A VST GROUP
ENTERPRISE

VST TILLERS TRACTORS LTD.

Scale with Strength

ANNUAL REPORT
2025-26

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investor-related information

Corporate Information

Mr. Arun V. Surendra
Chairman

Dr. Nandakumar Jairam
Independent Director

Mr. Rajen Krishnanand Padukone
Independent Director

Mr. Ajith Kumar Rai
Independent Director

Mrs. Shuba Kumar
Independent Director
(Appointed as an Additional and Independent director of the Company with effect from July 27, 2026)

Mrs. Siva Kameswari Vissa
Independent Director
(retired on July 28, 2026)

Mr. V.V. Pravindra
Non-Executive Director

Mr. V.T. Ravindra
Managing Director

Mr. Antony Cherukara
Chief Executive Officer

Mr. Nitin Agrawal
Chief Financial Officer

Mr. Chinmaya Khatua
Company Secretary and Compliance Officer

STATUTORY AUDITORS
M/s. K.S. Rao & Co., Bengaluru
Chartered Accountants

COST AUDITORS
M/s. Rao, Murthy & Associates, Bengaluru
Cost Accountants

SECRETARIAL AUDITORS
M/s. Thirupal Gorige Associates LLP,
Bengaluru Practising Company Secretaries

REGD. OFFICE
Plot No.1, Dyavasandra Industrial Layout,
Whitefield Road, Mahadevapura Post,
Bengaluru - 560 048
Ph: 1800 419 0136
E-mail: info@vsttractors.com
Website: www.vsttractors.com

PLANT LOCATIONS

Hosur
Plot No. 39, Sipcot – Phase I,
Mookandapalli Post,
Hosur - 635 126. Tamil Nadu

Mysuru
Plot No. 42/43,
Metagalli Industrial Area,
Mysuru - 570016. Karnataka

Malur
Plot No. 222-224, 229-232,
KIADB Industrial Area,
Malur III Phase,
Malur - 563130, Karnataka

In Memoriam

Mr. V. K. Surendra

V.S.T. Tillers Tractors Limited records with profound sorrow the passing of Mr. V. K. Surendra, former Chairman of the Company, in January 2026.

A member of the Company's promoter family, Mr. Surendra served as Chairman from 1996 until his retirement from the Board on February 1, 2024. Over nearly three decades of leadership, he played an instrumental role in shaping the growth and evolution of V.S.T. Tillers Tractors and in strengthening the foundations on which the Company stands today.

Under his stewardship, the Company consolidated its position as one of India's leading manufacturers of power tillers and compact tractors, expanded its manufacturing capabilities, and built a reputation for quality, reliability and commitment to the farming community.

Mr. Surendra brought to his role a long-term vision, a deep sense of responsibility and an unwavering commitment to the values of the institution. Yet, beyond his accomplishments as a business leader, he will be remembered equally for his humility, warmth and ability to connect with people across the organisation. He earned the respect and affection of colleagues and employees at every level.

At the time of his retirement as Chairman, he expressed his confidence in the next generation of leadership and in the Company's continued progress. That confidence remains both an inspiration and a responsibility for all of us.

Mr. V. K. Surendra leaves behind an enduring legacy of leadership, integrity and service. We remain deeply grateful for his contribution to the Company and will continue to build upon the institution he helped shape, guided by the values and principles he held dear.

VST TILLERS TRACTORS LTD AT A GLANCE

MESSAGE FROM THE CHAIRMAN'S DESK

ENVIRONMENTAL

What's **Inside**

BUSINESS SEGMENTS

Disclaimer:

This document contains statements about expected future events and financials of VST Tillers Tractors Limited ('the Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements, as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

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Scale with Strength

VST Tillers Tractors Ltd has built a strong legacy in agricultural mechanisation, with over 50 years of experience and a dominant domestic market share in power tillers. Built on our core purpose of serving small and marginal farmers, we have expanded our presence across 40+ countries spanning Europe, Africa and Southeast Asia, emerging as one of India's fastest-growing exporters in the compact tractor segment.

We have undergone a significant transformation to reinvent ourselves as a diversified, technology-driven and customer-focussed, ready to shape the future of sustainable mechanisation in India and beyond. This shift has been driven by portfolio diversification, digital integration and innovation-led development, translating into measurable outcomes. Our Small Farm Machines (SFM) business is evolving from a strong power tiller business to a diversified mechanisation portfolio. We are scaling power weeders (Make in India), and new technologies, including electric tiller and weeder products. Supported by stronger distribution, retail finance and farmer engagement, this diversification is expanding our reach and creating new avenues for sustainable growth.

Our domestic tractor business remains an important pillar of this growth journey. We continue to strengthen our presence across key tractor segments by broadening the product portfolio to address diverse agricultural applications and the evolving mechanisation needs of Indian farmers. Our focus on customer-centric product development, deeper market penetration and expansion of the dealer and rural distribution network is enabling us to enhance our reach and build a stronger position in the domestic tractor market. Together with our established leadership in power tillers, the tractor business supports our ambition of providing a more comprehensive range of mechanisation solutions to farmers.

As we transition from transformation to scale, our focus is on accelerating global expansion, including phased entry into the United States market and deepening our presence in Europe and South America. With the Electric Power Tiller and Electric Weeder, we are advancing clean mechanisation in alignment with the nation's decarbonisation goals. Our upcoming Global Technology Centre (GTC) will further strengthen R&D capabilities, accelerate prototyping and foster cross-vertical collaboration across our tractor, tiller and electric product portfolios, supporting the next phase of innovation-led and sustainable growth.

OPERATIONAL HIGHLIGHTS*

1,429
Dealer Networks

50,332
Power Tillers Units Sold (including exports)

5,911
Tractor Units Sold (including exports)

40+
Countries

FINANCIAL HIGHLIGHTS*

₹ 1,240.4 Crores
Revenue from Operations

₹ 165.9 Crores
Operating EBITDA

₹ 106.0 Crores
Profit after Tax (PAT)

₹ 1,100.7 Crores
Net Worth

*As of March 31, 2026

VST Tillers Tractors Ltd at a Glance

Advancing Agricultural Mechanisation Since 1967

Established in 1967 through a collaboration with Mitsubishi Heavy Industries, Japan, VST Tillers Tractors Limited (VTTL) is the flagship company of the VST Group, a diversified business house founded in 1911 by Sri V. S. Thiruvengadaswamy Mudaliar. Headquartered in Bengaluru, the Company operates three manufacturing facilities and serves customers across India through a network of more than 23 sales offices.

Over five decades, VST has built a strong leadership position in farm mechanisation, emerging as one of India's leading manufacturers of power tillers. In 1982, the Company pioneered the compact tractor segment by launching India's first 4WD compact tractor, reinforcing its legacy of innovation in agricultural mechanisation.

Focussed on serving small and marginal farmers, VST has evolved from a traditional farm-equipment manufacturer into a diversified agri-technology company. Today, its businesses span Small Farm Machines, Tractors, International Business, Distribution, Precision Components and Implements. Its portfolio, ranging from 2 HP to 50 HP, addresses diverse applications including small-farm mechanisation, orchard and vineyard farming, commercial haulage, and specialised agricultural operations.

VST's international journey began in 1978 with the export of power tillers to Africa. Today, its products are present in over 40 countries across Europe, Asia and Africa. In 2016, the Company introduced the VST FIELDTRAC brand for the European market, with products engineered to meet stringent EU standards, strengthening its presence in global compact tractor markets.

Building on its manufacturing and R&D capabilities, VST continues to strengthen and diversify its portfolio through indigenous product development, global technology partnerships and emerging technologies. Its focus on next-generation solutions, including electric power tillers and weeders, reflects its commitment to sustainable mechanisation and its ambition to emerge as a globally competitive provider of innovative farm-mechanisation solutions.

Vision

By 2025, we aspire to become a leading global brand with a turnover of ₹ 3,000 Crores in diversified farm mechanisation products and solutions.*

*The Vision was articulated in 2020, soon after COVID hit us and was followed by supply chain disruptions and soaring inflation. This impacted the achievement of the Vision; however, the company remains committed to pursuing and achieving the stated Goal and therefore the Vision statement remains unchanged. The Vision continues to inspire and motivate the VTTL team.

Mission

We will accomplish our vision with undivided and undeterred commitment towards innovative quality products, through inspired individuals, simplified systems and 5X leadership.

Core Values

Customer
Make every interaction count, even the smallest ones

Integrity
Doing the right thing, even when no one is watching

Synergy
Together we achieve more

Speed
It's not the big, but the fast that wins

Stretch
Go the extra mile, it is never crowded

Go Green
Conserve to serve

KEY STRENGTHS

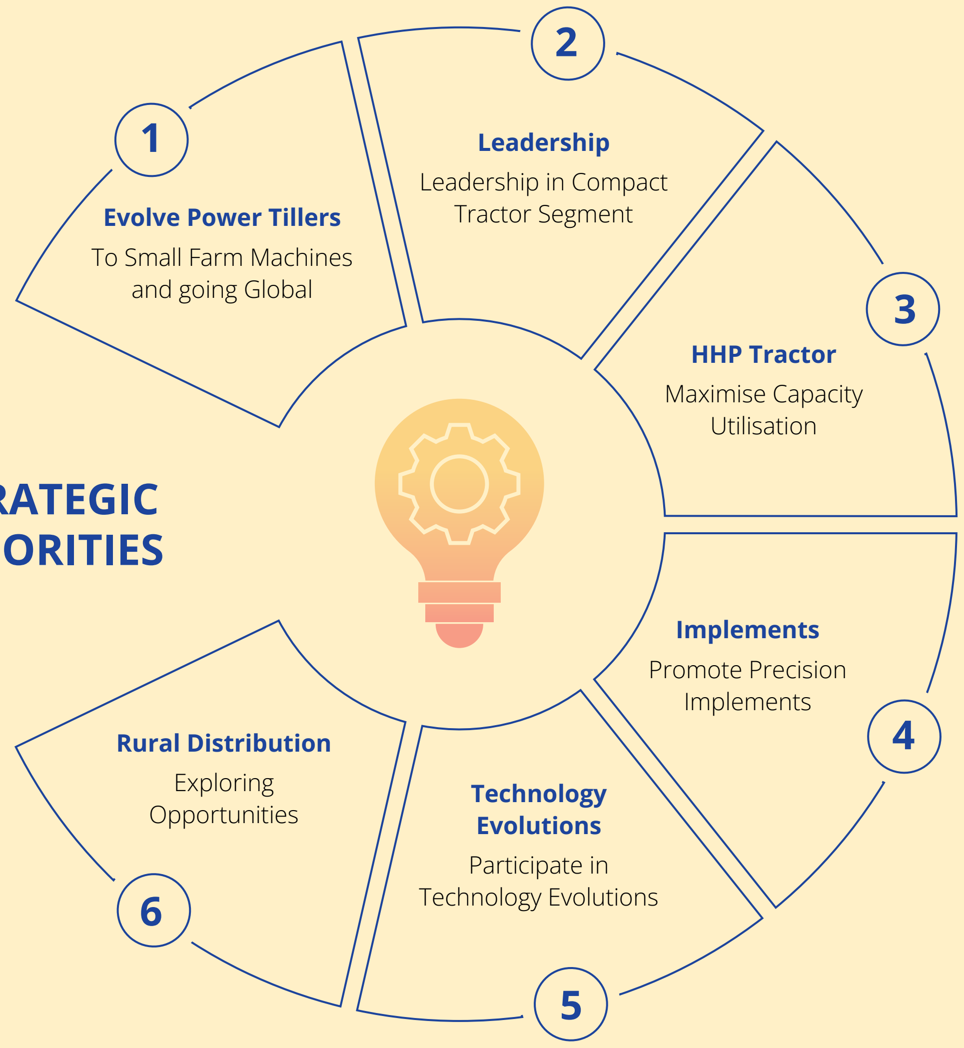
Diversified Product Portfolio
A broad portfolio across tractors, small farm machines, precision components and allied solutions enables us to serve diverse customer segments.

Extensive Distribution Network
A network of 1,400+ dealers, 8,500+ retailers and 160+ spare parts distributors ensures extensive market reach and timely customer support.

Innovating Farm Mechanisation
Investing in advanced technologies, R&D, and digital engineering to drive innovation. Building smarter, sustainable mechanisation solutions for the farms of tomorrow.

Trusted Across Borders
Exporting high-performance tractors to over 40 countries.

STRATEGIC PRIORITIES



BUSINESS DIVISIONS

- Small Farm Machines
- Tractors
- International Business
- Distribution Business
- Precision Components

Read more on Page 16-24

Milestones

Scaling Confidently, Year after Year

2015

- 3,00,000 power tillers milestone achieved
- VTTL-PCD conferred with the "Best Supplier" award by Mitsubishi Heavy Industries
- Mr. K U Subbaiah joins the company as the CEO

To read our journey pre 2014, refer to our FY 2024-25 report

2017

- The company entered into technology transfer agreement with M/s. Kukje Machinery Company Ltd, Korea for manufacture of technologically advanced, higher horsepower Branson tractor in India

2018

- Celebrated Golden Jubilee for 50 years of operations in the domestic market with launch of VIRAAJ model in HHP category

2019

- VST Shakti 270 MT HT Tractor launched
- Mr. V. K. Surendra, Chairman inaugurated new facility at Malur

2020

- Mr. Antony Cherukara joins the company as the CEO
- 171 single cylinder tractor
- 30 HP tractors - first company to introduce 30 HP tractors in Indian tractor industry
- Viraj facelift tractor model for Indian markets
- Strategic alliance with Pubert India to strengthen VST's focus to provide solutions for marginal farmers
- MoU with Zetor tractors for development of Premium higher HP tractors > 36P

2021

- Mr. V.T. Ravindra succeeds Mr. V P Mahendra as Managing Director
- Launched 95 DI Ignito
- Launched a range of power weeders - RT70 and FT 50 and Multi-crop reaper

2022

- Winner of the prestigious CII Industrial Innovation Award for 2022 for second consecutive year
- Launch of 927 - a premium category tractor for Orchard farming
- IMEXI 2022 Award for Malur plant by the Kaizen Institute towards building a sustainable improvement-based culture of operational excellence

2023

- Rolled out 5,00,000th power tiller from Malur plant
- Achieved ₹ 1,000 Crores plus sales with global footprint in 40+ countries
- Global launch of series 9 - the most advanced compact range (18 to 36 HP)
- Showcased indigenously developed EV Tractor, stage V engine tractor, and cabin tractor at AGRITECHNICA
- Signed JV with HTC Investments (Owner of Zetor brand) to bring in premium range of Higher HP tractors (HHP) in India

2024

- VST Americas Inc and VST FieldTrac LLC incorporated
- Launch of VST Zetor series (3 tractor models in 40-50 HP category)
- Launch of VST Power series - First in segment fully feature loaded compact tractors in 32-39 HP segment (VST 932 and VST 939 2WD)
- Mr Arun V Surendra succeeds Mr V K Surendra as Chairman

2025

- Launched DMS 2.0
- Breakthrough tractor products 171, 929, 932, & 939 established
- Revamped and launched the VST website

2026

- Highest Operating revenue of ₹ 1,240 Crores
- Highest-ever record power tiller sales of 50,300 + nos. (incl. exports)
- Launch of full range FENTM series (19-30 HP)
- Launch of Made in India Power weeder – Ranger series 50, 80 (FR & RR)
- Launch of Maize reaper
- Introduction of 1.6 Ltr engine
- Machinist Super Shop Floor Award – 2025 gold Award in Kaizen Competition
- Signed MoU with TNAU to promote Small Farm Mechanisation
- ET India's Impactful Turnaround CEO
- CII Design Excellence Awards 2025 Top 100 designs – VST FENTM & VST Electric Weeder
- CII Design Excellence Awards 2025 Design for Social Impact - Ranger Weeder Series
- "Jury Challenger" winner in The Challengers Trophy Competition 2025 organised by CII
- "KAU (Kerala Agricultural University) - MoU with VST

Geographical Presence

Expanding Horizon, Maximising Impact

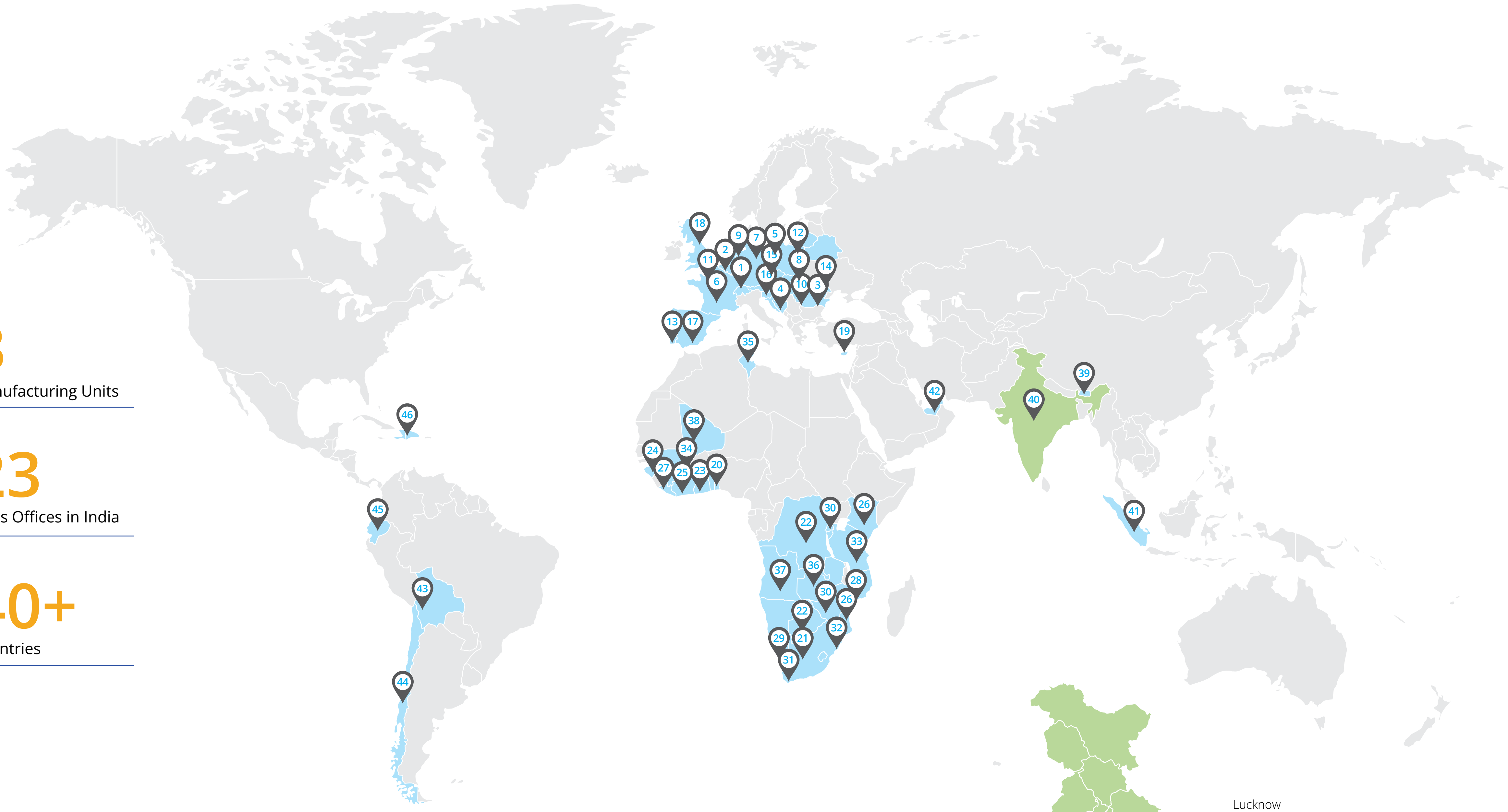
We operate three manufacturing units in southern India and sustain a nationwide presence through an extensive network of sales offices.

Internationally, we have expanded our footprint across multiple continents through a range of compact tractors and small farm equipment. With a focussed presence in Europe, Africa, Asia and Latin America, we continue to strengthen our position as a trusted partner in agricultural mechanisation across diverse markets.

3
Manufacturing Units

23
Sales Offices in India

40+
Countries



EUROPE

1. Austria
2. Belgium
3. Bulgaria
4. Croatia
5. Czech Republic
6. France
7. Germany
8. Hungary
9. Luxembourg
10. Moldova
11. Netherlands
12. Poland
13. Portugal
14. Romania
15. Slovakia
16. Slovenia
17. Spain
18. United Kingdom
19. Cyprus

AFRICA

20. Benin
21. Botswana
22. DR Congo
23. Ghana
24. Guinea
25. Ivory Coast
26. Kenya
27. Liberia
28. Mozambique
29. Namibia
30. Rwanda
31. South Africa
32. Swaziland
33. Tanzania
34. Togo
35. Tunisia
36. Zambia
37. Angola
38. Mali

ASIA

39. Bhutan
40. India
41. Indonesia
42. UAE

LATIN AMERICA

43. Bolivia
44. Chile
45. Ecuador
46. Haiti

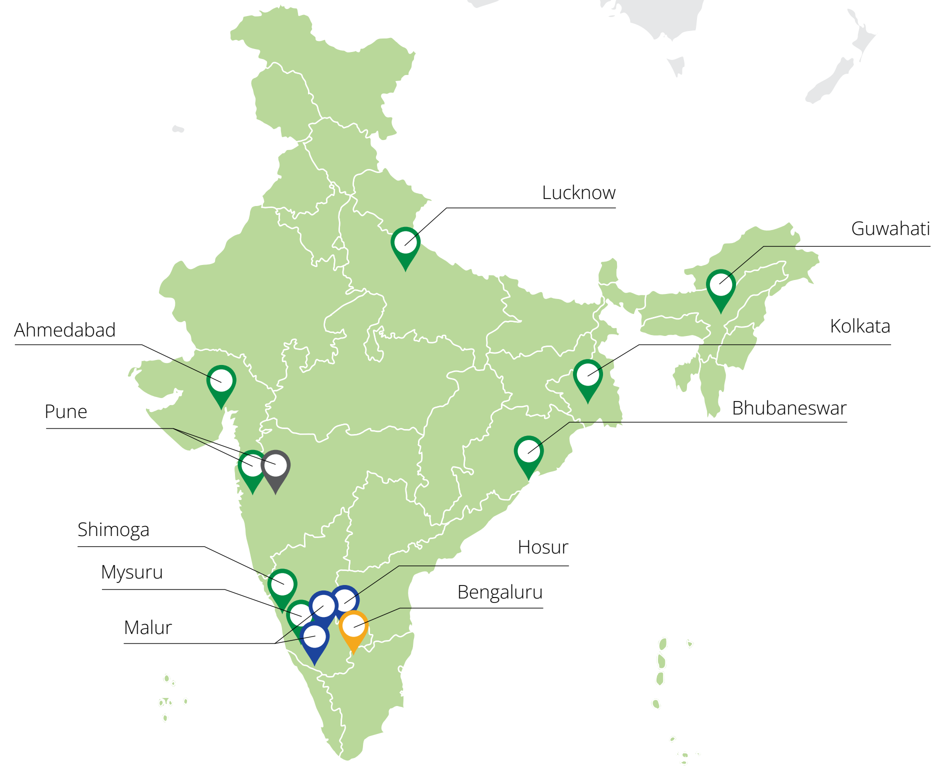
Head Office

Sales Offices

Manufacturing Units

Experience Centre Located in Pune

15 - Stock Yards across India



Map not to scale. For Illustrative purpose only.

Business Segments

Small Farm Machines: Enabling Mechanisation for Every Acre

As farming practices continue to evolve, the demand for compact, versatile, and efficient mechanisation solutions is steadily increasing. Our Small Farm Machines (SFM) portfolio, comprising power tillers, power weeders, brush cutters, and multi-crop reapers ranging from 2 HP to 16 HP, is designed to meet these changing requirements through reliable, application-specific equipment that delivers ease of operation and consistent performance. With solutions suited for diverse crops, terrains, and farming applications, the business enables farmers to enhance productivity, improve operational efficiency, optimise labour utilisation, and support sustainable and profitable farming practices.

50,332
Tiller Units Sold

767
Dealers

44%
Y-o-Y Growth in Reapers

52%
Y-o-Y Growth in Power Weeders

53%
Y-o-Y Growth in Brush Cutter

PRODUCTS OFFERINGS

RANGER 80

POWER TILLERS (9-16.5 HP)

POWER WEEDERS (2-8 HP) (FR & RR)

POWER REAPER

BRUSH CUTTER

Business Segments

Tractors: Powering Progress, Field by Field

Our Tractor business is built on delivering compact and high horsepower mechanisation solutions that address the evolving requirements of modern agriculture. Marketed under the VST brand, our portfolio spans 17 HP to 50 HP, offering tractors engineered for superior efficiency, reliability, and versatility across diverse farming applications, including tillage, intercultural operations, orchards, plantations, and haulage. With a strong focus on innovation, product quality, and customer-centric design, we continue to empower farmers with solutions that enhance productivity and operational efficiency in domestic and international markets.

5,911
Tractor units sold

450
Dealers

PRODUCTS OFFERINGS

FENTM SERIES

CLASSIC SERIES (17 HP to 27 HP)

SERIES 9 (18 to 36 HP)

FENTM SERIES (19–30 HP)

VIRAAJ SERIES (40–50 HP)

POWER SERIES (32–39 HP)

VST ZETOR SERIES (40-50 HP)

Business Segments

International Business: Expanding Horizons beyond Borders

Our International Business continues to strengthen VST's global presence by delivering application-oriented mechanisation solutions tailored to diverse agricultural and landscaping requirements. Operating in over 40 countries, our international portfolio includes tractors, power tillers, power weeders, and multi-crop reapers, designed to meet the evolving needs of customers across varied farming conditions. The VST FIELDTRAC range of tractors, spanning 17 HP to 50 HP, complements our broader product offering with dependable performance, versatility, and reliability for vineyards, orchards, gardens, and specialised farming applications. Backed by a customer-centric approach, regulatory compliance, and a robust distribution network, we remain committed to expanding our global footprint while creating sustainable value for customers worldwide.

PRODUCTS OFFERINGS

40+

Countries

Business Segments

Precision Components: Engineering Reliability across Industries

Our Precision Components Division (PCD) has evolved into a diversified precision engineering business, leveraging advanced manufacturing capabilities to serve both our agricultural operations and high-growth industrial sectors. Operating from our state-of-the-art Mysuru facility, we manufacture high-precision machined components and assemblies for tractors, tillers, diesel engines, railways, defence, electric mobility, industrial equipment, and aerospace applications.

The recent AS9100D certification further strengthens our capabilities to cater to the global aerospace industry, reinforcing our commitment to quality, innovation, and operational excellence while delivering reliable, scalable, and value-added manufacturing solutions across industries.

PCD continued to sharpen its focus on external, non-captive business as a distinct growth driver alongside its core role of supplying components to our own tractor and power tiller manufacturing operations.

This external-facing push builds on the division's precision implements capability, which includes rotary tillers and sprayers developed for agricultural applications, extending PCD's relevance beyond component supply into finished precision equipment.

Backed by robust quality systems, advanced machining technologies, and a customer-centric approach, PCD has expanded its presence across domestic and international markets, serving customers across the USA, UK, Germany, and other global markets.

PRODUCTS OFFERINGS

- Crankshafts, Camshafts and Connecting Rods
- Cylinder Blocks and Cylinder Heads
- Locomotive Parts
- Rotary Tiller
- Crankcase and Transmission Case

Business Segments

VST Distribution: Connecting Rural India with Solutions

Our Distribution Business plays a vital role in strengthening customer connectivity by ensuring seamless access to products and services throughout the equipment lifecycle. With a comprehensive portfolio comprising genuine spare parts, lubricants, electric pumps, and other allied agricultural solutions, we support enhanced equipment performance, reliability, and uptime for our customers.

