



V.S.T. TILLERS TRACTORS LTD.

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**33rd Annual Report
2000 - 2001**

RWTUV

Lord Ganesha



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


V.S.T. TILLERS TRACTORS LIMITED

BOARD OF DIRECTORS	:	Mr. V.K.Surendra	<i>Chairman</i>
		Mr. V.T.Velu	
		Mr. R.Obata	
		Mr. S. Sugiyama	
		Mr. M.Udoguchi	<i>Alternate to Mr. S. Sugiyama</i>
		Mr. M.K.Bannerjee	
		Mr. S.Loganadan	
		Mr. R.Subramanian	
		Mr. V.V.Vijayendra	
		Mr. V.P.Mahendra	<i>Managing Director</i>
		Mr. A.T.Nahender	<i>Director (Operations)</i>
COMPANY SECRETARY	:	Mr.B.L.Akshara	
AUDITORS	:	M/s. Brahmayya & Company 10/2, Khivraj Mansion, Kasturba Road, Bangalore 560 001	
BANKERS	:	M/s. Canara Bank M/s. State Bank of India M/s. State Bank of Indore	
FACTORS	:	M/s. Canbank Factors Limited	
LEGAL ADVISORS	:	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 Layout, P.B.No.4801, Whitefield Road, Mahadevapura Post, Bangalore 560 048	

INFORMATION
REQUEST TO MEMBERS

1. Please bring your copy of the Annual Report 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. An 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.



N O T I C E

Notice is hereby given that the THIRTYTHIRD Annual General Meeting of V.S.T. TILLERS TRACTORS LIMITED will be held on Wednesday the 8th August 2001 at 3.00 p.m. at 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 2001 and Profit and Loss Account for the year ended 31st March 2001 together with Schedules from 1 to 19 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.R.Subramanian who retires by rotation and being eligible, offers himself for re-appointment.
5. To elect a Director in place of Mr.M.K.Bannerjee 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 modification, the following resolution as an Ordinary Resolution :-

RESOLVED that Mr.S.Sugiyama 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 consent of the Members be and is hereby accorded subject to the approval of Central Government under Section 314 of the Companies Act, 1956 to redesignate Mr.V.V.Pravindra as Senior Exectuvie-Business Development and revise his remuneration as set out below with effect from 1st June 2001.

A) On monthly basis :		Rs.
Basic Salary		15,000
H.R.A.		8,200
Education Allowance		3,330
B) On Annual Basis :		Rs.
Leave Travel Allowance	2 months Basic Salary	
Medical Reimbursement		15,000
Family Medclaim insurance		
Premium Reimbursement		1,800

Club subscription - Eligible to claim subscription fee for one club to a maximum extent of Rs.200 per month.

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- C) The Provident Fund and Gratuity is applicable as per the respective Acts.
- D) Leave, Telephone and Bonus as applicable to the Senior Executives of the Company.
- E) Car : As applicable to other Vice Presidents of the Company.

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

9. Amendments to the Articles of Association

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution :-

" RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of Financial Institution, the following Articles in the Articles of Association of the Company be and are hereby altered in the manner stated below :-

Insert the following new Article as Article No.2(n)

"Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996;

Insert the following new Article as Article No.2(o)

" SEBI " means the Securities & Exchange Board of India;

Insert the following new Article as Article No.2(p)

" Depository " shall mean a Depository as defined under Clause (e) of sub-section (1) of Section (2) of the Depositories Act, 1996;

Insert the following new Article as Article No.2(q)

" Security " means such security as may be specified by SEBI from time to time.

Insert the following new Article as Article No.2(r)

The " Register " means the Register of Members and Index of Members as defined under Section 150 and 151 of the Act and includes Register and index of beneficial owners in the records of the Depository.

Substitute the following as Article No.2(h) by deleting the existing Article No.2(h)

" Member " means a member as defined under Section 41 of the Act.

Insert the following new Article as Article No.4(b)

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| Dematerialisation of Securities : | 1) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996. |
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**V.S.T. TILLERS TRACTORS LIMITED****Options for
Investors**

- 2) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate the depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security

**Securities in
Depositories to
be fungible form**

- 3) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

**Rights of
Depositories and
Beneficial Owners**

- 4) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

**Service of
documents**

- 5) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

**Transfer of
Securities**

- 6) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

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| Allotment of Securities dealt with in a Depository | 7) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities. |
| Distinctive numbers of Securities held in a Depository | 8) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository. |
| Register and Index of Beneficial Owners | 9) The Register and index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and index of Members and Security holders for the purposes of these Articles. |

Insert the following words before the beginning of existing Article No.8

"Subject to the provisions of Section 86 of the Act and the rules as may be framed thereunder and "

Insert the following new Article as Article No.8A

VOTING BY POSTAL BALLOT

Subject to the provisions of Section 192A of the Act, the Company may get any resolutions passed by means of a postal ballot instead of transacting the business in general meeting of the Company.

