

VSTL/SE/2026-27

May 25, 2026

The General Manager – Listing,
National Stock Exchange of India Ltd.
Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051

The Manager Listing,
BSE Ltd.
Floor 25, P.J. Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir/Madam,

Sub: Disclosure of Transcript under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

With reference to our letter dated May 13, 2026, and in pursuance of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, please find attached herewith, the Transcript of the Investors / Analysts Con-call held on May 18, 2026.

We request you to take this on record.

Thank you,
Yours truly,
for V.S.T. Tillers Tractors Ltd,

Chinmaya Khatua
Company Secretary & Compliance Officer
M. No. A21759

Encl: a/a

[Moderator]: Good afternoon, everyone. I would like to thank VST Tillers management for taking time out to join us this afternoon. I would request management to commence the session with their opening remarks on the current tractor demand environment and outlook for FY27. Over to you sir.

Management: Good afternoon, everyone, and thank you for joining the call. We are pleased to share that the highlights of our FY26 performance have already been updated on our website. Looking ahead to FY27, the environment remains uncertain. On one hand, we are witnessing inflationary pressures driven by the ongoing war situation, and on the other hand, there are concerns around an El Niño-affected monsoon, which is expected to remain below the long-period average rainfall. However, this is something we will need to closely monitor as the season progresses. Given these uncertainties, we are not providing any formal guidance at this stage and will instead assess the situation quarter by quarter and month by month.

So far, April performance has been better compared to the previous year, and May also appears satisfactory. June will be a critical month as the monsoon begins. Some regions have already started receiving rainfall earlier than usual, which is encouraging. If the rainfall distribution and timing remain favorable across the country, even with slightly lower-than-normal rainfall, the impact may be manageable. Nevertheless, overall demand is likely to remain monsoon dependent.

Internally, we continue to focus on growing our small farm machinery business, particularly power tillers and power weeders. We also have multiple product launches planned in the compact tractor segment. In addition, through our joint venture, VST Zetor Private Limited, we have entered the higher horsepower tractor segment. After piloting this business over the last one and a half years, we now expect to scale it up meaningfully in FY27.

On the global front, business conditions remain challenging due to inflationary pressures and weakness in Europe arising from the ongoing war situation. Despite this, we have been able to maintain our business levels in Europe. To strengthen our presence further, we are in the process of establishing operations in the Netherlands. This will help reduce delivery timelines, improve inventory rotations for distributors, and support growth in the European market. Our plans for the US launch are progressing as scheduled. We expect to ship tractors to the US by the end of this year, with the market launch planned by the end of calendar year 2027. We are also continuing our capability and competency-building initiatives. The global tech centre we announced is progressing well, with most approvals already in place and construction expected to commence soon. The centre is targeted to become operational by 2027 and will significantly enhance our ability to develop and launch global products. Currently, several development activities depend on external agencies, and this dependency will reduce substantially once our in-house facilities are operational.

The global tech centre will also focus heavily on small farm machinery. As a company, we have consistently invested in R&D for small farm equipment, and this year we plan to launch several new platforms in this category. We are also preparing to introduce a new product positioned between tractors and tillers in the near future. Additionally, we have already announced the launch of electric tillers and weeders, with commercialization expected to scale up from Q2 onwards. The response to these products at various exhibitions has been very encouraging. We have shared photographs and details of the strong customer response in our investor presentation, which is available on the website.

With these opening remarks, I would now be happy to take your questions. Thank you.

[Moderator]: Thank you so much sir for the opening remarks. now we can open the question for the Q&A session. I request to all the participants to ask a question. Please use the raise hand feature. Alternatively, you can unmute yourself and directly ask a question by introducing yourself and the firm name. As the question queue assembles, Yash, do you want to take a few of your questions?

[Yash]: I want to ask that we know that there would be EL Nino impact and the weather forecast has also been like slightly lower than the average but How resilient do you think tractor demand could be based on the current reserve levels and like lower interest rate and GST benefit could sustain the demand momentum going forward?

