale of assets	9.91	27.58
v) CSR expenditure	217.62	173.80
w) Miscellaneous expenses	315.40	339.51
	10,008.45	9,544.81

31. OTHER COMPREHENSIVE INCOME

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Actuarial Gain/(Losses) on Gratuity Expense for the period	(73.83)	(21.99)
Taxes on above	18.58	5.53
	(55.25)	(16.45)

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

32 EARNINGS PER EQUITY SHARE

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Profit for the period attributable to equity share holders	12,106.70	9,235.82
Weighted average number of equity shares of ₹ 10/- each - basic	86.40	86.40
Weighted average number of equity shares of ₹ 10/- each - diluted	86.41	86.40
Earnings per equity share (Basic)	140.13	106.90
Earnings per equity share (Diluted)	140.10	106.90

33 FINANCIAL ASSETS (INVESTMENTS)

S. No	Particulars	Face value (Amt in ₹)	As at March 31, 2024		As at March 31, 2023	
			No. of Shares/units	Fair Value	No. of Shares/units	Fair Value
As per Statements						
Non-Current Investments:						
I. Investment in Equity instruments (unquoted)						
1	MHI - VST Diesel Engines Private Limited	10	41,50,000	875.06	41,50,000	753.64
II. Investment in Preference Shares						
Investment in preference shares (unquoted)						
1	Investment In JV - Zimeno Inc (Monarch)		4,14,477	2,304.77	4,14,477	2,304.77
III. Investment in Non-Convertible Debentures						
1	VST Motors Private Limited	1,00,000	500	500.00	1,000	1,000.00
IV. Investment in Equity instruments of Joint Venture (unquoted)						
As per equity accounting method						
1	VST Zetor Private Limited	10	96,90,000	924.31	-	-
Total of Non-Current Investments (I+II+III+IV)				4,604.14		4,058.40
Current Investments:						
I. Investment in Equity Shares						
Investments in Equity Instruments (trade -quoted)						
1	Rane Holdings Limited	10	50,000	538.85	76,583	663.17
2	Asian Paints Limited	1	6,000	170.81	6,000	165.70
3	Infosys Limited	5	28,000	419.45	28,000	399.83
4	Larsen and Toubro Limited	2	17,000	639.86	9,000	194.78
5	Sundaram Finance Limited	10	20,000	827.74	20,000	459.90
6	Tata Consultancy Services Limited	1	12,000	465.16	12,000	384.71
7	Cipla Limited	2	17,000	254.48	10,000	90.05
8	Pidilite Industries Limited	1	8,900	268.31	8,900	209.42
9	Housing Development Finance Corporation Ltd	2	16,800	243.25	10,000	262.55
10	HDFC Life Insurance Company Limited	10	20,000	126.67	20,000	99.84
11	ICICI Bank Limited	2	35,000	382.66	12,000	105.27
12	Kotak Mahindra Bank Limited	5	15,000	267.83	10,000	173.29
13	Mphasis Limited	10	4,000	95.52	4,000	71.83
14	Hindustan Unilever Limited	1	14,000	317.01	2,000	51.21
15	ITC Limited	1	40,000	171.34	-	-
16	Colgate-Palmolive (India) Limited	1	9,000	243.93	-	-
17	Tata Consumer Products Limited	1	20,000	219.24	-	-
Total I				5,652.10		3,331.55

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

S. No	Particulars	Face value (Amt in ₹)	As at March 31, 2024		As at March 31, 2023	
			No. of Shares/units	Fair Value	No. of Shares/units	Fair Value
II. Investment in Units of Trust(trade-quoted)						
1	Powergrid Infrastructure Investment Trust	100	1,77,500	168.11	6,30,000	771.88
2	Embassy Office Parks REIT	300	-	-	1,65,000	515.08
Total II				168.11		1,286.96
III. Investment in Mutual Funds						
<i>(a) Investments in Debt Mutual funds</i>						
1	Aditya Birla Sun Life Savings Fund - Growth - Regular Plan		23,888	119.11	-	-
2	Axis Corporate Debt Fund - Regular Growth(CO-GP)		10,98,545	169.14	77,07,100	1,105.47
3	Axis Short term Fund		70,08,260	1,954.81	1,07,73,492	2,801.84
4	Franklin India Credit Risk Fund		-	-	6,48,325	3.53
5	Franklin India Dynamic Accrual Fund		-	-	1,84,880	1.48
6	HDFC Floating Rate Debt Fund Short Term Plan-Growth		58,67,649	2,645.36	58,67,649	2,449.87
7	HDFC Short term Debt Fund - Regular Plan - Growth		40,76,446	1,177.50	40,76,446	1,093.39
8	HDFC Ultra Short Term Fund - Regular Growth		4,97,50,701	6,889.03	6,81,38,191	8,804.82
9	ICICI Prudential Money Market Fund - Growth		-	-	4,13,389	1,327.53
10	ICICI Prudential Savings Fund-Growth		4,48,716	2,214.51	4,48,716	2,052.82
11	IDFC Corporate Bond Fund Regular Plan-Growth		-	-	76,41,693	1,240.78
12	IDFC Low Duration Fund-Growth		-	-	57,31,411	1,883.94
13	Kotak Low Duration Fund Standard Growth		63,888	1,950.05	63,888	1,824.60
14	Nippon India Money Market Fund - Growth Plan Growth Option		1,21,118	4,577.34	55,448	1,947.69
15	SBI Magnum Ultra Short Duration Fund-Growth		27,545	1,504.22	27,545	1,403.32
16	Hsbc Ultra Short Duration Fund		1,40,378	1,736.61	-	-
17	HDFC Liquid Fund - Regular Plan -Growth		36,326	1,706.56	-	-
18	HDFC Overnight Fund		11,363	400.31	-	-
Sub-Total (a)				27,044.55		27,941.08
<i>(b) Investments in Equity Mutual funds</i>						
1	Aditya BSL MNC Fund		-	-	8,843	77.12
2	Axis Flexi multi Cap Fund - Regular Growth		9,02,334	202.21	9,02,334	151.32
3	Canara Robeco Flexi Cap Fund - Regular Growth(DVGP)		1,44,637	419.35	1,44,637	313.63
4	DSP Flexi Cap Fund - Regular Plan - Growth		7,15,344	605.20	7,15,344	444.83
5	Franklin India Smaller Companies Fund - Growth		2,98,846	440.30	-	-
6	Franklin India Bluechip Fund		-	-	25,489	171.56
7	HDFC Flexi Cap Fund- Growth		55,751	895.19	49,185	551.61
8	HDFC Large and Mid Cap Fund-Reg-Growth		1,50,375	432.63	1,32,557	254.59
9	HDFC Small Cap Fund		6,51,043	765.98	5,58,619	444.91
10	ICICI Prudential Blue Chip Fund		8,89,926	855.57	8,89,926	600.97
11	ICICI Prudential Value Discovery Fund - Growth		69,686	274.98	69,686	190.77
12	Kotak Blue Chip Fund		38,965	191.44	38,965	144.74
13	Kotak Eq. Opportunities-Gr Reg Plan		-	-	27,254	55.41
14	Kotak Equity Saving Fund		24,15,128	566.78	-	-

