

VSTL/SE/2025-26

November 13, 2025

The General Manager – Listing,
National Stock Exchange of India Ltd.
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The Manager Listing,
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Floor 25, P.J. Towers,
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MUMBAI – 400 001

Dear Sir/Madam,

Sub: Disclosure of Transcript of the Investor's Con-call under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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 November 06, 2025.

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



“VST Tillers Tractors Limited Q2 FY ‘26 Earnings Conference Call”

November 06, 2025



MANAGEMENT: **MR. V. T. RAVINDRA – MANAGING DIRECTOR, VST
TILLERS TRACTORS LIMITED**
**MR. ANTONY CHERUKARA -- CHIEF EXECUTIVE
OFFICER, VST TILLERS TRACTORS LIMITED**
**MR. NITIN AGRAWAL -- CHIEF FINANCIAL OFFICER,
VST TILLERS TRACTORS LIMITED**

MODERATOR: **MR. ANNAMALAI JAYARAJ -- B&K SECURITIES INDIA
PRIVATE LIMITED**



Annamalai Jayaraj: Ladies and gentlemen, good day, and welcome to VST Tillers Tractors Limited 2Q FY'25-'26 Post Results Conference Call hosted by B&K Securities.

From VST Tillers Tractors Limited management, we have with us today Mr. V. T. Ravindra - Managing Director, Mr. Antony Cherukara – Chief Executive Officer and Mr. Nitin Agrawal – Chief Financial Officer.

At this point, all participants will be in the listen-only mode and there will be an opportunity for you to ask questions after the Management Presentation and Opening Remarks. Over to you sir.

Antony Cherukara: Good evening everyone and welcome to the Q2 Conference Call. This is Antony Cherukara, Chief Executive Officer of the Company. We will start with the presentation, safe harbor and key highlights, sales volume, financial performance and certain awards and recognitions we have earned through this quarter will be shared with you.

Some of the key highlights of Q2 and H1:

We had the highest turnover of any Q2 so far, achieved Rs. 315 crores of revenue vis-à-vis last year of Rs. 283 crores. The H1 turnover also was the highest ever at Rs. 598 crore vis-à-vis Rs. 474 crore last year in the same period. The total revenue generation growth has been 26% in H1. The cash generation has improved from operations. While we deployed Rs. 52.1 crore cash last year, this year we were able to generate Rs. 62.5 crores of cash in the first half of this year. We had the highest sales of Power Tillers in H1 with 43% growth. We also started reversing the cycle on tractors with a 10% growth on the domestic tractor business, almost in line with the industry growth. And the Power Weeder sales continue to grow rapidly. It has grown 42% in the first half of this financial year. We expect that to continue.

Moving on, getting into the details of the numbers in Q2:

Power tiller we have grown by 16.8% vis-à-vis last year Q2, which is at 13,128 tillers versus last year of 11,236 tillers. Tractors domestic in Q2, we have grown almost 16% in line with industry. From last year of 924 tractors, we have grown to 1,068 tractors. Exports, however, we are down by about 33% at 254 vis-à-vis last year of 382. Power feeder has grown in Q2 to 2,621 against last year of 1,779, which is a 47% growth. Power reaper, which is a seasonal product, which comes in Q2, and something comes in Q3 as well. So, in Q2, we have registered 140% growth from 598 to 1,432. If you look at the sales volume in H1, power tiller has registered a growth of 43.3% with 24,829 tillers getting sold in first half vis-à-vis last year 17,325. Tractor domestic has shown growth this year at 2011. So, we are reversing the downward cycle on tractors in the domestic market. In exports, we are at 566 vis-à-vis last year of 776. Power Weeders at 4,970 vis-à-vis last year of 3,490 has shown a growth of 42.4%. Power reapers, again 1,512 vis-à-vis last year of 632, a 139% growth.

Coming to the financial performance of Q2:

Revenues have grown by 11% at Rs. 315 crore vis-à-vis last year of Rs. 283 crore. The operational EBITDA is at 13.1% vis-à-vis last year of 13.3%, almost remaining flat at 13% odd. PAT is at 25.4 vis-à-vis last year of 44.9. And if you exclude the MTM gain or loss, the PAT is at Rs. 27.7 crores vis-à-vis last year of Rs. 24.35 crores. So, the decrease you see in PAT with MTM, it is because of the MTM loss in this current quarter compared to last year.

Coming to financial performance for H1:

The revenue has grown by 26% at almost Rs. 600 crores vis-à-vis last year of Rs. 474 crores. Operational EBITDA is at 13.2% vis-à-vis last year of 10.8%. Operational EBITDA at Rs. 78.7 crores vis-à-vis last year of Rs. 51.2 crores. PAT at Rs. 70 crores H1 compared to previous year Rs. 67.8 crores despite the reduction in MTM gain and slight loss in Q2 that I shared in the previous slide. PAT excluding fair value gain or loss is at 48.5 vis-à-vis last year of 28.2. So, the profitability is showing good signs of increase.

