



VST SHAKTI

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

Address by

**SRI V.K.SURENDRA**

Chairman

47th Annual General Meeting

11th August 2015

At

Woodlands Hotel Pvt. Ltd.

No.5, Rajaram Mohan Roy Road

Bangalore - 560 025

Ladies and Gentlemen,

It is my pleasure to welcome you to this 47th Annual General Meeting of your company. May I take the annual report as read.

The company has reported subdued performance during the year due to several unfavourable factors as reported earlier. It is satisfying to see that better realisation and stable input prices have helped to prevent an impact on the profits. The new tractor plant at Hosur has been operating smoothly and we have since demonstrated our efficiency in being able to run it as a profit centre.

Your company has extended the mechanized rice transplantation business into Maharashtra and has also been endeavouring to introduce similar programmes in some of the other States. Simultaneously, the company has introduced reapers into selected States in the country.

### **CURRENT YEAR OUTLOOK**

The results of the first quarter shows signs of recovery with the power tiller sales increasing from 6383 nos to 6756 nos and that of tractors from 1953 nos to 2266 nos. The gross income has grown by 7 % from Rs. 156 crores to Rs. 167 crores. I am confident that the trend will continue and enable your company to post improved performance for the current year.

The much publicised SMAM (Sub-Mission on Agriculture Mechanization) has not progressed as per the targeted objective. The vehicle of custom hiring has several critical components such as a feasible business proposition to the entrepreneur, the investment, cost of operation, etc to make the drive smooth and successful. That apart, the agro based industry has not received any special thrust from the Government . I am glad to note that there has been visible improvement in streamlining the administration of subsidy schemes in some of the States that augurs well for your company .

The higher HP (22) tractors have been well received in the market and we foresee a shift in the demand in favour of this model. During the year your company will be introducing many variants of the tractors that would enable us to face the increasing competition in the small tractor segment. With the increased production and demand in the coming years I am confident that the new plant will pay back its investment very soon.

### **HUMAN RESOURCES**

Commensurate with building capacity for tractor production there is an urgent need to strengthen the Marketing team. We have also initiated necessary steps to groom leaders who would take greater responsibility for shaping the future of the company. Your company firmly believes that apart from monetary compensation there are other values that bring about employee's loyalty and commitment to an organization.

The wage negotiations at the Mysore Plant has since been concluded. A new settlement for a period of three and half years has been executed to mutual satisfaction

### **ACKNOWLEDGEMENT**

I must thank the Odisha & Karnataka State Government for the special support to the small farmers and the concept of power tillers that has given a boost to the industry. We continue to enjoy cordial relation and goodwill with our partners Mitsubishi Heavy Industries, Japan. Directors, Mr.V.Ramachandran and Mr. K.K. Rai who have recently stepped down, have been of invaluable assistance for many years. I sincerely thank them for their support. I also thank all my colleagues on the Board for their valuable support in steering the company successfully.

Thanking all of you for your support.

V K Surendra  
Chairman  
11th August 2015