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(All amounts in ₹ lakhs, unless otherwise stated)

S. No	Particulars	Face value (Amt in ₹)	As at March 31, 2024		As at March 31, 2023	
			No. of Shares/units	Fair Value	No. of Shares/units	Fair Value
15	Kotak Flexi Cap Fund-Regular Growth		10,78,445	770.33	10,78,445	571.74
16	SBI Large & Mid Cap Fund Regular Growth		1,38,707	712.54	1,38,707	533.21
17	Black Rock India Enhanced		28,19,779	539.85	-	-
18	NIPPON INDIA FLEXI CAP FUND - GROWTH PLAN		14,02,570	202.17	-	-
19	Kotak Multicap Fund Regular Plan - Growth		12,95,375	211.28	-	-
20	HSBC Value Fund - Regular Growth		2,21,325	202.48	-	-
21	Tata Flexicap Fund - Regular Plan - Growth		9,22,310	186.56	9,22,310	137.88
	Sub-Total (b)			8,474.83		4,644.29
	<i>(c) Investments in Arbitrage Mutual funds</i>					
1	HDFC Arbitrage Fund-Growth		10,91,179	306.48	10,91,179	284.96
2	IDFC Arbitrage Fund-Growth		19,63,155	584.48	19,63,155	543.79
3	Kotak Equity Arbitrage Fund		18,99,189	651.51	18,99,189	604.23
4	Nippon India Arbitrage Fund - Growth Plan		12,80,539	312.40	12,80,539	290.62
5	SBI Arbitrage Opportunities Fund - Regular Plan		19,39,767	601.11	-	-
	Sub-Total (c)			2,455.98		1,723.60
	Total of Investment in Mutual Funds III (a+b+c)			37,975.36		34,308.97
	Grand total of Current Investments (I+II+III)			43,795.57		38,927.48
	Total Investments			48,399.71		42,985.88

34. RETIREMENT BENEFIT OBLIGATIONS

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
A. Defined Contribution Plan (Expenses):		
Contribution to Provident Fund	305.76	267.01
Contribution to Employee State Insurance	4.08	6.49
Contribution to Labor Welfare Fund	0.31	0.75

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
B. Defined Benefit Plans (Gratuity):		
1. Movement in Obligation – Gratuity:		
Present Value of Obligation at the beginning of year	571.66	534.43
Current Service Cost	70.70	59.20
Interest Cost	42.59	37.20
Benefits Paid	(79.89)	(76.43)
Past Service Cost (Vested and Non-Vested)	-	-
Actuarial (Gain)/Loss on Obligation	68.57	17.26
Present Value of Obligation at the end of year	673.63	571.66
2. Movement in Plan Assets – Gratuity:		
Fair Value of Planned assets at the beginning of the year	370.76	422.51
Return of Plan Assets (excl. int. income)	27.62	29.41
Actuarial Gain/(Loss)	(5.26)	(4.73)

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Contributions during the year	-	-
Benefits Paid during the year	(79.89)	(76.43)
Fair Value of Planned assets at the end of the year	313.23	370.76
3. Expenses recognized in Profit and Loss Statement:		
Gratuity: -		
Current Service Cost	70.70	59.20
Net Interest Cost	14.97	7.79
Past Service Cost	-	-
Expense for the year	85.67	66.99
4. Recognized in Other Comprehensive Income:		
Actuarial (Gain)/Loss for the year	73.83	21.99
5. Actuarial Assumptions for estimating Company's Defined Benefit Obligation:		
a. Attrition Rate	22.00%	22.00%
b. Discount Rate	7.21%	7.45%
c. Expected Rate of Increase in Salary	8%	8%
d. Expected Rate of return on Plan Assets	7.45%	6.96%
e. Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
f. Decrement Adjusted Future Service	22.79	22.99

6. Sensitivity Analysis:

Sensitivity	Change	Effect on obligations
Salary Escalation Rate	+1%	69.15
	(-1%)	(59.09)
Withdrawal Rate	+1%	(6.24)
	(1%)	2.00
Discount Rates	+0.5%	(31.02)
	(0.5%)	33.89

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

7. Expected Payout – Gratuity:

	Amount
Expected payments – 1 st Year	94.75
Expected payments – 2 nd Year	50.90
Expected payments – 3 rd Year	52.32
Expected payments – 4 th Year	60.49
Expected payments – 5 th Year	47.40
Expected payments – After 5 Years	1,383.10

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

8. Other Information:

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

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

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

C. Compensated absences amounting to ₹ 121.20 Lakhs (March 31, 2023: ₹ 102.57 Lakhs) is recognized as expense and included in the Note 27 'Employee Benefit Expenses'.

35. EMPLOYEE STOCK OPTION PLAN

VST Tillers Tractors Limited – Restricted Stock Units Plan 2024

On January 22, 2024, pursuant to the approval by the shareholders of the Company through postal ballot, the Board was authorized to introduce, offer, issue and allot share based incentives to the eligible employees of the Company under the "VST Tillers Tractors Limited – Restricted Stock Units Plan 2024" ("the RSU plan"). The maximum number of shares under the RSU plan shall not exceed 50,000 equity shares. These instruments will generally vest equally over a period of 4 years starting from March 31, 2025. The options shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NRC). The exercise price of the equity-settled RSUs will be equal to the par value of the shares.

The fair value of the options is estimated using the Black-Scholes Model. The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk-free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of the equity-settled options is estimated on the date of grant using the following assumptions:

Particulars	For options granted in FY 2023-24	For options granted in FY 2022-23
Weighted average share price (₹)	3,283.25	-
Exercise price (₹)	10.00	-
Expected volatility	34.07%	-
Expected life of the options (years)*	1-4	-
Expected dividends (%)	1.08%	-
Risk free interest rate (%)	6.92%	-
Weighted average fair value as on grant date (₹)	3,182.90	-

*The expected life of the options is estimated based on the vesting and the contractual terms of the RSU and the exercise behavior of the employee who receives the RSU.