Leveraging our extensive network of dealers and distributors, complemented by digitally-enabled distribution capabilities, we continue to enhance supply chain responsiveness, inventory availability, and channel collaboration. By expanding our product portfolio, strengthening market reach, and delivering value-added solutions, we remain committed to improving customer experience and driving sustainable growth across our distribution ecosystem.

165
Distributors

8,545
Retailers

PRODUCTS OFFERINGS

GENUINE SPARE PARTS

Over 5,000 genuine spare parts for tractors, tillers, weeders and reapers, ensuring reliable performance, longer equipment life and efficient after-sales support.

LUBRICANTS & CONSUMABLES

High-performance engine oils, transmission oils, hydraulic fluids, greases and coolants formulated to improve equipment efficiency, minimise wear and enhance reliability.

ENGINES

Diesel engines engineered for agricultural and industrial applications, delivering reliable performance, durability and fuel efficiency.

ELECTRIC WATER PUMPS

Energy-efficient pumping solutions for irrigation, water transfer and agricultural water management, delivering dependable performance and efficient water utilisation.

SoEL – Source Electric

Shaping the Future of Electric Agri-Mobility

SoEL – Source Electric is our strategic initiative focussed on advancing environmentally sustainable solutions in agricultural mechanisation. Building on over five decades of expertise in farm mechanisation, the initiative focusses on the design and development of electric drivetrain platforms and EV-based solutions for tractors, small farm machines including Power Tillers and Power Weeders.

This will support the transition toward cleaner mobility. With the goal of enabling a cleaner, greener, and healthier tomorrow, the green solutions portfolio includes electric compact tractor drivetrains, electric drivetrains for Power Tillers and Power Weeders, and integrated EV solutions for sub-compact and compact tractor segments. In addition, the initiative is focussed on delivering electric vehicle solutions tailored to the needs of small and marginal farmers across global markets.

Technology and R&D

Global Technology Centre and R&D Infrastructure

Innovation continues to be a key pillar of VST's long-term growth, enabling the development of differentiated products and future-ready technologies. As part of this vision, we are establishing a state-of-the-art Global Technology Centre at Hosur with a phased investment of approximately ₹ 100 crore. We achieved an important milestone with the groundbreaking ceremony in July'26 and the laying of the foundation stone, marking the commencement of construction for this strategic facility.

Designed to be a centre of excellence, the facility will focus on advanced engineering, electric powertrains, battery technologies, testing and validation, and digital product development. The centre will accelerate innovation, strengthen proprietary technology capabilities, and enhance collaboration with global partners, reinforcing VST's position in agricultural mechanisation.

Message from the Chairman's Desk

Dear Shareholders,

FY 2025-26 was a year of strong execution for VST Tillers Tractors Ltd. Despite geopolitical tensions, supply chain disruptions, inflationary pressures and a dynamic operating environment, we delivered our highest-ever operating revenue while making steady progress on our strategic priorities with agility and financial discipline. Through continued investments in product innovation, manufacturing capabilities, technology and market expansion, we continued to strengthen our position as a trusted partner in farm mechanisation and create long-term value for all our stakeholders.

"With a stronger, diversified foundation in place, we are entering our next phase—scaling with strength across products, markets and geographies while creating sustainable stakeholder value"

The year marked another milestone in our growth journey. We recorded our highest-ever operating revenue of ₹ 1,240 crore, representing a around 25% YoY growth. Operating EBITDA increased to ₹ 165.9 crore, with margins improving to 13.4%, while PAT stood at ₹ 106 crore. Strong operational discipline, prudent cost management and focussed working capital management enabled us to generate ₹ 132 crore of cash from operations, reinforcing the resilience of our business model.

Operationally, we strengthened our leadership in small farm mechanisation by achieving our highest-ever power tiller sales of more than 50,300 units, including exports. During the year, we expanded our tractor portfolio with the launch of the FENTM™ Series (18.5–29 HP) and broadened our farm machinery offerings with the Made-in-India Ranger Series power weeders, the maize reaper, and the introduction of electric power tiller and electric power weeder models, reinforcing our commitment to innovative, sustainable, and locally developed agricultural solutions.

While export market conditions remained challenging, particularly in Europe, we maintained our market presence and progressed our plans to establish operations in the Netherlands to improve delivery timelines, inventory rotation and customer service. We also continued preparations for our planned entry into the US market, further strengthening our long-term global growth strategy.

Our strategic direction remains focussed on expanding from a power tiller-led business to a comprehensive small farm machinery company with a growing global presence. We continue to strengthen our leadership in compact tractors, expand our presence in higher horsepower tractors precision component division with aerospace certification and enhance our rural distribution network.

Innovation remains an important part of our long-term growth strategy. During the year, we commenced the development of our Global Technology Centre at Hosur, with a planned phased investment of approximately ₹ 100 crore. The foundation stone for the facility was laid in July 2026, marking the formal commencement of this strategic project and reaffirming our commitment to strengthening innovation and advanced engineering capabilities. Alongside, we continue to build next-level capabilities in engineering, electric powertrains, battery technologies, testing and validation, and digital product development across tractors and small farm machinery. It will strengthen our in-house R&D capabilities, reduce dependence on external resources and support faster product development for domestic and export markets.

Looking ahead, near-term industry demand will continue to be influenced by monsoon performance, inflationary trends and global developments. Power Tiller Industry will transition to TREM-V emission norms and our engines are ready with certification to sustain the business. However, the long-term outlook for agricultural mechanisation remains positive, driven by increasing mechanisation, growing policy support for small and marginal farmers, and the need to improve farm productivity. We remain focussed on disciplined execution, innovation, operational excellence and prudent capital allocation as we pursue sustainable growth.

I extend my sincere gratitude to our customers, dealers, suppliers, employees, business partners and shareholders for their continued trust and support. Together, we will continue advancing farm mechanisation and creating sustainable value for our stakeholders.

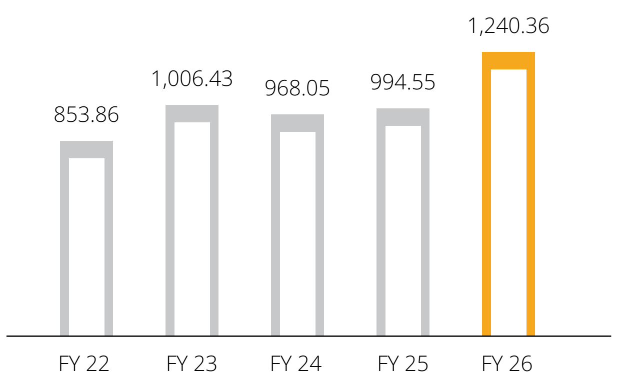
Warm Regards,

Arun V. Surendra
Chairman

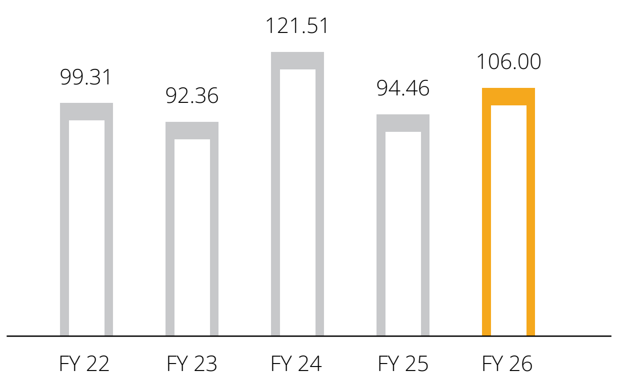
Key Performance Indicators

Achieving Growth Step by Step

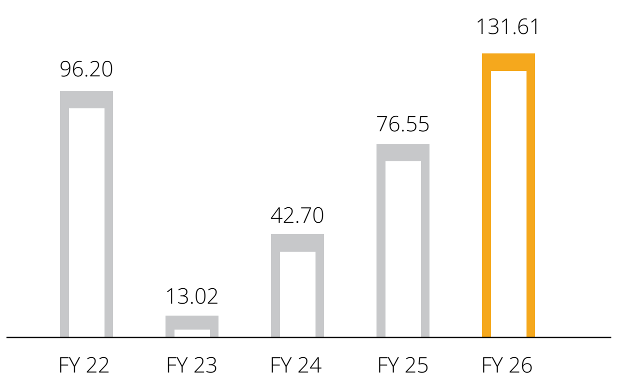
Operating Revenue (₹ Crores)



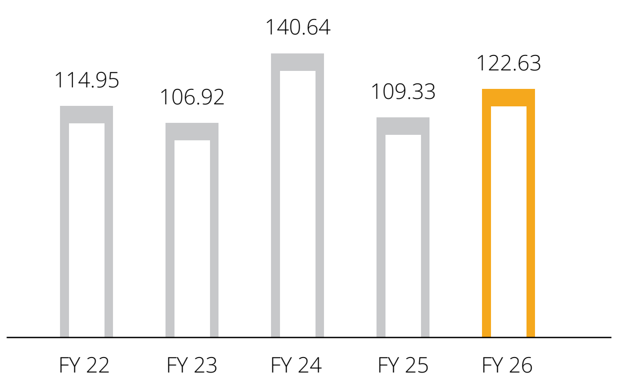
PAT (₹ Crores)



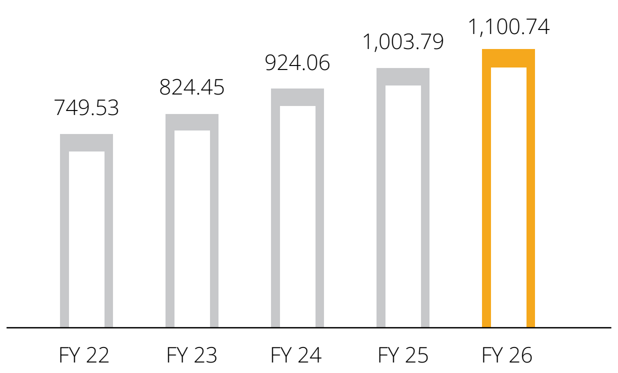
Free Cash Flow (₹ Crores)



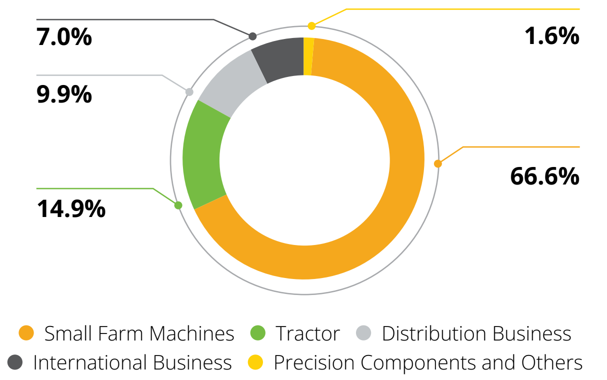
EPS (₹)



Net Worth (₹ Crores)



Segment-Wise Revenue (%)



Operating Environment

Agricultural Mechanisation: Market Dynamics and VST's Strategic Response

MARKET DYNAMICS

The global farm equipment market, valued at USD 186.9 billion in 2025, is projected to grow from USD 199.1 billion in 2026 to USD 350.9 billion by 2035, according to Global Market Insights Inc. Growth is being driven by increasing mechanisation, technological advancement, labour shortages and the need to meet rising global food demand.

India's farm machinery market, estimated at USD 18.15 billion, is projected to reach USD 19.28 billion by 2033, according to Markets and Data. Demand is supported by the need to improve farm productivity, reduce dependence on manual labour and enhance operating efficiency. Government incentives, subsidies, custom-hiring models and improving access to retail finance are also supporting the adoption of agricultural machinery.

Mechanisation is increasingly central to sustainable agricultural development in India. Rising rural incomes, growing agricultural exports, changing cropping practices and broader socio-economic transformation are accelerating the adoption of mechanised solutions across farm sizes and crop categories.

Demand is gradually shifting towards compact and versatile machines such as power tillers, power weeders and reapers, particularly among small and marginal farmers. Tractors continue to play a central role in agricultural mechanisation, with India's tractor market projected to grow from USD 8.4 billion in 2025 to USD 15.3 billion by 2034, at a CAGR of 7.0%. The global tractor market is estimated at USD 96.8 billion in 2025 and is expected to reach USD 159.6 billion by 2034, according to Dimension Market Research.

Together, tractors and small farm machinery are expected to remain integral to improving agricultural productivity, with precision farming, sustainable technologies and application-specific mechanisation shaping future demand.

VST'S STRATEGIC RESPONSE FRAMEWORK

Evolve Power Tillers into Small Farm Machines and Expand Globally

VST continued to transform its power tiller-led business into a diversified Small Farm Machines portfolio. During FY 2025-26, the business recorded strong growth across key product categories, supported by portfolio expansion, new product introductions and deeper market penetration. Power tiller sales reached 50,332 units, including exports, while the Company strengthened its presence across power weeders, reapers, brush cutters and other application-specific farm machines.

The Company continued to develop and commercialise indigenous products suited to the requirements of small and marginal farmers. Its focus on electric power tillers and power weeders progressed during the year, reinforcing its commitment to cleaner and more sustainable agricultural mechanisation.

Product accessibility was strengthened through the expansion of the dealer network, deeper penetration across key markets and greater engagement with farmers through demonstrations and customer-connect programmes. The Company also facilitated retail finance and convenient EMI options through tie-ups with banks and non-banking financial companies, supporting wider adoption of mechanised solutions.

Leadership in the Compact Tractor Segment

VST strengthened its compact tractor portfolio through new models, product upgrades and application-focused offerings. Tractor sales reached 5,911 units during FY 2025-26, supported by the Company's established presence in compact and specialised tractor applications.

The award-winning FENTM series strengthened VST's value proposition through improved fuel efficiency and torque performance. The Company continued to expand these products across key markets, including Gujarat and Maharashtra, while developing global platforms to address diverse farming applications.

Internationally, VST maintained its market presence despite softer demand conditions, particularly in Europe. The Company continued to develop Stage V-compliant products, cabin tractors and premium variants while strengthening distribution partnerships across Europe, Africa and Asia. It is also evaluating an operational base in Europe to improve fulfilment resilience and remains prepared for a phased entry into the United States as the regulatory and tariff environment evolves.

Maximise Higher-Horsepower Capacity Utilisation

VST continued to strengthen its presence in the 40–50 HP tractor segment through VST Zetor Private Limited, its joint venture with HTC Investments and Zetor Tractors. A revamped VST Zetor range was launched during the fourth quarter of FY 2025-26, following extensive market-seeding and customer-validation initiatives.

The joint venture is expanding its dealer and finance partnerships, particularly across northern India, to improve customer access and support volume growth. These initiatives are expected to enhance utilisation of the Company's higher-horsepower manufacturing capacity and strengthen its position across broader

Promote Precision Components

The Precision Components Division continued to expand beyond captive requirements by strengthening business with external customers. The division leveraged its advanced manufacturing and engineering capabilities to pursue opportunities arising from the global shift towards diversified and China-plus-one sourcing strategies. During the year, the division broadened its presence across automotive components, locomotive applications, defence, industrial equipment, electric vehicles, aerospace and marine engines. The Company remains focused on expanding its external customer base, increasing export opportunities and building a diversified, higher-value precision engineering business.

Expand Rural Distribution

VST strengthened its rural distribution ecosystem to improve product availability, customer service and aftermarket support. Its network expanded to 165 distributors and 8,545 retailers, supported by deeper penetration across northern and western India. The distribution portfolio comprises genuine spare parts, lubricants, electric pumps, high-technology agricultural blades and other complementary products. The Company continued to develop an integrated omnichannel presence connecting distributors, retailers, digital platforms and service partners. This integrated approach is expected to improve the customer experience while creating opportunities to scale adjacent rural-product categories.

Participate in Technological Evolution

Technology and innovation remain central to VST's long-term growth strategy. The Company continued to develop a diversified product pipeline spanning internal-combustion and electric technologies for domestic and global markets. SoEL – Source Electric progressed as the Company's strategic initiative for developing electric drivetrain platforms and environmentally sustainable solutions across tractors and Small Farm Machines. Development work continued on electric power tillers, power weeders, compact tractor drivetrains and integrated electric-vehicle solutions.

VST is also establishing a Global Technology Centre at Hosur with a phased investment of approximately ₹ 100 crore.

Through portfolio diversification, market expansion, rural distribution and technology-led product development, VST is positioning itself to address the evolving mechanisation requirements of farmers in India and international markets.

Business Model

Approach to Consistent Value Creation

Input — Business Processes — Output — SDGs

Input

Financial capital:
- Net Worth: ₹ 1,101 Crores
- Equity: ₹ 8.65 Crores

Human capital:
- Total employees: 825
- Pipeline building through GET recruitment

Intellectual capital:
- Establishing Global Tech Centre with an investment of around ₹ 100 Crores (in phased manner)

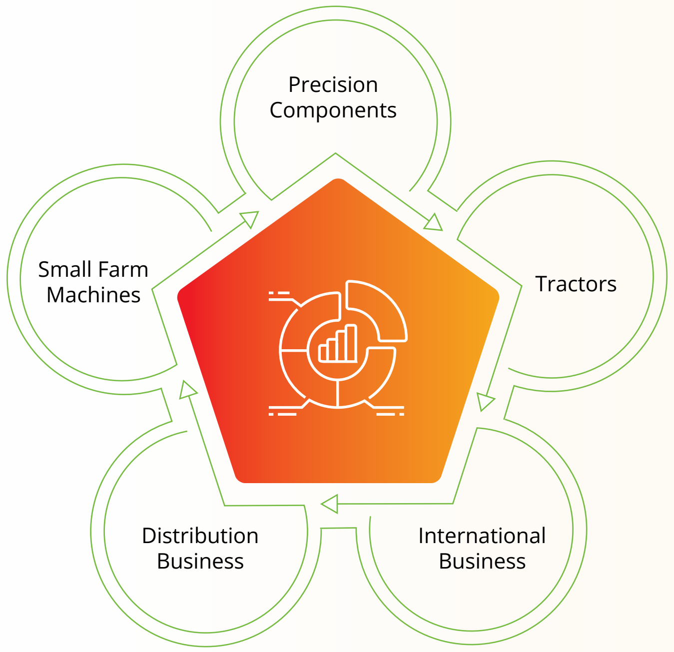
Manufacturing capital:
The swift supply of products from our factories
- Manufacturing Units – 3
- R&D expenditure – ₹ 13.67 Crore
- TOC-based supply chain management
- Patent/Design/Trademark

Social and Relationship capital:
Relationship of trust with all our stakeholders
- CSR Spend - ₹ 2.14 Crore
- Countries of operation: more than 40

Natural capital:
Attempt at sustainability and reducing carbon footprint
- Energy intensity in terms of physical output - 0.63309159 GJ
- Water intensity in terms of physical output - 0.63700847 KL

Business Processes

Business Segments



Mission

We will accomplish our vision with undivided and undeterred commitment towards innovative quality products, through inspired individuals, simplified systems and 5X leadership.

Strategic Priorities

- **Evolve Power Tillers**
  To Small Farm Machines and going Global
- **Leadership**
  Leadership in Compact Tractor Segment
- **HHP Tractor**
  Maximise Capacity Utilisation
- **Implements**
  Promote Precision Implements
- **Technology Evolutions**
  Participate in Technology Evolutions
- **Rural Distribution**
  Exploring Opportunities

Read more on Page 37

Values

Customer | Integrity | Synergy | Speed | Stretch | Go Green

Output

- Revenue: ₹ 1,240 Crores
- Operating EBITDA: ₹ 165.9 Crores
- PAT: ₹ 106 Crores

- Capability building
- Skill development
- Reward and recognition

- New Product Launches
- Work in progress on the EV product portfolio - across Small farm machines and Tractors

- Established multi-product production platform
- Driving growth through strong new product pipeline
- Development of global platforms

- Meaningful impact across healthcare, education and environmental conservation

- 8.73 MT Waste recycled/recovery
- Generated 4,463.06 GJ of energy with rooftop solar power systems
- No. of trees planted: 109 trees in Mysuru, 537 trees in Malur and 1,196 trees in Hosur

SDGs

- 1, 8, 9
- 3, 5, 8, 10
- 8, 9, 12
- 8, 9
- 1, 2, 3, 4, 5, 10, 11
- 7, 9, 11, 12, 13, 15

Stakeholder Engagement

Valuing Every Voice, Driving Shared Progress

We view our stakeholders as key partners in our progress. Over the years, we have built strong relationships and trust with our key stakeholders – farmers, employees, investors, dealers, government and regulatory, and communities – through meaningful and continuous dialogue. Stakeholder feedback and suggestions guide our actions, and addressing their needs is regarded as both a responsibility and an opportunity. Through transparent engagement and collaborative approaches, we foster trust, accountability and sustainable growth.

Stakeholder Group	Shareholders/Investors	Customers	Dealers	Suppliers	Employee	Local Community	Regulators/Government
Channels of Communication	• General Body Meetings • Interaction with Investors • Annual Report • Press Release • Company's Website • Plant Visit	• Customer Satisfaction • Survey • Web Portals • eCatalogue/Manual Interactions	• Website • Email Interactions • DMS (Dealer Management System) • Plant Visit • Dealer Meets	• Website • Email Interactions • SRM (Supplier Relationship Management) • Plant Visit • Supplier Meets	• SHAREPOINT • SAHYOG • YAMMER • MS Teams • One-On-One	• CSR Initiatives • Public disclosure of company information • Local Employment • Website	• Regulatory compliance CSR initiatives • Representation through trade bodies
Frequency of Engagement	• Yearly • Quarterly • Investor Calls as and when required • Regularly	Throughout the Year	Regular	Regular	Regular	Periodic/Need-based	Regular
Why are they important	• Provide capital for business growth and operations • Influence Company decisions through voting rights	• Generate revenue through purchases • Provide valuable feedback for product improvement	• Act as crucial intermediaries in the sales process • Provide local market insights and customer relationships	• Ensure timely delivery of materials and components • Contribute to product quality and cost effectiveness	• Employees drive innovation, operational excellence and sustainable growth through their skills, commitment, collaboration and collective capabilities	• Creation of job opportunities • Relationship development • CSR initiatives	• Obtaining permissions/ licenses/clarifications/ waivers/business development • Regulatory & Legal requirements • Technology & Innovation • Capacity expansion

Business Strategy

Enduring Strengths, Sustained Relevance

We operate in a sector shaped by climate variability, input cost volatility, changing regulatory landscape and evolving farm economies. In this dynamic environment, we remain relevant through a disciplined approach built on focus, discipline and adaptability.

Our ability to remain resilient is anchored in a set of structural strengths – a diversified product portfolio, expanding market reach, robust governance and leadership, brand engagement, continued investment in innovation, and strategic partnership and collaboration. Together, these capabilities position us for steady growth while managing risk across cycles.

PRODUCT PORTFOLIO WITH SEGMENT FOCUS

We maintain a balanced portfolio across small farm machines, tractors, and precision components. This breadth allows us to serve diverse farm applications while reducing concentration risk across geographies and product categories. In FY 2025-26, we introduced the FENTM series of compact tractors in India, designed to meet the requirements of small and mid-sized farmers seeking fuel efficiency, higher torque, and reliable field performance.

EXPANDING MARKET REACH

Our domestic distribution strength and growing international footprint enable access to diverse demand centres. A presence across Europe, Africa, Asia, and Latin America supports revenue diversification and long-term scale.

ROBUST GOVERNANCE AND LEADERSHIP

We are guided by an experienced leadership and supported by a robust governance framework that ensures alignment of our long-term strategic vision. Our leadership team combines sector experience with operational depth, ensuring that strategic priorities are translated into measurable outcomes.

BRAND BUILDING INITIATIVES

During FY 2025-26, we continued to strengthen our brand presence through focussed rural outreach, field demonstrations, and region-specific engagement programmes. Dealer activation initiatives and product awareness campaigns across key markets enhanced customer engagement and reinforced brand preference.

This fiscal year, we participated in various domestic and international industry platforms to showcase our mechanisation solutions and technology capabilities. We marked our entry into the marine propulsion segment at the India Boat & Marine Show 2026, unveiling next-generation compact marine engines known for fuel efficiency and reliability. At EXCON 2025, we highlighted our precision-engineered and technology-driven capabilities. We also introduced new-generation EV power tillers and power weeders at EIMA AGRIMACH 2025 and strengthened our European visibility at AGRITECHNICA 2025.

RESEARCH AND INNOVATION

Our proposed global Tech centre is driving innovation, empowering us to deliver advanced products like the front rotary Power Weeder and Stage-V compliant tractors that meet the highest global emission standards. Our global Tractor product pipeline features three platforms with eight models and sixteen variants, offering both gear and hydrostatic transmissions for India, Europe and the US.

Our ongoing R&D advancements enable us to manufacture power weeders, electric power tillers and weeders, SCORE, and electric-start power tillers in-house. The development of an electric tractor powertrain for the US market highlights our commitment to emerging technologies, reinforcing our ability to serve diverse customer needs and align with international sustainability goals.

COLLABORATIVE GROWTH MODEL

We strengthen our market position through strategic partnerships, JV and industry collaborations. These alliances enhance our R&D and technology access, distribution reach, and regulatory alignment while reducing development risk. In the year, we signed a memorandum of understanding (MoU) with Tamil Nadu Agricultural University (TNAU) to promote awareness and structured training on small farm mechanisation across Tamil Nadu.

Digitisation

Digitised Across the Value Chain for Agricultural Excellence

We integrate state-of-the-art technologies and digital platforms across our operations to strengthen execution, improve visibility, and enhance customer responsiveness. By combining advanced R&D with data-driven systems, digital technologies and AI for standardisation, we continue to reinforce our leadership in agricultural mechanisation. Our investments in technology and innovation, support the development of efficient and sustainable solutions for agricultural mechanisation across India and global markets.

INTEGRATING AI IN R&D FOR STANDARDISATION

The Company has integrated the AI tools in R&D process to maintain standardisation across its products. VST Tillers is in discussion with EV and autonomous platform partners for their product range and integration with VST products, with the prototype expected by March 2027. It is also working with Indian EV players for EV Power Tillers and EV Power Weeders solutions.

WMS IMPLEMENTATION AT THE CENTRAL WAREHOUSE

The Company has successfully implemented a Warehouse Management System (WMS) at its Central Warehouse to strengthen and streamline warehouse operations through enhanced digitalisation and process integration. The system enables improved inventory visibility and accuracy, better material traceability, efficient space utilisation and streamlined material movement, thereby enhancing overall operational efficiency and control across warehouse processes.

VIDYAPEETH – DIGITAL TRAINING PLATFORM

We have strengthened capability across our ecosystem through Vidyapeeth, our digital learning platform designed for employees and dealer sales teams. The platform delivers structured training on product knowledge, technical skills, system usage and service standards.

By enabling consistent and accessible learning, the digital tool improves product understanding, supports effective new product rollouts, and enhances field-level service quality. It also contributes to dealer productivity and customer satisfaction by ensuring that channel partners are equipped with timely and accurate information.

EXECUTIVE DASHBOARD FOR SENIOR MANAGEMENT

The Company is developing an Executive Dashboard aimed at providing Senior Management with a consolidated view of key business and operational performance indicators. The dashboard is envisaged to enable timely performance monitoring, improved visibility of key trends and data-driven decision-making, while facilitating focussed management reviews and interventions.

DIGITAL PLATFORMS FOR OPERATIONAL EXCELLENCE

We have embedded digital systems at the core of our operations to bring structure, visibility and speed to everyday execution. Our enterprise resource planning (ERP) software supports customer order processing, production scheduling, despatch management, financial accounting, and raw material procurement within a connected framework.

DATA AND ANALYTICS

We are strengthening decision-making through the structured use of data and analytics across the organisation. Integrated enterprise systems provide real-time visibility into production, procurement, inventory, and distribution, enabling tighter operational control. By analysing demand patterns, material flows and channel performance, we improve planning accuracy and reduce process inefficiencies. Data-backed insights support faster decisions, better resource allocation, and improved coordination across the value chain.