Some of the awards we won in this recent period, we have won the Machinist Super Shopfloor Award, which is for our Mysore plant wherein we have started external business. This augurs well when we look at the opportunity outside of VST in terms of supplying components, especially to the metro rail and the other sectors like aerospace. We have also won awards in Kaizen competition, gold award in Kaizen competition. Also we have signed an MOU with Tamil Nadu Agriculture University to promote small farm mechanization where along with the university's Krishi Vigyan Kendras, we will be going village-by-village and demonstrating the small farm machines including tillers, reapers, feeders and also displaying these machines at the Krishi Vigyan Kendras in various districts of Tamil Nadu. This is the beginning that we have done with Tamil Nadu. We intend to do this with almost all the major agriculture universities so that we can penetrate more into the small and marginal farmer segment.

With this, thank you and we are ready to take any queries from your end. Thank you.

Annamalai Jayaraj:

Thanks, sir. We will now begin the question-and-answer session. First question is from Mr. Pankaj Tibrewal.

Pankaj Tibrewal:

Good afternoon, Anthony. On the tractor side, though you have come back on growth path, can you just help us understand the medium term outlook on tractors? We believe that on the engine side, you guys are working a lot. So, when is the new product launch? How big this division can become for us as you move ahead into the next couple of years? A larger outlook on tractors and how we gain market share now we will have from 30 to 50 horsepower. Can you give us some clarity on that part? That will be helpful. And the second part is on the tiller side, how is the growth looking like now at the ground level? I know there were some challenges last year because of the Sparsh scheme. How is it looking like and the financing from the banks looking like? These are the 2-3 questions. If you can help us on the outlook side. Thank you.

Antony Cherukara:

Thank you, Pankajji. And I start with the tractor business. Earlier, we were predominantly only in the compact tractor space. So, now with the Zetor JV, which we started last year, we are also in the higher horsepower space. In the higher horsepower space, so I will cover the higher horsepower space first. In the higher HP space, we have redefined the products. We launched with a 2.9 liter engine. Now we are going with a 3.22 liter engine and a 16 plus 4 transmission, which was an 8 plus 2 transmissions to begin with. So, we are launching a completely new tech platform on from the VZSTable. And the 3.22 liter has already been in production for the last 1 month. We have seeded the product in the market and we have tremendous response from the market in terms of performance of these machines. The torque generated in comparisons with the competition tractors is superior and we are able to get good output at the farms or the agriculture or commercial usage that farmer puts the higher horsepower to. So, that is in the higher horsepower space, which again we will be following up with a combination of 3.22 liter engine with 16 plus 4 transmission in the Q3 end or Q4 beginning. In the combat tractor space or below 30 horsepower, we have multiple platforms that we are launching. In the 18, 22 HP, 27 HP as well space we used to have a 0.9 liter engine, which now we are replacing with a 1.2 liter engine with maximum torque. We call it torque max, which has got the best features of torque and fuel efficiency in the industry with a new look of FENTM, FENTM new look, fuel efficient and torque max that is the full form of FENTM, fuel efficiency and torque max. So, these products will be coming into the market in larger volume in the end of Q3 and Q4. With this, we will be able to further build on the gain we are already getting in the marketplace. So, the 10% growth that we are seeing, we expect the growth to accelerate. On the 29 HP segment and up to 30 HP, we are launching a 1.6 liter engine. This again comes with the fuel efficient torque max technology, which again will be launched in the same period. And we believe that it will give best in class performance among all the engines that are in this segment in the industry. So, this augurs well for the domestic market. Now the good thing is both the 1.2 liter and the 1.6 liter engine also is Stage-V, which means these engines we will be using in the European market as well. So, the FENTM series becomes kind of a global platform, not only in India, but in Europe. And eventually when the tariffs open up, these platforms can be used in US as well, which also will give us economies of scale. So, this is how we have planned the strategy for the tractor business going forward in the medium term. In the long term, we have other plans. I think we will get on to those details in the further future calls.

On coming to the tiller side, last year Q3, if you remember, Pankajji, last year H1 was good. But Q3-Q4, the government decided to change the system of subsidy payment. It was called Project Sparsh by the government of India, which affected complete cash flow into the farmer's hand, subsidies got delayed and hence there was an effect on the industry that towards the end of last year Q4 and beginning of Q1 of this year, that entire project has been implemented. And that positive effect is seen in the Q1 and Q2 of this year, where the subsidy flows has been timely to the farmers.

