

40th

Annual Report 2007 - 2008

Report Junction.com



V.S.T. TILLERS TRACTORS LTD.



LORD GANESHA



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

NOTICE

"NOTICE IS HEREBY GIVEN that the 40th Annual General Meeting of VST TILLERS TRACTORS LTD will be held at Woodlands Hotel Pvt. Ltd. No.5, Rajaram Mohan Roy Road, Bangalore-560 025 on August 29, 2008 at 3.00 P.M. to transact the following business.

Ordinary Business:

1. To receive, consider, approve, and adopt the audited Balance Sheet as at March 31, 2008, Profit and Loss account and Cash Flow Statement for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. A. Hishikawa, who retires by rotation and being eligible offers himself for re-appointment
4. To appoint a Director in place of Mr. V. Ramachandran, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

Item No.6

To consider and if thought fit, to pass with or without modification(s) the following resolution as **ORDINARY RESOLUTION.**

"RESOLVED THAT Mr. B C S Iyengar who was appointed as an Additional Director in the Board of Directors meeting held on August 28, 2007, pursuant to provisions of Section 260 of the Companies Act, 1956 and who holds office upto the date of this AGM, be and is hereby appointed as Director of the Company"

To consider and if thought fit, to pass with or without modification(s) the following resolution as **SPECIAL RESOLUTION.**

"RESOLVED THAT pursuant to the provisions of Article 29 of the Articles of Association of the Company and Sections 198, 269, 309 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such consents, approvals and permissions as may be required

Mr. B C S Iyengar be and is hereby appointed as Executive Director of the Company not liable to retire by rotation for a period of five years w.e.f. August 28, 2007 on the remuneration and terms & conditions set out below effective from August 1, 2008:

"FURTHER RESOLVED that subject to the overall limits of managerial remuneration fixed by the Companies Act, 1956, the Managing Director of the Company be and is hereby authorized on behalf of the Shareholders to revise the remuneration of Mr. B.C.S. Iyengar suitably as he deems fit whenever the remuneration is revised to the Management Staff of the Company."

"RESOLVED FURTHER THAT in the case of absence or inadequacy of profits in any financial year, the above remuneration be paid to the Executive Director as the minimum remuneration."

Salary

- a. Basic Salary - Rs.50,000/- per month in the scale 50,000 - 2,500.
- b. House Rent Allowance - Rs.30,000/- per month.
- c. Special Allowance - Rs.9,000/- per month.

PERQUISITES

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

CATEGORY - A

- a) Furnishing Allowance - Reimbursement upto Rs.25,000/- (Rupees twenty five thousand only) per annum towards furnishing/ repair/ maintenance of own house.
- b) Leave Travel Allowance - for self and family once in a year not exceeding two months basic salary.
- c) Club Fees - Re-imbusement of monthly club fees for a maximum of two clubs.
- d) Medical Insurance Premium for family - subject to a limit of Rs.2,500/- per annum.

Note: For the purpose of this Part, "family" means the spouse, dependent children and dependent parents of the Executive Director.

NOTICE

CATEGORY-B

- a) Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income-tax Act.
- b) Gratuity payable shall not exceed one half month's salary for each completed year of service subject to a ceiling specified in the Gratuity Act.
- c) Earned/Privilege Leave shall be allowed to the Executive Director on full pay and allowances according to the rules of the Company but not more than 34 (thirty four) days leave for every 12 (twelve) months service. However, leave accumulated but not availed of will be allowed to be en-cashed.

CATEGORY-C

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

CATEGORY - D **COMMISSION**

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

Item No.7

To consider and if thought fit, to pass with or without modification(s) the following resolution as **ORDINARY RESOLUTION**.

"RESOLVED THAT Mr. V V Pravindra who was appointed as an Additional Director in the Board of Directors meeting held on July 28, 2008, pursuant to provisions of Section 260 of the Companies Act, 1956 and who holds office upto the date of this AGM, be and is hereby appointed as Director of the Company"

To consider and if thought fit, to pass with or without modification(s) the following resolution as **SPECIAL RESOLUTION**.