DMS 2.0: ADVANCING DEALER MANAGEMENT

DMS 2.0 takes dealer management further by digitising more processes across the dealer ecosystem. By reducing manual interventions and streamlining workflows, the system is designed to improve operational efficiency, strengthen process visibility and support faster execution.

The next generation of DMS builds on digital capabilities to create a more connected and efficient dealer management experience. It enables greater process standardisation while helping teams manage dealer interactions and activities with improved accuracy and control.

CCPM METHODOLOGY: STRENGTHENING R&D PROJECT EXECUTION

Critical Chain Project Management (CCPM) has been implemented across R&D projects to bring greater structure and discipline to project execution. Priorities are clearly defined, while weekly Work-in-Progress (WIP) reviews provide visibility on progress, dependencies and execution priorities.

A dedicated dashboard has also been implemented to enable systematic monitoring, tracking and review of projects. Together, these practices support better prioritisation, execution visibility and timely intervention across the R&D portfolio.

Environmental

Building a Sustainable Future

At VST Tillers, sustainability is not just a goal; it's at the heart of how we operate. Our responsibility to protect the environment and support our farming communities shapes every decision we make. From maximising energy efficiency and cutting emissions to conserving biodiversity and embracing a circular economy, we ensure that our commitment to sustainability is reflected in every part of our business and operations.

ENERGY EFFICIENCY & CONSERVATION

We have prioritised energy efficiency year after year, achieving a meaningful reduction in energy consumption. During FY 2025-26, we have achieved a significant reduction in energy Intensity by 19.2% compared to FY 2024-25. The installation of LED lighting across our facilities further enhances our energy-saving efforts.

BIODIVERSITY CONSERVATION

We undertook plantation initiatives across our manufacturing locations, to strengthen local green cover and support carbon absorption. In addition, we encouraged employee participation by introducing a programme that marks birthdays with the gifting of saplings, taking the cumulative plantation count to over 1,842 nos.

EMISSION MANAGEMENT

We have made tangible progress in cutting our carbon footprint, especially by reducing Scope 1 emissions through a significant decrease in diesel consumption compared to the previous year.

WATER CONSERVATION MANAGEMENT

We continued to focus on responsible water usage across our facilities by introducing conservation measures aimed at reducing daily consumption.

CIRCULAR ECONOMY AND RESOURCE EFFICIENCY

We continued to strengthen our waste management practices with a focus on improving material recovery and reducing disposal. As part of this effort, we applied for Extended Producer Responsibility (EPR) certification for plastic waste management and are currently awaiting approval.

Social

Serving Communities with Purpose

We are committed to fulfilling our responsibility towards the communities in which we operate and to creating a positive impact beyond mechanisation. Our commitment to social responsibility is woven into our business strategy, guiding impactful partnerships and initiatives that address pressing societal needs across healthcare, education, disability empowerment, environmental conservation, and skill development.

HEALTHCARE, REHABILITATION & SOCIAL EMPOWERMENT

The Company's CSR initiatives also focussed on healthcare and the empowerment of vulnerable sections of society. Support was extended towards medical relief, improving access to mental healthcare, rehabilitation and empowerment of visually challenged persons, and programmes for persons with disabilities, with the objective of enhancing their well-being, independence and quality of life.

EDUCATION AND SKILL DEVELOPMENT

The Company continued to support initiatives aimed at promoting access to education and creating opportunities for deserving and underprivileged students. The CSR expenditure in this area included educational support as well as scholarships for students pursuing technical and medical education, with a focus on enabling them to pursue their academic and professional aspirations.

RURAL LIVELIHOODS & FARMER EMPOWERMENT

Recognising the importance of strengthening rural communities, the Company supported initiatives aimed at the empowerment of small and marginal farmers. These programmes seek to enhance livelihoods, build capabilities and encourage sustainable agricultural practices, thereby contributing to the long-term development and resilience of farming communities.

WILDLIFE & ENVIRONMENTAL CONSERVATION

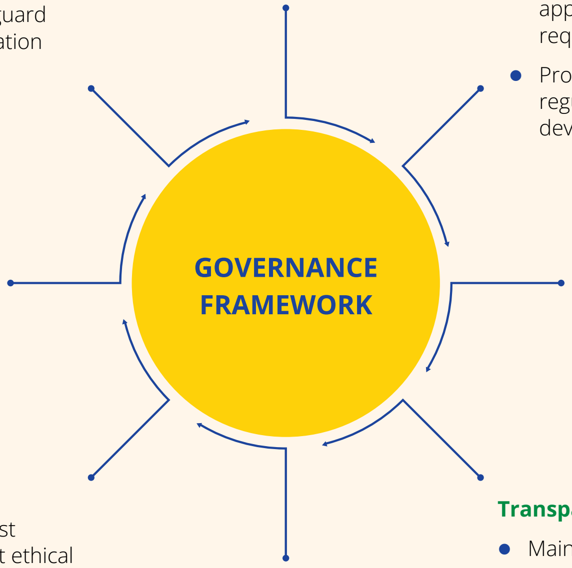
Environmental sustainability continued to form part of the Company's CSR efforts through support for wildlife and ecosystem conservation. The initiatives focussed on the protection of endangered species and natural habitats, conservation of wildlife and wildlands, and fostering greater awareness and sensitivity towards sustainable coexistence with nature.

Through these focus areas, the Company seeks to create meaningful and sustainable impact across education, healthcare, social inclusion, rural livelihoods and environmental conservation, reflecting its broader commitment to responsible and inclusive growth.

Governance

Leading with Integrity

We have implemented a comprehensive governance framework that is central to our mission of delivering sustained value and earning stakeholder trust. Our approach is grounded in unwavering ethical standards, strict regulatory compliance, and transparent business practices. We continually strengthen our operations and reinforce a culture of integrity at every level, ensuring that good governance remains the foundation of our long-term success.



Ethical Conduct

- Uphold the highest standards of ethical behaviour across the organisation
- Promote reporting of concerns without fear of retaliation

Regulatory Compliance

- Ensure strict adherence to applicable laws and statutory requirements
- Proactively adapt to evolving regulatory and policy developments

Board Oversight

- Provide strategic direction and independent oversight through the board of directors
- Reinforce accountability and integrity across all levels of leadership

Transparency

- Maintain clear and comprehensive disclosure of policies, practices, and performance
- Provide accessible governance-related information through the investor platform

Digitisation

- Strengthen operational excellence through digital platforms, advanced technologies, and data analytics

Stakeholder Trust

- Build enduring trust through consistent ethical conduct and responsible decision-making
- Maintain open and constructive communication with all stakeholders

Employee Integrity

- Emphasise integrity and professional conduct among employees, managers and officers
- Ensure continuous vigilance in upholding organisational values and ethical standards

Risk Management

- Adopt a proactive and structured approach to risk identification and mitigation
- Protect stakeholder confidence and safeguard the company's reputation

Awards and Accolades

Celebrating Excellence

During the year, we were recognised with multiple prestigious accolades by leading industry forums, media houses and professional bodies.

ET India's Impactful CEO – "Turnaround Leader Award"

"RUNNER UP" Award in Manufacturing Excellence category

"GOLD AWARD" in Poka-yoke Presentation

"Ranger 50, Ranger 80 Front Rotary, Ranger 80 Rear Rotary" won the SILVER WINNER award in the category of Design for Social Impact

"VST Tillers Tractors Ltd" has won the Award as Top 100 Design – Made in India in the category of Product Design

VST Electric Weeder has won the Award as Top 100 Design – Made in India in the category of Product Design

Management Discussion and Analysis

GLOBAL ECONOMY

The global economy grew by 3.5% in 2025, supported by accommodative financial conditions, selective fiscal support and continued investments in technology. Growth remained uneven across regions, with the United States recording relatively stronger economic activity, while the Europe region experienced slower growth amid weak industrial output, elevated energy costs and subdued demand. As Europe continues to be an important export market for Indian engineering and agricultural equipment manufacturers, economic conditions in the region remain a key monitorable.

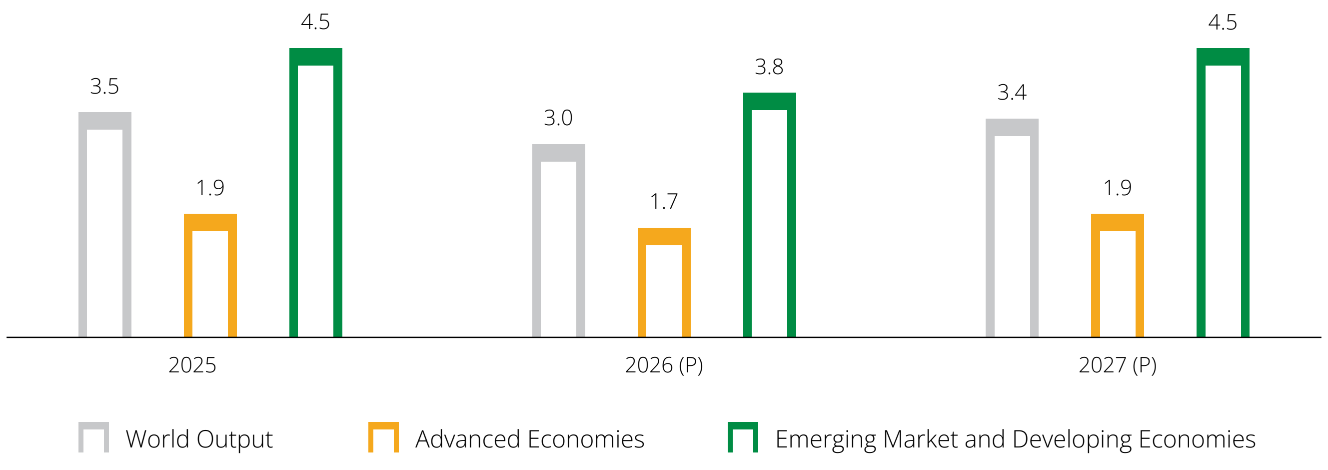
Global trade continued to face challenges from evolving tariff policies, geopolitical developments and supply chain realignments. The ongoing conflict in West Asia has heightened uncertainty around energy prices, freight costs and logistics, while disruptions to global supply chains have increased cost pressures across industries. At the same time, progress towards the proposed India–EU Free Trade Agreement is expected to strengthen bilateral trade and improve market access over the medium term. Inflation moderated gradually during the year, enabling several central banks to initiate measured policy easing while maintaining a cautious approach.

(Source: WEO (IMF)-July)

Outlook

The global economic growth is projected at 3.0% in 2026 before improving to 3.4% in 2027. While technology investments are expected to support economic activity, trade policy uncertainty and geopolitical developments may continue to influence global and supply chain disruptions. Economic recovery in Europe and progress on the India–EU FTA will remain important for export-oriented industries.

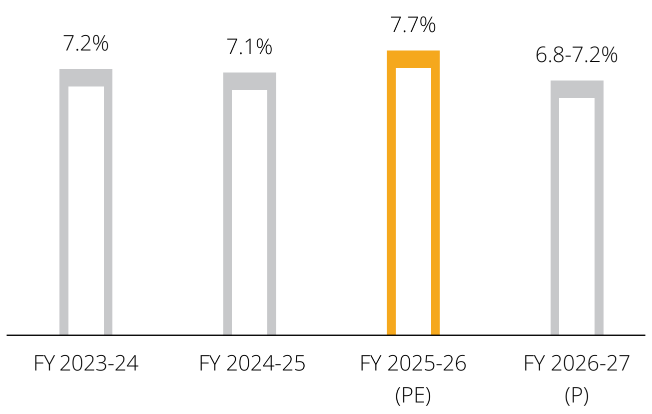
Real GDP Growth
(%)



P = Projections

INDIAN ECONOMY

The Indian economy showed steady strength during 2025-26 despite global trade uncertainty and market fluctuations. According to the Provisional Estimates by MoSPI, the real GDP growth was 7.7% and Gross Value Added at 7.9%, confirming the resilience of a growth model powered by domestic demand. Strong agricultural production lifted rural incomes while urban consumption strengthened through stable jobs and falling inflation.



PE = Provisional Estimates; P = Projections

(Source: PIB, PIB-PE)

India remains among the fastest-growing major economies globally, backed by resilient domestic demand, active investment, and ongoing structural reforms. It is important to note that the latest estimates place India as the sixth-largest economy in the world with a nominal GDP of approximately USD 4.15 Trillion in 2026. Despite this, the nation is expected to sustain its growth momentum and could improve its global ranking over the medium term as expansion continues.

Investment activity remained healthy during the year, with Gross Fixed Capital Formation registering strong growth. Continued investments in infrastructure, manufacturing and allied sectors, supported by sustained public capital expenditure, contributed to strengthening the investment cycle and encouraged private sector participation.

From a sectoral perspective, the services sector remained the primary driver of economic growth. The agriculture sector maintained stable performance, supported by favourable production conditions and healthy crop output, which contributed positively to rural consumption.

The financial sector continued to support economic activity through healthy balance sheets and improved credit availability, thereby supporting both investment and consumption demand.

(Source: PIB – MoSPI, PIB)

Inflation Dynamics

Inflationary pressures moderated considerably during FY 2025-26, with headline Consumer Price Index (CPI) inflation remaining in the range of approximately 2%–3% for most of the year before increasing to 3.4% in March 2026. The moderation in inflation was primarily driven by lower food and fuel prices during the first half of the fiscal year.

Food inflation witnessed a notable correction during the year and remained negative during certain months of FY 2025-26, supported by healthy agricultural production and improved supply conditions. However, prices gradually normalised towards the end of the year, resulting in food inflation increasing to around 3.9% in March 2026.

Overall, the relatively benign inflation environment during most of the year supported household purchasing power and consumption demand, particularly across rural markets. Inflation trends during FY 2025-26 were characterised by subdued price pressures in the first half of the year, followed by gradual normalisation during the latter part of the fiscal year.

Key Sector Highlights

The agriculture sector continued to provide stability to the Indian economy during FY 2025-26, supported by favourable monsoon conditions and healthy crop production. Rural demand remained supported by stable farm output, improved price realisation across certain crop categories and continued Government support through income transfer programmes and rural infrastructure spending. During the year, global supply chain disruptions and geopolitical developments led to concerns over the availability and cost of certain fertiliser inputs. However, timely Government interventions through strategic imports and supply management measures helped maintain fertiliser availability, supporting agricultural activity and crop production.

Industrial activity recorded steady progress during the year. Manufacturing growth was aided by improving domestic demand conditions, higher capacity utilisation and moderation in input cost pressures.

Outlook

The outlook for the Indian economy remains positive and stable. For the upcoming FY 2026-27, real GDP is expected to grow between 6.8% and 7.2%. This demonstrates India's ability to maintain strong momentum even during times of global uncertainty.

Looking ahead, inflation is expected to gradually normalise towards around 4.4% in FY 2026-27, broadly aligning with the medium-term inflation target range. While food prices and global commodity movements may continue to influence inflation trends in the near term, overall price conditions are expected to remain manageable.

India's growth outlook remains favourable, supported by healthy household consumption, stable inflation and improving real income levels. Continued Government emphasis on capital expenditure, particularly in infrastructure development, along with a gradual recovery in private sector investments, is expected to support economic activity. Policy initiatives aimed at strengthening domestic manufacturing and improving industrial competitiveness are also expected to provide medium-term growth visibility.

The agricultural outlook remains encouraging, with continued Government support for the rural economy and sustained focus on improving agricultural productivity and mechanisation. Stable farm incomes and healthy rural demand conditions are expected to support investment sentiment in the agricultural sector and provide a favourable environment for farm equipment and tractor demand over the medium term.

(Source: PIB)

INDUSTRY OVERVIEW

Indian Agricultural Solutions

The Indian agricultural sector continues to remain a key pillar of the national economy, and it has gradually moved from traditional subsistence farming to a more technology-enabled model that focusses on efficiency and higher productivity.

The Indian agri solutions industry, comprising farm implements and allied agricultural machinery, forms an important part of the country's agricultural mechanisation ecosystem. The segment includes a wide range of equipment such as rotavators, seed drills, super seeders, cultivators, straw reapers and harvesting solutions that support various farming activities including land preparation, sowing, crop residue management and harvesting.

The increasing focus on improving agricultural productivity, reducing dependence on manual labour and enhancing farm efficiency continues to drive demand for mechanised farming solutions across crop cycles. Growing adoption of scientific farming practices, higher cropping intensity and increasing labour shortages in rural areas are further contributing to the demand for farm implements and specialised agricultural equipment.

Government initiatives continue to play an important role in expanding mechanisation levels across the country. Under the Sub-Mission on Agricultural Mechanisation (SMAM). These initiatives have significantly improved affordability and accessibility of mechanised solutions, particularly for small and marginal farmers.

The broader agricultural ecosystem has also witnessed continued improvement. The Government has strengthened seed availability and quality assurance through the development of over 6.85 Lakh seed villages, while more than 25.55 Crore Soil Health Cards have been issued to promote balanced nutrient management and improve farm productivity. These initiatives are supporting higher crop yields and increasing the requirement for timely and efficient mechanised farm operations.

Institutional support towards the agricultural sector has remained strong. Agricultural credit disbursements reached ₹ 28.69 Lakh Crore in FY 2024-25, supporting investment in farm inputs and agricultural equipment. Further, under the PM-KISAN scheme, cumulative transfers exceeding ₹ 4.09 Lakh Crore have been made to more than 11 Crore farmers, supporting rural liquidity and strengthening farmers' investment capacity.

India is also witnessing a gradual improvement in irrigation infrastructure, with the gross irrigated area increasing from 41.7% to 55.8% of the gross cropped area. Improved irrigation availability is supporting multi-cropping practices and increasing the intensity of agricultural operations, thereby creating additional demand for farm mechanisation and allied agricultural equipment.

Outlook

The outlook for the agri solutions industry remains favourable, supported by increasing access to farm mechanisation, rising cropping intensity and growing adoption of shared usage models. Continued efforts to improve agricultural productivity, expansion in institutional credit availability and sustained rural support measures are expected to support investments in farm machinery and allied agricultural equipment.

Improvement in irrigation coverage and increasing focus on timely and efficient farm operations are also expected to support demand for specialised farm implements and mechanised solutions across various stages of the agricultural cycle. The growing emphasis on enhancing farm productivity and reducing dependence on manual labour is likely to further strengthen mechanisation adoption, particularly among small and marginal farmers.

In the near term, industry demand may remain influenced by monsoon performance, crop price realisation and rural liquidity conditions, resulting in periodic fluctuations in demand patterns. However, the medium-term outlook remains positive, supported by increasing mechanisation penetration and the continued need to improve operational efficiency and productivity across agricultural activities.

(Source: Imarc Group, GII Research)

Indian Farm Mechanisation

The Indian agricultural machinery market was valued at USD 18.15 Billion in 2025 and is estimated to reach USD 19.65 Billion in 2026. The market is projected to expand to USD 29.27 Billion by 2031, registering a CAGR of 8.28% during 2026-2031. Growth is being supported by increasing mechanisation, rising labour shortages, Government initiatives promoting farm modernisation and improving access to agricultural credit.

A key structural trend shaping the market is the increasing adoption of small farm machines. With a significant proportion of India's agricultural holdings comprising small and fragmented land parcels, demand is rising for compact, affordable and application-specific equipment such as power tillers, weeder, reaper, compact tractors, rotary tillers, seeders and other specialised implements.

Smallholdings of less than 5 hectares accounted for 51.42% of the agricultural machinery market in 2025, underlining the importance of compact mechanisation solutions in driving future industry growth.

Demand for agricultural machinery in India continues to be supported by increasing labour shortages, rising farm mechanisation and the need to improve agricultural productivity. Government initiatives promoting mechanisation, improving access to farm equipment and expanding institutional credit are encouraging adoption across the agricultural value chain. Growing awareness of efficient farming practices and the increasing requirement for farm productivity are also contributing to the demand for agricultural machinery.

Outlook

Looking ahead, increasing focus on improving farm productivity, reducing dependence on manual labour and promoting precision farming is expected to support demand across the agricultural machinery industry. Continued investments in rural infrastructure, digital agriculture initiatives and mechanisation programmes are likely to accelerate adoption of specialised farm equipment, creating long-term opportunities across both tractor and small farm machinery segments.

Small Farm Mechanisation: A Structural Growth Opportunity

India's agricultural landscape is characterised by a predominance of small and marginal landholdings, with nearly 86% of operational holdings measuring less than two hectares and the average operational holding size estimated at 1.08 hectares. The fragmented nature of farmland limits the economic viability of large farm equipment and is creating sustained demand for compact, affordable and application-specific mechanisation solutions. This structural shift presents significant opportunities for product innovation, enabling manufacturers to develop equipment that improves farm productivity while addressing the operational requirements of smallholder farmers.

(Source: Parliamentary Standing Committee on Agriculture, Animal Husbandry and Food Processing)

Small farm mechanisation is emerging as an important growth segment within the agricultural machinery industry. Equipment such as power tillers and power weeders is witnessing increasing adoption owing to their suitability for small and fragmented landholdings, lower operating costs and versatility across multiple farming applications. Government initiatives under the Sub-Mission on Agricultural Mechanisation (SMAM) and targeted measures for small and marginal farmers are further improving the affordability and adoption of small farm mechanisation solutions. As one of the key players in this segment, VST Tillers Tractors Ltd. is well positioned to address the growing demand through its portfolio of power tillers and power weeders, while supporting the broader objective of improving mechanisation levels across India's smallholder farming ecosystem.

VST's Role

Leading presence in compact mechanisation: VST is a key player in India's small farm mechanisation segment, offering a comprehensive portfolio of power tillers, power weeders, compact tractors and farm implements suited to small and fragmented landholdings.

Solutions for smallholder farming: The Company's products are designed to improve operational efficiency, reduce dependence on manual labour and address diverse farming applications across varying crop cycles and terrains.

Supporting mechanisation adoption: Through application-oriented products and an expanding distribution and service network, VST is improving access to mechanisation for small and marginal farmers across the country.

Innovation-led product development: VST continues to focus on developing compact, efficient and application-specific mechanisation solutions aligned with the evolving requirements of Indian agriculture.

Outlook

- **Growing opportunity in small farm mechanisation:** The predominance of small and marginal landholdings is expected to sustain demand for compact and affordable mechanisation solutions across India.
- **Power tillers and power weeders to gain traction:** Increasing labour shortages, higher farm mechanisation, Government support and rising awareness of efficient farming practices are expected to support adoption of power tillers and power weeders.
- **Large addressable market:** The power weeder segment continues to offer significant long-term growth potential owing to relatively low mechanisation levels across several farming operations.
- **Well positioned for future growth:** VST's established presence in compact mechanisation, diversified product portfolio and continued focus on innovation position the Company to benefit from the expanding opportunities in this segment.

Global Tractor Industry

The global tractor industry remains a key segment of the agricultural machinery market, with tractors playing an important role across land preparation, sowing, harvesting and transportation. Growth continues to be supported by increasing farm mechanisation, the need to improve agricultural productivity and wider adoption of precision farming technologies.

During 2025, demand remained relatively stable across major markets. Asia-Pacific continued to account for a significant share of global demand, supported by large agricultural economies and rising mechanisation levels. In Europe, demand was largely driven by replacement purchases and adoption of technologically advanced tractors equipped with precision farming, GPS-enabled systems and telematics. African markets continued to present long-term growth opportunities, supported by low mechanisation levels, increasing government initiatives to modernise agriculture and rising investment in farm equipment.

The industry continues to benefit from increasing focus on improving farm efficiency, addressing labour shortages and optimising input utilisation, resulting in wider adoption of mechanised farming solutions across regions. Utility tractors (40hp to 100hp) tractors continue to account for a significant share of global demand owing to their versatility across diverse agricultural applications.

Outlook

The global agricultural tractor market was valued at USD 67.5 Billion in 2025 and is projected to reach USD 105.5 Billion by 2033 , registering a CAGR of 5.8% during 2026-2033.

Growth is expected to be driven by continued investments in agricultural infrastructure, expansion of irrigation networks and increasing focus on farm mechanisation to improve agricultural productivity. Rising labour shortages, growing commercialisation of agriculture and wider adoption of precision farming technologies, including GPS-enabled systems and automation, are expected to sustain demand for technologically advanced tractors across developed and emerging markets.

Indian Tractor Industry

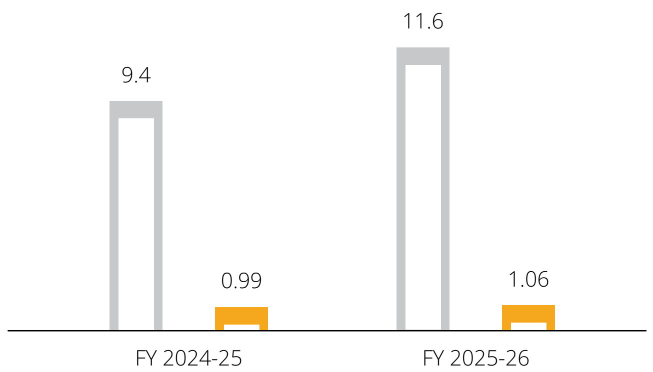
India continues to be the world's largest tractor market in terms of sales volumes, reflecting the increasing level of farm mechanisation and the significant role of agriculture in the country's economy. The industry recorded a strong performance during FY 2025-26, with wholesale tractor sales crossing the one-million-unit mark for the first time, representing a historic milestone for the sector.

Industry growth during the year was supported by favourable monsoon conditions, improved rural liquidity and continued policy support towards the agricultural sector. Measures aimed at improving affordability, including reductions in GST on tractors and certain farm inputs, further supported demand.

Demand remained broad-based across regions and was aided by healthy farm cash flows, easy availability of financing and continued mechanisation of agricultural operations.

Over the medium term, the industry is expected to benefit from rising mechanisation requirements, increasing labour shortages and the continued need to enhance agricultural productivity and operational efficiency. The growing custom hiring ecosystem is improving access to mechanised farming solutions among small and marginal farmers, thereby supporting broader penetration of farm mechanisation across rural India.

Tractor Sales Volume (Lakh)



Segment	YoY Growth (%)
Domestic Sales	23.5
Exports	6.9
Total	**21.9**

Outlook

Following the record performance witnessed in FY 2025-26, the Indian tractor industry is expected to witness a phase of relatively moderated growth in the near term. Nevertheless, the sector's underlying demand drivers remain favourable.

Continued emphasis on farm mechanisation, improving rural income levels, higher Minimum Support Prices (MSPs), better access to institutional financing and sustained Government support towards the agricultural sector are expected to support medium to long-term demand. Expectations of lower interest rates and stable rural sentiment are also likely to provide support to tractor demand across key agricultural regions.

The industry remains closely linked to agricultural conditions, with monsoon performance continuing to play a significant role in influencing tractor demand. Timely and well-distributed rainfall, adequate reservoir levels and healthy Kharif sowing support agricultural output, strengthen farm incomes and improve farmer sentiment, thereby encouraging investment in farm mechanisation. Conversely, adverse weather conditions, including the potential impact of El Niño, may affect crop production, rural liquidity and purchasing decisions. In addition, geopolitical developments, supply chain disruptions, currency volatility and fluctuations in commodity and input prices may create short-term pressures on industry growth and affordability.

Despite these near-term uncertainties, the long-term outlook for the Indian tractor industry remains encouraging. India's mechanisation levels continue to remain below those of several developed agricultural economies, indicating significant headroom for future growth. Increasing adoption of mechanised farming practices, expansion of custom hiring models and growing utilisation of tractors across non-agricultural applications are expected to support sustained industry growth over the medium to long term.