Why I am using the word timely? It is because the quantity necessarily need not go up, but the timely release is causing the quantum jump in demand in the marketplace. Because when the

farmer needs it, if the subsidy is available, he is more induced to buy or he is more induced to avail the facility that is given by the government. So, that is driving a lot of demand.

Enquiries are very high. You can see from the numbers in October, that continual demand is continuing both in the tiller or the power weeder or even the reaper space. But however, the reaper is a seasonal product. Reaper is used in harvesting. So, that will typically the period is for three months to four months. So, by the end of November, that season subsides.

But we believe that in the reaper space also, there is good growth that is happening. We should be able to double the volume of reaper business that we did from last year. So, overall, demand in the small farm machine space, overall enquiry generation in the small farm machinery space is continuing. And we believe that it will continue to be there with the scheme or with the project that is implemented, the system of payment which has become kind of permanent, I do not think the efficiency will reduce. So, we expect that the flow will continue.

Second aspect is the retail finance that we were working on in the small farm machinery space has now in the focus states, focus five states that we took for retail finance has gone to 12% plus, which used to be 1.5 years - 2 years back, which used to be almost negligible. And last year it was at about 6% to 7% and today we are at 12% to 13%. So, that also overs well for the growth of this segment. And we believe that retail finance also will continue to grow because players like Bajaj Finance is now coming to small farm machinery financing.

Pankaj Tibrewal:

Thank you. One follow-up, on the tractor side, Antony, how big the volumes could be over the next couple of years? Can we move to 10,000 - 15,000 million unit market because now we are on the highest horsepower also and with the new engines coming in from our side, is that a fair assumption to make that the tractor volumes over the couple of years can double from where we are if we execute well?

Antony Cherukara:

Yes, today the turnaround has happened. We expect a growth this year. From this year's growth, getting to 10 in the near term should be very much possible with the execution ability, the competency of R&D that has improved and our ability to launch multiple products at the same time, that also has gone up.

These are absolutely new things that VST has gained in the last few years. And definitely, I think the numbers that you said in terms of 10,000 to 12,000 tractors in the next two years is definitely possible.

Pankaj Tibrewal:

Okay. Thank you. Thank you and all the best. Thank you.

Antony Cherukara:

Thank you.

Annamalai Jayaraj:

Yes. Thanks. In the meantime, Mr. Shreyans, so you can unmute and ask your question.

- Shreyans:** Hi, good afternoon, Antony. So, I had a couple of questions. So, on the GST cuts, so we are now from 12% to 5%. So, how do we see demand going up given, like in the tractor space specifically, because like Escorts in their call, they see that demand is going towards higher horsepower because they say that it is a multi-utility tractor, the 40 horsepower to 50 horsepower that gives them. So, they are getting it at the same price as the lower horsepower. So, how do you see the market shaping up with the GST cut?
- Antony Cherukara:** According to me, GST cut definitely helps the smaller farmer compared to the larger farmer. So, if you see the affordability factor, let us say a difference of Rs. 10,000 to Rs. 20,000 plays much significantly higher in terms of decision making when the capital is limited compared to where capital is available or retail is easily available.
- So, I would say the demand that I am seeing in small machines like power weeders, power reapers, tillers, all this is being influenced by ability to buy and limited access to capital. So, the lesser it gets, the better for them. So, the impact is more in the smaller farm segment.
- But having said that, there could be early purchase or purchase decisions which are being preponed because somebody is getting an immediate GST benefit as you can see in higher horsepower tractors or even in luxury cars.
- But I do not see that playing out in terms of expanding the industry in the higher horsepower segment, because affordability really does not matter for that segment. What really matters is access to capital, which is also easily available to them. But if you look at expansion of industry, if you give a benefit of Rs. 10,000 to Rs. 20,000, that happens more in the bottom of pyramid.
- Shreyans:** Okay, understood. That is helpful. My second question was on the realizations for this quarter. What kind of price cuts have we taken because based on the volume and the revenue growth, they are not aligned. So, if you could help us with some, give some color on that.
- Antony Cherukara:** No, the price cut is only with respect to the 7% reduction, 12% to 5% GST that has changed. Other than that, there is no price cut reduction. And I particularly did not understand your question in terms of, why is it not aligned to volumes?
- Shreyans:** No, what I mean to say, our volume growth from September quarter to last September quarter, for tillers is 17% tractors is I think flat, but then weeders, reapers is higher.
- Antony Cherukara:** So, I can give you the unit prices typically of a reaper, which is about a lakh. For a weeder, it is typically about Rs. 45,000 to Rs. 50,000. So, this could probably calculate the exact kind of estimation that you have done.
- Shreyans:** Okay. And tiller would be around 1.5 lakh and tractor like around 5 lakhs?
- Antony Cherukara:** Correct. Tractor would be, because predominantly we are currently in compact, it will be about 4.5 lakh.