Management: Yeah, there are two parts to this question. One, there is an effect of the rainfall. See, there is a large part of the country which is still rainfed which typically single crop areas is, and those areas will definitely get affected if the rainfall is not received on time and sufficiently. The areas which are irrigated might have some effect depending on the quantum of rainfall they receive. normally what we have seen historically is those areas might do a pattern of cropping which is different like a three-crop area might do a two crop of rice and something else. use the moisture in the soil for some else. So, but the effect on the rainfed areas will be quite drastic. Coming to the point of impact of GST reduction and today we are in a environment of inflation. So, today practically all the companies have increased prices of their products. We have also done so. the inflation pressure continues. We have seen multiple hikes. We are expecting rather multiple hikes. If that if this inflationary pressure continues, then it is very unlikely that the volume demand we saw with the effect of GST reduction will sustain.

[Yash]: How sensitive could be tractor demand to the fuel price hikes and how much hikes we have taken year to date to compensate for the RM basket inflation and how much impact we still have to take. in our quarter one results expected.

Management: we so we have done a multiple multi-pronged approach to ward off this inflationary pressure. One is of course the price increase. Second is increasing efficiency. Third is cost reductions. So overall we have been able to pass on roughly about one and a half% increase. We have also got some price increases where in, for example, the power tiller business is largely dependent on the price set by the government for subsidy. there we have got price increases upwards of 2-3%. then there is the efficiency improvement with TOC implementation in our supply chain that we have seen, and we have been able to optimally maintain our inventory through this entire process. Secondly also the cost reduction that we have received is in the of 2 to 3%. So overall we are able to manage our bottom lines healthily but like I said if this inflationary pressure continues then we will have to pass on more to the consumer and that will definitely affect demand and volumes.

[Yash]: And how much has been the fertilizer availability impacted the current sewing, and do you think this could also have a impact on overall production? for current this year.

Management: There is you know region to region there is different effect of fertilizer availability but by and large I think more fertilizer availability the issue is going to be on the monsoon right now.

[Yash]: And recent ban by Indonesia on the palm oil exports. So could it be beneficial for or Indian farmers where in few pockets we could see higher production in the mustard and other seeds?

Management: See end of the day if you know the revenue of the farmer goes up. It is definitely helpful. So replacing one with the other you know typically helps especially if it is produced in India and the consumer or the farmer gets the income from that particular produce. So, it definitely helps all these all these factors, but India is all of us know that India is a very large country and single factor alone does and drive demand in this country. So certain areas would definitely benefit from mustard prices, certain areas would definitely benefit from ground nut and other oil seeds prices. So there is a mixed bag here. So, what exactly is the impact of mustard is not something that I have estimated as of now.

[Dish Kal]: This is Dish Kal from Moring AMC. So, just to clarify so this product launch in US would be end of CY 27 and not FY27.

[Dish Kal]: Okay. And if you can just elaborate on this inorganic opportunity. So where are we? What kind of target we are looking at and what kind of size and within India or outside India if you can just elaborate on this.

Management: So we are looking at opportunities which are adjacencies or within our scope of business currently we're not diversifying into anything new or completely different business that is not something we are focused on what we are focused on is adjacencies or within the same domain we are looking at both global as well as in India, we are evaluating multiple opportunities and hopefully in the next 6 months or so we should be able to close down on at least one of them.

[Dish Kal]: Okay. And this would be a JV or a full 100% acquisition.

Management: It depends. It's too early to say anything on that. it will be an acquisition. It is not likely to be a JV.

[Dish Kal]: Okay. And what would be your cash on balance sheet as of now excluding the land like I'm not considering because that is land but cash on cash and cash equivalents.

Management: Yeah. Investments are at about close to 600 crores. Yeah. So everything is uploaded on the website and it's readily available also and our presentation gives all the details as well.