The summary of the grants made during the years ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Equity settled RSUs (in Nos.)		
Key Managerial Personnel	9,240	-
Employees other than KMP	8,960	-

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

The activity in the RSU Plan for equity-settled share-based payment transactions during the year ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Outstanding at the beginning	-	-	-	-
Granted	18,200	10	-	-
Exercised	-	-	-	-
Forfeited and expired	-	-	-	-
Outstanding at the end	18,200	10	-	-
Exercisable at the end	-	-	-	-

The summary of the equity-settled RSUs outstanding as at March 31, 2024 and March 31, 2023 is as follows:

Range of exercise price per share (₹)	Year ended March 31, 2024		Year ended March 31, 2023	
	Shares arising out of options	Weighted average remaining contractual life	Shares arising out of options	Weighted average remaining contractual life
0 – 10*	18,200	2.5	-	-

*Weighted average exercise price is ₹ 10

The break-up of the employee compensation expense is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Equity settled RSUs		
Key Managerial Personnel	12.84	-
Employees other than KMP	12.46	-
Total	25.30	-

36. INCOME TAX EXPENSE AND DEFERRED TAXES

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income Tax Expense: -		
a. Current Tax	2947.02	3061.00
b. Deferred Tax (arising on temporary differences)	462.67	97.06
Total Tax Expense for the year	3409.69	3,158.06
Effective Tax Reconciliation: -		
a. Net Profit/(Loss) before taxes	15,561.08	12,393.88
b. Tax rate applicable to the Company as per normal provisions	25.168%	25.168%
c. Tax expense on net profit (c = a*b)	3,916.41	3,119.29
d. Increase/(decrease) in tax expenses on account of:		
i. Effect of Unrealized Income	(1,168.11)	(359.52)
ii. Effect of expenses not deductible in determining taxable profits	314.63	558.37
iii. Effect for deduction for expenses earlier disallowed	(67.92)	(75.85)
iv. Effect of Income not forming part of Business income	5.61	(143.17)

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
v. Net effect of deductible temporary differences recognized as deferred tax liabilities and assets	462.67	97.06
vi. Other adjustments	(53.61)	(38.12)
Net Increase/(decrease) in tax expenses	(506.72)	38.77
e. Income Tax Expense as reported in Statement of Profit and Loss (c + d)	3,409.69	3,158.06
Deferred Tax Expenses/(Income) Recognized for the year ended:		
A. Deferred tax recognized in Profit and Loss	462.67	97.06
B. Deferred tax recognized in Other comprehensive income	(18.58)	(5.53)
C. Deferred tax recognized in Total comprehensive income	444.09	91.53

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

- The fair value of investment in quoted instruments is measured at quoted price at the reporting date. The fair value of unquoted instruments is valued using inputs based on information about market participants assumptions and other data that are available.
- Fair value of Interest free Security deposits are calculated by discounting future cash flows using rates currently available for debt on similar terms credit risk and remaining maturities.

Description of significant observable inputs to valuation:

- Interest free Security Deposits (assets & liabilities):
Interest Rate factor has been considered at a rate of 6.06% p.a. by the Company for discounting the amount receivable at the time of maturity.

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

Particulars	Carrying Value		Fair value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial Assets				
At Fair value through profit & loss A/c				
Investments	46,975.40	41,985.88	46,975.40	41,985.88
At Amortized cost				
Investments	500.00	1,000.00	500.00	1,000.00
Loans	13.62	11.44	13.62	11.44
Trade receivables	15,516.13	14,924.43	15,516.13	14,924.43
Cash and Bank Balances	4,673.35	2,813.62	4,673.35	2,813.62
Other Financial assets	253.10	413.60	253.10	413.60
Total Financial Assets	67,931.60	61,148.97	67,931.60	61,148.97
Financial Liabilities				
At Amortized cost				
Trade Payables	9,890.82	13,071.23	9,890.82	13,071.23
Lease Liabilities	135.45	188.83	135.45	188.83
Other Financial liabilities	9,150.17	9,066.25	9,150.17	9,066.25
Total Financial liabilities	19,176.44	22,326.31	19,176.44	22,326.31

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

38. FAIR VALUE HIERARCHY

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

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2024:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level-1)	Significant observable inputs (Level-2)	Significant unobservable inputs (Level-3)
Financial Assets: -				
Designated at Fair Value through profit or loss:				
Investments in quoted instruments (Equity & Mutual Funds)	43,795.57	43,795.57	-	-
Investments in unquoted instruments	3,179.83	-	-	3,179.83
Designated at Amortized Cost:				
Investments in unquoted instruments	500.00	-	-	500.00
Loans	13.62	-	-	13.62

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

Particulars	Total Value	Fair Value measurement using		
		Quoted prices in active markets (Level - 1)	Significant observable inputs (Level-2)	Significant unobservable inputs (Level-3)
Financial Assets: -				
Designated at Fair Value through profit or loss:				
Investments in quoted instruments (Equity & Mutual Funds)	38,927.47	38,927.47	-	-
Investments in unquoted instruments	3,058.41	-	-	3,058.41
Designated at Amortized Cost:				
Investments in unquoted instruments	1,000.00	-	-	1,000.00
Loans	11.44	-	-	11.44

39. INVESTMENT IN JOINT ARRANGEMENTS

Interests in Joint Venture

Name of the Entity	Place of Incorporation and Place of Operation	Proportion of ownership interest
		As at March 31, 2024
VST Zetor Private Limited	India	51.00%*

* The entity has been treated as Joint Venture even though the Company holds more than half of the voting power in the entity as it does not have the unilateral control over the investee, primarily due to existence of agreements that give the substantive rights to other investor.

40. RELATED PARTY TRANSACTIONS

Details of the Related Parties and the description of relationship

i) Key Managerial Personnel

Name of the Key Managerial Personnel	Designation
Mr. Antony Cherukara	Chief Executive Officer
Mr. V. T. Ravindra	Managing Director
Mr. Pankaj Khemka ¹	Chief Financial Officer
Mr. Nitin Agrawal ²	Chief Financial Officer
Mr. Chinmaya Khatua	Company Secretary

- Mr. Pankaj Khemka had been appointed as CFO with effect from November 10, 2020 and has resigned as CFO with effect from April 04, 2023.
- Mr. Nitin Agrawal has been appointed as CFO with effect from May 12, 2023.