- Shreyans:** Okay, got it. And one more question I had was in the new product launch that you said that you are looking to launch something between the tiller and tractor space. So, where are we on that? And if you could give some idea on like, what is the advantage that a farmer would have and what kind of people would buy such a product?
- Antony Cherukara:** Yes. The project is continuing and a lot of trials are happening currently. In various parts of the country, customer workshops are being done and trials are being done. The biggest advantage for a farmer is the comfort of a tractor, which is you can sit on a tractor just like on a tractor and operate and the affordability of a tiller.
- Shreyans:** So, in terms of function, it is going to function like, it is going to have like a larger engine or?
- Antony Cherukara:** Not necessarily a larger engine, but it will be like sitting on a tractor and operating. We will have various options of engine. In fact, we will have, like I have announced earlier, we will have an electric platform also.
- Shreyans:** Okay, got it. Then my last question is what would be the life of a tiller typically like just trying to get some idea on the replacement demand?
- Antony Cherukara:** See, life of a tiller is anywhere between 10 years to 12 years, 15 years.
- Shreyans:** Okay, got it. All right. Yes, that is all from my end. Thank you so much. I will join the queue.
- Antony Cherukara:** Thank you.
- Annamalai Jayaraj:** In the meantime, I have only one question, sir. See, you talked about exports volume being down. Other than that, we are looking for some component level exports also. Obviously, it was very small, but we are, we were expecting is to ramp up. Now with the current change in environment, what is the outlook, sir?
- Antony Cherukara:** Yes, so our component exports mainly has been to Europe again, especially in the railway segment. So, it has grown from where it was couple of years back. But I think there is more room in that area to grow and we are working on it.
- Annamalai Jayaraj:** But we were trying to do some component level export for the electric tractors in US also, no sir?
- Antony Cherukara:** Yes, but the Trump tariff happening that, that has come to a standstill.
- Annamalai Jayaraj:** Okay, no problem. So, next in the queue is Mr. Ashish, you can unmute and ask your question.
- Ashish:** Yes, sir, just wanted a clarification on the tractor possible potential that you said, I think 10,000 - 12,000 numbers, that was annual numbers, you would say one would achieve or was it a cumulative?

Antony Cherukara: Annual, annual.

Ashish: Yes. Annual. So, you think we are set for 10,000 plus numbers, is it, I mean?

Antony Cherukara: See, last year, we did close to 6,000 numbers. This year, we will definitely, we are growing at this rate, we should be upwards of 7,000 cumulatively. And next year, I think, we should be able to cross that number of 10,000 definitely.

Ashish: So, this is total, including the low and high horsepower both, or the 50 plus?

Antony Cherukara: Correct. So, we will have growth both in the 40 HP to 50 HP space, also in the sub 30 space.

Ashish: And what would be the mix, if you could elaborate on the new portfolio of higher horsepower, any indications on that?

Antony Cherukara: See the large, eventually the larger growth will happen in the higher horsepower space, as the industry itself is much larger. The compact space is just about 80,000 tractors to 90,000 tractors. This year, it might cross just about Rs. 1 lakh plus. But the larger horsepower upwards of 30 to 40 is over Rs. 4 lakhs plus and 40 to 50 is Rs. 4 lakhs - Rs. 5 lakhs.

Ashish: Okay. So, out of this 10,000, you are saying reasonably big contribution from the higher horsepower, is that?

Antony Cherukara: Yes, in the next, in the medium term, it could be lower, but eventually it will be larger.

Ashish: Okay, maybe eventually would mean maybe in a couple of years, right, 28 sort of?

Antony Cherukara: See, I have said for two years, one year or two years, the third year, fourth year, you will see those ratios climbing, as a total ratio.

Ashish: But sir, what are the challenges on the ground? Because as you said, the market on the higher horsepower is 80% - 90% percent of the overall market. And just trying to understand, because we had put a lot of effort on the, on getting this platform established in terms of distribution, in terms of product, in terms of people, and still these numbers will be pretty small in overall context.

So, just trying to understand how things are shaping on the ground, what are your distributors saying, what are the difficulties, etc., for the customers?