"RESOLVED THAT pursuant to the provisions of Article 29 of the Articles of Association of the Company and Sections 198, 269, 309 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such consents, approvals

and permissions as may be needed Mr. V V Pravindra be and is hereby appointed as the Deputy Managing Director of the Company not liable to retire by rotation for a period of five years w.e.f. July 28, 2008 on the remuneration and terms & conditions set out below effective from August 1, 2008 :

"FURTHER RESOLVED that subject to the overall limits of managerial remuneration fixed by the Companies Act, 1956, the Managing Director of the Company be and is hereby authorized on behalf of the Shareholders to revise the remuneration of Mr. V V Pravindra suitably as he deems fit whenever the remuneration is revised to the Management Staff of the Company"

"RESOLVED FURTHER THAT in the case of absence or inadequacy of profits in any financial year, the above remuneration be paid to the Deputy Managing Director as the minimum remuneration"

Salary

- a. Basic Salary - Rs.45,000/- per month in the scale 45,000 - 2,500.
- b. House Rent Allowance - Rs.30,000/- per month.
- c. Special Allowance - Rs.9,000/- per month.

PERQUISITES

In addition to salary, the following perquisites are allowed and classified to four categories, "A", "B", "C" and "D" as follows:-

CATEGORY - A

- a) Furnishing Allowance - Reimbursement upto Rs.25,000/- (Rupees twenty five thousand only) per annum towards furnishing/ repair/ maintenance of own house.
- b) Leave Travel Allowance - for self and family once in a year not exceeding two months basic salary.
- c) Club Fees - Re-imbursement of monthly club fees at actuals for a maximum of two clubs.
- d) Medical Insurance Premium for family - subject to a limit of Rs.2,500/- per annum.

Note: For the purpose of this Part, "family" means the spouse, and dependent children of the Deputy Managing Director.

NOTICE

CATEGORY - B

- a) Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income-tax Act.
- b) Gratuity payable shall not exceed one half month's salary for each completed year of service subject to a ceiling specified in the Gratuity Act.
- c) Earned/Privilege Leave shall be allowed to the Deputy Managing Director on full pay and allowances according to the rules of the Company but not more than 34 (thirty four) days leave for every 12 (twelve) months service. However, leave accumulated but not availed of will be allowed to be en-cashed.

CATEGORY-C

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

CATEGORY - D

COMMISSION

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxies to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business under item no. 6 & 7 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will be closed from

August 22, 2008 to August 31, 2008 (both days inclusive) in connection with Annual General Meeting.

5. Dividend if declared shall be payable to all those members whose names appear in the register of members or to the beneficial owners as per the records of the depositories, at the closing of business hours on August 21, 2008.
6. Members desirous of obtaining any information on the annual accounts are requested to write to the Company at an early date to facilitate compilation and dissemination of the same at the AGM.

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

Sd/-

Place: Bangalore

Date: June 28, 2008

Subash B K

Company Secretary

EXPLANATORY STATEMENT AS PER SECTION 173(2) OF COMPANIES ACT, 1956

Item No. 6

Mr. B C S lyengar was appointed as an Additional Director of the Company by the Board of Directors w.e.f. August 28, 2007. Pursuant to Section 260 of the Companies Act, 1956, Mr. B C S lyengar holds office only up to the Annual General Meeting. As required under Section 257 of the said Act, a notice has been received from a member along with deposit of Rs. 500/- signifying his intention to propose Mr. B C S lyengar as a candidate for the office of Director.

The Board of Directors had also appointed Mr. B C S lyengar as an Executive Director of the Company for a period of 5 years effective from August 28, 2007 subject to the approval of the shareholders of the Company.

As per the provisions of Section 198, 269, 309 and 314 read with Schedule XIII to the Companies Act, 1956, the appointment of and remuneration to Executive Director requires the approval of the shareholders in General Meeting by way of a special resolution.

NOTICE

The Board of Directors recommends the resolutions for approval as set out under item no.6.

None of the Directors except Mr. B C S Iyengar, is concerned or interested in the said resolution.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms of appointment of Mr. B C S Iyengar, Executive Director of the Company and Memorandum of interest of Directors u/s. 302 of the Companies Act, 1956.