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

ii) Directors of the Company (other than those covered above)

Name of the Director	Designation
Mr. Arun V Surendra ¹	Chairman
Mr. V K Surendra ²	Chairman
Mr. V P Mahendra ³	Vice Chairman
Mr. V V Pravindra	Non-executive Director
Mr. K M Pai	Independent Director
Mr. M K Bannerjee	Independent Director
Mr. R Subramanian ⁴	Independent Director
Mr. Rajen Padukone ⁵	Independent Director
Mrs. Siva Kameswari Vissa	Independent Director
Mr. Nandakumar Jairam	Independent Director
Mr. Kula Ajith Kumar Rai ⁶	Independent Director

- Mr. Arun Vellore Surendra has been appointed as the Chairman with effect from February 01, 2024.
- Mr. V K Surendra resigned as the Chairman with effect from February 01, 2024.
- Mr. V P Mahendra passed away on May 30, 2023.
- Mr. R Subramanian resigned as the Independent Director with effect from February 18, 2024.
- Mr. Rajen Padukone has been appointed as an Independent Director with effect from May 04, 2023.
- Mr. Kula Ajith Kumar Rai has been appointed as an Independent Director with effect from November 07, 2023.

iii) Joint Venture

VST Zetor Private Limited

iv) Enterprises over which shareholders of the Company or KMP or relatives of KMP exercise control or significant influence

- Mitsubishi Heavy Industries - VST Diesel Engines Private Limited
- India Garage
- VST & Sons
- VST Motors Private Limited
- Suprajit Engineering Limited
- Bangalore Motors Private Limited
- VST Supercars Private Limited

Transactions entered during the year

i) Compensation to Key Managerial Personnel

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term Employment Benefits	424.15	379.60
Post Employment Benefits ¹	16.33	14.72
Other long-term benefits ²	-	-
Termination benefits	-	-
Share-based payments	12.84	-

- Does not include gratuity expenses.
- Does not include leave salary expenses.

ii) Sitting fee paid to Directors of the Company

The sitting fee paid to Independent Directors and Non-executive Directors for the financial year 2023-24 is ₹ 61.50 and for the Financial Year 2022-23 is ₹ 47.50.

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

iii) Transactions with Other Related Parties

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
VST & Sons		
- Payment of royalty	9.68	10.48
Mitsubishi Heavy Industries - VST Diesel Engines Pvt Ltd		
- Renting of immovable property	96.00	82.94
- Services rendered – Job work	299.55	199.73
- Purchase of diesel engines and other materials	11.25	370.44
- Availing engine testing services	1.23	-
India Garage		
- Renting of immovable property	29.04	28.60
VST Zetor Private Limited		
- Transfer of product development	1,217.63	-
- Supply of tractors and spare parts	152.48	-
- Rendering of warranty, sales support and other related services	2.34	-
- Rendering of service relating to the use of various functions (Accounting, HR, Legal, and Sales & marketing)	2.04	-
- Reimbursement of expenses	7.41	-
- Renting of immovable property	1.28	-
Suprajit Engineering Limited		
- Purchase of various components	9.67	-
- Tool development cost	15.00	-
Bangalore Motors Private Limited		
- Purchase of car	41.39	-
- Sale of old car	9.35	-
VST Supercars Private Limited		
- Renting of immovable property	3.36	-
VST Motors Private Limited		
- Redemption of debentures	500.00	500.00
- Interest received on debentures	86.37	118.82

Outstanding balances at the end of the year

Particulars	As at March 31, 2024	As at March 31, 2023
Amounts due to related parties		
VST & Sons	9.68	10.48
Mitsubishi Heavy Industries - VST Diesel Engines Pvt Ltd	-	0.37
Suprajit Engineering Limited	4.91	-
Key Managerial Personnel	76.75	82.13
Amounts due from related parties		
Mitsubishi Heavy Industries - VST Diesel Engines Pvt Ltd	67.48	46.17
India Garage	8.09	8.09
VST Zetor private limited	49.06	-
Investment in non-convertible debentures		
VST Motors Private Limited	500.00	1,000.00

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Companies activities expose it to variety of Financial risks- interest rate risk, foreign currency risk, market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance and there has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks

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

i. Market Risk:

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

a. Interest rate risk:

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

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

b. Foreign Currency Risk:

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

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

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

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

Particulars	Change in Rate	For the year ended March 31, 2024	For the year ended March 31, 2023
USD	+5.00 %	(10.38)	6.33
	-5.00 %	10.38	(6.33)
GBP	+5.00 %	5.18	0.74
	-5.00 %	(5.18)	(0.74)
Euro	+5.00 %	93.36	49.88
	-5.00 %	(93.36)	(49.88)

* Decimals has been rounded to nearest rupees lakhs.

ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty defaults on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposit), the Company minimizes the credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

minimizing losses incurred due to increased credit risk exposure. The Company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

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

a. Exposure to credit risk:

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

b. Credit risk concentration profile:

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

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

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

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

Trade receivables that are past due or impaired at the end of the reporting period, for which lifetime expected credit loss has been provided by the Company according to its policy. These are shown in the balance sheet at carrying value less impairment/expected credit loss (information provided in note no. 13).

iii. Liquidity risk:

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

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

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

	Less than 12 months	1 to 3 years	More than 3 years	Total
As at March 31, 2024				
Trade Payables	9,890.82	-	-	9,890.82
Security Deposits	38.00	4,077.06	80.00	4,195.06
Lease Liability	88.40	56.02	-	144.42
Other Financial Liabilities	4,971.18	-	-	4,971.18
As at March 31, 2023				
Trade Payables	13,071.23	-	-	13,071.23
Security Deposits	18.00	4,126.40	80.00	4,224.40
Lease Liability	85.84	120.00	-	205.84
Other Financial Liabilities	4,861.51	-	-	4,861.51

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

42. INVESTMENT PROPERTY

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

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Rental Income	215.94	200.31
Less: Direct operating expenses incurred		
i. Repairs and Maintenance	4.01	2.15
ii. Property Taxes	15.22	12.85
(B) Total expenses	19.23	15.00
Net Income / (expense) from Investment Property (A-B)	196.71	185.31

Fair Valuation of Investment Property:

Particulars	As at March 31, 2024	As at March 31, 2023
a) Land	11,994.96	8,749.52
b) Building	1,650.49	1,627.86

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

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

43. CAPITAL MANAGEMENT

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

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

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

44. UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	As at March 31, 2024			As at March 31, 2023		
	#	Foreign Currency	Amount (₹)	#	Foreign Currency	Amount (₹)
Trade Receivables	\$	0.25	20.86	\$	3.25	264.07
	£	1.00	103.70	£	11.33	997.60
	€	21.12	1,870.75	€	0.15	14.85
Trade Payables	\$	2.75	227.21	\$	1.69	137.60
	€	0.04	3.51	€	-	-

Denotes currency symbol.

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

45. CONTINGENCIES AND COMMITMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Contingent Liabilities		
a. Cases filed by customers in various consumer courts not acknowledged as debts	142.84	102.27
b. Appeals filed by the Company in respect of Income tax matters	679.29	841.34
c. Appeals filed by the Company in respect of Customs matters	25.68	25.68
d. Bank guarantees issued to Government agencies by way of security	285.02	382.55
e. Indirect Tax matters*	11,481.09	6,736.73
Commitments		
a. Estimated value of contracts remaining to be executed on capital accounts and not provided for (net of advances)	1,185.72	1,283.78

*The Company has received GST Assessment Order and Demand for ₹ 109.92 Crores (inclusive of Interest of ₹ 24.78 Crores and Penalty of 42.57 Crores) for FY 2017-18, FY 2018-19 and FY 2019-20 due to mismatch of Sales as per GSTR 1 and 3B, mismatch of Input tax credit as per GSTR 2A and 3B, Mismatch with E- way bills and non-submission of details for Expenses. The Company has filed an appeal with the relevant authority submitting the grounds of appeal and the supporting documentation. Further, the Management has represented that it is confident of obtaining favorable orders from appellate authorities as the appropriate opportunity was not provided for submission of details during the assessment proceedings.