Antony Cherukara: See, first thing is, as we are entering a new segment, it is to get the product absolutely right. So, the first two years, we have been very careful in terms of seeding large numbers, large in the sense 300 numbers - 400 numbers, 500 numbers in the market and creating feedback and creating great experiences for those farmers. So, having done that, now we know exactly how to scale it up. And we believe that in the next 2 years, we will be able to scale it up. So, it is a gradual

process and there are about 17-18 brands playing in this space. And we are unfortunately the 17th or 18th brand entering this space. So, you have to create a differentiation, you will have to create a differentiated experience. We believe that we can do now with the explanation that I gave on the transmission, the engine, and the superiority of what we are going to give in the market.

Ashish: Sure, sir. All the best for this endeavor.

Antony Cherukara: Thank you.

Moderator: Thank you. Mr. Umesh, you can unmute your line and ask question.

Umesh: Thank you for the opportunity, sir. Given the strong performance that we had in H1, can we expect a similar or a much better H2 performance as well?

Antony Cherukara: October has been good. November also seems to be good. So, Q3 looks like a positive outlook. Q4, if things remain normal, I think H2 as a whole will be good.

Umesh: Sir, we have been growing pretty much at a faster clip on the Weeder side. Is there any comment that might go up in this segment?

Antony Cherukara: In fact, it is quite a highly competitive space. It is a very fragmented industry with over 2 lakh-2.5 lakh Weeders selling all across the country. The organized play is limited. I would suggest that or the assumption is there is a consolidation which is due that will happen with better products being given to the market, warranty offerings, service offerings being given to the market, customer expectation and hence fragmentation of the industry is likely to reduce in the medium term. And in the long term, definitely it will happen. And that benefit of consolidation is something that we expect to gain over the next 5-7 years. So, lot of small farm machines, especially attachments on these small farm machines also will have to be given, so that the versatility of these machines increase, which the fragmented players or the unorganized players will not be able to match. And that creation of value is that we drive growth and that is what is driving growth for us. So, to begin with, we have started manufacturing in India. That is again a plus wherein we can service the farmer, modify the product as required by the farmer in various regions, give various attachments the farmer needs. So, these are the steps we will take as we move forward. And that will definitely cause a consolidation and I believe like and the potential is very large. The bottom of pyramid is huge, 80% of farmers are small and marginal, which I have been consistently saying and that is why we are getting that growth.

Umesh: So, given the positive development which have been happening in the sector and also the new launches that you would be doing, so can we expect the guidance that you have given of around Rs. 2,000 crores to be achieved at a much faster clip than earlier?

Antony Cherukara: See, I have, in the last few quarters tried not to give a revenue projection because in the previous experience 1 year back or 2 years back, new surprises have come. However, having said that,

our ability to execute has gone up. So, if things remain normal, the answer is affirmative to your question that is we will continue to grow fast.

- Umesh:** Great. Congratulations and all the best for the future. Thank you so much.
- Antony Cherukara:** Thank you.
- Moderator:** Mr. Pankaj Tibrewal, you can unmute and ask your question.
- Pankaj Tibrewal:** Yes, Antony, thanks for coming and taking our question again. If I heard you right, you said 7000 plus this year and just to put numbers in perspective, in the first half we have done 2576 tractors. So, the asking run rate is about 4500 approximately, which means about 750 tractors. This is the number we have seen last in March 24 and 800 tractors in March 23. Do you think this kind of a run rate and the new launches is giving you that confidence that this kind of a run rate we can come back and then later 2000 tractors a month? Just wanted to get your sense?
- Antony Cherukara:** Yes. So, what I said was we will be close to 7000. I think two reasons for that. One is the launches which will happen in H2. So, we should be very close to, let us say, 5000 in the domestic market. And if we remain flattish in the export market, even if we do not get a growth this year, we should be almost 6400 numbers, roughly. So, this is where we are. So, we are looking at a range of anywhere between, let us say, 6400-7000. That is where we should end up. And probably if everything goes well and there is a positive, because exports, I believe the second half will be better than the first half. So, if things turn out to be better, we should be able to do a plus one there.
- Pankaj Tibrewal:** And the last question is that today also we saw in the market when you declared results, because of the volatility of your investment book MTM, it creates a huge fluctuation in terms of volatility in your earnings. Where are we on making sure that the earnings slowly starts moving out of your equity book to more on a stable on a debt side and how long you think that should happen and take forward to?
- Antony Cherukara:** Yes. So, like I have said in the past, we are definitely looking at realigning our treasury. However, like I said, we will move out of certain investments as booking a profit and moving out is what we are looking at. And that should happen eventually and we definitely intend to realign it.
- Pankaj Tibrewal:** But any timelines you have Antony in mind? By the end of this year, or should we think that the balance sheet will be more?
- Antony Cherukara:** Like I said, we would like to book a profit and move out Pankaj. So, I do not know, you know better than me when that will happen.
- Pankaj Tibrewal:** Thank you. Thank you so much.