[Dish Kal]: Okay. Yeah, that's it from my side.

[Yash]: My question is basically on the power tiller segment. which have shown exceptionally strong growth in FY 26. Do you believe mechanization penetration among small and marginal farmer is at inflection point right now and what expected midterm growth you expect in this sector?

Management: power weeders and tillers are a great potential like I've always said 70% to 80% of Indian farmers are small and marginal and there is a tremendous is opportunity for growth here. I would say I have elaborated this earlier as well. There are multiple challenges here in terms of awareness, in terms of availability, accessibility, affordability and also building the

confidence in the farmers. I call it ability. So the five challenges is something that we are continuously working on to overcome. The potential is tremendous. The opportunity is tremendous. We can see that the power weeder industry is growing by leaps and bounds. Largely it is import driven brought in from China and other countries. we are the ones who have started manufacturing power weeders in India. In the last 3 years we have grown from roughly about 2,000 numbers to last year close to 11,500. So that has been good growth, and we expect that growth to continue. We expect to continue the same momentum and grow further in this segment.

[Yash]: And my next question is basically on the broader launch of electric weeder and other electric products in the portfolio. What kind of customer economics or payback period are you targeting to drive the adoption and how much annual capital allocation do you expect toward electrification small farming solution and drive drivetrain technology the next few years?

Management: So what we have done is focus on power tillers and power weeders to begin with. we believe that there is huge potential in that area because the usage factors is as such because you are able to get four to five hours of working from a single battery charge, which is almost similar to the usage of an ice engine when the customer uses a weeder or a tiller. So we are able to replicate almost the same usage and with this kind of usage typically if the person uses in in the power tiller or power weeder let us say 120 days in a year. We have seen typically in power tillers and power weeders the payback is within about 2 years. We believe that the same payback or in fact since the fuel fuel cost is completely avoided the payback will be even faster in in the case of electric.

[Yash]: Like last year, Maharashtra and few other states had a very strong tractor growth. So which are the geographies this year like states which are you expecting because of low base could outperform overall tech industry?

Management: So, in Maharashtra last year, we saw a significant amount of subsidy being provided by the government. Whenever such schemes are announced by any state government, you typically see a spur in growth. However, if you look at the longer-term trend, the overall demand remains largely the same over a period of time. What subsidies generally do is bring forward a portion of the pent-up demand, and that is essentially what happened in Maharashtra. There is no way of predicting which state may introduce similar schemes this year. That said, tractorization levels are generally expected to remain in the same range. Last year's growth was largely driven by schemes such as those introduced in Maharashtra. I believe the industry volume is likely to remain around the 10-11 lakh range. Therefore, the market is expected to remain broadly flat this year unless new schemes are announced by state governments. Of course, the impact of lower rainfall and inflationary pressures is yet to fully play out. So, it is too early for us to say whether the industry will remain flat, witness single-digit growth, or turn slightly negative. I would not want to venture into any prediction at this stage. However, I believe it will remain broadly within that range.

[Yash]: Okay. And sir, replacement demand has been one of the key factors in overall strong volume growth over the years. So how much share of overall volume growth is supported by replacement demand, and do you expect it to support higher this year to like overall demand being regulated?

Management: So, over the years, what we have observed is that the proportion of repeat buyers has been increasing consistently every year. However, if you look at it from VST's perspective, particularly in the segment we cater to – namely small and marginal farmers through power tillers and power weeders – we continue to see a significant number of first-time buyers entering the mechanization space. That, in my view, represents the real opportunity, and that is the segment we are trying to serve through VST. That said, it is very difficult to predict how this trend will evolve because whenever inflationary pressures rise, or there is stress related to monsoon and water availability, the proportion of first-time buyers typically declines. So, I would not want to venture into making any specific prediction on that front. Broadly, what we have seen is that repeat buyers are steadily increasing every year in the tractor segment, while in the lower-end mechanization segment – such as power tillers and power weeders – we are witnessing growth in the number of first-time buyers entering the market.

