



VST SHAKTI



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

Address by  
**SRI V.K.SURENDRA**  
Chairman

50th Annual General Meeting  
11th August 2018

At  
“ Rohini Hall ”  
HOTEL AJANTHA  
22-A, Mahatma Gandhi Road,  
Bengaluru 560001

*Ladies and Gentlemen,*

It is my pleasure to welcome you to this 50th Annual General Meeting, with your permission may I take the annual report as read.

As compared to the previous year, your company's performance during the year registered a revenue growth of 13% while the PAT grew by 35%. Your company sold the highest numbers in its history of 30,143 tillers and 11,367 tractors during the year.

Your Company recently celebrated its golden anniversary (50 years). The company invited all the Dealers & Suppliers for the inauguration of the new power tiller factory located on the Eastern part of Bengaluru in Malur which is two hours travel time from Bangalore. The annual capacity of the plant would be 60000 Nos. in two shifts and is expected to be fully operational by September this year. The entire range of agricultural machinery which the Company manufactures and sells as well as the new product launches were exhibited to the dealers and suppliers.

After shifting, the existing factory at Whitefield Road will be used for the manufacture of Reapers which has been indigenously developed and in addition will be assembling the higher HP range of Tractors. The trial marketing is expected to commence from last week of August this year.

The Company during the year under review acquired knowhow from M/s.Kukje Machinery Co. Ltd., Korea for the manufacture of 47 HP tractors. These Tractors will cater to the premium segment, with the initial batch of imported units being marketed during the Q3 of this year. All technical inputs required for the manufacture of these tractors have been received and work on indigenisation has commenced.

### **CURRENT YEAR OUTLOOK**

The number of tillers sold in the current year 1st quarter was 5,367 Nos as against 7,119 Nos in the previous 1st quarter, while in the case

of tractors it was 1,927 Nos as against 2,555 Nos. While the monsoon during the current year has been satisfactory in many states including Karnataka, Tamil Nadu and to some extent in Andhra Pradesh, it may be noted that in Rajasthan & Gujarat there has been floods causing extensive damage. The Skymet's recent announcement, commented on poor rain fall in the East coast & North East thereby lowering the all India projection to 92% of Long Period Average. The lower numbers in Q1 is attributed to delays in subsidy schemes in few states for both Tillers and Tractors and material supply issues related to castings.

The number of power tillers sold in July 2018 was 2,598 Nos as against 2,405 Nos for the corresponding month of last year while for tractors it was 769 Nos as against 760 Nos respectively.

Taking the above factors into consideration, the annual sales volume for the power tillers may not increase substantially, however in case of tractors your company is optimistic to derive the benefit of improved volumes with launches of the extended range of models and variants.

I am glad to inform you that your company has maintained excellent Industrial relations in all its plants during the year.

Your company continues to build good Organizational capability to meet the long- term growth plans.

### **ACKNOWLEDGEMENT**

We continue to enjoy cordial relationship and goodwill with our partners Mitsubishi Heavy Industries, Japan. I also thank all my colleagues on the Board for their invaluable support in steering the company forward.

Thanking all of you for your support.

**V K Surendra**

Chairman