- (1) Background Details - Mr. B C S Iyengar, aged 58 years, is a Chartered Accountant and has been associated with the Company in various capacities for over 29 years.
- (2) Past remuneration -
Remuneration in the capacity as Vice President was Rs.12,24,564/- CTC
- (3) Job profile and his suitability - Subject to the superintendence, direction and control of the Board, the day to day administration of the Company would be vested with the Executive Director. Owing to his association for over 29 years in various capacities and also being in-charge of finance and marketing Mr. B. C. S. Iyengar is suitable for the post of Executive Director.
- (4) Remuneration proposed - as set out in the resolution for the item no. 6. The remuneration to Executive Director has the approval of the Board of Directors.
- (5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person - Taking into consideration the size of the Company, the profile of Mr. B. C. S. Iyengar, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.
- (6) Besides, the remuneration proposed, Mr. B. C. S. Iyengar does not have any other pecuniary relationship with the Company.

Item No. 7

The Company has received a notice in writing from a member under section 257 of Companies Act, 1956

along with a deposit of Rs.500/-proposing the candidature of Mr. V V Pravindra for the office of Director.

As per the provisions of Section 198, 269, 309 and 314 read with Schedule XIII to the Companies Act, 1956, the appointment of and remuneration to Deputy Managing Director requires the approval of the shareholders in General Meeting by way of a special resolution.

The Board of Directors recommends the resolutions for approval as set out under item no.7

None of the Directors except Mr. V V Pravindra, is concerned or interested in the said resolution.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the terms of appointment of Mr. V V Pravindra, Deputy Managing Director of the Company and Memorandum of interest of Directors u/s. 302 of the Companies Act, 1956.

- (1) Background Details - Mr. V V Pravindra, aged 43 years, is a Commerce graduate. After an initial training with a Chartered Accountant firm he undertook to independently manage VST Auto Ancillaries Pvt. Ltd., (a VST group Company) supplying parts to the Company. During the year 1996 he was appointed as Executive coordinator and subsequently elevated to the post of Vice-President, Business Development in the year 2004.
- (2) Past remuneration -
Remuneration in the capacity as Vice President was Rs.12,08,292/- CTC.
- (3) Job profile and his suitability - Subject to the superintendence, direction and control of the Board, Mr. V. V. Pravindra shall broad base administrative operations, corporate policies and responsibilities of the Company including its overall development. In consideration to his contributions for the past 12 years in various capacities and also as head of Business Development and considering his varied experience in the aforementioned capacities, he stands apt for the post of Deputy Managing Director.

NOTICE

- (4) Remuneration proposed - as set out in the resolution for the Item No.7. The remuneration to Deputy Managing Director has the approval of the Board of Directors.
- (5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person - Taking into consideration the size of the Company, the profile of Mr. V V Pravindra, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.
- (6) Besides, the remuneration proposed, Mr. V V Pravindra also belongs to the promoter group.

Report  junction.com





V.S.T. TILLERS TRACTORS LIMITED

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

--

Name of
Proxy

Attendance Slip

40th

Annual General Meeting

Friday, the August 29, 2008

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

Folio No.

CLIENT ID No.

DP ID No.

No. of Shares

Signature of Member / proxy



V.S.T. TILLERS TRACTORS LIMITED

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

Proxy Form

Folio No.

CLIENT ID No.

Proxy No.

DP ID No.

Date of Receipt

No. of Shares

I/We

of.....in the district of.....being
a member / members of V.S.T. Tillers Tractors Limited hereby appoint.....
of.....in the district of.....or failing him
.....of.....in the district of.....as
my / our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the
Company to be held at "Krishna Hall", Hotel Woodlands Hotel Pvt. Ltd., No.5, Rajaram Mohan Roy Road,
Bangalore - 560 025 on Friday, the 29th August 2008 at 3.00 P.M. and at any adjournment thereof.

Date :

Signature of member

Affix Re. 1-00.
Revenue Stamp

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



Board of Directors : Mr. V.K. Surendra - *Chairman*
 Mr. A. Hishikawa
 Mr. K. Tanaka - *Alternate to A. Hishikawa*
 Mr. R. Subramanian
 Mr. M.K. Bannerjee
 Mr. V. Ramachandran
 Mr. V.P. Mahendra - *Managing Director*
 Mr. B.C.S. Iyengar - *Executive Director*

**Company Secretary
and Compliance Officer** : Mr. Subash B.K.

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

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

Bankers : M/s. Canara Bank
 M/s. State Bank of India
 M/s. Canbank Factors Limited

Legal Advisers : M/s. AZB & Partners
 67-4, 4th Cross, Lavelle Road
 Bangalore - 560 001

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

INFORMATION

REQUEST TO MEMBERS

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