[Moderator]: We have a question from Teresa from Nirmal Bang. Trees can you please unmute your line and ask your question?

[Teresa]: So, in this power tillers category what would be your overall market share and what percent would be going to um the Chinese products and even tractors any particular regions where you're especially strong in and have a high market share?

Management: In the power tiller segment, we hold a market share of around 70%-75%, and Chinese imports are not permitted in this segment. In the power weeder segment, however, our market share is currently only around 6%-7%. We entered this segment just two years ago, and we believe there is significant scope for growth in this area. A large volume of Chinese imports dominates this market, making it a highly unorganized segment. As a result, accurately assessing market share is also challenging, and we largely rely on import data to estimate our position in the market. Coming to the tractor business, our strong markets are Maharashtra and Gujarat, particularly in the compact tractor category, specifically the four-wheel-drive compact tractor segment. In this segment, we command a market share of over 10% in these states.

[Teresa]: Your overall country market share would be how much?

Management: Less than 1%. Overall tractor industry less than 1%. But we are only in the less than 30 HP four-wheel drive compact tractor space. We have just entered the large tractors last year.

[Teresa]: Sure. And anything on the financing trends. Do you all have any specific partnerships you know for financing of products with?

Management: We have several financing partnerships for our tractor business. In fact, almost all major financiers provide financing support for our tractors. In the power tiller segment, retail financing was not very relevant until last year. However, we have now started actively promoting retail finance, particularly through the power weeder and power tiller segments. Over the last two years, around 10% of our power tiller business has been supported through retail financing. We expect this share to increase to nearly 20% this year and continue growing further, similar to the trend seen in the tractor industry. We have partnerships with almost all major banks, as well as several NBFCs.

[Teresa]: and what would be the average price for a power tiller and a power weeder?

Management: Power tiller is typically at around two lakhs, and the power weeder is roughly at about 60,000.

[Yash]: I just want to understand like domestic markets be facing headwinds mainly due to RM cost inflation below average info forecast impact. How do you see your export portfolio performing this year and do you see similar headwinds impacting that as well.

Management: There are different kinds of headwinds in the export market. Europe, in particular, has not been performing very strongly. However, what we are witnessing is that many European economies have started increasing spending on agriculture and related sectors over the last couple of years. The primary reason our business in Europe remained flat was due to slower inventory rotations. Since all our shipments are currently being dispatched from India, the ongoing war situation has significantly increased transit times. Earlier, delivery cycles used to take around 30 to 45 days, whereas now they take nearly 90 to 120 days because shipments have to take longer routes. This has constrained inventory rotation and, consequently, limited growth. To address this, we are setting up operations in the Netherlands. We believe this will help improve turnaround times and support growth in our European business during this year.

[Yash]: Okay. And like we have seen in industry trends of precision farming, telematics, GPS enabled system, smart farming technology evolving. So how important do you think the role of AI technology would be there differentiating factor in next 3 5 years?

Management: Over the next three to five years, we are likely to witness the early stages of IoT-driven and intelligent farming solutions. Eventually, connected devices, connected equipment, and integrated farming systems will become a reality. We also believe that a significant amount of innovation in this space will emerge from India, primarily because the solutions need to be affordable and practical for Indian farmers. In that sense, the Indian industry is expected to play a leading role in driving innovation in agricultural technology. This is also an area that we intend to focus on through our upcoming global tech centre, which is currently under development. On the R&D front, we have been investing approximately ₹50-60 crore annually in product development over the last four to five years. In addition to this, we have announced a further investment of over ₹100 crore towards the development of our global tech centre. So, the investment in infrastructure for the global tech centre is around ₹100 crore, while our annual spend on product development continues to remain in the ₹50-60 crore range.

[Moderator]: Okay. And just one second. so, there is a question from Gaurav Nigam from Tonga Investment. Gaurav, please unmute yourself and ask a question.