GROWTH DRIVERS AND KEY CHALLENGES

Growth Drivers

- **Accelerated Farm Mechanisation:** The persistent shortage of rural labour is driving a structural shift towards mechanisation. This trend is expected to sustain long-term demand for tractors, harvesters, and diverse agricultural implements as farmers seek to maintain productivity.
- **Targeted Government Support:** Affordability for small and marginal farmers is being enhanced through various fiscal measures. Subsidies, reduced import duties, and dedicated farm modernisation programmes continue to encourage the adoption of modern machinery across the country.
- **Expansion of Rental Ecosystems:** The growth of Custom Hiring Centres and Farm Machinery Banks is democratising access to high-end equipment. These rentals and sharing models allow farmers to benefit from advanced technology without the burden of significant upfront capital expenditure.
- **Technological Advancement and Precision Tools:** The integration of IoT-enabled devices, GPS-guided tractors, and smart farming tools is opening new market segments. This evolution towards precision farming creates a distinct demand for more sophisticated and data-driven equipment.
- **Institutional Credit and Contract Farming:** Improved access to rural microfinance and the rise of contract farming models are providing the necessary financial security for machinery investment. These factors are effectively widening the addressable market for agricultural equipment manufacturers.
- **Significant Market Under-penetration:** Many equipment categories still report relatively low penetration levels compared to global standards. This gap represents a significant opportunity for expansion over the medium to long term as mechanisation reaches deeper into regional markets.
- **Sustainable Farming Practices:** The emergence of electric tillers and fuel-efficient machinery is set to define future market trends. As the industry pivots towards sustainability, these eco-friendly solutions are expected to become central to the next phase of agricultural expansion.

Key Challenges

- **High Capital Requirements:** The substantial upfront cost of modern agricultural machinery remains a barrier for small-scale farmers. This challenge is particularly acute in regions where access to institutional credit is limited or unavailable.
- **Fragmented Landholdings:** The prevalence of small and disjointed land parcels across India can limit the operational efficiency of larger machinery. Such fragmentation often reduces the economic viability of high-capacity equipment in many agricultural zones.
- **Seasonal Utilisation Constraints:** The cyclical nature of farming means that equipment often remains idle for significant periods. This seasonal usage can adversely affect the return on investment and cause price-sensitive buyers to defer purchase decisions.
- **Reliance on Monsoon Patterns:** Agricultural income remains heavily dependent on consistent monsoon cycles. Variability in weather patterns or adverse climatic events can directly impact rural cash flows and dampen the demand for new equipment.
- **Service and Maintenance Gaps:** Inadequate infrastructure for repairs and maintenance in remote rural areas can impact equipment uptime. A lack of reliable service support may discourage farmers from transitioning to more complex mechanical solutions.
- **Regulatory and Skill Pressures:** Ongoing changes in emission regulations necessitate frequent technical updates, which can increase production costs. Furthermore, a shortage of trained mechanics capable of handling advanced systems may create operational hurdles during the transition to newer technologies.

India's agricultural sector is dominated by small and marginal farmers, who account for a significant share of total landholdings. Improving mechanisation levels within this segment remains a key priority for enhancing farm productivity and reducing dependence on manual labour. With its portfolio of compact tractors, power tillers and farm implements, VST Tillers is well positioned to support mechanisation requirements across small and fragmented landholdings, while addressing the evolving needs of farmers through application-oriented agricultural solutions.

COMPANY OVERVIEW

VST empowers small and marginal farmers with practical, affordable farming equipment. As one of India's leading manufacturers of power tillers, VST delivers technology-driven products that improve farm productivity and support the transformation of rural communities. The product range covers equipment from 2 HP to 50 HP. This includes power tillers, power weeders, reapers, tractors, implements, spares, electric pumps, aggregates, diesel engines, and precision components.

The upcoming Global Technology Centre will support its goals of innovation and worldwide competition. The centre will handle advanced research, product engineering, and new technologies. It will speed up development of solutions suited to farmers and modern farming methods.

Small Farm Machines (SFM)

The Small Farm Machines business is guided by its "5A Strategy" – Awareness, Availability, Accessibility, Affordability, and Atmanirbhar. The strategy focusses on educating farmers about mechanisation, expanding product reach, improving access to equipment, reducing ownership costs, and fostering self-reliant innovation. Several new initiatives are aimed at delivering advanced technology and greater convenience to smallholder farmers. In tractors, VST develops a global platform with better features, new engines, and complete innovations.

Domestic tractor

In tractors, VST continues to strengthen its domestic presence through a focussed compact and higher horsepower portfolio suited to diverse agricultural applications. The Company is expanding its product range with enhanced features, new-generation engines and application-focussed solutions, while strengthening its dealer network and customer reach. These initiatives are aimed at improving VST's competitiveness across tractor segments and addressing the evolving mechanisation needs of Indian farmers.

International business

VST continues to expand its global footprint through its compact tractor portfolio under the 'FIELDTRAC' brand. The Company operates across 40+ countries spanning Europe, Asia and Africa, supported by products designed to meet evolving international standards and customer applications. Building on the strong growth of its overseas business, VST is strengthening its export portfolio with new models and advancing product readiness for Europe and

the United States, supporting its long-term global growth ambitions.

VST Zetor Private Limited (The JV Company)

VST Tillers Tractors Ltd has formed a joint venture with Czech tractor manufacturer Zetor Tractors a.s. and its parent company, HTC Investments a.s. The joint venture, VST Zetor Private Limited (VZPL), was established with a share capital of ₹ 19 Crore, with VST holding a 51% stake and HTC Investments holding the remaining 49%.

It has introduced its initial range of 40-50 HP tractors, developed to meet Indian farming requirements.

Over the past two years, the tractors have been deployed across different regions of the country, enabling VZPL to gather customer insights and validate product performance across diverse farming applications. These learnings are supporting product refinement and strengthening the market positioning of the VST Zetor range.

The business is progressing towards its next phase of growth, with sales witnessing gradual stabilisation. VZPL is also strengthening finance partnerships to improve customer access to credit while expanding its dealer and distribution network to support future scale-up. The partnership is expected to strengthen VST's presence in northern India, complementing its established position across the remaining markets.

SCOT ANALYSIS

Strengths

- VST leads India's agri-mechanisation sector with a diverse portfolio spanning 2 HP to 50 HP equipment, including power tillers, weeders, reapers, tractors, implements, spares, electric pumps, aggregates, diesel engines, and precision components
- Commands a dominant market share in the power tiller market, built on over five decades of experience and strong brand trust
- Deeply attuned to Small and Marginal Farmers through tailored mechanised solutions and compact tractors for orchards and horticulture
- Emphasises frugal innovation, delivering high-value products at affordable prices
- Debt-free balance sheet with robust cash flows and liquid reserves supporting expansion
- Global Technology Centre to offer end-to-end new product development, including electric tractors, tillers, weeders and more
- Strengthened R&D execution through CCPM implementation, enhancing cross-functional collaboration and timely product development
- Operational excellence via Theory of Constraints (TOC) drives efficiency gains
- Extensive network of over 1,400 dealers and 8,500 retailers ensures deep market penetration
- Global recognition fuels strategic growth, including planned U.S. market entry

Opportunities

- Labour shortages, fragmented landholdings, and evolving farm practices create strong demand tailwinds
- Government schemes and agricultural modernisation boost mechanisation adoption
- Marginal and small farmers (over 86% of India's total) with <1-2 hectare holdings need compact, low-cost solutions – perfectly matched to VST's portfolio

Threats

- Rapid technological change risks customer disengagement without agile execution
- Escalating global/domestic competition demands continuous innovation and excellence
- Geopolitical tensions, conflicts, and supply chain disruptions add external volatility

Challenges

- Tractor and SFM demand remain monsoon-dependent, creating demand volatility
- The easy availability of retail financing continues to be a significant market challenge
- Rising steel costs and stricter emission norms pressure margins, requiring higher R&D
- International segment exposed to geopolitical risks, conflicts, and currency swings

FINANCIAL PERFORMANCE

(₹ in Crore)

Particulars	FY 2025-26	FY 2024-25	Variance %
Revenue from operations	1,240.36	994	24.7%
PBT	142.85	121.95	17.13%
PAT	106.00	94.46	12.22%
Net worth	1,100.74	1,003.79	9.66%

Key Ratio Analysis

Under SEBI (LODR) Regulations 2015, the Company must report any key financial ratios that changed by 25% or more from the previous year, with full explanations. The table below presents these ratios.

The current ratio improved from 4.77 in FY 2024-25 to 5.63 in FY 2025-26. This change shows improved liquidity. Current assets now cover short-term obligations more comfortably.

(₹ in Crore)

Ratios	FY 2025-26	FY 2024-25	Variance %
Debtors' turnover ratio	6.57	5.51	19.25%
Inventory turnover ratio (in times)	7.58	6.26	21.09%
Interest coverage ratio	75.65	63.24	19.6%
Current ratio	5.63	4.77	17.99%
Operating profit margin (in %)	13.38	11.17	19.79%
Net profit margin (in %)	8.55	9.5	-10.02%
Debt-equity ratio (in %)	-	-	-
Return on net worth (in %)	10.09	9.8	2.96%

STRATEGIC OUTLOOK

The Company continues to pursue a robust growth strategy centred on innovation, global expansion, and operational excellence. Having achieved its highest-ever turnover in FY 2025-26, VST is well positioned to sustain profitable growth through continued innovation, operational excellence, and strategic market expansion.

Evolve Tillers to Small Farm Machines (SFM)

The Company is rapidly evolving its power tiller business into a broader SFM portfolio to address the small and marginal farmers mechanisation needs. Subject to demand scale-up and channel expansion, the Company will evaluate calibrated capacity enhancement, including potential manufacturing footprint expansion in northern and western markets.

The strategy involves scaling the retail presence from 1,000 to 5,000 counters to ensure taluka-level availability. VST will continue to spend on R&D to innovate and bring new solutions for the small and marginal farmer segment.

Leadership in Compact tractor segment

VST continues to strengthen its leadership in the compact tractor segment, supported by a portfolio of efficient, application-focused and differentiated new tractor models. The Company is progressively expanding these models across priority markets, including Gujarat and Maharashtra. Over the next four years, it plans to introduce enhanced compact tractor offerings through the development of global platforms. The long-term focus is to scale volumes, broaden market presence and improve utilisation of the Company's tractor manufacturing capacity while improving overall operating efficiency.

Maximise Higher horsepower capacity utiltisation

The Company is enhancing utilisation of its high-horsepower manufacturing capacity through its partnership with ZETOR. The revamped VST ZETOR series was launched in Q4 FY 2025-26, following an extensive market-seeding programme undertaken during the year to support volume growth in the 40–50 HP segment. The joint venture will continue to strengthen its product portfolio and market presence.

Precision Component Division

The Company is leveraging its Precision Components Division (PCD) to capitalise on global China + 1 opportunities while strengthening its position as a trusted precision engineering partner. Alongside expanding its presence in the automotive sector, VST is diversifying into high-growth segments including railways, defence, industrial equipment, electric vehicles, aerospace, and marine engines. Supported by advanced manufacturing capabilities and engineering excellence, the Company aims to broaden its customer base, enhance export opportunities, and drive sustainable growth across diversified industrial markets.

Global Expansion

We are evaluating an operational base in Europe to strengthen distribution and enable faster, more resilient customer fulfilment. In parallel, we are preparing for a phased US market entry with our compact, application-focussed portfolio, aligned with the evolving regulatory and tariff environment.

Technology Development

Innovation remains a key pillar of the Company's growth strategy, reinforced by the establishment of the Global Technology Centre (GTC) to drive advanced research, product development, and future-ready technologies. Building on this foundation, VST has introduced electric power tillers and power weeders, while accelerating the development of next-generation sustainable mechanisation solutions, strengthening its technology leadership and supporting the transition towards environmentally responsible agriculture.

Rural Distribution

The Company is strengthening its rural distribution through an integrated omnichannel network for its Small Farm Machines (SFM) portfolio, leveraging its Distribution Business to expand market reach through new products including Japanese high-technology blades, electric pumps and customer accessibility. By integrating distributors, retailers, digital platforms, service partners, ensuring genuine spare parts, after-sales service and retail finance, VST aims to enhance customer experience and accelerate mechanisation adoption among small farmers nationwide.

Risk Management

The Company recognises proactive risk management as vital to sound corporate governance. It helps seize strategic opportunities. A comprehensive risk management system is now in place to identify and address risks tied to business operations.

This system guides decision-making. It offers a clear process to evaluate risks and their effects on Company goals. By embedding risk considerations into decisions, the Company makes better choices that weigh both threats and benefits.

This method allows the Company to handle uncertainties while meeting objectives more effectively.

Risk	Impact	Mitigation Measures
Farmers' Purchasing Power Risk	Small and marginal farmers typically lack the funds to purchase mechanised equipment. Their income is limited, and cash flows depend on seasonal harvests. This makes it difficult for them to commit to expensive machinery purchases.	To address this, the Company partners with NBFCs and banks. Together, they offer financing solutions that make equipment purchase more accessible. Government subsidy programs provide additional support. These schemes include customised EMI schemes that help farmers acquire products from our range.
Product Relevance and Differentiation Risk	India's agriculture varies widely due to different crops and regional geography. This demands equipment tailored to local conditions. Without region-specific products, market fit weakens, and farmer adoption stays low.	The Company draws on direct farmer insights during field demos/activities/customer clinics field experience to create targeted crop solutions via innovative product variants. It strengthens its capabilities through tie-ups with agricultural universities, institutes and government agencies. These partnerships speed up product testing, farmer training, and demonstration programmes.
Competitive Intensity Risk	Competition from domestic and international players has increased. This creates pricing pressures, reduces market share, and squeezes profit margins.	The Company embraces a culture of frugality, keeps innovating, and runs lean operations. It focusses on products that offer clear value to stand apart from competitors.
Environmental & Regulatory Risk	Unpredictable weather patterns like droughts or floods affect rural demand for farm equipment. Changing emission standards adds compliance costs. Both factors complicate production planning and product preparation.	The Company meets all regulatory requirements. It invests in low-emission technologies and alternative power systems. These steps prepare for future standards and strengthen environmental performance.
Supply Chain Disruptions	Disruptions in logistics, sourcing, or supplier performance can delay production schedules. They also raise costs and affect service quality for customers. Energy security issues and infrastructure limitations add further pressure on operational efficiency.	The Company pursues several steps to counter these risks. It diversifies the supply base and increases local sourcing. Financial checks on suppliers help select reliable partners. The Company leverages the Theory of Constraints methodology to optimise throughput and strengthen supply chain resilience. Infrastructure improvements support smoother operations. Cost control measures and supplier financing programmes are also in place.
Violation of IT Security Protocols	Greater reliance on digital systems brings risks of cyberattacks, data breaches, and operational interruptions. Any failure in IT systems could lead to financial losses, harm to reputation, or failure to meet regulatory standards.	The Company has put comprehensive cybersecurity measures in place. These include advanced security tools and strong governance processes. Regular IT security audits ensure compliance, while penetration testing identifies vulnerabilities. Employee training programmes build awareness. Together, these steps maintain effective cyber defences.

Risk	Impact	Mitigation Measures
Volatility in Commodity Prices	Global economic shifts, geopolitical tensions, or natural calamities can cause fluctuations in input costs. These changes affect profit margins and overall profitability.	The Company uses commodity risk management and cost reengineering to address this issue. It also Actions include Alternate sourcing, Alternate materials, Import substitution, Zero-Based Costing (ZBC) principles to drive cost discipline and optimise spending. Proactive procurement strategies help reduce the impact of price volatility. These measures also secure savings on material costs.
Geopolitical and Macroeconomic Risk	Geopolitical instability, currency fluctuations, or trade restrictions can disrupt global supply chains. These factors affect import and export operations. The result is greater uncertainty and higher costs.	The Company reduces these risks through domestic sourcing. This limits exposure to global supply chains. Export transactions mainly use Letters of Credit (LC). This lowers credit and forex risks. The Company continuously endeavours to diversify/enter into new markets.

HUMAN RESOURCE

During FY 2025–26, VST Tillers Tractors Ltd continued to strengthen its people practices through focussed initiatives aimed at developing leadership capabilities and building a future-ready workforce. The Company further embedded its enhanced Performance Management System (PMS), reinforcing a high-performance culture through a balanced evaluation framework that integrates the achievement of performance objectives with behavioural competency assessment.

The Company continued its investment in leadership development by conducting the Leadership Development Programme (LDP), featuring modules on "Beyond Talent and Strategy" and "The Three Box Solution: A Strategy for Leading Innovation." These programmes strengthened strategic thinking, innovation, and change leadership capabilities, enabling participants to lead teams effectively in a dynamic business environment.

As part of its commitment to building a sustainable talent pipeline, the Company inducted 38 Graduate Engineer Trainees (GETs) through campus recruitment. VST also continued to invest in employee capability development through structured learning interventions across technical, functional, behavioural, digital, and sales domains. Employees participated in programmes covering engineering applications, product knowledge, business operations, quality systems, digital tools, and sales excellence, helping enhance organisational capability and operational effectiveness.

These initiatives reflect VST's continued focus on nurturing talent, developing future leaders, and equipping its workforce with the skills required to support long-term business growth and organisational excellence.

The Company undertook an organisational diagnosis and restructuring exercise to build a nimble, agile, and execution-focussed organisation aligned with its long-term business strategy. During the year, it also launched an Education Support Programme for employees at the M4 and M5 levels, reinforcing its commitment to continuous learning, capability development, and leadership-readiness.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, VST Tillers Tractors Ltd. continued its commitment to creating sustainable social impact through focussed CSR initiatives during the financial year 2025-26.

During the year, the Company allocated and spent a total of ₹ 2,14,48,058 towards CSR activities across education and skill development, healthcare, social empowerment, rural livelihoods and environmental conservation. Initiatives supported educational opportunities and scholarships for deserving students pursuing technical, medical and professional courses, while promoting industry-oriented skill development and employability. The Company also supported healthcare, rehabilitation and empowerment initiatives for vulnerable sections, including persons with disabilities, aimed at enhancing well-being and independence. Rural initiatives focussed on empowering small and marginal farmers, strengthening livelihoods and encouraging sustainable agricultural practices, while environmental interventions supported wildlife, endangered species and natural habitat conservation.

Through these focus areas, the Company seeks to create meaningful and sustainable impact across communities, strengthen human capital and promote social inclusion, while contributing to resilient rural livelihoods, environmental stewardship and inclusive socio-economic development.

Read more on page 42-43.

INTERNAL CONTROL SYSTEMS

The Company has established thorough internal financial controls, taking into account the nature of its operations and the complexity of its financial reporting systems. At the Board level, a clearly-defined risk management strategy exists, based on pre-identified risk categories, occurrences, or variables that necessitate regular assessment and probability-based actions. Both statutory and internal auditors conduct frequent reviews to test the effectiveness of these controls. Regular physical checks of inventory, fixed assets, and cash on hand are carried out, with the results compared to the accounting records. Any discrepancies identified are promptly investigated by the relevant functional heads. The Audit Committee oversees the effectiveness and adequacy of the Company's internal control environment and monitors the implementation of audit recommendations.

CAUTIONARY STATEMENT

This Annual Report may contain statements that are considered 'forward-looking'. These statements are subject to various risks, uncertainties, and other factors that could cause actual results to differ materially from those implied by such forward-looking statements. The Company's operations could be affected by global and domestic demand and supply conditions impacting selling prices of finished goods, availability and prices of inputs, changes in government regulations and tax laws, economic developments in India and other countries where the Company operates, litigation, industrial relations, and other incidental factors.

Board's Report

Dear Members,

The Board of Directors presents the 58th Annual Report of the Company ("the Company" or "VST"), along with the audited financial statements, for the financial year ended March 31, 2026. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL PERFORMANCE

The Company's financial performance for the year ended March 31, 2026, is summarized below:

Amount (in Lakhs) except EPS

Particulars	Standalone		Consolidated	
	For the F.Y 2025-26	For the F.Y 2024-25	For the F.Y 2025-26	For the F.Y 2024-25
Operating Income	124036	99,455	124036	99,455
Non-Operating Income	435	3,831	435	3,831
Total Income	124471	1,03,286	124471	1,03,286
Finance Cost	191	196	191	196
Depreciation	2550	2,548	2550	2,548
Total Expenses	110186	91,091	110186	91,091
Exceptional Item		-		-
Profit Before Tax	14285	12,195	14157	12,046
Tax	3685	2,749	3685	2,749
Profit After Tax	10600	9,446	10472	9,297
Other Comprehensive Income	(29)	(24)	(29)	(24)
Total Comprehensive Income	10571	9,422	10443	9,273
Earnings Per Share (Basic) (Amount in ₹)	122.63	109.33	121.16	107.60
Earnings Per Share (Diluted) (Amount in ₹)	122.15	109.15	120.68	107.43

FINANCIAL PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS

Overview of Company's Financial Performance on a Standalone basis:

- Revenue from Operations of the Company stood at ₹ 1,24,036 Lakhs as against ₹ 99,455 Lakhs for the previous year, registering a growth of 25% in the revenue.
- Opr. EBITDA of the Company stood at ₹ 16,592 lakhs as against ₹ 11,108 lakhs for the previous year.
- Profit after Tax (PAT) of the Company stood at ₹ 10,600 Lakhs as against ₹9,446 Lakhs.

Overview of Company's Financial Performance on a Consolidated basis:

- Revenue from Operations of the Company stood at ₹ 1,24,036 Lakhs as against ₹ 99,455 Lakhs for the previous year, registering a growth of 25% in the revenue.
- Opr. EBITDA of the Company stood at ₹ 16,592 Lakhs as against ₹ 10,959 Lakhs for the previous year.
- Profit after Tax (PAT) of the Company stood at ₹ 10,472 Lakhs as against ₹ 9,297 Lakhs.

The Company's overall financial performance during the year reflects sustained growth in revenues, coupled with a significant improvement in operating profitability. The increase in Operating EBITDA indicates improved operating leverage and efficiency, while the healthy growth in PAT demonstrates the Company's continued ability to translate business growth into enhanced shareholder value. The Company remains focused on strengthening its core operations, investing in capabilities and infrastructure, and pursuing sustainable growth opportunities to support its long-term objectives.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Your Company deals with a single segment only i.e. "Manufacturing of Agricultural Machineries".

TRANSFER TO RESERVES

During the year under review, the Company does not propose any amount to the General Reserve. For complete details on movement in Reserves and Surplus during the

financial year ended March 31, 2026, please refer to the 'Statement of Changes in Equity' included in the standalone and consolidated financial statements of this Annual Report.

DIVIDEND

Based on the financial performance of the Company during the year, the Board of Directors is pleased to recommend, for the approval of the Members, a dividend of ₹25/- per equity share of face value ₹10/- each (250%) for the financial year ended 31 March 2026. The dividend will be payable to those Members whose names appear in the Register of Members/beneficial owners as on the Record Date, i.e.16th September 2026, subject to the approval of the Members at the ensuing 58th Annual General Meeting (AGM).

The recommended dividend has been proposed after considering the Company's financial performance, cash flows, future capital requirements, long-term growth plans, and the interests of all stakeholders. The recommendation is in line with the Company's Dividend Distribution Policy, which aims to ensure a sustainable and consistent dividend payout while retaining adequate resources to support future growth through internal accruals.

Upon approval by the Members at the 58th AGM, the dividend will be paid/dispatched on or after 23rd September 2026. The total cash outflow on account of the proposed dividend is estimated to be approximately ₹21.63 Crores.

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company's Dividend Distribution Policy is available on its website at: https://www.vsttractors.com/in/investor/disclosure/?tab=v-pills-disclosure9-tab.

QUALITY INITIATIVES

As part of the Company's commitment to Operational Excellence, continuous focus has been placed on strengthening quality systems, enhancing process capabilities, and building future readiness. This approach enables the Company to benchmark its current performance against industry best practices, identify improvement opportunities, and drive sustainable excellence across operations.

During the year, the Company implemented several key quality initiatives that have strengthened product quality, process reliability, customer satisfaction, and overall manufacturing excellence. The key quality achievements during the year are highlighted below:

Total Quality Management:

- Total Number of Kaizens **FY25-26 : 2,677** No's
- Won " Gold Award " for Presenting Case study under Alarm Category at the 19th CII National Level Poka Yoke Competition held on 13-14 October 2025 – Hosur Plant.
- Won "Manufacturing Excellence- MSME" at the 12th Edition of the ET Now Machinist Super Shopfloor Awards – Mysuru Plant.
- Won "Gold" Award in Kaizen Competition in 9th Annual Chapter Convention on Quality Concepts – 2025, Organized by QCFI Mysuru Chapter held on 13 July 2025- Mysuru Plant.
- Participated in 39th Karnataka State Level Quality Circle Competition held on 27 September 2025– Hosur Plant.
- Participated in 9th Energy Efficiency Circle Competition-2025 held on 10-11 July 2025 at India Habitat Centre, New Delhi– Hosur Plant.
- VST Electric Weeder has won the 15th CII Design Excellence Awards 2025 as Top 100 Designs – Made in India in the category of Product Design.
- VST Tillers Tractors has won the 15th CII Design Excellence Awards 2025 as Top 100 Design – Made in India in the category of Product Design.
- Ranger 50, Ranger 80 Front Rotary , Ranger 80 Rear Rotary has won the 15th CII Design Excellence Awards 2025 as SILVER WINNER in the category of Design for Social Impact.
- 1st Surveillance audit for IMS (ISO 9001:2015, ISO 14001:2015,ISO 45001:2018) successfully completed with no Major NC's.
- AS 9100:2016 Internal Auditor Awareness & training provided to 17 employees in the month Feb-2026.
- Mysuru Plant obtained AS 9100:2016 Certification for Aerospace, Defence Parts Manufacturing.
- Quality Month Celebrated in the month of Nov-2025 in the theme of "Quality : Think Differently", Quality Slogan Competition, drawing competition conducted & Recognised the team in all 4 Plants.

QUALITY MANAGEMENT SYSTEM:

All VST Plants successfully got IMS Certification

QMS – ISO 9001:2015
EMS – ISO 14001: 2015
H&S – ISO 45001: 2018

DETAILS OF DIRECTORS AND KMP APPOINTMENT/ REAPPOINTMENT/ RETIREMENT OF INDEPENDENT DIRECTORS

Dr. Nandakumar Jairam (DIN: 00321693) has been reappointed by the shareholders by way of postal ballot, as an Independent Director of the Company to hold office for 2nd term of five consecutive years w.e.f 21st June 2026.

Ms. Siva Kameswari Vissa (DIN: 02336249) retired from the office of Independent Director of the Company with effect from July 28, 2026, upon completion of her second consecutive term as an Independent Director. The Board of Directors placed on record its sincere appreciation and gratitude for her invaluable guidance, leadership, and contributions to the growth and governance of the Company during her tenure.

Mrs. Shuba Kumar (DIN: 02081819) was appointed as an additional Independent Director (woman independent director) of the Company with effect from July 27, 2026, in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to approval of the shareholders at the forthcoming AGM scheduled to be held on September 23, 2026.

DIRECTOR LIABLE TO RETIRE BY ROTATION

Mr. V.V. Pravindra (DIN: 00239888) will be liable to retire by rotation and being eligible, offers himself for re-appointment as per Section 152(6) of the Act at the 58th Annual General Meeting of the Company scheduled to be held on September 23, 2026.

DECLARATION BY INDEPENDENT DIRECTOR

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company. In the opinion of the Board, all the Independent Directors possess integrity, expertise, and experience (including proficiency).

KEY MANAGERIAL PERSONNEL (KMP)

The following persons are Key Managerial Personnel (KMP) of the Company under section 203 of the Companies Act, 2013, during FY 2025-26.

Mr. V.T. Ravindra	: Managing Director
Mr. Antony Cherukara	: Chief Executive Officer
Mr. Nitin Agrawal	: Chief Financial Officer
Mr. Chinmaya Khatua	: Company Secretary

Note: there was no change in KMP of the Company during the Financial Year 2025-26

SHARE CAPITAL

During the year under review there was no change in the authorized capital of the Company. However, the subscribed and paid-up share capital of the Company increased from 86,43,358 number of equity shares @ ₹10/- per equity share amounting to ₹ 8,64,33,580/- to 86,52,754 number of equity shares @ ₹10/- per equity share amounting to ₹ 8,65,27,540/-.