Insert the following new Article as Article No.13A

POWER TO ISSUE SWEAT EQUITY SHARES

Subject to the provisions of Section 79A of the Act, the Company may issue sweat equity shares to its employees or directors.

Insert the following new Article as Article No.14B

- i) Subject to the provisions of Section 109A of the Act, every holder of shares or debentures of a Company may at any time nominate a person or persons as their nominee in the prescribed manner to whom his shares or debentures of the Company shall vest in the event of his/her death.
- ii) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect either -
 - a) to register himself/herself as holder of the shares or debentures as the case may be ; or
 - b) to make such transfer of the shares or debentures, as the deceased shareholder or debenture holders as the case may be could have made
- iii) Nominee will get all right of a member only upon registration of shares in his/her name.

Alter Article 22

In between words " Section " and " of the ", insert 205B in place of 205A

**V.S.T. TILLERS TRACTORS LIMITED**

Substitute Article No.22 with the following

TRANSFER OF UNCLAIMED DIVIDEND

All unpaid dividends which remain unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account shall be transferred to Investors Education and Protection Fund established under sub-section(1) of Section 205C of the Companies Act, 1956. No claim from the shareholders will be entertained after such transfer to the Fund.

Alter Article 41

In between words " Section 292 " and " of the Act", insert "and 292A "

Substitute the following Article in place of the existing Article No.42

The Directors of the Company shall subject to provisions of the Companies Act, 1956 and the Rules framed thereunder be paid a sitting fee of such sum as may be determined by the Board from time to time for every meeting of the Board or of any Committee of the Board attended by them in addition to all travelling and halting expenses incurred by them in attending and returning from such meetings of the Board or of any Committee of the Board or of General Meeting of the Company.

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

Place : Bangalore
Dated : 30th May 2001

(B.L.Akshara)
Company Secretary

NOTES :

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself on a " POLL " and A PROXY NEED NOT BE A MEMBER.** The proxy form is annexed hereto. Proxy in order to be valid must be deposited 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 01.8.2001 to 08.8.2001 (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 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 as recommended by the Directors 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 31th July 2001.
8. The dividend, if declared, will be paid to the entitled shareholders within 30 days from the date of declaration of the dividend.
9. Members desirous of obtaining any information on the Annual Accounts are requested to write to the Company at an early date to facilitate computation of information.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956****ITEM No.7**

Mitsubishi Heavy Industries Limited, Tokyo has withdrawn the nomination of Mr.K.Terao from the post of Director of the Company with effect from 30th May 2001 and appointed Mr.S.Sugiyama in his place. The Board in its meeting held on 30th May 2001 appointed Mr.S.Sugiyama as an Additional Director with effect from 30th May 2001. Being an Additional Director, he will cease to be a Director from the date of the 33rd Annual General Meeting.

Mr.S.Sugiyama is the General Manager of Engine and Turbo Sales Operations Department, Mitsubishi Heavy Industries Limited, Tokyo.

The Company has received a notice from a member under Section 257 of the Companies Act 1956, signifying his intention to propose the name of Mr. S.Sugiyama for appointment as a Director at this Annual General Meeting.

Your Directors are of the opinion that it would be in the best interest of the Company to appoint Mr.S.Sugiyama as a Director and accordingly commend the resolution for approval of the Shareholders.

Except Mr.S.Sugiyama no other Director is interested in the resolution.

ITEM No.8

The Shareholders of the Company in their Annual General Meeting held on 19th August 1998 approved the appointment and remuneration of Mr.V.V.Pravindra as Exectuve Co-ordinator with effect from 1st July 1998. He has been responsible for co-ordinating all cross functional issues of various business processes.

It is felt appropriate to enhance the salary and perquisites payable to Mr.V.V.Pravindra with effect from 1st June 2001 as well as to give him additional responsibilities. Consequently, it is proposed that he be redesignated as Senior Executive-Business Development and in addition to his present assignments as Co-ordinator for all cross functional issues, he will now be responsible for co-ordinating matters related to Company's business plans, investment decisions and corporate policies as well as to assist the whole time Directors in carryingout the responsibilities attached to their office.

None of the Directors other than Mr.V.T.Velu and Mr.V.V.Vijayendra is deemed to be interested in this resolution.

ITEM No.9

In pursuance of powers vested under the Depositories Act 1996, the Mumbai Stock Exchange has vide its Circular dated 30th March 2001 notified that all listed Companies falling under B2 category should go for compulsory dematerialisation of shares failing