[Gaurav Nigam]: Thank you for taking my question. sir just one top-down question. How important and agri GDP growth is how important part of our growth and how much does it attribute? And second is considering the all the factors which I think yesh mentioned related to fertilizer or the rainfall and other things which the agree community is facing are you seeing any forward steps from the government to protect or I mean help the community because eventually that is how we I suppose that's how we will be able to get our volume growth so any sense on this overall from the states or centre how it is happening?

Management: The government has consistently continued its support for farmers, even during challenging periods such as COVID, with subsidies remaining intact. The current focus is on supporting farmers through fertilizer assistance and preparing for potential lower monsoon scenarios. Given India's diverse agro-climatic conditions and farming practices, agriculture remains a highly complex sector. Both central and state governments continue to focus on agricultural development, although meaningful progress takes time. Over the years, India has steadily been moving toward its goal of achieving 4% growth in agricultural income, which would be beneficial for the overall economy.

[Gaurav Nigam]: Just a quick follow-up any schemes or from any state or central government has come forward in the last few months since things are becoming acute.

Management: The regular schemes and fund allocations from the central government have already been rolled out to the states. State governments are now in the process of finalizing their respective schemes based on their approved budgets. The central government has also provided significant flexibility to states, particularly in the area of farm mechanization, to decide how and where these funds should be utilized. At the same time, there has been clear guidance from the ministry to focus more on small and marginal farmers. Overall, these developments are quite positive, and there is a strong policy emphasis on supporting this segment.

[Yash]: Sir, I just wanted to understand like based on the recent product launches in the tractor segment, what is your strategy going forward to gain market share in domestic tractor segment and are what is the product lineup like for specifically for tractor for next one or two years?

Management: So, our strategy is focused on both product launches and geographical expansion. Historically, VST has been a strong brand in the southern, eastern, and western regions of India, and we now aim to strengthen our presence in the northern markets as well. Earlier, we did not have suitable higher HP products for the northern market. However, with the introduction of our higher horsepower tractor range, we have started expanding our operations in North India, including the opening of our office in Lucknow. We believe this will help us grow meaningfully in the region. On the product side, focusing specifically on the domestic tractor business, we plan to launch three new compact tractor platforms over the next 12 to 18 months, translating into nearly 12-16 variants. In the higher horsepower category, we will introduce two upgrades this year along with a new platform towards the end of the year. Overall, we expect around 16-20 product launches over the next 18 months.

[Yash]: Okay. And sir do we see any impact of TREM V regulation above 75 HP and below 25 HP effective from October on overall demand?

Management: The cost impact for tractors below 25 HP is expected to be minimal because these models do not require the addition of DOC, DPF, or other advanced emission-control systems. As a result, we do not anticipate any meaningful impact on demand in this category. However, for tractors above 50 HP, the implementation of technologies such as DOC, DPF, and CRDI significantly increases costs, with the impact varying between 20% and 30% depending on the manufacturer. This has already affected the market, and we have seen volumes decline in the above-50 HP segment after the introduction of the new emission norms. Consequently, demand has shifted more toward the 40-50 HP category, which witnessed strong growth last year.

The positive aspect is that the government has decided to implement these norms in phases. TREM V norms will not be immediately extended beyond 30 HP. As per current notifications, an interim TREM IIIA stage is expected in 2028, which may lead to a moderate increase in costs, though not a substantial one. Full TREM V implementation across all horsepower categories is currently expected around 2032. So far, the regulations have already been implemented for tractors below 25 HP and above 50 HP, while the 30-50 HP segment will come under the new norms only by 2032. Since the cost impact for below-25 HP tractors is minimal, we do not foresee any significant impact on demand, and we are fully prepared for the transition from an ESC perspective.

[Moderator]: once again I thank VST tractor management for their valuable insight and taking time for us today in our session and to the all the investors of participating. Thank you sir.

Management: Thank you. Thank you so much.

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