The aforementioned increase was a result of the allotment of additional equity shares pursuant to the exercise of stock options by eligible employees under the "VST Tillers Tractors Limited – Restricted Stock Unit Plan 2024" ("RSU Plan").

CREDIT RATING

The Company enjoys a good reputation for its sound financial management and the ability to meet its financial obligations. The Company has received ICRA (AA-) (Stable)/ICRA (A1+) ratings for its long-term and short-term banking facilities.

SHARE REGISTRAR & TRANSFER AGENT (R&T)

Integrated Registry Management Services Private Limited is the Registrar and Transfer Agent of the Company.

CORPORATE GOVERNANCE

The Company remains committed to maintaining the highest standards of corporate governance and ensuring compliance with the requirements prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Company continues to uphold the principles of transparency, accountability, fairness, and ethical business conduct, with the objective of creating sustainable long-term value for all stakeholders.

Pursuant to Regulation 34 of the SEBI Listing Regulations, the Corporate Governance Report, together with the Certificate issued by the Statutory Auditors confirming compliance with the conditions of Corporate Governance, forms an integral part of this Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013.

(a) That in the preparation of the annual accounts for the financial year ended March 31, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year on March 31, 2026 and of the profit and loss of the company for that period;

(c) That proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) That the annual accounts have been prepared on a going concern basis;

(e) That the internal financial controls to be followed by the company have been laid down and that such internal financial controls are adequate and are operating effectively;

(f) That proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors including the audit of internal financial controls over financial reporting by the Internal Auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2025-26.

AUDITORS & AUDITOR'S REPORT

Pursuant to the provisions of Section 139 of the Act read with rules thereunder, the shareholders of the Company at the 53rd Annual General Meeting ("AGM") held during August 2021 had re-appointed M/s. K.S. Rao & Co, Chartered Accountants (Firm Regd. No. 003109S), as Statutory Auditors of the Company for a second term of five financial years to hold office up to the conclusion of the 58th Annual General Meeting of the Company to be held in 2026.

Pursuant to the provisions of the Sections 139, 142 and other applicable provisions, if any of the Act and Rules issued thereunder, and based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on August 13 2026, have approved and recommended to the shareholders at the ensuing 58th AGM of the Company, the appointment of M/s Brahmayya & Co, Chartered Accountants (Firm's Registration No.: 000515S), as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of the ensuing 58th AGM till the conclusion of 63rd AGM of the Company. The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder, from M/s. Brahmayya & Co. They have confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Listing Regulations.

The Auditor's Report for the financial year ended March 31, 2026, has been issued with an unmodified opinion, by the Statutory Auditors. The report is enclosed with the financial statements in this integrated annual report. The auditor's report has no qualifications, reservation or adverse remarks for the financial year 2025-26.

REPORTING OF FRAUD BY AUDITORS

There was no fraud reported by the auditors under section 143(12) of the Companies Act, 2013 and the rules made thereunder.

COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, as amended, the Company is required to maintain cost records and have such records audited. The Company has maintained the prescribed cost records for the financial year.

Based on the recommendation of the Audit Committee, the Board of Directors appointed M/s. Rao, Murthy & Associates (Firm Registration No. 00065), Practising Cost Accountants, as the Cost Auditors of the Company for the financial year 2025–26.

The Board, on the recommendation of the Audit Committee, has approved the remuneration payable to the Cost Auditors for the financial year 2026–27, which is subject to ratification by the Members at the ensuing 58th Annual General Meeting (AGM). A resolution seeking Members' ratification forms part of the Notice convening the AGM.

INTERNAL AUDITORS

Pursuant to Section 138 of the Companies Act, 2013, and based on the recommendation of the Audit Committee the Board had appointed M/s. Brahmayya & Co, Chartered Accountants (ICAI Firm Registration No: 000515S) as Internal Auditors of the Company to conduct the internal audit of your Company for the financial year 2025-26.

SECRETARIAL AUDITORS

Pursuant to the provisions of Regulation 24A of SEBI (LODR) Regulations read with section 204 of Companies Act, 2013 and Rules made there under, the shareholders at the 57th AGM had appointed M/s Thirupal Gorige & Associates LLP, Practicing Company Secretaries (FCS:6680, CP No:6424), a peer reviewed firm, to undertake the Secretarial Audit of the Company for a term of 5 (five) consecutive financial years commencing from the financial year 2025-26 to the financial year 2029-30. The Secretarial Audit Report is enclosed herewith as Annexure-4 to the Board's Report which forms the part of this Annual Report.

AUDITORS QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER

There were no qualifications, reservations or adverse remarks or disclaimers from Statutory Auditors & Secretarial Auditors mentioned in their respective Reports. The comments, if any given by them in the report are self-explanatory and hence, do not call for any further explanations or comments from the Board.

PARTICULARS OF EMPLOYEES

Disclosures concerning the remuneration of Directors, KMPs and employees as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as well as details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure-1 to this Report. Your directors affirm that the remuneration is as per the remuneration policy of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information under Section 134 of Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014 is enclosed as Annexure-2.

INTERNAL FINANCIAL CONTROLS

Internal Financial Controls are an integral part of the risk management process which in turn is a part of Corporate Governance addressing financial reporting risks. The Company has in place a well-defined organizational structure and adequate internal controls for efficient operations which are cognizant of applicable laws and regulations, and the accurate reporting of financial transactions in the financial statements. The Company reviews and upgrades these systems on a continuous basis, to ensure their effectiveness.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, VST is committed to maintaining a safe, respectful and harassment-free workplace. The Company upholds the principles of gender equality and inclusivity and encourages equal employment opportunities for individuals across all genders. VST strives to foster a diverse and inclusive work environment that is free from discrimination, harassment and any form of inappropriate conduct.

During the financial year ended March 31, 2026, there was no complaint received for sexual harassment. Also, there are no complaints pending at the end of the financial year. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DEPOSITS

Your Company has not accepted any deposits within the meaning of Chapter- V of the Companies Act, 2013 and rules made thereunder. Further, there are no deposits which remain unpaid or unclaimed as at March 31, 2026, nor has there been any default in repayment of deposits or payment of interest thereon during the year.

INDUSTRIAL RELATION

During the year under review, the Company maintained cordial and constructive industrial relations across its manufacturing facilities at Malur, Hosur and Mysuru. The Company continued to foster a harmonious work environment through open communication, mutual respect and collaborative engagement between the management and employees. The Company's commitment to maintaining strong industrial relations contributed to the smooth functioning of operations and sustained productivity across its manufacturing locations. The union settlements at the Hosur and Mysuru plants have been successfully concluded, while discussions with the union at the Malur plant are currently in progress.

As of March 31, 2026, the company employed a total of 825 permanent staff across all manufacturing locations.

SAFETY, HEALTH AND ENVIRONMENT

The Company accords the highest priority to maintaining a safe, healthy and environmentally responsible workplace. Its Safety, Health and Environment (SHE) Management System is designed to ensure compliance with applicable statutory and regulatory requirements, while being aligned with industry best practices and the principles of sustainable development. The Company remains committed to continuously strengthening its safety and environmental practices and fostering a culture of responsibility, awareness and continuous improvement across its operations.

Safety

Safety is embedded in every aspect of our operations through proactive risk management and a strong safety culture. Comprehensive safety procedures, hazard identification and risk assessments, periodic safety inspections, and internal audits are implemented to ensure safe execution of all activities. Regular safety training programs, toolbox talks, emergency mock drills, and awareness campaigns are conducted to strengthen employee competence and reinforce a "Safety First" mindset across all manufacturing locations.

Health

The health and well-being of our workforce is a key priority. We promote preventive healthcare through periodic health checkup, workplace health surveillance, ergonomics assessments, and employee wellness initiatives. Well-equipped Occupational Health Centres trained first-aid responders, emergency response teams, and health awareness programmes ensure timely medical support and enhance overall employee well-being. We have trained over 578 employees in forms of emergency preparedness and response team.

Environment

We continuously strive to reduce our environmental impact through efficient resource utilization, waste minimization, pollution prevention, and compliance with all applicable environmental regulations. Our initiatives include water conservation, emission monitoring, responsible waste management, energy efficiency measures, and continual improvement of environmental performance. We have also registered as a ERP Brand Owner and Importer ensuring plastic waste is recycled.

During the year, the Company further strengthened its commitment towards environmental conservation by undertaking plantation drives across all its manufacturing units, resulting in the planting of more than 350 saplings. To foster a culture of environmental responsibility among employees, the Company also introduced a unique initiative of presenting a sapling to every employee on their birthday, encouraging individual participation in creating a greener and more sustainable future.

INFORMATION TECHNOLOGY

Your company ensures that digital advancements are harnessed effectively to boost sales and reduce costs, all within a controlled, secure, and compliant environment. By adopting the most advanced Theory of Constraints (TOC) methodologies for Supply Chain Management, the organization achieves seamless integration between ERP (SAP S/4HANA), Supplier Relationship Management (SRM), and Dealer Management System (DMS). This integration ensures a precise balance between demand and supply, significantly improving overall operational efficiency.

The company operates a fully functional ERP – SAP S/4HANA, ensuring data integrity, operational stability, and protection of critical business information through advanced security protocols. Supporting this core system are various specialized platforms, including the Digital Approval System, Travel Management System, Dealer Management System, Supplier Relationship Management System, Sales Capability Building System, Dealer Scouting & Onboarding System, Endpoint Detection and Response, Data Loss Prevention and Quality Management System.

The infrastructure is robust and secure, with multi-layer cybersecurity measures and servers hosted across multiple environments: on-premises, at external data centres, and in multiple cloud platforms—ensuring flexibility, reliability, and scalability while safeguarding business operations.

BOARD MEETING

The company has conducted 4 meetings of the Board of Directors during this financial year. For further details, please refer to the section on Corporate Governance in this Annual Report.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS

Mr. V.V. Pravindra, Mr. V.T. Ravindra and Mr. Arun V. Surendra belong to the promoters' family. Apart from the promoter directors, none of the other Directors are related to each other.

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Rule 5 of the (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations.

In terms of the requirements under the SEBI Listing Regulations, the Board has identified list of key skills, expertise and core competencies of the Board, including the Independent Directors, details of which are provided in the Corporate Governance Report forming part of this Annual Report.

In the opinion of the Board, all the Independent Directors of the Company satisfy the criteria of independence as defined under the Act, rules framed thereunder and the SEBI Listing Regulations, and they are independent of the Management of the Company.

COMMITTEES

The Board of Directors of the Company has constituted various Committees in accordance with the provisions of the Companies Act, 2013 ("Act"), the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable. The constitution and terms of reference of these Committees are in compliance with the applicable statutory and regulatory requirements and are designed to facilitate focused oversight, effective decision-making, good corporate governance, transparency and accountability.

The following Committees have been constituted by the Board:

a) Audit Committee
b) Nomination, Compensation and Remuneration Committee
c) Stakeholders' Relationship Committee
d) Corporate Social Responsibility Committee
e) Risk Management Committee

The composition, terms of reference, number of meetings held during the year and attendance of the members of these Committees are provided in the Corporate Governance Report, which forms part of this Annual Report.

AUDIT COMMITTEE

The members of the Audit Committee possess the requisite knowledge and expertise in accounting, financial management and related matters. The Company Secretary acts as the Secretary to the Audit Committee. In accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI

Listing Regulations"), the members of the Audit Committee who are Independent Directors consider and approve Related Party Transactions, as applicable.

The composition, terms of reference, roles and responsibilities of the Audit Committee, along with details of the meetings held during the year and the attendance of its members, are set out in the Corporate Governance Report forming part of this Annual Report.

NOMINATION COMPENSATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Policy of the Company, inter alia, sets out the criteria and qualifications for the appointment of Directors, Key Managerial Personnel ("KMP") and Senior Management Personnel, provides for Board diversity and lays down the principles and framework for determining remuneration payable to Directors, KMP and other eligible personnel, in accordance with the applicable provisions of law. The Nomination and Remuneration Policy is available on the website of the Company at the following link: Nomination and Remuneration Policy.

For further details regarding the constitution, terms of reference, roles and responsibilities, meetings and attendance of the Nomination and Remuneration Committee, please refer to the Corporate Governance Report forming part of this Annual Report.

VIGIL MECHANISM CUM-WHISTLE BLOWER POLICY

The Company has established a Whistle Blower Policy and Vigil Mechanism in accordance with the requirements of Section 177(9) of the Companies Act, 2013 ("Act") and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Vigil Mechanism provides a structured and confidential framework for Directors and employees to report genuine concerns relating to suspected or actual instances of unethical conduct, fraud, financial or accounting irregularities, deficiencies in internal accounting controls, audit-related matters or other misconduct.

The Company has instituted appropriate safeguards to protect whistle-blowers from victimisation or retaliation. Directors and employees are made aware of the mechanism and the circumstances under which they may have direct access to the Chairperson of the Audit Committee. The Whistle Blower Policy is available on the Company's website at the following link: Whistle Blower Policy.

During the financial year 2025-26, the Company has not received any complaint or report under the Whistle Blower Policy and Vigil Mechanism.

LOANS, GUARANTEE & INVESTMENT

The Company has made investment during the FY 2025-26. The investment details form part of the notes to the financial statements provided in this Annual Report. The company has not given any loan or guarantee during FY 2025-26.

RELATED PARTY TRANSACTIONS

During the financial year under review, all transactions entered into with related parties were undertaken on an arm's length basis, in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were no materially significant related party transactions entered into by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons that could have a potential conflict with the interests of the Company.

All related party transactions were placed before the Audit Committee and the Board of Directors for their review and approval, as applicable. Prior omnibus approval of the Audit Committee was obtained for related party transactions that were foreseeable and repetitive in nature. The transactions entered into pursuant to the omnibus approvals were reviewed and monitored by the Audit Committee, and a statement containing the details of such transactions was placed before the Audit Committee and the Board of Directors for their review and noting.

The details of related party transactions, including transactions, if any, with any person or entity belonging to the Promoter/Promoter Group holding more than 10% of the shareholding in the Company, as required under Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are disclosed in the Notes to the Financial Statements forming part of this Annual Report.

Further, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, are provided as Annexure 5 to this Board's Report.

RELATED PARTY TRANSACTIONS POLICY

The Company's Policy on Related Party Transactions, as approved by the Board, is available on the Company's website and can be accessed at the following link: https://www.vsttractors.com/in/wp-content/uploads/2025/06/Policy-on-Related-Party-Transactions-new.pdf

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

There are no material changes affecting the financial position of the Company subsequent to the closure of FY26 till the date of this report.

RISK MANAGEMENT

The Company has established a robust and comprehensive Risk Management Framework to identify, assess, monitor and mitigate risks across its operations. The Board of Directors has constituted a Risk Management Committee to oversee the implementation and effectiveness of the Company's risk management framework and to assist the Board in discharging its responsibilities in relation to risk management.

The Risk Management Committee is responsible for overseeing and approving the Company's enterprise-wide risk management framework and ensuring that material risks faced by the Company are identified, assessed and appropriately managed. The framework encompasses the Company's risk appetite, risk limits, risk dashboards and early warning indicators, thereby enabling timely identification and mitigation of emerging risks.

The Company's risk management framework operates at various levels across the organisation and provides a structured approach to managing strategic, financial, credit, market, liquidity, operational, information technology, legal, security and other relevant risks. Major risks identified by the respective businesses and functions are systematically evaluated and addressed through appropriate mitigation measures on an ongoing basis.

The Audit Committee provides additional oversight in respect of financial risks, internal controls and related matters, thereby strengthening the overall risk governance framework of the Company.

The Company has adopted a Risk Management Policy in accordance with the applicable provisions of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy provides a framework for identification, assessment, mitigation and monitoring of risks and is reviewed periodically to ensure its continued relevance and effectiveness.

The Risk Management Policy is available on the Company's website at www. Risk Management Policy.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the financial year under review, the Company continued to undertake various Corporate Social Responsibility ("CSR") initiatives in line with its CSR Policy and the applicable provisions of the Companies Act, 2013. The Company's CSR initiatives focused on key areas including promotion of education, support for cancer care, addressing mental health concerns such as stress, anxiety and depression, empowerment of persons with disabilities, rehabilitation and support of persons with visual impairment, wildlife conservation and skill development.

In accordance with the provisions of the Companies Act, 2013, the Company has constituted a CSR Committee and adopted a CSR Policy. The CSR Policy provides the framework for the Company's CSR initiatives and is available on the Company's website at CSR Policy.

During FY 2025-26, the Company incurred an amount of ₹2.14 crore towards various CSR activities undertaken during the year.

The prescribed particulars relating to CSR, including the details of the amount spent during the financial year and the amount unspent, if any, together with the requisite explanations, are provided in **Annexure 3** to this Board's Report, in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

EVALUATION OF BOARD PERFORMANCE

Pursuant to the provisions of Section 134(3)(p) and Section 178(2) of the Companies Act, 2013, read with Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of Directors undertook an annual evaluation of the performance of the Board as a whole, its Committees, the Chairperson and individual Directors.

The evaluation process was facilitated by the Nomination, Compensation and Remuneration Committee, which formulated the evaluation criteria in accordance with the applicable provisions of Schedule II, Part D of the SEBI Listing Regulations. The evaluation was carried out through a structured peer evaluation process, with the Director being evaluated not participating in his/her own evaluation.

As part of the evaluation process, the Board reviewed and assessed the performance and effectiveness of the Board and its Committees, as well as the performance of individual Directors, based on the prescribed evaluation parameters.

The Independent Directors, at their separate meeting, evaluated the performance of the Non-Independent Directors, the Board as a whole and the Chairperson, taking into consideration the views of both Executive and Non-Executive Directors.

The Board concluded that the evaluation process was conducted in accordance with the established procedures of the Company and the applicable regulatory requirements. The evaluation outcomes and key aspects of the process are further detailed in the Corporate Governance Report forming part of this Annual Report

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company.

DETAILS OF SUBSIDIARY, ASSOCIATE, OR JOINT VENTURE COMPANY.

During the financial year under review, the Company continued to have its Joint Venture-cum-Subsidiary, VST Zetor Private Limited, its Wholly Owned Subsidiary, VST Americas Inc., and its step-down subsidiary, VST Fieldtrac LLC, incorporated in the United States of America. There has been no material change in the nature of business of the subsidiaries during the year under review. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the subsidiaries in Form AOC-1 is attached to the financial statements of the Company and forms part of this Annual Report as Annexure 7. During the financial year 2025-26, the subsidiary recorded a turnover of ₹1,753.04 lakh, and the Company expects its performance to improve during the current financial year. The complete financial statements of the subsidiaries are available for inspection at the Registered Office of the Company and on the Company's website at https://www.vsttractors.com/in/investor/financials/?tab=vst-tab-btn-5.

VARIATION IN MARKET CAPITALISATION

Date	Paid-up Capital (in ₹)	Closing Market Price per shares	EPS	PE Ratio	Market Capitalization (in Crores)
31.03.2025	8,64,33,580	3879.00	109.33	35.47	3836.61
31.03.2026	8,65,27,540	4804.00	122.63	39.17	4155.46
Increase/Decrease	93960	925	13.31	3.7	318.85
% Increase/Decrease	0.10	23.8	12.17	10.43	8.3
No issue of shares during the year (Due to allotment of ESOP)	9396	-	-	-	-

Data Source: BSE Ltd.

SIGNIFICANT AND MATERIAL ORDERS

There is no significant material orders passed by any Regulators/Courts which would impact on the going-concern status of the Company and its future operations.

EMPLOYEE STOCK OPTIONS / RESTRICTED STOCK UNITS (RSUS)

The Company provides share-based benefits to eligible employees with the objective of attracting and retaining talent, fostering long-term commitment and association with the Company, and aligning the interests of employees with the sustained growth, performance and long-term objectives of the Company.

The Company's ESOP – Restricted Stock Unit Plan 2024 ("RSU Plan") sets out the terms and conditions governing the grant, vesting and exercise of Restricted Stock Units to eligible employees. The complete RSU Plan is available on the Company's website at ESOP – Restricted Stock Unit Plan 2024.

During the financial year under review, the 9,396 RSUs were vested in the eligible employees on February 26, 2026.

The vested RSUs were subsequently exercised by the respective grantees on March 29, 2026, upon submission of the requisite exercise applications to the Company along with the applicable exercise consideration. The shares corresponding to the vested and exercised RSUs were allotted to the respective grantees in accordance with the terms of the RSU Plan.

ANNUAL RETURN

The draft Annual Return for FY 2025-26 is available on the Company's website i.e. https://www.vsttractors.com/in/investor/disclosure/?tab=v-pills-disclosure14-tab

LISTING ON STOCK EXCHANGE

The Company's shares are listed at BSE & NSE.

SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the ICSI on Meetings of the Board of Directors, General Meetings, and voluntarily the Secretarial Standards on Dividend and Report of the Board of Directors issued by the Institute of Company Secretaries of India (ICSI).

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

A Business Responsibility and Sustainability Report ("BRSR") describing the initiatives taken by the Company from an environment, social and governance perspective, as required in terms of the provisions of Regulation 34 (2) (f) of SEBI Regulations, 2015, separately forms a part of the Annual Report of the Company.

PREVENTION OF INSIDER TRADING

The Company has adopted a comprehensive Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, in accordance with the applicable provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

The Codes provide a framework for regulating trading in securities by Designated Persons, monitoring compliance and ensuring timely and fair disclosure of Unpublished Price Sensitive Information, thereby strengthening the Company's practices relating to prevention of insider trading.

The Company Secretary has been designated as the Compliance Officer and is responsible for monitoring compliance with the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Codes adopted by the Company.

The Codes are available on the Company's website at Code of Conduct and Insider Trading Policies.

DISCLOSURE OF CERTAIN TYPE OF AGREEMENTS BINDING THE LISTED ENTITY

Pursuant to the Regulation 30A(2) of SEBI Listing Regulations there are no agreements entered into by the Company which, either directly or indirectly impact on the management or control of the Company or imposing any restrictions or creating any liability upon the Company.

INVESTOR EDUCATION AND PROTECTION FUND

During FY 2025-26, the Company transferred ₹28,72,774/- towards unpaid and unclaimed dividend to the Investor Education and Protection Fund ("IEPF"), in accordance with the applicable provisions of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time.

Further, during the financial year, 1361 Nos equity shares in respect of which dividend remained unpaid or unclaimed for the prescribed period were transferred to the IEPF Authority, in accordance with the applicable provisions of the Act and the IEPF Rules. Any benefits arising in respect of such shares, including dividend, are required to be transferred to the IEPF. Accordingly, the dividend relating to the shares so transferred was also transferred to the IEPF.

The details of the unpaid and unclaimed dividend and shares transferred to the IEPF during the financial year are available on the Company's website at IEPF Disclosures.

Mr. Chinmaya Khatua, Company Secretary has been appointed as the Nodal Officer of the Company for the purposes of the IEPF Rules and for facilitating compliance with the applicable provisions relating to the IEPF.

The details of unclaimed dividends & shares summary as on 31/03/2026 are given below:

Sl. Nos.	Years	Total No. of Shareholders	Unclaimed Dividend Amount (In ₹)	No. of Corresponding Shares	Due Date of Transfer To IEPF
1	2018-19 Final	229	559365.00	37291	10-10-2026
2	2019-20 INTERIM	261	572475.00	38165	21-05-2027
3	2020-21 FINAL	219	581480.00	33797	28-10-2028
4	2021-22 FINAL	194	513817.00	30082	21-10-2029
5	2022-23 FINAL	212	577766.00	27268	10-11-2030
6	2023-24 FINAL	377	1061773.00	61358	21-10-2031
7	2024-25 FINAL	336	973344.00	53219	17-10-2032
	Total	**1828**	**4840020.00**	**281180**	

DETAILS OF NODAL OFFICER:

Name: Mr. Chinmaya Khatua [Company Secretary & Compliance Officer]
Email: investors@vsttractors.com
Phone: 080-67141111

CAUTIONARY STATEMENT

Statements contained in the Board's Report and the Management Discussion & Analysis Report that describe the Company's objectives, expectations, projections, estimates or forecasts may constitute forward-looking statements within the meaning of applicable laws and regulations.

These statements are based on certain assumptions, expectations and estimates as on the date of this Report and are subject to various risks, uncertainties and other factors. Accordingly, actual results, performance or achievements may differ materially from those expressed or implied in such forward-looking statements. The Company assumes no obligation to publicly update or revise any forward-looking statements, except as may be required under applicable laws and regulations

OTHER DISCLOSURE

MATERNITY BENEFITS

The Company is committed to fostering an inclusive and supportive workplace and to providing appropriate support to women employees throughout their maternity journey. The Company provides maternity benefits, including maternity leave, in accordance with the applicable provisions of the Maternity Benefit Act, 1961, as amended from time to time.

As part of its employee well-being initiatives, the Company also provides a range of support measures, including health awareness programmes and medical insurance coverage. These initiatives are aimed at supporting the health and well-being of women employees and enabling them to effectively balance their personal and professional responsibilities while maintaining a supportive and conducive work environment

HEALTH AND LIFE INSURANCE

The Company is committed to safeguarding the health, well-being and financial security of its employees and their families. As part of its employee welfare initiatives, the Company provides eligible employees with health, personal accident and term life insurance coverage, in accordance with the applicable policies and terms.

These benefits are intended to facilitate access to quality healthcare and provide financial protection and security to employees and their families in the event of medical emergencies, accidents or other unforeseen circumstances

AFFIRMATIONS

a. The details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking loans from the Banks or Financial Institutions along with the reasons thereof: Nil

b. There were no proceedings either filed by or against the Company pending under the Insolvency and Bankruptcy Code, 2016 before the NCLT or any other Court.

ACKNOWLEDGEMENTS

The Directors place on record their sincere appreciation and gratitude to the Company's valued customers, vendors, dealers, investors, business associates and bankers for their continued trust, confidence, support and cooperation during the year under review.

The Board also acknowledges and appreciates the valuable contribution made by the employees across all levels of the organisation. Their commitment, dedication, resilience and teamwork have been instrumental in enabling the Company to navigate challenges, strengthen its operations and sustain its growth and performance during the year.

The Directors further express their sincere appreciation for the continued support, cooperation and guidance extended by various Government authorities and agencies and look forward to receiving their continued support in the years ahead.

The Board also places on record its deep gratitude to the Company's valued shareholders for their continued confidence, trust and unwavering support.

For **V.S.T. TILLERS TRACTORS LTD.**

Arun V. Surendra
Chairman
DIN: 01617103

Date: August 13, 2026
Place: Bengaluru

Annexure-1

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during the FY 2025-26 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2025-26 are as under:

Sl. No	Name of Director/ KMP	Designation	% Increase / Decrease in Remuneration FY 2025-26	Ratio of remuneration of each Director to the median remuneration of employees	No. of RSUs Granted during the financial Year
1	Mr. V.T. Ravindra	Managing Director	13.23	21.13	-
2	Mr. Antony Cherukara	Chief Executive Officer	12.94	46.48	-
3	Mr. Nitin Agrawal	Chief Financial Officer	11.62	16.90	-
4	Mr. Chinmaya Khatua	Company Secretary	10.64	6.25	
5	Mr. Arun V. Surendra	Chairman, Non-Executive Director	No change	0.95	-
6	Mrs. Siva Kameswari Vissa (Retired with effect from 28th July 2026)	Independent Director	No change	0.78	-
7	Dr. Nandakumar Jairam	Independent Director	12.5	0.78	-
8	Mr. Rajen Padukone	Independent Director	14.28	1.39	-
9	Mr. Ajith Kumar Rai	Independent Director	33	1.04	-
10	Mr. V. V. Pravindra	Non-Executive Director	(12.5)	0.60	-

The Company's Profit After Tax ("PAT") increased from ₹ 9,445.79 lakhs to ₹10,599.62 lakhs during the financial year under review. The changes in the remuneration of Key Managerial Personnel ("KMPs") were made in accordance with prevailing market conditions, industry benchmarks and the Company's remuneration policy. The remuneration of the Managing Director was approved by the shareholders of the Company.

