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**TILLERS
TRACTORS LTD.,**

**RWTÜV**

LORD GANESHA



Idol of Lord Ganesha at V.S.T. TILLERS TRACTORS LTD.,



TILLERS TRACTORS LIMITED

BOARD OF DIRECTORS

MR. V.K.SURENDRA

Chairman

MR. V.T.VELU

MR. K.TERAO

MR. S.HASHIMOTO

MR. K.HARADA

MR. JIN EDA

Alternate to Mr.K.Terao

MR. SHASHIKANT VENSON

Alternate to Mr.S.Hashimoto

MR. K.HAYASHI

Alternate to Mr.K.Harada

MR. R.SUBRAMANIAN

MR. S.LOGANADAN

MR. M.K.BANNERJEE

MR. V.V.VIJAYENDRA

MR. V.P.MAHENDRA

Managing Director

MR. A.T.NAHENDER

Director (Operations)

COMPANY SECRETARY

MR.A.S.KESHAVAMURTHY

AUDITORS

M/s. BRAHMAYYA & COMPANY

10/2, Khivraj Mansion,

Kasturba Road, Bangalore 560 001

BANKERS

M/s. Canara Bank

M/s. Karnataka Bank Limited

M/s. State Bank of Indore

FACTORS

M/s. Canbank Factors Limited

LEGAL ADVISERS

M/s. N.Jayaraman, Advocates

112/12, First Floor, (5th Main Road Corner)

XI Cross Road, Malleswaram

BANGALORE 560 003

REGD. OFFICE & FACTORY

Plot No.1, Dyavasandra Industrial Area,

P.B.No.4801, Whitefield Road,

Mahadevapura Post, Bangalore 560 048

INFORMATION

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




TILLERS TRACTORS LIMITED

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of **V.S.T. TILLERS TRACTORS LIMITED** will be held on Wednesday, the 19th August 1998 at 3.00 p.m. at the Institution of Engineers (India), No.3, Dr. B. R. Ambedkar Veedhi, Bangalore 560 001 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance sheet as at 31st March 1998 and Profit and Loss Account for the year ended 31st March 1998 together with Schedules from 1 to 20 along with the Reports of the Directors and the Auditors.
2. To declare a dividend
3. To elect a Director in place of Mr. V. K. Surendra who retires by rotation and being eligible, offers himself for re-appointment.
4. To elect a Director in place of Mr. S. Loganadan who retires by rotation and being eligible, offers himself for re-appointment.
5. To elect a Director in place of Mr. R. Subramanian who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors of the Company and fix their remuneration

SPECIAL BUSINESS

7. To consider and if thought fit to pass with or without amendment the following resolution as an Ordinary Resolution :

RESOLVED that Mr.V.V.Vijayendra be and is hereby appointed as a Director of the Company.

8. To consider and if thought fit to pass with or without amendment the following resolution as a Special Resolution :

RESOLVED THAT the consent of the Company be accorded to the Board of Directors of the Company to acquire/purchase/exchange the Company's fully paid up shares on such terms and conditions and upto such limits as may be prescribed by law from time to time.

RESOLVED FURTHER THAT such acquisition/purchase/exchange of such fully paid up equity shares are not to be construed as reduction of Share Capital which is subject to the control of Sections 100 to 104 and Section 402 of the Companies Act, 1956 for the time being in force.

RESOLVED FURTHER THAT the consent given herein be construed as a consent given to the Board of Directors under all applicable provisions of Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force and may be enacted from time to time.


TILLERS TRACTORS LIMITED

9. To consider and if thought fit to pass with or without amendment the following resolution as a Special Resolution :

Resolved that the Articles of Association of the Company be and is hereby altered by adding the following Proviso as Article 4 (A).

**4 (A) BUY BACK
OF SHARES**

The Company may, subject to the provisions of the Act, from time to time authorise the Board of Directors to buy back the shares of the Company and to allocate the funds from its free reserves or share premium account or any other means of finance for raising funds with regard to the buy back of its shares.

10. To consider and if thought fit to pass with or without amendment the following resolution as a Special Resolution :

RESOLVED that subject to the approval of the Central Government as per Section 314 (1A) and (1B) of the Companies Act, 1956, Mr. V. V. Pravindra be and is hereby appointed as an Executive Co-ordinator w.e.f. 1st July 1998 as per the terms and conditions stipulated below :-

A) On monthly basis Per month (Rs.)

Basic Salary 8,450 (in the Scale of Rs.8,450-200)

D.A. 4,170

All purpose allowance 5,000

B) On Annual Basis Per Annum (Rs.)