46. LEASES

Company as Lessee:

The Company lease assets consist of leases for land, building and computers. The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024.

Particulars	Category of ROU Asset		Total
	Equipment & Building	Land	
Balance as at April 01, 2023	180.22	322.71	502.93
Add: Additions	26.89	-	26.89
Less: Deletions	-	-	-
Depreciation	79.19	3.32	82.51
Balance as at March 31, 2024	127.92	319.39	447.31

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023.

Particulars	Category of ROU Asset		Total
	Equipment & Building	Land	
Balance as at April 01, 2022	102.30	326.04	428.34
Add: Additions	140.79	-	140.79
Less: Deletions	-	-	-
Depreciation	62.87	3.33	66.20
Balance as at March 31, 2023	180.22	322.71	502.93

The depreciation expenses on ROU assets are included under depreciation and amortization expense in the statement of profit and loss.

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

The following is the break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023.

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Current Lease liability	82.12	75.96
Non-current lease liability	53.33	112.87
Total	135.45	188.83

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023.

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Opening Lease liability	188.83	104.59
Additions	26.89	140.80
Finance cost accrued during the year	10.68	11.04
Deletions	-	-
Payment of lease liabilities	90.95	67.60
Balance at the end	135.45	188.83

Following amount has been recognized in the statement of profit & loss:

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Depreciation on right to use asset	82.51	66.20
Interest on lease liability	10.68	11.04
Total amount recognized in the statement of profit and loss	93.19	77.24

The details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis are as follows:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Less than one year	88.40	85.84
One to five years	56.02	120.00
More than five years	-	-

47. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 37 "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS"

a) Movement in provision for warranty

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Carrying amount as at the beginning of the year	181.50	194.93
Add: Additional provision made during the year	169.72	181.50
Less: Provision used during the year	181.50	194.93
Less: Unused amounts reversed during the year	-	-
Carrying amount as at the end of the year	169.72	181.50

b) Nature of Obligation

The Company gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. The provision made as at March 31, 2024 represents the amount of expected cost of meeting such obligations on account of rectification / replacement. The timing of outflow is expected to be within a period of one year from the end of the year.

The Company generally offers 12 months warranties for tiller products except 135DI and 165DI tillers, 17HP-50HP tractors which are offered 24 months warranties. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest that past cost information may differ from future claims.

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

48. STATEMENT OF NET ASSETS AND PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON-CONTROLLING INTEREST

Name of the Entity	Net assets, i.e., total assets minus total liabilities		Share of Profit or Loss		Share of Other Comprehensive Income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
VST Tillers Tractors Limited	100.05%	92,406.73	100.37%	12,151.39	100.00%	(55.25)	100.37%	12,096.14
Joint Venture (Indian)								
VST Zetor Private Limited	(0.05%)	(44.69)	(0.37%)	(44.69)	0.00%	0.00	(0.37%)	(44.69)
Total	100%	92,362.04	100%	12,106.70	100%	(55.25)	100%	12,051.45

49. DISCLOSURE PURSUANT TO IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

1. Disaggregation of Revenue

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
a) Revenue by type of goods & Services		
Revenue from Products		
- Tillers	55,838.96	57,782.56
- Tractors	21,231.57	26,651.59
- Others	23,399.03	19,596.47
Revenue from Services		
- Job Works	302.51	198.19
- Others	427.66	339.96
Other operating revenue	493.16	430.23
Total	1,01,692.89	1,04,999.02
b) Revenue by geographical region		
Domestic Sales	88,667.32	96,561.27
Export Sales	13,025.57	8,437.75
Total	1,01,692.89	1,04,999.02
c) Revenue by sales Channel		
Dealer Sales	90,535.41	92,877.27
End Customer Sales	7,525.53	7,888.19
Others	3,631.95	4,233.55
Total	1,01,692.89	1,04,999.02
d) Recognition of revenue over the period of time or at a point in time		
Recognition of revenue at a point in time	1,01,692.89	1,04,999.02
Total	1,01,692.89	1,04,999.02

2. Contract Balance:

Out of the opening customer advances amounting to ₹ 629.59 Lakhs, ₹ 358.99 Lakhs have been recognized as revenue during the year ended March 31, 2024 (₹ 2,046.53 Lakhs recognized for the previous financial year).

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract Price	1,01,692.89	1,04,999.02
Less:		
Dealer Discount – Products	1,210.25	1252.55
Dealer Discount – Spares	706.30	681.76
Special Discount	2,366.75	1853.65
Export Agent Discount	117.35	-
Cash Discount	487.46	568.39
Transaction Price	96,804.78	1,00,642.67

4. Revenue from major customers;

There are no major customers exceeding 10% of the total revenue.

50. AGEING ANALYSIS

A) Ageing schedule of capital work-in-progress

As at March 31, 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
a) Projects in progress	237.59	124.16	16.76	145.89	524.40
b) Projects temporarily suspended	-	-	-	-	-
Total	237.59	124.16	16.76	145.89	524.40

As at March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,207.69	54.33	55.14	93.75	1,410.91
Projects temporarily suspended	-	-	-	-	-
Total	1,207.69	54.33	55.14	93.75	1,410.91

B) Ageing schedule of Trade Payables

As at March 31, 2024	Outstanding from the due date of payment				Total
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
Due to MSME	3,577.77	-	-	-	3,577.77
Due to Others	6,039.55	131.21	37.36	20.63	6,228.75
Disputed dues — MSME	-	84.30	-	-	84.30
Disputed dues — Others	-	-	-	-	-

As at March 31, 2023	Outstanding from the due date of payment				Total
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	
Due to MSME	4,112.53	-	-	-	4,112.53
Due to Others	8,818.70	89.26	19.70	31.04	8,958.70
Disputed dues — MSME	-	-	-	-	-
Disputed dues — Others	-	-	-	-	-

* Amount which is "Not due" is considered in less than 1 year.