During FY 2025-26, the Company provided an average salary increase of approximately 9.1% to its employees, taking into consideration prevailing industry standards, business performance and the interests of employees. The unionised employees of the Company are eligible for salary revisions in accordance with the terms and conditions of the respective wage settlements.

As on March 31, 2026, the Company had 825 permanent employees on its rolls. The increase in the median remuneration of employees during FY 2025-26 as compared to FY25, was approximately 1.18%.

The Managing Director is eligible for commission based on the net profits of the Company, as approved by the Members, in accordance with the applicable provisions of the Companies Act, 2013.

During FY 2025-26, all eligible employees, including KMPs, received variable pay as part of their Cost to Company ("CTC"). Accordingly, the inclusion of variable pay has had an impact on the year-on-year comparison of remuneration percentages between FY 2025-26 and FY 2024-25.

Name	Designation	Commission
Mr. V T Ravindra	Managing Director	One percent on the net profit of the Company subject to a maximum of one and half times of annual basic salary drawn and subject to the overall ceiling stipulated under the Companies Act 2013 and the rules made thereunder.

Note:

1 All the appointments are permanent in nature & as per the service contract of the Company and can be terminated by giving notice by either party.

2. Mr. V.T. Ravindra, Mr. V. V. Pravindra and Mr. Arun V. Surendra belong to the promoter and promoter group.

The information required under Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in the Annexures forming part of the Annual Report. The information in respect of employees of the Company required pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available before the Annual General Meeting in electronic mode to any shareholder upon a request sent to vstagm@vsttractors.com.

The Company fixes the salary of the employees based on the Remuneration Policy of the Company. All the eligible employees, including KMPs, have received variable pay (part of the CTC) during FY26.

Annexure-2

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Conservation of Energy:-

Energy efficiency continues to be a key focus area in VST Tillers Tractors Limited's sustainability journey. The Company remains committed to optimizing energy consumption, improving operational efficiency, and reducing greenhouse gas emissions through the adoption of energy-efficient technologies, process improvements, and responsible resource management.

During FY 2025-26, the Company continued to implement various energy conservation initiatives across its manufacturing facilities to enhance operational performance while supporting its environmental and ESG commitments.

The key initiatives undertaken during the year include:

- **Energy Performance Improvement:** Continuous monitoring and optimization of energy consumption across manufacturing operations through energy performance reviews and identification of improvement opportunities.
- **Power Factor Optimization:** Maintenance of optimum power factor through installation and regular monitoring of capacitor banks, thereby improving electrical system efficiency and reducing transmission losses.
- **Energy-Efficient Lighting:** Continued replacement of conventional lighting with LED lighting across manufacturing areas, warehouses, office buildings, and common utility spaces, resulting in lower electricity consumption.
- **Preventive Maintenance:** Systematic preventive maintenance of production equipment, compressors, HVAC systems, electrical panels, and utilities to improve equipment efficiency and minimize energy losses.
- **Compressed Air System Optimization:** Periodic monitoring of compressed air leakages, pressure optimization, and maintenance of air compressors to improve overall energy efficiency.
- **Water Conservation:** Continued implementation of water conservation measures through the installation of water-saving aerators across washrooms and regular monitoring of water consumption, contributing to reduced freshwater usage and improved resource efficiency.
- **Employee Engagement:** Awareness programmes and energy conservation campaigns were conducted to encourage employees to adopt energy-efficient practices and promote responsible utilization of resources across all facilities.

2. Technology Absorption & Benefit Derived:

- Additional 20 Licenses of CREO Added & Installed at design office at R&D Hosur.
- PLM -AWS (Active Workspace – Cloud based) implementation started, ECN Module implemented across all the plants.

- Productivity enhancement & faster design deliveries

Product Range expansion:

- Design & development activities initiated for New Tractor Platforms for the US Market, Eu & India Markets.
- Design and development of indigenous weeders
- To increase the footprints of VST across the Globe and also help to increase the Top line & Bottom line of the organization
- To Meet the EUROPE Engine emission compliance – Stage V for above 19 KW, VST 932 Stage-V, 939 Stage V tractors, with additional features like Cabin & loader, Front TPL, Ladder Hitch, Mid ROPS and Mid mounted mower. Cold start features especially for Nordic countries.
- HST range on VST 929 EGT development initiated.

Technology Upgradation:

For domestic market, development initiated FENTM range for domestic market (18 to 30 HP) with n & ew look.

- Design & development to meet TREM V emission standards for India market. (upto 19KW).
- Design & development initiated for 2.3L Delta Engine targeting at 30-40 HP.
- Design & development initiated for 3.2 L Delta Engine for 40 to 50 HP Range.
- Design initiated for Electric weeder and Tillers
- Innovative project SCORE initiated

Expenditure on R&D:
The Companies expenditure on R&D during the year was ₹13.67 crores
Foreign exchange earnings: ₹102.53 crores. Foreign exchange outgo: ₹28.53 Crores

Annexure-3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

1. Brief outline on CSR Policy of the Company:

The Company has been doing CSR activities directly or through other entities to make CSR a key business process for sustainable development of society for many years. The main objective of CSR policy is to lay down guidelines for the company and actively contribute to the social and economic development of the communities in which we operate.

(i) Applicability of Section 135 of the Companies Act, 2013 - Yes

(ii) Turnover for the FY26 ₹ 1240,35,65,235/-

(iii) Net worth for the FY26 ₹ 1100,74,36,364/-

(iv) Net Profit for the FY26 ₹ 105,99,62,413/-

2. Composition of CSR Committee:

Sl No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the FY 2025-26	Number of Meetings of the CSR Committee attended during the FY 2025-26
1.	Mr. Arun V. Surendra	Chairman, Non-executive Director	1	1
2.	Mr. Rajen Padukone	Member, Independent Director	1	1
3.	Dr. Nandakumar Jairam	Member, Independent Director	1	1
4.	Mr. V.V. Pravindra	Member, Non-executive Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The web-link for CSR Policy is https://www.vsttractors.com/in/investor/disclosure/?tab=v-pills-disclosure9-tab and web-link for Composition of CSR committee, CSR Policy and CSR projects approved by the board disclosed on the website of the company is: https://www.vsttractors.com/in/investor/disclosure/?tab=v-pills-disclosure9-tab

4. Provide the executive summary along with weblink(s) of impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8, if applicable: Not Applicable

5. a. Average net profit of the company as per sub-section (5) of section 135: ₹ 106,91,65,561/-

b. Two percent of the average net profit of the company as per sub- section (5) of Section 135: ₹ 2,14,48,058/-

c. Surplus arising out of the CSR projects or programmes or activities of the previous financial year: NIL

d. Amount required to be set off for the financial year, if any: NIL

e. Total CSR Obligation for the financial year [(b) + (c) – (d)]: ₹ 2,14,48,058/-

6. a. Amount spent on CSR projects (both ongoing project and other than ongoing project): ₹ 2,14,48,058/- (Other than ongoing) and no amount was earmarked for long term ongoing project.

b. Amount spent on administrative overheads: NIL

c. Amount spent on Impact Assessment, if applicable: NA

d. Total Amount spent for the financial year [(a) + (b) + (c)]: ₹ 2,14,48,058/-

e. CSR Amount spent or unspent for the financial year: Nil

Amount Unspent (in ₹)

Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
2,14,48,058/-	-	-	NA	Nil	NA

f. Excess amount for set-off, if any: Not Applicable

S. No.	Particular	Amount (in ₹)
(1)	**(2)**	**(3)**
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	-

7. Details of unspent Corporate Social Responsibility amount for the preceding three financial Years:

Sl.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund specified under Schedule VII as per Second proviso to Sub section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (In ₹)	Deficiency If any
					Amount (In ₹)	Date of transfer		
1.	FY-1	-	-	-	-	-	-	-
2.	FY-2	97,62,446	-	-	-	-	-	-
3.	FY-3	-	97,62,446	-	-	-	97,62,446	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No (√)

If yes, enter the Number of capital Assets created / Acquired - NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sl. No.	Short particulars of the property or asset(s) [including complete address. And location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR Spent (in ₹)	Details of entity/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135. Not applicable. There was no shortfall in spending the prescribed CSR amount during the financial year, and accordingly, no amount was required to be transferred to a separate bank account for ongoing projects under Section 135(6).

Place: Bengaluru
Date: August 13, 2026

V.T. Ravindra
Managing Director
DIN: 00396156

Arun V. Surendra
Chairman
DIN: 01617103

Annexure-4

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2026

FORM NO. MR 3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
VST Tillers Tractors Limited
Regd. Office: Plot No-1, Dyavasandra Indl. Area,
Whitefield Road, Mahadevapura P.O,
Bangalore - 560 048.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VST TILLERS TRACTORS LIMITED (CIN: L34101KA1967PLC001706) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2026, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018; (Not applicable during the audit period);

(d) The Securities and Exchange Board of India (share-based employee benefits and sweat equity) Regulations, 2021;

(e) The SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable during the audit period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable during the audit period)

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 (Not applicable during the audit period).

(i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(j) The Securities and Exchange Board of India (Listing obligations and disclosure Requirements) Regulation 2015 (LODR Regulations).

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the above-mentioned laws, guidelines/rules, regulations applicable to the Company: As informed by the management, there are no industry specific laws applicable to the company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance /shorter notice as may be applicable, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there are following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards taken place: – NIL

For **Thirupal Gorige & Associates LLP**
Practicing Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680H000372485

Place: Bengaluru
Date: 15-05-2026

Note: This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure 'A'

To
The Members
VST TILLERS TRACTORS LIMITED
Regd. Office: Plot No-1, Dyavasandra Indl Area,
Whitefield Road, Mahadevapura P.O, Bangalore - 560 048.

Our report of even date is to be read along with this letter.

(1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

(4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management as conducted the affairs of the company.

For **Thirupal Gorige & Associates LLP**
Practicing Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680H000372485

Place: Bengaluru
Date: 15-05-2026

Annexure-5

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014).

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis: V.S.T. Tillers Tractors Ltd (the Company) has not entered any contract/arrangement/transaction with its related parties which is not at arm's length during FY 2025-26.**

   (a) Name(s) of the related party and nature of relationship: Not Applicable

   (b) Nature of contracts/arrangements/transactions: Not Applicable

   (c) Duration of the contracts / arrangements/ transactions: Not Applicable

   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

   (e) Justification for entering such contracts or arrangements or transactions: Not Applicable

   (f) Date(s) of approval by the Board: Not Applicable

   (g) Amount paid as advances, if any: Not Applicable

   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. **Details of material contracts or arrangement or transactions at arm's length basis - the company has not entered into any material related party transactions:**

   a. Name(s) of the related party and nature of relationship: Not Applicable

   b. Nature of contracts / arrangements / transactions: Not Applicable

   c. Duration of the contracts / arrangements / transactions: Not Applicable

   d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

   e. Date(s) of approval by the Board, if any: Not Applicable

   f. Amount paid as advances, if any: None

Other related party transactions form part of notes to the Financial Statements.

On behalf of **Board of Directors**

Arun V. Surendra
Chairman
DIN: 01617103

Date: August 13, 2026
Place: Bengaluru

Annexure-6

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI
(Listing Obligation and Disclosure Requirement) Regulations, 2015)

To
The Members
VST TILLERS TRACTORS LIMITED
Regd. Off.: Plot No-1, Dyavasandra Indl.Layout
Whitefield Road, Mahadevapura Post,
Bengaluru-560048, Karnataka.

In pursuance of Regulation 34(3) read with sub-clause 10(i) of para-C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have examined the relevant registers, records, forms, returns and disclosures received from the Directors of VST TILLERS TRACTORS LIMITED (hereinafter referred to as 'the Company') having CIN: L3401KA1967PLC001706 and having registered office at Regd. Off. at Plot No-1., Dyavasandra Indl. Layout, Whitefield Road, Mahadevapura Post, Bengaluru- 560048, Karnataka as produced before us by the Company for the purpose of issuing this Certificate.

On the basis of the written disclosures/declarations received from the Directors of the Company and according to the verifications (including view Director Master Data & DIN status at the portal www.mca.gov.in) as considered necessary and to the best of our information, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 has been debarred or disqualified from being appointed or continuing as directors of the company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. no	Name of director	DIN	Designation	Date of appointment in the company	Date of resignation (if any)
1	Nandakumar Jairam	00321693	Independent Director	21/06/2021	-
2	Vellore Velu Pravindra	00239888	Non-Executive Director	28/07/2008	-
3	Siva Kameswari Vissa	02336249	Independent Director	29/07/2016	-
4	Arun Vellore Surendra	01617103	Non- Executive Director & Chairman	11/05/2018	-
5	Vellore Tiruvengadaswamy Ravindra	00396156	Managing Director	27/05/2016	-
6	Kula Ajith Kumar Rai	01160327	Independent Director	07/11/2023	-
7	Rajen Krishnanand Padukone	00262729	Independent Director	04/05/2023	-

Note: Mr. Arun Vellore Surendra is the Chairman of the Company with effect from 01-02-2024

For **Thirupal Gorige & Associates LLP**
Practicing Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680H000372463

Place: Bengaluru
Date: 15-05-2026

Annexure-7

FORM NO. AOC-1

[Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures]
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(Amounts in Lakhs INR)

1	Name of the Subsidiary	VST Zetor Private Limited
2	Reporting	March 31, 2026
1	The date since when subsidiary was acquired	Not Applicable
2	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiary	Not Applicable
3	Share Capital	1900
4	Reserves & Surplus	(630.36)
5	Total Assets	1861.55
6	Total Liabilities	591.91
7	Investments	Nil
8	Turnover	1753.04
9	Profit/(Loss) before taxation	(244.04)
10	Provision for taxation	6.23
11	Profit/(Loss) after taxation	(250.27)
12	Proposed Dividend	Nil
13	% of Shareholding	51%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: 1. VST America INC & 2. VST Fieldtrac LLC
2. Names of subsidiaries which have been liquidated or sold during the year: Not applicable

Statement pursuant to Section 129 (3) of the Companies Act, 2O13, related to Associate Companies and Joint Ventures: Not applicable

For and on behalf of the Board of Directors of
V.S.T. Tillers Tractors Limited

V.T. Ravindra
DIN: 00396156
Managing Director

Rajen Padukone
DIN:00262729
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
Company Secretary
M No. ACS-21759

Place: Bengaluru
Date: August 13, 2026

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To

The Board of Directors

V.S.T. TILLERS TRACTORS LTD

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of V.S.T. Tillers Tractors Limited ("the Company"), certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2026, and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of our knowledge and belief, there are no transactions entered into by the listed entity during the year which are fraudulent, illegal or violate the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee wherever applicable:

(1) Significant changes in internal control over financial reporting during the year.

(2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal controls system over financial reporting.

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Place: Bengaluru
Date: August 13, 2026

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
V.S.T. TILLERS TRACTORS LTD

1. We have examined the compliance of conditions of Corporate Governance by V.S.T. Tillers Tractors Limited ("the Company"), for the year ended on March 31, 2026, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2026.

5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s K. S. Rao & Co**
Firm Reg. No: 003109S
Chartered Accountants

Sudarshan Gupta M S
Membership No.223060
UDIN:26223060WFMUYB8236

Place: Bengaluru
Date: 15th May 2026

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities Exchange Board of India
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members,
VST Tillers Tractors Limited

We, M/s Thirupal Gorige and Associates LLP, a firm of Practicing Company Secretaries, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on 13th May, 2025 the Board of Directors of VST Tillers Tractors Limited (hereinafter referred to as 'the Company'), having CIN L34101KA1967PLC001706 and having its registered office PLOT NO.1, Dyavasandra INDL Layout Whitefield Road, Mahadevapura post, Bangalore, Karnataka, India-560048. This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations'), for the year ended 31st March, 2026.

Management Responsibility:

It is the responsibility of the Management of the Company to implement the Plan(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively. .

Verification:

The Company has implemented Restricted Stock Unit Plan 2024" (hereinafter referred to as "RSU 2024" or "Plan"). viz Employee Stock Option Scheme in accordance with the Regulations and the Resolution(s) passed by the members through postal ballot.

For the purpose of verifying the compliance of the Regulations, we have examined the following:

1. Plan(s) received from/furnished by the Company;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Shareholders resolutions passed through postal ballot.;
4. Minutes of the meetings of the Nomination, Compensation and Remuneration (Compensation Committee);
5. Relevant Accounting Standards as prescribed by the Central Government;
6. Detailed terms and conditions of the scheme as approved by Compensation Committee;
7. Valuation Report;
8. Exercise Price / Pricing formula;
9. Statement filed with recognised Stock Exchange(s) in accordance with Regulation 10 of these Regulations;
10. Disclosure by the Board of Directors;
11. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;
12. Other relevant document/ filing/ records/ information as sought and made available to us and the explanations provided by the Company.

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Company and its Officers, we certify that the Company has implemented the plan, Employee Stock Option Scheme in accordance with the Reference on SEBI (SBEB & SE) Regulations, 2021, applicable provisions of the Regulations and Resolution(s) of the Company passed through the Postal ballot.

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For **Thirupal Gorige & Associates LLP**
Practicing Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680H001096120

Place: Bengaluru
Date: August 13, 2026

Corporate Governance Report

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the report contains the details of Corporate Governance systems and processes at VST Tillers Tractors Limited ("VST" or "the Company")

OUR GOVERNANCE PHILOSOPHY

At VST Tillers Tractors Limited, corporate governance is fundamental to the way we lead, operate, and create sustainable value. Our governance framework is anchored in the principles of integrity, accountability, transparency, and sustainability, providing a strong foundation for responsible decision-making and effective leadership.

We recognise that governance is an evolving discipline. As our business grows and operates in an increasingly dynamic and complex environment, we continuously strengthen our governance practices to remain responsive to emerging risks, regulatory expectations, and stakeholder needs. Our approach extends beyond compliance with applicable laws and regulations, with a focus on promoting high standards of ethical conduct, oversight, and accountability across the organisation.

We remain committed to creating long-term value for our shareholders while upholding our responsibilities towards our customers, employees, regulators, business partners, and the communities in which we operate. Through robust governance practices and a culture of responsible leadership, we seek to reinforce stakeholder confidence and build a resilient and sustainable organisation for the future.

A PRINCIPLES-DRIVEN APPROACH

Our corporate governance rests on four foundational pillars:

- **Transparency:** Clear, timely, and relevant disclosures that keep stakeholders informed.
- **Accountability:** Well-defined responsibilities and oversight at all organizational levels.
- **Fairness:** Equitable treatment of all shareholders and stakeholders.
- **Responsibility:** Commitment to ethical conduct, compliance, and sustainability.

These principles are embedded in our policies, Board charters, code of conduct, and day-to-day management decisions.

REGULATORY COMPLIANCE

We fully comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including Regulations 17 to 27 and the relevant clauses of Schedule V.

BOARD OF DIRECTORS

The Company's Board is characterized by independence, professionalism, transparency in decision making and accountability. The composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 2013, ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time. The Board of the Company comprises optimum combination of Executive and Non-Executive Directors as on 31st March 2026. The Board of Directors of the Company comprised seven members, consisting of Four Independent Directors, (including one Independent Woman Director) two are non-Executive and one executive Director. This composition is in conformity with the requirements prescribed under the Companies Act, 2013 and Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time. During the year, Mrs. Siva Kameswari Vissa has retired from the position of Independent Director of the Company effective from July 28, 2026, after completion of her second term.

The Company recognizes and values the importance of a diverse Board in driving its success. The Board plays a pivotal role in providing strategic direction and leadership, while overseeing management policies and evaluating their effectiveness in alignment with the long-term interests of shareholders and other stakeholders.

Together with its various Committees, the Board of Directors offers guidance to the management and is actively involved in directing, supervising, and monitoring the Company's performance. Information presented to the Board includes quarterly and annual financial results, minutes of meetings of the Audit and other Committees, updates on the recruitment and remuneration of senior management personnel below the Board level, reviews of annual operating plans, compliance reports, and other key operational and governance matters.

All directors have provided requisite disclosures confirming that their directorships and committee memberships/chairmanships are within the permissible limits prescribed under Regulation 17A and Regulation 26 of the Listing Regulations. Independent Directors have submitted declarations that they meet the independence criteria laid down under Section 149(6) of the Companies Act, 2013, Regulation 16(1)(b), and Regulation 25 of the Listing Regulations, and that there has been no change in their status of independence.

The performance evaluation of the Board, its committees, and individual directors was carried out during the year in accordance with the criteria laid down by the Nomination, Compensation and Remuneration Committee and the provisions of Regulation 17(10) of the Listing Regulations.

The skills, expertise, and competencies identified by the Board as required in the context of the Company's business, and the details of directors possessing such attributes, are provided in the relevant section of this Corporate Governance Report.

(a) COMPOSITION OF THE BOARD

The composition and category, shareholdings, the attendance at Board Meetings and last AGM, number of Directorships in other Public Companies is as follows:

Name of Director	Director Identification number (DIN)	Category	Directorship in other listed entity & Category	Number of Board meetings during the period from 01.01, 2025 to 31.03.2026		Whether attended the last AGM held on 10.09.2025	No. of directorship held in Public Limited Companies as on 31.03.2026	No. of committee Membership/ Chairmanship held in Public Companies as on 31.03.2026	No. of Shares held
				Held	Attended				
Mr. Arun V. Surendra	01617103	Chairman, Non-Executive Director	-	4	4	Yes	0	1/0	2,15,630*
Ms. Siva Kameswari Vissa#	02336249	Independent Director	GMR Power and Urban Infra Limited, (Independent Director)	4	4	Yes	6	2/0	Nil
Dr. Nandakumar Jairam	00321693	Independent Director	-	4	4	Yes	3	2/1	50
Mr. Rajen Padukone	00262729	Independent Director	-	4	4	Yes	1	1/0	Nil
Mr. Ajith Kumar Rai	01160327	Independent Director	Suprajit Engineering Limited (Director)	4	4	Yes	2	2/0	Nil
Mr. V. T. Ravindra	00396156	Executive Director	-	4	4	Yes	1	-	29,152*
Mr. V. V. Pravindra	00239888	Non-Executive Director	-	4	3	Yes	1	-	2,24,146*

*Holding individually/jointly.

#Retired from independent directorship on 28th July 2026 after completing the 2nd Term.

Mrs. Shuba Kumar (DIN-02081819) was appointed as an Additional and Independent Director of the Company with effect from 27th July 2026. please refer AGM notice for directorship and other details.

Note:

Committee Membership / Chairman of Audit Committee and Stake Holders Relationship Committee of Public Companies are considered.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director.

Based on the declarations received from the Independent Directors, the Board confirms that they meet the criteria of independence as mentioned under SEBI (LODR) Regulations and that they are independent of the management.

Mr. Arun V. Surendra, Mr. V.T. Ravindra, and Mr. V.V. Pravindra belong to the promoter's family. Apart from the promoter directors, none of the other Directors are related to each other.

During the year under review, the senior management of the Company comprises of Chief Executive Officer, Chief Financial Officer, Company Secretary, and other persons heading various functions of the Company, excluding the Board of Directors.

There was no change in senior management in FY26.

BRIEF LIST OF SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD:

The Board comprises experienced and qualified Directors who collectively possess the requisite knowledge, skills, expertise and competencies necessary to effectively discharge their responsibilities and contribute meaningfully to the deliberations of the Board and its Committees. The Board is committed to maintaining the highest standards of corporate governance, ethical conduct and stakeholder value creation.

Pursuant to Regulation 34(3) read with Schedule V, Part C(2)(h)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has identified the following core skills, expertise and competencies that are considered relevant to the Company's business, industry and operations:

1. **Business Management and Administration**

   Experience and expertise in business management, administration, strategic planning and organisational development, with an understanding of the Company's business environment and operational requirements.

2. **Automobile and Farm Equipment Industry**

   Knowledge and experience in the automobile and farm equipment industry, including product development, marketing, distribution, customer requirements and industry dynamics.

3. **Finance and Taxation**

   Expertise in financial management, accounting, taxation, financial reporting, capital allocation and evaluation of financial and business performance.

4. **Governance**

   Ability to develop and promote sound governance practices, uphold fiduciary responsibilities, protect the interests of all stakeholders and foster a culture of transparency, accountability and ethical conduct.

5. **Integrity and Ethical Standards**

   Demonstrated commitment to integrity, ethical standards, regulatory compliance and adherence to established policies and procedures, with due regard to the interests of shareholders and other stakeholders.

6. **Leadership and Strategic Perspective**

   Extensive leadership experience and the ability to provide strategic direction, supported by a practical understanding of organisational processes, business strategy, risk management and long-term value creation.

The Board is satisfied that its current composition provides an appropriate balance of knowledge, skills, experience, diversity and independence required for the effective functioning of the Board and its Committees. The Board periodically reviews its composition and the skills and competencies available to it to ensure that they remain aligned with the Company's evolving business requirements, strategic objectives and regulatory expectations.

Name of the Directors	Business Management & Administration	Experience in Automobile/ Farm Machinery Marketing	Technical	Finance and Taxation	Governance	Integrity and Ethical Standards	Leadership
Mr. Arun V. Surendra	√	√	√	√	√	√	√
Ms. Siva Kameswari Vissa#	√	-	-	√	√	√	√
Mr. Rajen Padukone	√	-	-	√	√	√	√
Dr. Nandakumar Jairam	√	-	-	√	√	√	√
Mr. Ajith Kumar Rai	√	√	√	√	√	√	√
Mr. V. T. Ravindra	√	√	√	√	√	√	√
Mr. V. V. Pravindra	√	√	√	√	√	√	√
Mrs. Shuba Kumar*	√	√	√	√	√	√	√

Retired from independent directorship on 28th July 2026 after completing the 2nd Term.

*appointed as additional and independent director of the Company with effect from 27th July 2026

DIRECTORS EXPERTISE AND SKILLS:

In the table, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of an indication against any particular skill or area of expertise in respect of a Director should not be construed as implying that such Director does not possess the relevant qualification, knowledge, experience or competency.

DETAILS OF BOARD MEETINGS:

The Board of Directors of your Company met four times on 13-05-2025, 11-08-2025, 06-11-2025 and 07-02-2026 during FY 2025-26. The maximum interval between any two consecutive meetings did not exceed 120 days, in compliance with the provisions of Regulation 17(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 173 of the Companies Act, 2013.

CODE OF CONDUCT:

The Board has laid down a code of conduct ('the Code') for all Board Members and Senior Management Personnel of the Company. in compliance with SEBI (LODR) Regulation, 2015 . All Board members and senior management personnel have affirmed compliance with the Code during the year . The same is available on Company website i.e. www.vsttractors.com.

A declaration to this effect, signed by the Chief Executive Officer, is as follows:

THE CERTIFICATE BY CEO OF THE COMPANY ON COMPLIANCE WITH THE CODE OF CONDUCT IS GIVEN BELOW:

To
The Board of Directors,
V.S.T. TILLERS TRACTORS LTD

It is hereby confirmed that the Directors and Senior Management have duly complied with the code of conduct laid down by the Company during the financial year ended March 31, 2026.

Date: August 13, 2026,
Place: Bengaluru

Antony Cherukara
Chief Executive Officer

DIRECTORS AND OFFICERS INSURANCE

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy.

COMMITTEE MEETINGS:

Details of Audit Committee Composition and Meetings:

As on March 31, 2026, the Audit Committee comprises of the following members. All the members of the Audit Committee are financially literate, and possess accounting and related financial management expertise, in compliance with Regulation 18(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Section 177 of the Companies Act, 2013.

During the year under review the Audit Committee met four times as mentioned below table. The required quorum was present for all the meetings. The gap between any two Consecutive Audit Committee meetings during the year did not exceed 120 days.