- Moderator:** Thanks. Mr. Shreyans, you can unmute and ask your question.
- Shreyans:** Hi, thanks for the follow up. So, my question was on the exports. So, we have seen decline in volume. So, you mentioned like last, I think couple of calls ago that we launched like a new product line over there. So, how do you see the current market and the big declines in volumes that we are seeing?
- Antony Cherukara:** See, product line has been received well, accepted well, it is going well. But the issue has been in terms of the logistics. The timelines of logistics has drastically improved from 30-45 days, which we used to do earlier, it has gone to 60-90 days, where the challenge for the distributors is rotation of capital. We do not offer credit. And hence, like in the previous call, I had said, we are looking at setting our operations in Europe. We should be in the next 6 months or so, or maybe definitely 6-9 months, we should be able to set up our operations in Europe. That should ease out this issue and that will enable us to rotate that capital faster and hence increase the volume of business. Most of the other players have a base in Europe, which is something which we do not have.
- Shreyans:** So, that is why we are disadvantaged versus peers?
- Antony Cherukara:** Yes.
- Shreyans:** And the second question was on the financing on the tillers. So, how do you see the market expand like, do you see like, currently we have around 2.5-3 lakh market. So, with financing coming in with major players, does this expand the market in some sense, where people cannot afford an upfront payment come into play?
- Antony Cherukara:** Yes, exactly. So, this is what I said when one of the analysts asked me this question on impact of GST. So, if you look at least 1 or 2 EMIs have been taken care by the reduction of GST. So, that is the kind of help that happens in the small farm machine space. And I think that will definitely expand the industry in that. Second aspect is like I said, we are working with Tamil Nadu Agricultural University, going to the villages, creating the confidence, creating accessibility for these machines, because we are talking about small and marginal farmer typically at the bottom of pyramid, who also is struggling without any labor at this point, and he needs a machine, but he does not know where to get it from, how to get it and the access to capital. So, that is something we are trying to address through multiple approaches. One is getting nearer to him through the Krishi Vigyan Kendras. Second is creating tie-ups with companies like Bajaj Finance, where the digital tools are made available at his doorstep. So, these things, I think, will go a long way in expanding this industry. But having said that I would say, it is a big task, because you are talking about reaching one-one farmer in one-one village and getting that to happen. So, it is a humongous task, but I think the progress is there. Like I said, the retail finance for us has gone up to almost 9%-10%, when the subsidy flow also has been good. So, which means retail finance is definitely having an effect in terms of purchase of

machine and more than retail finance, the demand is there. So, even when the subsidy is there, when people are coming for retail finance that definitely augurs well for future growth.

Shreyans: Got it. That is helpful. So, in the next couple of years, it is fair to assume that this will only go up from the 10%-12% that we have now?

Antony Cherukara: Definitely.

Shreyans: So, could it like eventually end up like longer term, like more than half could be through retail, like financing?

Antony Cherukara: See, I won't be able to put a number, but I believe that if we are able to go beyond 20%-30%, that will kind of minimize any effect of subsidy that is there. It is the kind of phenomenon that happened in the tractor industry in the early 2000s. So, when the tractor industry was less than 1 lakh and when the retail finance came into picture is when it started going up. So, I think similar phenomenon will happen. In fact, in this case, it should happen faster because you are talking about smaller ticket size and very large base.

Shreyans: Got it. Yes, that is what my question is like. That is where it came from, like, because I was just trying to see if this will replicate how the tractor market moves. And is there any financing in the Weeder and Reaper or this is just Tillers for now?

Antony Cherukara: No, it is available in Weeder, it is available in Reaper and also in Tiller.

Shreyans: Perfect. And sir, last question was on the Electric Tractor and Tiller. So, like competition like in India, the cost metrics don't align in terms of the battery. So, they say that the cost of the battery is almost equal to the cost of the total diesel tractor. So, it is like economically not viable for the cost sensitive Indian market. So, they are only looking to launch in the export market. So, it is looking at, so they do not want to invest too much. So, are we seeing, those kinds of cost differentials and how do you see that Indian customers, trying to, get to an electrical product with the cost higher?

Antony Cherukara: So, one aspect is the cost and the second is the charging infrastructure. And when you consider cost and charging infrastructure, then, you know, the cost of a swappable battery also starts adding up. So, all put together, it becomes a proposition which is not really viable for an average farmer. So, that is where it is today. But I think as the battery costs come down at some point and with the infrastructure becoming better and better every passing year, at some point it will emerge and we believe that will happen first in the smaller machines because the capacity required is much lesser. The charging density or the work hours of four hours, five hours is something on the small machines that can be made available. And that is what we are working on. And we are ready with couple of platforms, one platform of weeder, one platform of Tiller. And in terms of technology, we are also ready with tractors, but we are, we have no plans of launching it for the reasons you said. But definitely we would like to try it out in the Tiller and weeder space. We believe that will emerge first compared to tractors.

