



# V.S.T. TILLERS TRACTORS LIMITED

CIN-L34101KA1967PLC001706

Regd. Office : P.B. No.4801, Mahadevapura Post, Whitefield Road, Bangalore – 560 048

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The following are summary of information provided by Mr. B C S Iyengar, Director- Corporate Strategy in response to the queries from a group of investors at the meeting held in Mumbai on 3<sup>rd</sup> June 2015, arranged by M/s. Batlivala & Karani Securities India Pvt. Ltd.

## POWER TILLERS

- 1) VST tillers is the market leader in the Indian power tillers industry.
- 2) VST holds 47% domestic market share.
- 3) Imports from China are impacting the tillers market. In spite of severe competition from domestic player and imports VST has been able to sustain market share due to better quality, service and durability.
- 4) Karnataka, Orissa, Assam, Maharashtra, AP are our major market for power tiller
- 5) Low volumes and high dependence on subsidy perhaps is the reason for big players not entering in to this segment.
- 7) For the current year the company has plans to grow over the 27,000 tillers and 7000 tractors highest recorded earlier
- 8) Major growth drivers of this segment:
  - \* Non availability rural labour
  - \* Increase in government subsidy
  - \* Low level of mechanization among small farmers.
- 9) The revenue break up in FY15:
  - \* Tillers -53 %.
  - \* Tractors – 32 %
  - \* Others- 15 %
- 10) The company has no plans for shifting from / selling existing tiller plant in Bangalore.
- 11) Future for power tillers./whether tillers will fade away. We look at millions of small farmers who have no access to mechanization. .
- 12) Major concerns- Uncertainties/ delays in subsidy





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## TRACTORS DIVISION:

- 1) Management indicated tractor segment is expected to report decent growth by expanding the market base . .
- 2) The company had launched 22hp small tractor segment last year. The current tractor capacity (new installed plant in Hosur) is 36k per annum.
- 3) In small tractor segment, VST holds second position in domestic tractor market .
- 4) New market for tractor growth: that we are looking at AP, TN, Orissa. and MP.
- 5) Growth drivers of this segment:-
  - \* Compact size tractor demand pick up
  - \* Monsoon Variants in the existing model
- 6) The profit margins of both the tillers and tractors segments are almost the same.

## GENERAL

### **Background of Promoters .**

Promoted by VST Motors as a joint venture with Mitsubishi. . VST group has established itself over the last hundred years is a leading distributors in automobiles in Karnataka and Tamilnadu .

Whether the recent tie up of M & M with MHI has any impact Too early to say ;at the same time would be incorrect to say there is no impact.

Sustaining profit margin; Largely made possible with stable price of raw materials . Cannot guarantee future behaviour.

Impact of bleak monsoon -- We are no exception