The Company Secretary acts as the secretary to the Audit Committee.

COMPOSITION AND ATTENDANCE:

Sl. No.	Name of the Member	Designation	Meeting Dates and attendance			
			13-05-2025	11-08-2025	06-11-2025	07-02-2026
1	Mr. Rajen Padukone	Chairman (Independent Director)	Yes	Yes	Yes	Yes
2	Mr. Ajith Kumar Rai	Member (Independent Director)	Yes	Yes	Yes	Yes
3	Ms. Siva Kameswari Vissa	Member (Independent Director)	Yes	Yes	Yes	Yes
4	Mr. V.V. Pravindra	Member (Non-Executive Director)	No	Yes	Yes	Yes

TERMS OF REFERENCE:

Audit Committee is vested with the powers and the role that are in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Companies Act, 2013 and code of conduct for Insider Trading. The terms of reference of the Audit Committee, inter alia, include:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommend appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered to the Company;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management;
    d. significant adjustments made in the financial statements arising out of audit findings, if any.
    e. compliance with listing and other legal requirements relating to financial statements;
    f. disclosure of any related party transactions;
    g. modified opinion(s) in the draft audit report, if any.
5. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
6. Approval or/and any subsequent modification of transactions of the Company with related parties;
7. Scrutiny of inter-corporate loans and investments;
8. Valuation of undertakings or assets of the Company, wherever it is necessary;
9. Evaluation of internal financial controls and risk management systems;
10. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
11 Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
13. Reviewing, with the management, the quarterly financial results and consolidated financial results, accompanied by the auditor's limited review report, before submission to the stock exchanges.
14. Discussion with internal auditors of any significant findings and follow-up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and reporting the matter to the Board.
16. Reviewing management discussion and analysis of financial condition and results of operations.
17. Reviewing the statement of deviations:
    a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchanges in terms of Regulation 32(1).
    b. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, if any.
18. Carrying out any other function as is referred to the Audit Committee by the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee has been constituted in accordance with Section 135 of the Companies Act, 2013 and the rules made thereunder and is entrusted with the roles, responsibilities and powers prescribed therein. The Committee is responsible for formulating and recommending the CSR Policy to the Board and recommending the CSR activities and projects to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013.

The CSR Policy of the Company is available on the Company's website at CSR Policy.

The key responsibilities of the CSR Committee, inter alia, include recommending to the Board the amount of expenditure to be incurred on CSR activities undertaken in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR Policy, reviewing and monitoring the implementation of CSR projects and activities, and periodically overseeing the progress and effectiveness of the CSR initiatives undertaken by the Company.

COMPOSITION AND ATTENDANCE

Sl. No.	Name of the Member	Designation	Meeting Dates and attendance
			01-08-2025
1	Mr. Arun V. Surendra	Chairman	Yes
2	Mr. Rajen Padukone	Member	Yes
3	Dr. Nandakumar Jairam	Member	Yes
4	Mr. V. V. Pravindra	Member	Yes

NOMINATION COMPENSATION AND REMUNERATION COMMITTEE

The Nomination, Compensation and Remuneration Committee ("NRC") of the Company has been constituted in accordance with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), read with Section 178 of the Companies Act, 2013 ("Act"), and is entrusted with the roles and responsibilities prescribed under the applicable provisions of the Act and the SEBI Listing Regulations.

The key objectives and responsibilities of the Committee, inter alia, include:

1. Formulating and recommending to the Board the criteria for determining the qualifications, positive attributes and independence of a Director;
2. Formulating and recommending to the Board the policy relating to the remuneration of Directors, Key Managerial Personnel and other employees;
3. Reviewing and recommending to the Board the remuneration payable to the Directors of the Company;
4. Formulating criteria for evaluation of the performance of the Board, its Committees and individual Directors, including Independent Directors; and
5. Undertaking such other matters as may be referred to or entrusted to the Committee by the Board from time to time.

The Company has adopted a Nomination and Remuneration Policy in accordance with the provisions of the Act and the SEBI Listing Regulations. The Policy is available on the Company's website at Nomination and Remuneration Policy. The details of remuneration paid to the Directors during the financial year are provided elsewhere in this Annual Report.

The Nomination, Compensation and Remuneration Committee comprises three Non-Executive Directors, of whom two are Independent Directors.

COMPOSITION AND ATTENDANCE

Sl. No.	Name of the Member	Designation	Meeting Dates and attendance	
			13-05-2025	07-02-2026
1	Mr. Rajen Padukone	Chairman	Yes	Yes
2	Mr. Arun V. Surendra	Member	Yes	Yes
3	Dr. Nandakumar Jairam	Member	Yes	Yes

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee ("SRC") of the Company has been constituted in accordance with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Section 178(5) of the Companies Act, 2013 ("Act"). The Committee is primarily responsible for overseeing and facilitating the redressal of shareholders' and investors' grievances and ensuring effective engagement with stakeholders.

The key terms of reference and responsibilities of the Committee, inter alia, include:

1. Considering, reviewing and resolving complaints and grievances raised by shareholders and investors in a timely and effective manner;
2. Reviewing matters relating to the transfer and transmission of securities of the Company;
3. Reviewing measures undertaken to facilitate the effective exercise of voting rights by shareholders;
4. Reviewing the adherence to the service standards adopted by the Company in respect of various services provided by the Registrar to an issue and Share Transfer Agent;
5. Monitoring measures undertaken for reducing the quantum of unclaimed dividends and ensuring timely receipt by shareholders of dividend warrants, annual reports, statutory notices and other communications.
6. Resolving grievances of debenture holder related to creation of charge, payment of interest/principal, maintained of security cover and any other covenants.

COMPOSITION AND ATTENDANCE

Sl. No.	Name of the Member	Designation	Meeting Dates and attendance
			18-03-2026
1	Mr. Rajen Padukone	Chairman	Yes
2	Mr. Arun V. Surendra	Member	Yes
3	Dr. Nandakumar Jairam	Member	Yes

Name of the Compliance Officer - Mr. Chinmaya Khatua, Company Secretary

The details of the shareholders' Complaint/Request mentioned in the corporate governance section of the Annual Report.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("RMC") of the Company has been constituted in accordance with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Company has adopted a comprehensive Risk Management Policy establishing a framework for the identification, assessment, mitigation, monitoring and reporting of risks across various areas, including operational, financial, strategic, compliance and other relevant risks.

The risks associated with the Company's business and operations are periodically reviewed and deliberated upon by the Risk Management Committee, the Audit Committee and the Board of Directors, as appropriate, to ensure timely identification of emerging risks and implementation of suitable mitigation measures.

The Committee is responsible for overseeing and monitoring the implementation of the Risk Management Policy and Risk Management Plan of the Company and reviewing the effectiveness of the risk management framework from time to time, in accordance with applicable provisions of the SEBI Listing Regulations.

The key terms of reference and responsibilities of the Committee, inter alia, include:

1. Overseeing the implementation and monitoring of the Risk Management Policy and Risk Management Plan of the Company;
2. Periodically reviewing and evaluating the Risk Management Policy, framework and practices with respect to risk identification, assessment, mitigation and management processes;
3. Reviewing the Company's exposure to various risks and assessing the adequacy and effectiveness of measures undertaken for their mitigation;
4. Reviewing and monitoring risks relating to cyber security and other information technology-related matters; and
5. Undertaking such other functions and responsibilities as may be prescribed under applicable laws and regulations or as may be assigned by the Board from time to time.

During the year under review, no risk was identified which, in the opinion of the Board, may threaten the existence of the Company. However, certain risks and challenges that may have an impact on the Company's business and operations have been identified and are discussed in detail in the Management Discussion and Analysis, forming part of this Annual Report.

The Risk Management Policy of the Company is available on the Company's website at www.vsttractors.com.

COMPOSITION AND ATTENDANCE

Sl. No.	Name of the Member	Designation	Meeting Dates and attendance		
			01/08/2025	10/12/2025	03/02/2026
1	Mr. Ajith Kumar Rai	Chairman	Yes	Yes	Yes
2	Mr. Arun V. Surendra	Member	Yes	Yes	Yes
3	Mr. Rajen Padukone	Member	Yes	Yes	Yes

INDEPENDENT DIRECTORS' MEETING

During FY 2025-26, in compliance with the provisions of Schedule IV to the Companies' Act 2013, a separate meeting, exclusively of the Independent Directors, was held on February 07, 2026, without the participation of non-independent Directors or members of the management. The meeting provided a forum to review the performance of the Board, Chairperson, and the overall flow of information to the Directors.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013, Regulation 16(1)(b) and 25 of SEBI Listing Regulations and there has been no change in the circumstances affecting their status as Independent Directors of the Company.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Schedule IV to the Companies Act, 2013, the Company conducts familiarisation programmes for its Independent Directors to enable them to understand the Company's business, operations, industry environment, strategy, policies, governance framework and their roles, rights and responsibilities. During the financial year 2025–26, familiarisation and knowledge-sharing sessions were conducted as part of the Board and Committee meetings, through presentations, discussions and interactions with the senior management, covering, inter alia, the Company's strategy, financial and operational performance, industry developments, business environment, key risks and regulatory updates. These sessions enabled the Independent Directors to gain a deeper understanding of the Company's operations, key business areas and strategic priorities and to effectively discharge their duties and responsibilities. The details of the familiarisation programmes, including the number of sessions and hours attended by each Independent Director, are available on the Company's website at Familiarisation Programme.

VIGIL MECHANISM

Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has established a Vigil Mechanism / Whistle Blower Policy to provide a structured and secure mechanism for Directors, employees and other eligible persons to report concerns relating to serious irregularities, unethical conduct, fraud, misconduct or violations of the Company's Code of Conduct and applicable laws and regulations. The mechanism is designed to ensure that concerns raised in good faith are appropriately addressed while providing protection against victimisation or retaliation. The Company confirms that no person has been denied access to the Chairperson of the Audit Committee in respect of matters covered under the Vigil Mechanism / Whistle Blower Policy. The details of the Policy are available on the Company's website at Vigil Mechanism / Whistle Blower Policy.

SUCCESSION PLANNING

The Company believes that sound succession plan for the senior leadership is very important for creating a robust future for the Company. The Nomination, Compensation and Remuneration Committee works for a structured leadership succession plan.

CONTACT DETAILS OF COMPLIANCE OFFICER

Mr. Chinmaya Khatua, Company Secretary and Compliance Officer can be contacted: No.1, DyavasandraIndl. Layout, Whitefield Road, Mahadevapura Post, Bengaluru – 560048, Karnataka Ph. No. 080-67141111 E-mail: chinmaya@vsttractors.com

INSIDER TRADING REGULATIONS

The Company has adopted a Code of Conduct and Disclosure Policy for Prevention of Insider Trading in accordance with the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations"), with the objective of ensuring compliance with the regulatory requirements relating to prevention of insider trading and handling of Unpublished Price Sensitive Information ("UPSI"). During the financial year under review, no violation of the provisions relating to insider trading was reported. In compliance with Regulation 3(5) of the SEBI PIT Regulations, the Company has maintained a Structured Digital Database ("SDD") to record and monitor the sharing of UPSI, including the prescribed details relating to the nature of UPSI and the persons with whom such information is shared. Further, in accordance with the applicable SEBI circulars, including SEBI Circular No. SEBI/HO/ISD/ISD-SEC-4/P/CIR/2022/107 dated August 05, 2022 and SEBI Circular No. SEBI/HO/ISD/ISD-PoD-2/P/CIR/2023/124 dated July 19, 2023, the Company has implemented appropriate controls for closure of the trading window and freezing of the Permanent Account Numbers ("PANs") of Designated Persons and other relevant insiders during the prescribed periods, thereby restricting trading while in possession of UPSI.

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

In accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has formulated and adopted a Policy on Related Party Transactions ("RPT Policy") to govern the identification, approval, review and disclosure of related party transactions. The RPT Policy is reviewed and updated by the Board from time to time, as required, to ensure continued compliance with applicable statutory and regulatory requirements, including Regulation 23 of the SEBI Listing Regulations. The RPT Policy is available on the Company's website at Policy on Related Party Transactions.

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of Directors of the Company has formulated and adopted a Dividend Distribution Policy ("Policy") outlining the principles and parameters governing the declaration and distribution of dividends by the Company. The Policy is available on the Company's website at Dividend Distribution Policy.

OTHER POLICIES

The Company has also formulated other policies as required under the Companies Act, 2013 and SEBI (LODR) Regulation 2015 and the same have been disclosed on Company's Website at: https://www.vsttractors.com/in/investor/

DIRECTORS REMUNERATION

The non-executive Directors are not paid any remuneration other than the sitting fees, which are within the limits prescribed under the Companies Act, 2013.

During 2025-26, the Company has not given any loan to any of its directors. The remuneration paid to the Managing Director for the year 2025-26 is given below:

Name of the Director	Category	Salary (in Lakhs)	Commission (in Lakhs)	Total (in Lakhs)
Mr. V.T. Ravindra	Managing Director	₹ 67.50	₹ 54.00	₹ 121.50

Sitting fees paid to Non-Executive Directors during the year 2025-26:

Name of the Director	Category	Sitting Fees (in ₹)
Mr. Arun V. Surendra	Chairman & Non-Executive Director	5,50,000
Mrs. Siva Kameswari Vissa	Independent Director	4,50,000
Dr. Nandakumar Jairam	Independent Director	4,50,000
Mr. Rajen Padukone	Independent Director	8,00,000
Mr. Ajith Kumar Rai	Independent Director	6,00,000
Mr. V.V. Pravindra	Non-Executive Director	3,50,000

During the year, no non-executive director had any pecuniary relationship or transactions with the Company other than the sitting fees and reimbursement of expenses incurred by them for attending meetings of the Company.

MEANS OF COMMUNICATION

The outcomes of the meetings of the Board of Directors, including the quarterly and annual financial results, are submitted to the Stock Exchanges, namely BSE Limited and National Stock Exchange of India Limited, promptly upon approval by the Board and within the timelines prescribed under the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The quarterly and annual financial results are also made available on the Company's website at VST Tillers Tractors Limited and are published in Financial Express and Business Standard in English and Sanjivani in Kannada. The Company's announcements and outcomes of investors' meetings are also made available under the "Investors" section of the Company's website

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS ON 31ST MARCH 2026

Category	No. of Shareholders	% to total No. of shareholders	Shares Amount (₹)	% to total shares amount
Upto 5, 000	23974	97.24	8901080	10.30
5,001 10, 000	342	1.39	2487810	2.88
10,001 20,000	162	0.66	2294260	2.65
20,001 30,000	48	0.19	1223530	1.42
30,001 40,000	24	0.10	827970	0.96
40,001 50,000	11	0.04	506410	0.59
50,001 1,00,000	35	0.14	2577040	2.98
1,00,001 and above	59	0.24	67615480	78.23
Total	**24655**	**100.00**	**86433580**	**100.00**

DETAILS OF REQUEST/COMPLAINTS RECEIVED DURING THE YEAR 2025-26

Nature of Request	OB	Received	Attended	Pending
Change of Address	-	4	4	-
Bank Mandate	-	8	8	-
Revalidation of Warrants	-	102	102	-
Duplicate Share Certificates	-	19	19	-
Transfer/Transmission	-	18 Tm	18 Tm	-
Dematerialisation	-	18	18	-
Rematerialisation	-	-	-	-

SHAREHOLDING PATTERN AS ON 31ST MARCH 2026

Category	No. of Shareholders	No of Shares Held	% to total no of Shares
Promoters/Associates	25	4553465	52.68
Foreign Promoters	1	253125	2.93
Bodies Corporate	257	131830	1.53
Mutual Funds	3	1321649	15.29
Alternative Investment Funds	7	371247	4.30

Category	No. of Shareholders	No of Shares Held	% to total no of Shares
Banks	3	1763	0.02
Financial Institutions	1	225	0.00
Foreign Financial Institutions	52	159457	1.84
Non-Resident Indians	854	81052	0.94
Clearing Members	1	31	0.00
Public/Others	22872	1769514	20.47
Total	**24076**	**8643358**	**100.00**

- During the year, The Company has issued 9396 nos of stock options to the eligible employees under the "VST Tillers Tractors Limited – Restricted Stock Unit Plan 2024" ("RSU Plan" or "the Plan"). The listing of shares happened after March 31, 2026. Hence there is a difference between No. of listed shares and Paid-up shares as on 31st March 2026.

MARKET PRICE DATA INFORMATION (BSE)

Month	High	Low	Month	High	Low
Apr-25	4028	2875	Oct-25	6177	5082
May-25	3877	3404	Nov-25	6199	5216
Jun-25	3999	3500	Dec-25	6290	5464
Jul-25	4867	3659	Jan-26	6371	5312
Aug-25	5519	4417	Feb-26	6350	5431
Sept-25	5917	5001	Mar-26	5906	4718

MARKET PRICE DATA INFORMATION (NSE)

Month	High	Low	Month	High	Low
Apr-25	4039	3170	Oct-25	6127	5069
May-25	3900	3404	Nov-25	6149	5211
Jun-25	3989	3611	Dec-25	6295	5460
Jul-25	4870	3656	Jan-26	6374	5310
Aug-25	5519	4410	Feb-26	6350	5425
Sept-25	5548	5000	Mar-26	5896	4710

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The equity shares of the Company are available for trading in dematerialised form in accordance with the applicable SEBI regulations. For facilitating the holding and trading of securities in dematerialised form, the Company has entered into agreements with both depositories, namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders may hold their equity shares in dematerialised form by opening a demat account with any Depository Participant registered with NSDL or CDSL. As at March 31, 2026, approximately 99.30% of the total equity shares of the Company were held in dematerialised form.

OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2026, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments. Commodity price risk or foreign exchange risk is covered in the Annual report. The company is not undertaking any hedging activities.

DETAILS OF UNCLAIMED SHARES

Particulars	As on 31.03.2025		Transferred during the Year		As on 31.03.2026	
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares
Unclaimed Shares	15	378	0	0	15	378

Disclosures with respect to demat suspense account/ unclaimed suspense account shares in the demat suspense account or unclaimed suspense account, as applicable:

a. aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; - As mentioned above

b. number of shareholders who approached listed entity for transfer of shares from suspense account during the year; - Nil

c. number of shareholders to whom shares were transferred from suspense account during the year; - Nil

d. aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; - 15 Shareholders of 378 Shares

e. that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares -Yes

DETAILS OF UNCLAIMED DIVIDEND TRANSFERRED TO INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

During FY 2025-26, the Company transferred ₹28,72,774/- unpaid and unclaimed dividend to Investor Education and Protection Fund (IEPF). There is no amount which were to be transferred to IEPF but have not been transferred. The details of the unpaid and unclaimed dividend are available on the company website i.e. www.vsttractors.com and IEPF website.

DETAILS OF SHARES TRANSFERRED TO INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

During the year 1361 Nos of shares have been transferred to IEPF to comply with IEPF Rules. The details of such shares are available on the Company website at www.vsttractors.com.

GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of the 58th Annual General Meeting	September 23, 2026, at 11:00 A.M. Through Video Conferencing / OAVM deemed to be held At Registered Office: Plot No.1, Dyvasandra Indl Layout, Mahadevapura Post, Whitefield Road, Bengaluru – 560 048
Record Date for Dividend	September 16, 2026
Dividend Payment	Final Dividend of ₹25/- per equity share will be paid on or after September 23, 2026, for the financial year 2025-26. If approved by the shareholders
Financial Year	2025-26
E-voting date	From September 19, 2026 (9:00 am) to September 22, 2026 (upto 5:00 pm)
E-voting cut-off date	September 16, 2026

FINANCIAL RESULTS CALENDAR: (TENTATIVE) RESULTS FOR THE QUARTER ENDING

June 30, 2026 – August 13, 2026.

September 30, 2026 - by the Second week of November 2026.

December 31, 2026 - by the Second week of February 2027.

March 31, 2027 - by the Last week of May 2027.

Payment of Listing Fees: Annual listing fee for the year 2026-27 has been paid to BSE & NSE.

Payment of Depository Fees: Annual Custody/Issuer fee for the year 2026-27 has been paid to NSDL & CDSL.

SHARE TRANSFER SYSTEM

In accordance with SEBI Circular, transfer of securities held in physical form has been barred effective April 1, 2019. Accordingly, requests for transfer of shares are processed only in dematerialized form. The Company had duly informed all shareholders regarding this regulatory change. However, shareholders may continue to hold shares in physical form. The Company strongly encourages all shareholders holding shares in physical mode to dematerialize their holdings for enhanced convenience and security.

In terms of the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated 2nd July, 2025, the shareholders are hereby informed that a Special Window has been opened only for re-lodgement of transfer deeds which were lodged prior to the deadline of 1st April, 2019 and rejected / returned / not attended, due to deficiency in the documents / process or otherwise.

The re-lodgement window was opened for a period of six months i.e. from 7th July, 2025 till 6th January, 2026.

The Company has appointed M/s. Integrated Registry Management Services Private Limited as its Registrar & Share Transfer Agent (RTA) to handle all shareholder-related matters, including Dematerialization and dematerialization of share certificates, Transmission of shares, Sub-division / consolidation of share certificates, Change of address, bank mandates, KYC, and nomination details

Shareholders holding shares in:

- Demat form are requested to update their email ID, bank details, and mobile number with their Depository Participant (DP).
- Physical form are requested to furnish their PAN, contact details, bank account information, specimen signature, and nomination for their folios as per SEBI-prescribed forms (ISR-1, ISR-2, etc.).

During the year under review, no shares were transferred to the Escrow account.

Shareholders desiring to communicate on any matter relating to the shares of the Company may either visit in person or write to the Company's Share Transfer Agent quoting their Folio No./ DP ID & Client ID at the following address.

M/s. Integrated Registry Management Services Private Limited
#30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003
Phone Nos. 080-23460815-18, Fax: 080-23460819
e-mail: irg@integratedindia.in

STOCK EXCHANGES ADDRESS

National Stock Exchange of India Ltd

Plot No. C/1, G Block, Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
Tel No-022-26598235

BSE Limited

25 Floor, P. J. Towers,
Dalal Street, Fort, Mumbai – 400 001
Tel No-022-22721234.

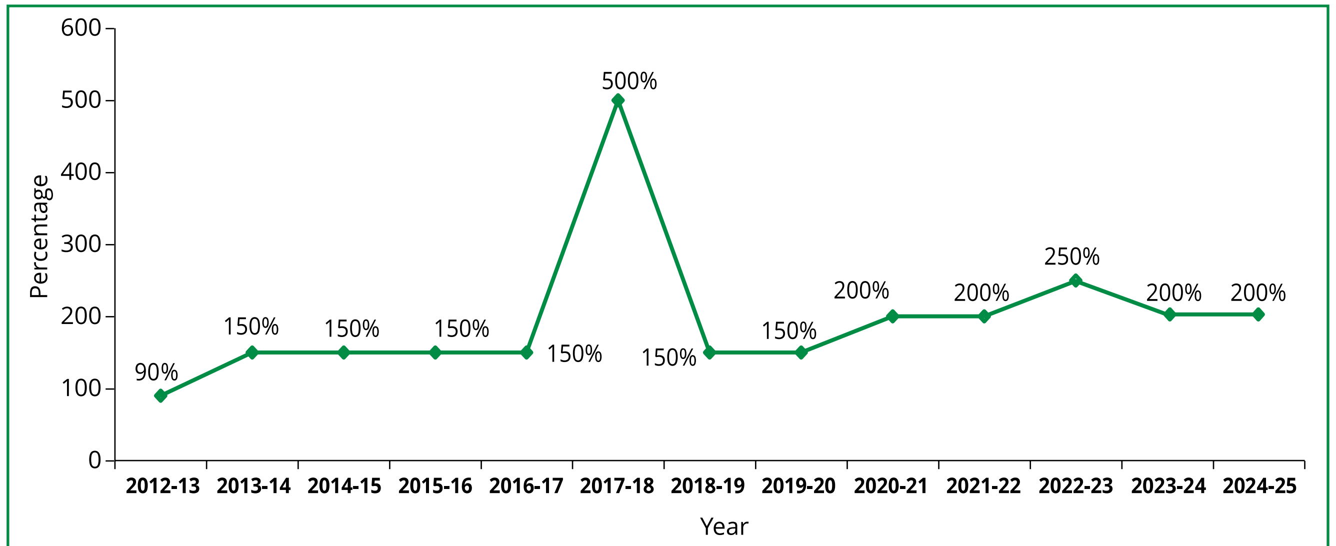
STOCK CODE

BSE Ltd: 531266
National Stock Exchange of India Ltd: VSTTILLERS
ISIN: INE 764D01017
CIN: L34101KA1967PLC001706

ADDRESS FOR CORRESPONDENCE

The Company Secretary
M/s. V.S.T. Tillers Tractors Ltd,
Plot No-1, DyavasandraIndl Layout Whitefield Road, Mahadevapura Post Bengaluru- 560048.
Tel No-080-67141111
E-mail: investors@vsttractors.com

PERCENTAGE OF DIVIDEND DECLARED



PARTICULARS OF THE LAST THREE ANNUAL GENERAL MEETINGS

Date/Time	Location	Summary of Special Resolutions
10/09/2025	AGM held through VC & Venue deemed to be at Plot No-1, Dyavasandra Indl. Layout, Whitefield Road,	NA
11:00 A.M	Mahadevpura Post, Bengaluru-560048	
19/09/2024	AGM held through VC & Venue deemed to be at Plot No-1, Dyavasandra Indl. Layout, Whitefield Road,	NA
11:00 A.M	Mahadevpura Post, Bengaluru-560048	
01/09/2023	AGM held through VC & Venue deemed to be at Plot No-1, Dyavasandra Indl. Layout, Whitefield Road,	NA
11:00 A.M	Mahadevpura Post, Bengaluru-560048	

During the Year 2025-26, no resolutions were passed through the postal ballot in the Company. However Dr. Nandakumar Jairam has been reappointed as Independent Director of the Company through postal ballot in May 2026. the detailed procedure of postal ballot is available in company website at https://www.vsttractors.com/in/wp-content/uploads/2026/05/VST-Postal-Ballot-Notice.pdf.

PLANT LOCATIONS:

HOSUR	MYSORE	MALUR
Plot No:39, Sipcot – Phase I, Mookandapalli, Post, Hosur – 635126, Tamil Nadu	Plot No.42/43, Metagalli, Industrial Area, Mysuru -570016, Karnataka	Plot No-222-224, & 229-232, KIADB Industrial Area, Malur III Phase, Malur -563130, Karnataka

DISCLOSURES

- During the year under review, besides the transactions mentioned under note no 29 of the Standalone Financial Statements of the Annual Report, there were no materially significant related party transactions that may have potential conflict with the interests of the company at large. The policy on Related Party Transactions is available at https://www.vsttractors.com/in/investor/disclosure/?tab=v-pills-disclosure9-tab.
- There are no instances of non-compliance on any matter relating to the capital market during the last three years and no penalty was levied.
- The Company has formulated a whistle-blower policy and vigil mechanism, and no person has been denied access to the Audit Committee regarding whistle-blower policy.
- Web link of policy determining material subsidiaries and policy on dealing with RPT's https://www.vsttractors.com/in/investor/disclosure/?tab=v-pills-disclosure9-tab.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of financial statements. The Company has not adopted a different treatment.
- The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI Listing Regulations:
  - The auditors' report on statutory financial statements of the Company are unmodified.
  - The Company has appointed separate persons to the post of chairperson and managing director or chief executive officer.
  - The internal auditor reports directly to the audit committee.

The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses(b) to(i) of sub-regulation (2) of regulation 46 of SEBI (Listing Regulation and Disclosure Requirement) Regulations, 2015.

Credit rating - The Company has obtained credit rating [ICRA]AA- (Stable) for long-term facilities and [ICRA]A1+ for short-term facilities during FY 2025-26.