- Shreyans:** Got it, got it. That is very helpful. So, in terms of performance, does that change anything like, for four-wheelers vehicles, we know that, but for weeders and Tillers, how does that, like, is there any advantage for someone buying an electric versus diesel?
- Antony Cherukara:** See, the biggest advantage for the farmer is electricity is free. So, if he is able to charge it closer to his farm, that is the best thing that can happen to him, because then there is no expense for him, there is no fuel, nothing.
- Shreyans:** Okay.
- Antony Cherukara:** But like I said, the challenge is two, one is the cost, second is the infrastructure. So, does he have the charging point near his, or his house or his electricity point should be near the farm.
- Shreyans:** Got it, got it. That is very helpful. Thank you so much.
- Moderator:** I will go through some questions in the chat box. Sir, we have done almost 25,000 Tillers in H1. How much are we expecting to end FY'26 with?
- Antony Cherukara:** See, the seasonal effect of H1 and H2 are almost similar. That is June, July is a season, similarly in H2, December, January is a big season. So, it depends on how it plays out in the coming December, January. If things are normal, we should be able to kind of do the same performance in H2 as H1.
- Annamalai Jayaraj:** Okay, sir. There is a second question. We have given cash surplus in the books. Any inorganic growth opportunity that we are exploring now?
- Antony Cherukara:** We are exploring with a couple of agencies on inorganic opportunities, but nothing concrete at this moment in on our hands.
- Annamalai Jayaraj:** And then, see, missed the details regarding launch details and timeline of high-speed tractors and Tillers. If you can summarize launches planned and timelines once again, briefly.
- Antony Cherukara:** We will announce it as it happens, but broadly as I say towards end of Q3, Q4 that will happen.
- Moderators:** Okay. Next in the question queue is Mr. Saket. You can unmute and ask your question.
- Saket:** Thanks for the opportunity. Am I audible?
- Antony Cherukara:** Yes. Yes, yes. Sir, my question would be, so what would be our geographical split of the revenue say in terms of North, South, East, and West? And how does it stack up, say against our focus market? So, be it tractor or, I think tractor is where I think most of the Delta is likely to come this year and what are the growth prospects? Because our competitor has highlighted that South and West are likely to do well in H2. So, any thoughts on that, sir?

- Antony Cherukara:** South and West has definitely a reason to grow because October has been pretty big in Maharashtra. So, probably that is the reason why that commentary is coming. However, I feel that the North also should pick up. For us, definitely our base is low in the North. So, we only see growth momentum in the North. So, we are continuing to put efforts there and year-on-year we are growing there. So, for us, definitely the core markets that is South, East and West is doing well. And the growth market that we are looking at is North and that we are growing every quarter.
- Saket:** Got it. So, you talked about, sir, launching our new launches being planned, say around Q3 and which is as you highlighted a few moments ago, that is the peak season, December, January. So, is the time enough for us to gain traction because new launches like maybe in the passenger vehicle, maybe it is more marketing oriented and people create that buzz and then uptake is there. Does that same logic applies to tractors as well, that November and launch can still bring in decent revenue in December or January or it takes a couple of years because you have been harping on the product fit part, right? Unless and until it is very suitable, it is robust, the farmers are now aligned or believe in the product, it is then when the uptake happens. So, any thoughts on that?
- Antony Cherukara:** Yes, so the answer I gave in terms of December, January was in line with the power tiller seasonality. So, tractor seasonality is slightly different. But having said that, on product launch and establishment, it depends on two aspects. One is where you stand in the market. Say for example, for me a tiller when I launch a with a 60%, 70% market share that I have, I am able to ramp up volumes very fast and I am able to gain the momentum very fast. But relatively when I am a very small player in the tractor space to create equity in the mind of the customer and gain market share in a pretty competitive market takes more time.
- Saket:** Got it. So, this year then the new launch driven sales would primarily come from power tillers. So, in a tractor, are you saying that last year launches are the ones that are going to say pay dividends in H2? Is that what we are understanding or even their new launches are going to be the key drivers?
- Antony Cherukara:** See as a ratio, the new launches should give us at least 15%, 20% growth in the near term and eventually going forward in the medium long term the ratio will continue to rise as slowly the old products get phased out. So, if you are asking me where the growth will come from, is it from old products or new products, I would say it will come from new products because we are serving a certain value proposition that we were not offering earlier to the customer. Like I will explain again that we used to have a 0.9 liter engine, from there we are moving to a high torque fuel efficient 1.2-liter engine in the 18, 22 and 27 HP tractor segment. In the 27, 29 and 30 horsepower segments, we are moving from a 1.2 liter to a fuel-efficient torque max 1.6 liter engine. So, it is a new value proposition. So, that gives you and we have a large base of compact customers in Maharashtra, Gujarat, Karnataka who has been asking this better performing products from us, which we did not have on offer, and we are offering them now with better

features, better engine, better transmission, better ergonomics. So, this is what gives us the confidence that we should be able to grow with the launch of new products.