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

C) Ageing schedule of Trade Receivables

As at March 31, 2024	Outstanding from the due date of Receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade receivables – considered good	7,326.07	4,429.65	1,166.44	1,331.80	601.71	660.46	15,516.13
b) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	21.21	124.52	1,478.90	1,624.63
c) Disputed trade receivables – credit impaired	-	26.91	4.53	0.23	1.32	1,574.31	1,607.30
Gross Trade Receivables	7,326.07	4,456.56	1,170.97	1,353.24	727.55	3,713.67	18,748.06
Less: Allowance for Expected credit loss							3,231.93
Net Trade Receivables							15,516.13

As at March 31, 2023	Outstanding from the due date of Receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade receivables – considered good	6,210.05	4,867.69	2,007.00	603.88	990.45	175.34	14,924.43
b) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	71.42	294.26	1,192.56	1,558.83
c) Disputed trade receivables – credit impaired	-	-	-	-	68.35	1,174.85	1,243.20
Gross Trade Receivables	6,210.05	4,867.69	2,007.00	675.30	1,353.65	2,542.75	17,726.46
Less: Allowance for Expected credit loss							2,802.03
Net Trade Receivables							14,924.43

51. SHAREHOLDING OF PROMOTERS

Sr No.	Name of the Promoter	For FY 2023-24			For FY 2022-23		
		No. of Shares	% of Share holding	% change during the year	No. of Shares	% of Share holding	% change during the year
1	V K Surendra	19,34,534	22.39%	-	19,34,534	22.39%	0.37%
2	V P Mahendra	-	0.00%	(7.26%)	6,27,020	7.26%	-
3	V V Pravindra	2,24,146	2.59%	-	2,24,146	2.59%	-
4	Arun Vellore Surendra	2,25,630	2.61%	0.06%	2,20,630	2.55%	-
5	V P Tiruvengadaswamy	2,44,692	2.83%	0.52%	1,99,692	2.31%	-
6	V V Vijayendra	6,26,012	7.25%	5.33%	1,65,888	1.92%	-
7	S Mahalakshmi	35,375	0.41%	-	35,375	0.41%	-
8	V V Sujay	72,664	0.84%	-	72,664	0.84%	-

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

Sr No.	Name of the Promoter	For FY 2023-24			For FY 2022-23		
		No. of Shares	% of Share holding	% change during the year	No. of Shares	% of Share holding	% change during the year
9	M Bharathi	61,200	0.71%	-	61,200	0.71%	-
10	P Jayalakshmi	33,750	0.39%	-	33,750	0.39%	-
11	V Lakshmi	33,007	0.38%	-	33,007	0.38%	-
12	V V Anjali	30,123	0.35%	-	30,123	0.35%	-
13	V T Ravindra	29,152	0.34%	0.01%	28,852	0.33%	-
14	V P Rahul	18,076	0.21%	-	18,076	0.21%	-
15	V M Anand	58,859	0.68%	0.49%	16,195	0.19%	-
16	V M Vishnu	58,720	0.68%	0.49%	16,056	0.19%	-
17	V P Karan	15,714	0.18%	-	15,714	0.18%	-
18	Amritha V M Ward	50,898	0.59%	0.42%	14,330	0.17%	-
19	V T Anusuya	2,250	0.03%	-	2,250	0.03%	-
20	Sita Rajgopal	1,500	0.02%	-	1,500	0.02%	-
21	VST Motors Private Limited	3,88,885	4.50%	-	3,88,885	4.50%	0.37%
22	Mitsubishi Heavy Industries Engine And Turbocharger Limited	2,53,125	2.93%	-	2,53,125	2.93%	-
23	Padmanaban Motors LLP	1,36,311	1.58%	-	1,36,311	1.58%	-
24	K S And Sons LLP	85,690	0.99%	-	85,690	0.99%	-
25	V T Velu Investments Private Limited	67,725	0.78%	-	67,725	0.78%	-
26	Gove Finance Limited	66,082	0.76%	-	66,082	0.76%	-
27	Vijayendra Brothers Investments Private Limited	52,470	0.61%	-	52,470	0.61%	-
Total Promoter Holding		48,06,590	55.63%		48,01,290	55.57%	

52. RECONCILIATION OF MONTHLY INFORMATION FILED WITH LENDER

The Company has availed working capital facility from HDFC Bank Limited which is paid within the Financial Year. As per the terms & conditions of the sanction letter, the Company is required to file monthly statement of inventory, trade receivables and trade payables. On reconciliation of books of account and periodical submissions made with the banker, there are no significant variances.

53. Disclosure required under Schedule III as amended, that are not covered above:

- The Company and its joint venture have not traded or invested in crypto currency or virtual currency during the financial year.
- No proceedings have been initiated or are pending against the Company or its joint venture for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The Company and its joint venture have not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- The Company and its venture have not entered into any scheme of arrangement.
- No registration and/or satisfaction of charges are pending to be filed with ROC by the Company or its joint venture.
- There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 by the Company or its joint venture.
- The Company and its joint venture do not have any relationship with struck off companies.

Notes to the Consolidated Financial Statements
As At and For The Year Ended March 31, 2024 (Contd.)
(All amounts in ₹ lakhs, unless otherwise stated)

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

55. The Board has recommended dividend of ₹ 20 per equity share having face value of ₹ 10 each for the financial year 2023-2024.

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

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

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

Hitesh Kumar. P
Partner
Membership No:233734

V.T.Ravindra
DIN: 00396156
Managing Director

K.M. Pai
DIN:01171860
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
Company Secretary
Membership No. ACS-21759

Place: Bengaluru
Date: May 09, 2024.

Place: Bengaluru
Date: May 09, 2024.

Notice of the 56th Annual General Meeting

Notice is hereby given that the 56th Annual General Meeting (the "AGM") of the Members of V.S.T. Tillers Tractors Limited (the "Company") will be held on Thursday, September 19, 2024, at 11:00 a.m. IST through Video Conferencing ("VC") or Other Audio-Visual Means (OAVM), to transact the following businesses:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited standalone Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of the Board of Directors and Auditors thereon.
- To receive, consider and adopt the Audited consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of the Board of Directors and Auditors thereon.
- To declare a final dividend of ₹20/- per equity share for the Financial Year ended March 31, 2024.
- To consider appointment of a director in place of Mr. V.T Ravindra (DIN: 00396156), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers, himself for re-appointment.

SPECIAL BUSINESS

- To ratify the remuneration of the Cost Auditors for the Financial Year ending March 31, 2025.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 148 and any other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), consent of the members be and is hereby accorded to ratify remuneration of ₹2,75,000/- (Exclusive of applicable GST) per annum plus out of pocket expenses payable to M/s. Rao, Murthy & Associates, Cost Accountants having Firm Registration No. 000065 appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of cost records of the Company for the FY 2024-25.

RESOLVED FURTHER THAT that Board of Directors the Company be and are hereby authorised to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

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

Chinmaya Khatua

Place: Bengaluru
Date: August 13, 2024

Company Secretary
Membership No. ACS-21759

PLOT NO.1, DYAVASANDRA INDL. LAYOUT WHITEFIELD ROAD, MAHADEVAPURA POST BENGALURU KA 560048

Notice (Contd.)

NOTES:

- Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and General Circular No. 10/2022, General Circular No. 11/2022, dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars"), MCA has permitted holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

Central Depository Services (India) Limited (CDSL) will provide facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 27 below.

- Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
- The Company encourages the Members of the Company under the category of Institutional Members to attend and participate in this AGM through VC/OAVM.
- Since this AGM is being held through VC/OAVM pursuant to MCA Circulars and SEBI Circulars, physical attendance of the Members has been dispensed with and accordingly, the facility for appointment of proxies by the Members is not available for this AGM. Hence Proxy Form, Attendance Slip and route map are not attached hereto.
- The Board of Directors have decided to include the Item No. 5 of this Notice as it is unavoidable in nature.
- In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the proceedings of this AGM will be deemed to be conducted at the Registered Office of the Company situated at Plot No-1, Dyavasandra Industrial Layout, Whitefield Road, Mahadevapura Post, Bengaluru - 560 048.
- In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice calling AGM along with

Annual Report for the FY 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and Annual Report have also been uploaded on the website of the Company at www.vsttractors.com. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com

- The Register of Members and Share Transfer Books of the Company will be closed from September 13, 2024 to September 19, 2024 (both days inclusive) in connection with Annual General Meeting scheduled to be held on September 19, 2024 and payment of Dividend.

- The Board has recommended a Final Dividend of ₹ 20/- i.e. 200 % per share of ₹10/- each for the financial year 2023- 24 and the same will be paid on or after September 19, 2024, if approved by the Members at 56th AGM. The dividend if declared, shall be payable to all those Members whose names appear in the Register of Members or the beneficial owners as per the records of depositories, as at the closing of business hours on September 12, 2024.

SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, has mandated that with effect from April 1, 2024, dividend to security holders who are holding securities in physical form, shall be paid only through electronic mode. Such payment shall be made only after the shareholders furnish their PAN, contact details (postal address with PIN and mobile number), bank account details & specimen signature ("KYC") and choice of Nomination. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf

- Unpaid/Unclaimed dividend details.
In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof or the time being in force) any dividends unpaid or unclaimed for seven years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund established

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by the Central Government. The Members are requested to claim their dividends who have not claimed so far. During the year 2023-24, the Company has transferred ₹ 9,09,330 /- to Investor Education and Protection Fund. The details of the unclaimed dividend are uploaded in IEPF website as well as website of the Company.

Accordingly, during the FY 2024-25, the Company will transfer unclaimed final dividend amount for the financial year ended March 31, 2017, on or before October 12, 2024. The Company has already sent notice to all such Members to claim their unclaimed dividend before due date of transfer to IEPF.

Share Transfer to IEPF:

In accordance with Section 124(6) of the Companies Act, 2013 read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for 7 (seven) consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority. The Company has transferred 3,118 Nos of shares to IEPF during the FY 2023-24 after following the procedure.

The shares and dividends transferred to the IEPF can be claimed back by the concerned Members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

11. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of September 12, 2024.
12. In the case of joint holders, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
14. Members holding shares in electronic form are requested to update their E-mail ID with their respective depository participants and Members holding shares in physical form are requested to update their E-mail ID with the Company's registrar and transfer agent (RTA) to enable dispatch of the communications in electronic form from time to time.
15. Members holding shares in electronic form are requested to update their Bank Details with their

respective depository participants and Members holding shares in physical form are requested to update their Bank Details with the Company's registrar and transfer agent (RTA) to receive the dividends by bank transfers.

16. Rule 3 of Companies (Management and Administration) Rules, 2014 (as amended) prescribes that Register of Members should include details pertaining to e-mail, PAN/CIN, UIDAI, Occupation, Status and Nationality. We request all the Members of the Company to update the said details with their respective depository participants in case of shares held in electronic form and with the Company's Registrar and Transfer Agents in the case of physical holding.
17. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 and other related documents, will be available for inspection electronically. Members seeking to inspect such documents during the AGM can send their request at the mail Id vstagn@vsttractors.com.
18. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 4 of the Notice, is annexed hereto.
19. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN). Members holding shares in electronic form are, therefore, requested to submit the PAN details to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar & Transfer Agent.
20. As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of transmission or transposition of securities. Further, SEBI vide its Circular dated 25th January, 2022, has mandated that securities shall be issued only in dematerialised mode while processing duplicate/unclaimed suspense/ renewal/ exchange/ endorsement/ sub-division/ consolidation/ transmission/ transposition service requests received from physical securities holders. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings

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into dematerialized form. Members can contact the Company or Company's Registrars & Transfer Agents for assistance in this regard.

21. The relevant details, pursuant to 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM is also annexed.
22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members electronically by writing an e-mail to vstagn@vsttractors.com.
23. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, the Members are requested to refer to the Finance Act, 2020 and amendments thereof. The Members are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode).

A Resident individual Member with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source.

Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident Members can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents.

The Company with M/s. Integrated Registry Management Services Private Limited, Company's Registrar and Transfer Agent has provided the web portal for submission of tax exemption forms/ requested documents. Shareholders can submit their tax exemption forms and supporting documents directly on portal for purposes of tax deduction at source by Clicking the below link and selecting 'VST Tillers Tractors Limited' in the company drop down: <https://www.integratedregistry.in/TaxExemptionRegistration.aspx>. The company had already sent a communication in this regard We once again request shareholders to upload the relevant documents at aforementioned link on or before September 12, 2024 No communication on the tax determination/deduction received post September 12, 2024 shall be considered for payment of dividend.

24. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
 - a. For shares held in electronic form: to their Depository Participants (DPs)
 - b. For shares held in physical form: to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37

The Company has already sent communication to shareholders in this regard.

25. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission, Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed hard copy of Form ISR - 4 to the Company's Registrar and Transfer Agents, Integrated Registry Management Services Private Limited No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560003. It may be noted that any service request can be processed only after the folio is KYC Compliant.
26. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Integrated Registry Management Services Private Limited for any assistance in this regard.

27. Voting through electronic means

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 of Companies (Management and Administration) Rules, 2014, and Regulation 44 of the listing Regulation, the Company is pleased to provide Members, the facility to exercise

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their right to vote in respect of resolutions which are being considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Ltd (CDSL). The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (remote e-voting).

Mr. V. Karthick, (ACS: 11910 & CP No: 4680), Practicing Company Secretaries, Bengaluru has been appointed as scrutinizer for remote e-voting and e-voting at the AGM.

A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. September 12, 2024 only shall be entitled to avail the facility of remote e-voting / voting at AGM and a person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

Procedure / Instructions for Members voting electronically and attending the AGM through VC/OAVM are as under:

- (i) The remote e-voting facility will be available during the following period: Start of remote e-voting: From 9:00 a.m. (IST) on September 16, 2024

Pursuant to above said SEBI Circular, Login method for e-Voting and for joining virtual meetings for Individual Members holding securities in Demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasitoken/Home/Login or visit HYPERLINK "http://www.cdslindia.com" www.cdslindia.com and click on Login icon and select New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration

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Type of Members	Login Method
	<ol style="list-style-type: none"> 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Members holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at the above mentioned website.