Family Insurance 1,800

Leave Travel Allowance 2 months Basic Salary

Medical Reimbursement 15,000

C) The Provident Fund, Bonus and Gratuity is applicable as per the respective Act.

D) Other terms and conditions are as applicable to the Senior Management Staff of the Company.

It is further resolved that the Managing Director be and is hereby authorised on behalf of the Shareholders to revise the remuneration of Mr. V. V. Pravindra suitably whenever the remuneration is revised to the Management Staff of the Company.

11. To consider and if thought fit to pass with or without amendment the following resolution as a Special Resolution :

- (1) RESOLVED that pursuant to the recommendation made by the Board of Directors of the Company and subject to the approval of Reserve Bank of India and other appropriate authorities wherever applicable including the relevant guidelines issued by Securities and Exchange Board of India (SEBI), a sum of Rs.1,91,98,950 (Rupees one crore ninetyone lacs ninetyeight thousand nine hundred and fifty only) out of the amount standing to the

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credit of Share Premium Account as on 31st March 1998 be and the same is hereby capitalised and accordingly the Directors be and are hereby authorised to appropriate the said sums for distribution to and amongst the members of the Company whose names appear in the Register of Member of Equity Shares as on such date fixed by the Board of Directors and to apply the said sum in paying up in full 19,19,895 Equity Shares of Rs.10 each at par as bonus shares in the proportion of ONE new share of Rs.10 as fully paid-up for every TWO of the said existing equity shares of Rs.10 each then held by such members respectively on the basis that members become entitled to the new equity shares as capital and not as income.

- (2) RESOLVED FURTHER THAT subject to the Memorandum and Articles of Association of the Company, 19,19,895 new equity shares shall be issued and allotted as fully paid up bonus equity shares and shall be entitled to pro-rata dividend that may be declared after the date of such allotment by ranking pari passu in other respects with the existing fully paid up equity shares of the Company.
- (3) RESOLVED FURTHER THAT no fractional certificate or coupon shall be issued to the members in respect of their respective fractional entitlement of bonus shares but all the fractions remaining after allotment of the bonus shares as aforesaid shall be consolidated into full bonus shares which shall be allotted at the discretion of the Directors to any person or persons in trust for the benefit of those members who are entitled to fractional entitlements of bonus shares, for the purpose of selling such consolidated full bonus shares as soon as possible in the prevailing market rate and that the net sale proceeds of such consolidated full bonus shares after deducting there from the costs, charges, and expenses of sale, shall be divided and distributed proportionately amongst those members who would be entitled to fractional entitlements of such full bonus shares.
- (4) RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of the said bonus shares but the certificates in respect of the new equity shares to be allotted as fully paid bonus shares as aforesaid shall be delivered within six months of the date of allotment thereof by the Board of Directors of the Company (Board) or within such extended time as may be allowed by appropriate authorities.
- (5) RESOLVED FURTHER THAT the issue and allotment of the fully paid up bonus shares and/or payment of any sum in cash in lieu of fractional shares as aforesaid to the extent they relate to the non-resident members of the Company, shall be subject to the approval of Reserve Bank of India, under the Foreign Exchange Regulation Act, 1973 or any amendment thereof.
- (6) RESOLVED FURTHER THAT the present intention of the Board of Directors to recommend, barring unforeseen circumstances, and subject to the provisions of Companies (Transfer of Profits to Reserve) Rules, 1975 that the dividend to the members on the expanded equity capital of the Company in the year of the bonus issue, shall not be less than 20 percent be and is hereby recorded.


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- (7) RESOLVED further that for the purpose of giving effect to this resolution and for removal of any doubts or difficulties or whatsoever which may arise in regard to the issue of the said bonus shares, the Board be and is hereby authorised to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, expedient, usual or proper and to settle any question or doubt that may arise in relation thereto or otherwise reconsider the matter with the changed circumstances, if any, as the Board in its absolute discretion may think fit and proper, taking into consideration the interest of the Company. Its decision shall be final and binding on all members and other interested persons.