Saket: So, sir, are we addressing a gap that is there in the market because when our competitors are reasonably well placed, they are the big incumbents. So, are you talked about some of our existing markets where there is demand or they have been requesting for our products? Why has not the competitor been able to meet those demands? Is it like the price at which they have their product does not quite fit in? So, what apart from of course, product functionality, but when we are talking about some Mahindra's and Escort's and the Kubota's of the world, I think even they might be having such product functionality. So, what is the gap that we are as a company trying to address or are likely to address with these new launches which our competitors have not been able to do?

Antony Cherukara: See, first, like I explained earlier, we had a gap in our product offering. I did not say the competition has a gap. So, we had a gap and we were the predominant players in the compact tractors space, which means that I have a large base of old customers in markets like Maharashtra, Karnataka, Gujarat, which I can tap into and who are asking us and they believe in the VST brand, especially in the compact tractors space. Since we did not have these products in the last few years, they have moved away to competition brands. And when we meet them, they tell us, you give us this, we are always happy with VST, you give us this and that is the first offering we gave. We gave 929, we launched 929 that has become a hit product in a market like Maharashtra. We could not give supplies enough in the month of October for 929. Similarly, that gives us the confidence that when we go with a superior product in terms of performance, torque max, when we say torque max, we are better offering better torque capabilities on these tractors. When we look at our ergonomics, we are saying with compared to competition, my ergonomics is equal or better or even world class because this same platform is going to go to Europe and the US market as well. Third is the whole fuel efficiency factor, while with the same torque max, we are able to give very fuel-efficient engines as well. So, these are some of the differentiators which we can look at when we look at the competition. However, it does not mean that the competition cannot give, it is a very competitive field, we will have to continuously evolve and I am sure the competition will also evolve. Like we were superior and we were leaders in the compact tractor space, people brought better products, we lost certain market share, now we will gain it back. But I am sure that competition will continue and we will have to continue working on technology.

Saket: Thanks sir. Sir, last question. So, typically in certain industries, there is a way to define new products like T+3 or T+2, whatever. So, after launch time up to two to three years, that is how they define new products. So, first how do you in your industry or your company?

Antony Cherukara: We do T+3.

Saket: And so, what would be the say contribution of T+3 today in power weeders and tractors and do they have necessarily better gross margins?

Antony Cherukara: Power readers are 100% because we launched only two years back at this point.

Saket: And power tillers and tractors, sir corresponding number?

Antony Cherukara: Power tillers will be pretty less, it will be in the tune of about 15%. Tractors will be around 20%, 25%.

Saket: And is it safe to assume that new launches would necessarily come with better gross margin as well?

Antony Cherukara: Yes.

Saket: Thanks. Thanks for the opportunity, sir. Best of luck for the coming quarters.

Antony Cherukara: Thank you.

Annamalai Jayaraj: Sir, there are one or two questions in the chat box. We can be over with that. I will just read the questions. One is purchase of investments has increased from Rs. 6 crore to Rs. 125 crore in H1. What is the kind of investment that we have done? The loss in cash flow or investment activity is one time? That is the question.

Antony Cherukara: Rs. 6 crore to Rs. 125 crore is not understood. Probably, we will have to take it offline and directly answer the query.

Annamalai Jayaraj: Okay, no problem, sir. And one more question is, only one minute, sir. There is only one question I saw. What will be your market share in weeder and reaper? And who are the other players in this category that we are competing with?

Antony Cherukara: Weeder is a very fragmented segment. So, there is no official market share figure. But broadly, you can say we are at around, let us say, 10,000 to 12,000 in the industry of 2.5 lakhs. So, we are in the beginning of the game. However, there is no player which is 10% upwards. There is no one. So, like I said, explained earlier, there will be a consolidation. And I believe that is the opportunity that organized players like us have in front of us. Same is the case with reapers.

Annamalai Jayaraj: Okay, sir. I think those were all the questions. And so, do you want to make any closing comments?

Antony Cherukara: Thank you so much for coming to this call and look forward to meeting you in the next quarter. Thank you.

Annamalai Jayaraj: Thanks, sir. Thanks for the time, sir.



*VST Tillers Tractors Limited
November 06, 2025*

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