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Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Members holding securities in Demat mode with CDSL	Members facing any technical issue in logging in, can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Members holding securities in Demat mode with NSDL	Members facing any technical issue in logging in can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000

Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) Login method for e-Voting and joining virtual meetings for Members other than individual Members & Members holding shares in physical form.
- (ii) The Members should log on to the e-voting website www.evotingindia.com
 - (i) Click on "Shareholders" module.
 - (ii) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (iii) Next enter the Image Verification as displayed and Click on Login.
 - (iv) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - (v) If you are a first-time user follow the steps given below:

Financial Year	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of **VST TILLERS TRACTORS LTD** on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and

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option NO implies that you dissent to the Resolution.

- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(iii) Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; vstagm@vsttractors.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

- (iv) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to HYPERLINK "mailto:helpdesk.evoting@cdslindia.com"helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

- (v) Any person, who acquires shares of the Company and become a member after dispatch of the notice and holding shares as on the cut-off date i.e., August 25, 2023 may follow the same procedure as mentioned above for e-Voting.

PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES / MOBILE NO. ARE NOT REGISTERED WITH THE DEPOSITORIES / COMPANY FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company on vstagm@vsttractors.com /RTA on irg@integratedindia.in.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

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- For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

The procedure for attending Meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.

The link for VC/OAVM to attend Meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

- Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- Facility of joining the AGM through VC / OAVM shall open 30 (thirty) minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- Members may note that the VC / OAVM Facility, provided by CDSL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large Members (i.e. Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship & Grievance Committee, Auditors, etc. can attend the 56th AGM without any restriction on account of first-come-first-served principle.
- Members are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further Members will be required to allow Camera access and use Internet with a good speed to avoid any disturbance during the Meeting.
- Please note that participants connecting from Mobile Devices or Tablets or through Laptop connections via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their

respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at vstagm@vsttractors.com from September 12, 2024 (9:00 am IST) to September 15, 2024 (5:00pm IST). The Members who do not wish to speak during the AGM but have queries may send their queries in advance i.e. up-to September 15, 2024 mentioning their name, demat account number/folio number, email id, mobile number at vstagm@vsttractors.com. Members who will participate in the AGM through VC/OAVM can also pose question / feedback through question box option. These queries will be replied by the Company suitably depending on the availability of time at the AGM. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.
- Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

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- The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website, i.e. www.vsttractors.com and on the website of CDSL within 2 working days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed i.e. BSE & NSE.

- Corporate/ Institutional Members are entitled to appoint authorized representatives to attend the AGM through VC/ OAVM on their behalf and cast votes through remote e-voting or at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board Resolution / Authorization letter to the Company at vstagm@vsttractors.com, authorizing its representative(s) to attend and vote through VC/ OAVM on their behalf or at the Meeting, pursuant to section 113 of the Act.

Annexure to the Notice

Explanatory Statement in terms of Section 102 of the Companies Act, 2013

ITEM NO 5

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Rao, Murthy & Associates, Cost Auditors (Firm Registration No.000065) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025.

In accordance with the provisions of Section 148(3) of the Act read with the Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration of ₹ 2,75,000/- (Exclusive of applicable GST) per annum plus out of pocket expenses payable to the Cost Auditors, as approved by Board of Directors, has to be ratified by the Members of the Company.

The Cost Audit is undertaken by the Cost auditors covering only the manufactured products and not for the traded products, as per the Companies Act, 2013. Even under the

manufactured products, not all the products are covered under the Cost Audit. The products which are covered for the Cost Audit are "Power Tiller & Diesel Engine". The remuneration to cost auditors is as per the scope and market standards and not for the overall turnover.

Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out in item No. 5 of the notice for approving the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

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

The Board of Directors recommends the Ordinary Resolution set out in Item No 5 of the notice for the approval of the Members.

Annexure A

ADDITIONAL INFORMATION ON DIRECTOR(S) RECOMMENDED FOR APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER LISTING REGULATIONS AND APPLICABLE SECRETARIAL STANDARDS:

Mr. V.T. Ravindra				
DIN	Date of Birth	Age	Date of first Appointment on Board	Qualification
00396156	12-05-1969	55	27/05/2016	Graduate, PGDM.
Brief resume of the director with Expertise in specific functional areas			Mr. V.T. Ravindra holds a Post Graduate Diploma in Management and has amassed over 30 years of experience across diverse fields, including managing and establishing auto dealerships for both two-wheelers and four-wheelers, spare parts distribution, and plantation management. During his tenure with the VST group, he played a pivotal role in establishing four-wheeler auto dealerships across Karnataka and Tamil Nadu. As Managing Director on the Board of the Company, he has overseen the achievement of several milestones.	
Terms & Conditions of appointment			As He was re-appointed as Managing Director of the company effective from April 01, 2024, to March 31, 2027, liable to retire by rotation. However, on his re-appointment as a Director of the Company on retirement by rotation, he shall continue to hold his office of Managing Director and such re-appointment as such director shall not be deemed to constitute a break in his appointment / service as Managing Director of the Company.	
Directorship held in other companies including listed companies			<ul style="list-style-type: none"> • V S T Tillers Tractors Ltd • V S T Motors Pvt Ltd • Chennai Auto Agency Pvt.ltd. • V S T & Sons Pvt.ltd. • CREST Constructions Pvt.ltd. • Bangalore Motors Pvt.ltd • Hotel Pearls Pvt.ltd • Pearls Estates Pvt.ltd • V S T Auto Ancillaries Pvt.ltd • VST Supercars Private Limited • Mitsubishi Heavy Industries-VST Diesel Engines Private Limited • VST Zetor Private Limited • VST Service Station Private Limited 	
Chairmanship / Membership in the Committees of the Boards of other companies in which he is Director.			Nil	
Chairmanship/Membership in the committees of Board of VST.			Nil	
Shareholding in the Company (in numbers)			29152 shares	
Number of Board Meetings attended during FY 24			6	
Inter-se Relationship with other directors and Key Managerial Personnel			Mr. V.T. Ravindra belongs to the promoter group and is related to: <ol style="list-style-type: none"> 1. Mr. V. V. Pravindra 2. Mr. Arun V Surendra 	
Remuneration sought to be paid			NA	
Last drawn remuneration			₹ 88.50 Lakhs remuneration paid to Managing Director during FY24, as approved by shareholders.	
Names of listed entities from which Director has resigned in the past three years			NA	

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

Chinmaya Khatua
Company Secretary
Membership No. ACS-21759

Place: Bengaluru
Date: August 13, 2024



V.S.T. TILLERS TRACTORS LTD.




CIN-L34101KA1967PLC001706

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