12. To consider and if thought fit to pass with or without amendment the following resolution as a Special Resolution :

RESOLVED THAT pursuant to the provisions of Section 81 (1-A) and other applicable provisions, if any, of the Companies Act, 1956 and the enabling provisions in the Articles of Association of the Company, the financial institutions, Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), and all other concerned authorities and departments, if any, and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them in granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board") at its sole discretion, the Board of Directors of the Company be and is hereby authorised to issue and allot on subscription such extent/number but not exceeding Rs. 10 lacs (Rupees Ten lacs only) redeemable preference shares of Rs.10/- each forming part of the Authorised Share Capital of the Company to the members, employees, Non-resident Indians, Overseas Corporate Bodies, FIIs, FDIs, Companies, other entities and to such other person/persons by way of public issue, rights issue, private placement or Firm allotment or preferential allotment or by any one or more, or a combination of the above methods, whether they being shareholders of the Company or not and at such time or any one or more tranches as the Board may think fit and on such terms and conditions including the face value, amount of premium, nature of security, if any, rate of interest, rate of dividend, redemption period, manner of redemption, the amount of premium, if any, on redemption, number of equity shares to be allotted on redemption of preference shares, the terms of conversion into equity shares, manner of calls, etc., and the authority to retain any oversubscription amount as may be permitted, as the Board may deem fit in the interest of the Company.

RESOLVED FURTHER that such of those preference shares which are not subscribed be and is hereby disposed off by the Board in its absolute discretion in such manner and on such terms as they may deem fit including offering or placing them with Banks/Financial Institutions/Investment Institutions/Mutual Funds or otherwise as the Board may in its absolute discretion, consider proper and most beneficial to the Company without violating any rules and regulations prescribed by the concerned authorities and departments as per the Companies Act, 1956.

FURTHER RESOLVED THAT for the purposes of giving effect to this resolution, the Board be and are hereby authorised to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable and to settle any question, difficulty

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or doubt that may arise in regard to the offer, issue, allotment and utilisation of the issue proceeds towards the Company's projects/other corporate needs as they may deem fit.

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

RESOLVED that pursuant to the provisions of Section 94 and other applicable provisions if any of the Companies Act, 1956, the authorised equity share capital of the Company be and is hereby increased from Rs.5,00,00,000 (Rupees five crores only) to Rs.7,00,00,000 (Rupees seven crores only) by the creation of 10,00,000 (Ten lacs only) additional equity shares of Rs.10 (Rupees ten only) each which shall rank paripassu with the existing equity shares of the Company and 10,00,000 (Ten lacs) Redeemable Preference Shares of Rs.10 (Rupees ten only) each with power to the Board of Directors to fix the rate of preference dividend, period of redemption and other terms and conditions relating to the issue of such preference shares.

Further resolved that consequential amendments be made to Clause V of the Memorandum of Association of the Company, so that the amended Clause shall henceforth read as under :

Clause V:

" The Authorised share capital of the Company is Rs.7,00,00,000 (Rupees seven crores only) divided into 60,00,000 (Sixty lacs only) equity shares of Rs.10 (Rupees ten only) each and 10,00,000 (Ten lacs only) Redeemable Preference Shares of Rs.10 (Rupees ten only) each ".

The Company has power from time to time to increase or reduce its capital and issue in any shares in the original or new capital as equity or preferred shares and to attach to any class or classes of such shares any preferences, rights, privileges, or priorities in payment of dividends or distribution of assets or otherwise over any other shares or to subject the same to any restrictions, limitations or conditions, and to vary the regulation of the Company, as far as necessary, to give effect to the same upon the sub-division of a share to apportion the right to participate in profits in any manner subject to the prior consent of the Government of India or the order of the Court, if the same be necessary being obtained before doing so. The Board of Directors shall have powers in respect of the Redeemable Preference Shares to fix the rate of dividend, period of redemption and other terms and conditions governing the issue of the same.

By order of the Board of Directors
for **VST TILLERS TRACTORS LIMITED**

A. S. KESHAVAMURTHY
Company Secretary

Place: Bangalore
Dated: 29th June 1998

**TILLERS TRACTORS LIMITED**

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself on a " POLL " and A PROXY NEED NOT BE A MEMBER. The proxy form is annexed hereto. Proxies in order to be effective must be received at the Company's Registered Office not later than fortyeight hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 18.08.98 to 21.08.98 (both days inclusive).
3. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
4. Documents relating to any of the items mentioned in the Notice and the accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on any working day during business hours.
5. Members are requested to notify immediately any change in their address to the Company.
6. Members are requested to bring their copy of the Annual Report with them to the meeting.
7. The dividend on the equity shares when declared at the Annual General Meeting will be made payable to those Shareholders whose names stand in the Register of Members of the Company as on 17th August 1998 to whom dividend will be posted.
8. The dividend will be paid to the entitled shareholders within 42 days from the date of declaration of the dividend.
9. Members desirous of obtaining any information on the Annual Accounts to be explained at the meeting, are requested to write to the Company at an early date to facilitate computation of information.