The Company has taken a certificate from Thirupal Gorige & Associates LLP, practicing company secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority (Please refer Annexure-6).

During FY 2025-26, the Board has accepted all the recommendations of its committees.

The company's share has not been suspended for trading at any time during FY 2025-26.

The Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint was received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. – The details of complaints filed, disposed of and pending during the financial year pertaining to sexual harassment are provided in the Business Responsibility and Sustainability Report and Board Report.

CEO and CFO certification As required by the Listing Regulations, the CEO and CFO certification is provided in this Annual Report.

FEES PAID TO STATUTORY AUDITORS:

Type of Service	Fees For the Financial Year (in ₹)
Audit Fees	30.5 Lakhs
Tax Audit Fees	5 Lakhs

For **V.S.T. Tillers Tractors Limited**

Arun V. Surendra
Chairman
DIN:01617103

Date: August 13,2026
Place: Bengaluru

Business Responsibility & Sustainability Report

(Business Responsibility and Sustainability Reporting (BRSR) is the practice of companies disclosing information about their environmental, social, and governance (ESG) performance. It goes beyond financial reporting to provide stakeholders with a comprehensive view of a company's non-financial impacts and contributions to sustainable development. BRSR covers topics such as environmental impact, social responsibility, and governance practices, aiming to promote transparency and accountability.)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	FY 2025-2026
1	Corporate Identity Number (CIN) of the Listed Entity	L34101KA1967PLC001706
2	Name of the Listed Entity	VST TILLERS TRACTORS LIMITED
3	Year of incorporation	18/12/1967
4	Registered office address	Plot No-1, Dyavasandra Indl Layout, Whitefield Road, Mahadevapura Post, Bengaluru-560048
5	Corporate address	Plot No-1, Dyavasandra Indl Layout, Whitefield Road, Mahadevapura Post, Bengaluru-560048
6	E-mail	chinmaya@vsttractors.com
7	Telephone	(+91) 8067141111
8	Website	http://www.vsttractors.com/
9	Financial year for which reporting is being done	1st April 2025 to 31st March 2026
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Ltd
11	Paid-up Capital	₹ 8,65,27,540/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Chinmaya Khatua Company Secretary Email: chinmaya@vsttractors.com Tel No. 18004 190136
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis
14	Name of assurance provider	NA
15	Type of assurance obtained	NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and Trading	VST Tillers Tractors Limited is engaged in the manufacturing and trading of tractors, power tiller and other agricultural machineries and their spare parts	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1	Tractor and Spares	282101	33%
2	Power tiller and other Small Farm Machineries and Spares	282102	67%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	23	26
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	40

Note :

National: The company operates across various states in India through its offices, dealers, and website.

International: The company has a presence in multiple countries through exports, subsidiaries, joint ventures, sales offices, or direct operations.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

7%

c. A brief on types of customers

VST is a prominent player in India's farm mechanization industry, the largest manufacturer of power tillers, and a pioneer of 4WD compact tractors in the country. The company has established a strong reputation as a leading brand in agricultural equipment in India and has expanded its presence to more than 40 countries, earning international recognition. It operates a robust network of dealers and distributors, offering tractors, tillers, small farm machinery, automotive lubricants, electric pumps, precision components, and spare parts across domestic and global markets. In Karnataka, the company directly serves small and marginal farmers.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)	594	576	96.97%	18	3.03%
2	Other than Permanent (E)	25	17	68.00%	8	32.00%
3	Total employees (D + E)	619	593	95.80%	26	4.20%
WORKERS						
4	Permanent (F)	231	230	99.57%	1	0.43%
5	Other than Permanent (G)	652	626	96.01%	26	3.99%
6	Total workers (F + G)	883	856	96.94%	27	3.06%

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	1	1	100%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	**Total differently abled employees (D + E)**	1	1	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	0	0	0%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
6	**Total differently abled workers (F + G)**	0	0	0%	0	0%

21. Participation/Inclusion/Representation of women

Particular	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	7	1	14.29%
Key Management Personnel	4	0	0.00%

22. Turnover rate for permanent employees and workers

Particular	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	33.86%	26.32%	33.62%	40.41%	20.00%	39.67%	39.73%	35.29%	39.59%
Permanent Workers	0.44%	0.00%	0.43%	1.29%	0.00%	1.29%	0.00%	0.00%	0.00%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1	VST ZETOR PRIVATE LIMITED	Subsidiary	51%	No
2	VST AMERICAS INC.	Subsidiary	100%	No
3	VST FIELDTRAC LLC	Subsidiary	100%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

a. Turnover (in ₹)	12,40,35,65,235
b. Net worth (in ₹)	11,00,74,36,364

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	Nil	0	0	Nil
Investors (other than shareholders)	Yes	0	0	Nil	0	0	Nil
Shareholders**	Yes	0	0	Nil	0	0	Nil
Employees and workers	Yes	0	0	Nil	0	0	Nil
Customers	Yes	4718	0	Nil	4119	0	Nil
Value Chain Partners	Yes	0	0	Nil	0	0	Nil
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

*** Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)**

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	
Investors (other than shareholders)	
Shareholders	
Employees and workers	https://www.vsttractors.com/investor/
Customers	
Value Chain Partners	
Other (please specify)	

Note: The Policies of the Company are placed on the Company's website under investors tab and the same can be accessed through the weblink: https://www.vsttractors.com/investor/. Furthermore, the Company has internal policies posted on its intranet.

** The Company has a dedicated team exclusively responsible for monitoring and addressing shareholder complaints in a timely manner, ensuring prompt resolution to the satisfaction of the complainant without delay. Any complaints received from shareholders in a quarter, along with the corresponding actions taken, are presented before the Board and stakeholder relationship committee established under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 178 of the Companies Act, 2013 before the Board.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	**GHG and Climate Change**	R	VST depends on non-renewable fuel and energy, contributing to GHG emissions. Climate change poses risks, such as reduced agricultural productivity, extreme weather costs, changing market demands, and regulatory changes. Physical risks like floods, droughts, and heatwaves could disrupt operations, while dependence on non-renewable energy might damage the company's reputation.	VST focuses on energy efficiency and renewable energy. Initiatives include energy audits, LED lights, power factor panels, and solar power at plants. The company also reduces emissions by adopting green technologies and has planted 109 trees in Mysuru, 537 trees in Malur and 1196 trees in Hosur.	Negative
2	**Waste Management**	R	VST generates non-hazardous waste (e.g., metal scrap, packaging, and coating waste). Improper handling can harm ecosystems, cause non-compliance issues, and damage reputation.	VST has implemented waste management programs to ensure compliance and improve recycling. Future efforts will focus on reducing waste generation and increasing material reuse.	Negative
3	**Water Management**	R	Water scarcity due to droughts, extreme weather, and rising demand impacts VST operations, particularly in water-scarce regions. Hazardous wastewater also requires treatment.	VST optimizes water use, employs touch sensors, and reuses water. Rainwater is collected, and the company maintains zero-discharge facilities. Wastewater is treated and recycled.	Negative
4	**Reducing Life Cycle Emissions**	O	Agriculture contributes significantly to GHG emissions, making it crucial to focus on mitigation. VST can reduce life cycle emissions by improving fuel efficiency and adopting renewable energy solutions.	NA	Positive
5	**Sustainable Supply Chain**	R	Effective sourcing and managing ESG risks within the supply chain are vital for VST. Failure can result in legal penalties, reputational harm, and supply chain disruptions, which can affect long-term sustainability.	VST has implemented a Supplier Risk Management and Mitigation (SRMM) process, developed supplier capacity, and is creating a supplier code of conduct with ESG parameters.	Negative
6	**Human Rights Management**	R	Non-standard human rights practices (e.g., forced labor, unsafe conditions) could harm employees and tarnish the company's reputation. Fair wages and proper benefits are essential to avoid social unrest.	VST ensures compliance with human rights laws through its sustainability policies and Code of Conduct, promoting employee integrity and mitigating human rights risks.	Negative
7	**Occupational Health & Safety**	R	VST's operations expose workers to health and safety risks. Failure to mitigate these risks could reduce efficiency and increase compliance burdens.	VST provides PPE guidelines, health services (eye check-ups and blood tests), and promotes safety standards to reduce health and safety risks for employees and workers.	Negative
8	**Employee Satisfaction & Wellbeing**	O	Employee well-being is key to achieving organizational goals. Offering wellness programs, mentorship, and flexible work arrangements can reduce turnover and improve employee engagement.	NA	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	**Product Quality and Safety**	R	Faulty products could lead to accidents, legal issues, reputational damage, and loss of consumer trust.	VST adheres to strict product safety regulations during design and development to minimize risks and ensure high-quality products.	Negative
10	**Product Stewardship & Innovation**	O	Innovation in sustainable product design can lead to more efficient, safer, and environmentally friendly products, improving customer satisfaction and competitiveness.	NA	Positive
11	**Customer Satisfaction**	R	Developing solutions that address farmer challenges can enhance customer satisfaction and sales growth. Expanding operations and strengthening the dealership network helps meet demand.	VST is involved in eco-friendly product research and development, ensuring customer satisfaction through innovation.	Negative
12	**Community Engagement**	O	Investments in farmer-focused initiatives and philanthropic efforts can positively impact communities and foster sustainable farming practices.	NA	Positive
13	**Diversity, Equity, & Inclusion**	O	Diversity and inclusion promote innovation, creativity, and a positive work culture, extending the company's reach in talent acquisition.	NA	Positive
14	**Business Ethics and Compliance**	R	Failure to comply with ethical standards and laws, such as bribery and corruption, can result in regulatory fines, legal repercussions, and reputational damage. This impacts trust and customer confidence.	VST maintains high ethical standards, encourages reporting concerns, and ensures consistent adherence to laws through a robust corporate governance framework.	Negative
15	**Corporate Governance**	O	Strong corporate governance practices ensure fairness, compliance, and integrity, fostering investor confidence and long-term shareholder value.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sr. No		Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes											
1.	a	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
	b	Has the policy been approved by the Board? (Yes/No/NA)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
	c	Web Link of the Policies, if available	https://www.vsttractors.com/in/investor/disclosure/?tab=v-pills-disclosure9-tab								
2		Whether the entity has translated the policy into procedures. (Yes / No/ NA)	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
3		Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Yes	No	No	No	No	No	No	No	No
4		Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	ISO 9001:2015	ISO 45001:2018	-	-	ISO 14001:2015	-	-	ISO 9001:2015
5		Specific commitments, goals and targets set by the entity with defined timelines, if any.	We are committed to upholding high ethical standards, promoting transparency, and fostering accountability across all our activities in line with our established policies. We actively undertake multiple initiatives and plan to conduct detailed studies to establish clear and measurable objectives. Our commitment to ensuring the health, safety, and well-being of our employees and workers remains steadfast. We maintain a zero-tolerance approach towards all forms of discrimination and ensure that all our interactions are guided by our Code of Conduct. Furthermore, we are committed to channeling our CSR initiatives towards societal development while maintaining a strong focus on delivering value to our customers.								
6		Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-

7 Governance, leadership and oversight

Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

At VST, we are committed to aligning our operations with the principles of sustainable development through our adherence to the Environmental, Social, and Governance (ESG) framework. Our sustainability strategy focuses on identifying key ESG priorities and proactively addressing them to drive positive environmental and social impact.

We have made significant progress in water conservation, increasing the use of renewable energy, and the effective management of hazardous waste. As part of our renewable energy initiatives, we have installed solar panels at our Mysuru, Malur, and Hosur plants, enabling us to meet a considerable portion of our power requirements through renewable sources. Our water conservation efforts include recycling and reusing water within our facilities. We have also implemented air pollution control measures, such as stack installations, and developed a green belt around our Malur plant. In addition, we have quantified emissions from our energy consumption, enabling us to monitor, track, and continuously work towards reducing our carbon footprint.

On the governance front, we remain committed to maintaining transparent and ethical business practices, as reflected in our recertification for Quality Management (ISO 9001:2015), Environmental Management (ISO 14001:2015), and

Occupational Health and Safety Management (ISO 45001:2018). We firmly believe that strong corporate governance forms the foundation of a successful organization and take pride in our long-standing commitment to these principles.

Our social responsibility initiatives are centred on the well-being of our employees. We are committed to fostering an inclusive workplace that embraces diversity while providing continuous learning, training, and development opportunities. Safeguarding the mental and physical well-being of our employees remains a key priority, and we continue to maintain a safe workplace in compliance with the Factories Act. Our commitment to workplace safety is reflected in our "Zero Accident" motto.

The publication of this Business Responsibility and Sustainability Report reflects our comprehensive sustainability strategy, founded on environmental stewardship, social responsibility, and strong governance practices. We remain committed to creating long-term value for our company, stakeholders, and the communities we serve. We value your continued support and look forward to your active engagement as we further strengthen our sustainability journey and work towards creating a meaningful and lasting impact.

Sincerely,
Mr. V. T. Ravindra,
Managing Director
DIN : 00396156

8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Board of Directors

9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/ NA).

Yes

If Yes please provide details

Mr. V. T. Ravindra,
Managing Director
DIN : 00396156

10 Details of Review of NGRBCs by the Company

	Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	Performance against above policies and follow up action	Committee of the Board								
b.	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Committee of the Board								

	Subject for Review	Frequency (Annually / Half yearly /Quarterly/ Any other- please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	Performance against above policies and follow up action	Annually								
b.	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Quarterly								

11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).	No	Yes	Yes	No	No	Yes	No	No	Yes
	If yes, provide name of the agency.	NA	TUV Nord	TUV Nord	NA	NA	TUV Nord	NA	NA	TUV Nord

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	Yes	NA	NA	Yes	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions)

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	8	Industry Overview - Business Model, Key Roles, Responsibilities, and Rights, and Regulatory Developments	100%
Key Managerial Personnel	4	Corporate Governance, Regulatory Compliance, and Business Operations	100%
Employees other than BOD and KMPs	152	Induction Training, Product Training, DMS, Power BI, Capability Training on Tractor & SFM Sales, Fixture tolerance/ Geometric dimension Policies, Mock Drill, First Aid Awareness, Fire Fighting training and Policies	100%
Workers	13	Fire Fighting training, First Aid Awareness, Induction Training, Mock Drill	100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format**

Monetary					
Particular	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR) (For Monetary Cases only)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	NA	NA	NA	NA	NA
Settlement	NA	NA	NA	NA	NA
Compounding fee	NA	NA	NA	NA	NA

Non-Monetary				
Particular	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. **Does the entity have anti-corruption or anti-bribery policy? (Yes/ No)**

Yes

If Yes, provide details in brief

The Company has established protocols to address anti-corruption and anti-bribery concerns. We are committed to upholding the highest standards of integrity and ethical conduct, with zero tolerance for any form of bribery or corruption.

If Yes, Provide a web link to the policy, if available -Web link anti-corruption or anti bribery policy is place

https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab

5. **Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Particular	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

Case Details	FY 2025-26		FY 2024-25	
	Number	**Remark**	**Number**	**Remark**
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Nil	0	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Nil	0	Nil

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

No such issue related to corruption and conflict of interest has taken place in FY 2025-26.

8. **Number of days of accounts payables in the following format:**

Particular	FY 2025-26	FY 2024-25
Number of days of accounts payables	42	53

9 **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	90.52%	87.99%
	b. Number of dealers / distributors to whom sales are made	1,429	1,416*
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	20.96%	21.54%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.42%	0.43%
	b. Sales (Sales to related parties / Total Sales)	1.52%	2.27%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	0%
	d. Investments	1.53%	1.84%

*Number of dealers /distributors for FY 2024-25 has been restated to align with the calculation methodology adopted in FY 2025-26.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimize the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Sr. No.	Particular	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
1	R&D	Nil	Nil	NA
2	Capex	3.2%	5.7%	Electric portfolio, TREM V

2 a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

No

b. **If yes, what percentage of inputs were sourced sustainably?**

NA

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

(a)	Plastics (including packaging)	The Company currently does not engage in the reclamation of products or its materials, such as plastic or other hazardous and non-hazardous waste. However, it actively undertakes initiatives aimed at reducing waste generation, encouraging reuse, and supporting recycling practices.
(b)	E-waste	
(c)	Hazardous waste	
(d)	other waste	

4. a **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No)**

Yes

b **If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?**

Yes

c **If not, provide steps taken to address the same**

NA

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasizes the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators

1 a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	576	576	100%	576	100%	NA	NA	576	100%	0	0%
Female	18	18	100%	18	100%	18	100%	NA	NA	0	0%
Total	594	594	100%	594	100%	18	100%	576	100%	0	0%
Other than permanent employees											
Male	17	0	0%	0	0%	NA	NA	0	0%	0	0%
Female	8	0	0%	0	0%	0	0%	NA	NA	0	0%
Total	25	0	0%	0	0%	0	0%	0	0%	0	0%

Note - All the eligible contractual employees are covered under ESI.

1. b. **Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	230	230	100%	230	100%	NA	NA	230	100%	0	0%
Female	1	1	100%	1	100%	1	100%	NA	NA	0	0%
Total	231	231	100%	231	100%	1	100%	230	100%	0	0%
Other than permanent workers											
Male	626	0	0%	0	0%	NA	NA	0	0%	0	0%
Female	26	0	0%	0	0%	0	0%	NA	NA	0	0%
Total	652	0	0%	0	0%	0	0%	0	0%	0	0%

Note - All the eligible contractual workers are covered under ESI.

1. c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format**

	FY 2025-26	FY 2024-25
Cost incurred on well- being measures as a % of total revenue of the company	0.08%	0.08%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	1.35%	100%	NA	100%	100%	NA
Others	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

If not, whether any steps are being taken by the entity in this regard.

Our office is designed to be accessible to persons with disabilities. We are committed to continuously enhancing our infrastructure to eliminate accessibility barriers and promote an inclusive workplace.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?**

Yes

If so, provide a web-link to the policy.

Our Code of Conduct for Directors and Senior Management emphasizes our dedication to offering equal employment opportunities and preventing any form of illegal discrimination or harassment, including derogatory remarks based on race or ethnicity and unwanted sexual advances.

The Code can be accessed at https://www.vsttractors.com/investor/disclosure/?tab=v-pills-disclosure9-tab

Additionally, our Recruitment Policy ensures non-discrimination and is accessible to internal stakeholders via the intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	46.15%	100%	100%
Female	0%	0%	0%	0%
Total	100%	46.15%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	VST fosters a culture of transparency and encourages employees and affiliates to promptly report any ethical concerns or instances of non-compliance with the Code of Conduct. The Company ensures that all complaints are thoroughly investigated and addressed in accordance with established policies, with appropriate disciplinary action taken where necessary. Employees are encouraged to report operational and performance-related concerns to their immediate supervisor or reporting manager. For matters related to organizational issues, performance appraisals, or concerns involving a supervisor or reporting manager, employees may approach the Human Resources Manager. Complaints under the Whistleblower Policy may also be raised with the support of designated counsellors. The Internal Complaints Committee oversees and reports on complaints under the POSH guidelines. Additionally, Canteen Committee and Union meetings are convened, as required, to address and resolve employee concerns.
Other than Permanent Workers		
Permanent Employees		
Other than Permanent Employees		

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent employees	594	0	0%	576	0	0%
Male	576	0	0%	553	0	0%
Female	18	0	0%	23	0	0%
Total Permanent Workers	231	231	100%	233	150	64.38%
Male	230	230	100%	232	149	64.22%
Female	1	1	100%	1	1	100%

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	576	576	100%	576	100%	553	553	100%	553	100%
Female	18	18	100%	18	100%	23	23	100%	23	100%
Total	594	594	100%	594	100%	576	576	100%	576	100%
Workers										
Male	230	230	100%	230	100%	232	232	100%	232	100%
Female	1	1	100%	1	100%	1	1	100%	1	100%
Total	231	231	100%	231	100%	233	233	100%	233	100%

Note – Disclosure is provided for both permanent employees and workers.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
Employees						
Male	576	576	100%	553	553	100%
Female	18	18	100%	23	23	100%
Total	594	594	100%	576	576	100%
Workers						
Male	230	230	100%	232	232	100%
Female	1	1	100%	1	1	100%
Total	231	231	100%	233	233	100%

Note – Disclosure is provided for both permanent employees and workers.

10. Health and safety management system

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)**

Yes

If Yes, the Coverage such systems?

As an ISO-certified company, VST Tillers Tractors places the highest priority on employee health and safety. To maintain a safe and risk-free work environment, we have implemented comprehensive health and safety measures across all our facilities. We focus on eliminating workplace hazards and minimizing occupational health and safety (OH&S) risks through the continuous identification of potential hazards, risk assessments, and the implementation of effective operational controls. We are also in the process of obtaining Integrated Management System (IMS) certification for the VST Tillers and Tractors Group.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

To ensure a safe working environment, routine activities are closely monitored through Job Safety Analysis (JSA), Hazard Identification and Risk Assessment (HIRA), Standard Operating Procedures (SOPs), and Operational Control Procedures (OCPs) for the management of hazardous and e-waste generation, collection, and disposal. Safety training is provided to personnel across all facilities to strengthen awareness and enhance competencies. Additionally, in alignment with ISO 45001, processes and SOPs are regularly reviewed and updated to mitigate risks and maintain a safe workplace.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/ No)**

Yes

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

VST is certified to ISO 45001 and ISO 14001 standards. The Company has implemented Environment, Health, and Safety (EHS) policies, rules, and procedures that apply to all employees and workers. A range of measures is in place to eliminate workplace risks, including internal and external safety audits, safety training to enhance employee competence, and an induction programme for every new joiner.

As a responsible organization, VST ensures that its processes are designed to protect the environment, prevent pollution, and provide a safe and healthy workplace for all personnel.

Periodic Evaluation – We ensure compliance with applicable EHS-related legal requirements by monitoring regulatory changes and conducting regular compliance evaluations.

Adoption of Latest Technology – We leverage advanced technologies to reduce waste generation and promote the recycling of waste arising from our products and operations.

Continual Improvement – EHS performance is continuously monitored, with opportunities for improvement identified through regular consultations and reviews. Measurable objectives are established to drive ongoing performance enhancement.

Elimination of Hazards – Occupational health and safety (OHS) risks and hazards are minimized through the implementation of effective operational controls across the workplace.

Prevention of Hazards – We promote awareness of EHS practices among personnel and implement appropriate control measures to prevent pollution, workplace injuries, and occupational ill health.

13. **Number of Complaints on the following made by employees and workers:**

Particulars	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

14. **Assessment for the year:**

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.**

No safety-related incidents have occurred. However, unsafe conditions were identified during the assessment, and appropriate actions have been taken to mitigate and eliminate the associated risks.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of**

(A) Employees (Y/N)	Yes
(B) Workers (Y/N)	Yes

3. **Provide the number of employees/workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been/ are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Particular	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	0	0	0

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   The Company recognizes the importance of stakeholder engagement and has established processes to identify and map all relevant internal and external stakeholders. Systems and procedures are in place to effectively identify, prioritize, and address stakeholder needs and concerns across all plant locations and operational functions. Stakeholder engagement is further supported through the adoption of the Theory of Constraints (TOC), integrated with other software solutions to enable seamless communication and enhance visibility across the supply chain. In addition, digital platforms such as Supplier Relationship Management (SRM), Product Lifecycle Management (PLM), Warehouse Management System (WMS), and the Travel Management System have been implemented to improve transparency and strengthen operational efficiency.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders / Investors	**No**	• General Body Meetings • Interaction with Investors • Annual Report • Press Release • Company's website	• AGMs • Quarterly Investor meets	• Discussion on financial & non-financial performance • Market value of shares • Effective & robust corporate governance
Employees	**No**	• Email • Intranet • Training and Safety Programmes • Feedback sessions	Regular	• Meeting on a regular basis and the employee town hall • Training & Development • Performance review • Grievance redressal mechanism
Customers	**No**	• Customer Satisfaction Survey • Web Portals • E-Catalogue/ Manual • In person engagement	Throughout the year	• All means of communication throughout the year with our customers on: • Updates on products • Customer Satisfaction • Customer complaints • Extending product & services
Dealers	**No**	• Website • Email	Regular	• Updates on products • Service Quality, Sustainability • Creating Customer Delight
Suppliers	**No**	• Website • Email	Regular	• Supply Chain Management • Materials Sourcing and Material Efficiency
Local Community	**No**	• CSR Initiatives • Public disclosure of company information • Local Employment • Website	Periodic/ Need-based	• Creation of job opportunities • Relationship development • CSR Initiatives
Regulators/ Government	**No**	• Regulatory compliance CSR initiatives • Representation through trade bodies	Regular	• Obtaining permissions/ licenses/clarifications/waivers/ business development • Regulatory & Legal requirements • Technology & Innovation • Capacity expansion

PRINCIPLE 5 Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format**

Benefits	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	594	594	100%	576	576	100%
Other than permanent	25	25	100%	25	25	100%
Total Employees	619	619	100%	601	601	100%
Workers						
Permanent	231	231	100%	233	233	100%
Other than permanent	652	652	100%	517	517	100%
Total Workers	883	883	100%	750	750	100%

2. **Details of minimum wages paid to employees and workers**

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	% (C /A)		No. (E)	% (E /D)	No. (F)	% (F /D)
Employees										
Permanent										
Male	576	0	0%	576	100%	553	0	0%	553	100%
Female	18	0	0%	18	100%	23	0	0%	23	100%
Total	594	0	0%	594	100%	576	0	0%	576	100%
Other than Permanent										
Male	17	0	0%	17	100%	17	0	0%	17	100%
Female	8	0	0%	8	100%	8	0	0%	8	100%
Total	25	0	0%	25	100%	25	0	0%	25	100%
Workers										
Permanent										
Male	230	0	0%	230	100%	232	0	0%	232	100%
Female	1	0	0%	1	100%	1	0	0%	1	100%
Total	231	0	0%	231	100%	233	0	0%	233	100%
Other than Permanent										
Male	626	502	80.19%	124	19.81%	490	422	86.12%	68	13.88%
Female	26	23	88.46%	3	11.54%	27	24	88.89%	3	11.11%
Total	652	525	80.52%	127	19.48%	517	446	86.27%	71	13.73%

3. Details of remuneration/salary/wages

a. **Median remuneration / wages:**

Particular	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	1	1,21,50,000	0	0
Key Managerial Personnel	4	1,09,35,791	0	0
Employees other than BOD and KMP	572	6,18,505	18	5,22,080
Workers	230	5,26,952	1	6,24,991

Note:

The remuneration of the Board of Directors (BOD) includes the remuneration paid to Executive Directors but excludes commission and/or sitting fees paid to directors. Non-Executive and Independent Directors are excluded, as they do not receive any remuneration.

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

Particulars	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	1.96%	2.15%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**

Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

We have established an Internal Grievance Committee and an Internal Committee under the POSH framework to address human rights-related concerns and ensure a safe, respectful, and inclusive workplace.

6. **Number of Complaints on the following made by employees and workers:**

Particulars	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour / Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Particulars	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0%	0%
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The Company has established an Internal Complaints Committee (ICC) to address cases of sexual harassment, comprising both internal and external members with relevant expertise. Defined procedures are in place for the effective handling of such cases. The Company's Code of Conduct promotes a safe, respectful, and inclusive workplace, ensuring an environment free from harassment and discrimination for all employees. VST maintains a zero-tolerance approach towards all forms of discrimination, and all reported incidents are thoroughly investigated and addressed in accordance with established procedures.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)**

   No

10. **Assessments for the year:**

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

    No such risk or concern arose from the assessment.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment.

(This principle emphasizes the importance of environmental stewardship. Companies should minimize their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2025-26 (in Giga Joules)	FY 2024-25 (in Giga Joules)
From renewable sources		
Total electricity consumption (A)	4,463.06	7,209.14
Total fuel consumption (B)	0	0
Energy consumption through other sources (C.)	0	0
Total energy consumed from renewable sources (A+B+C)	4,463.06	7,209.14
From non-renewable sources		
Total electricity consumption (D)	9,002.74	8,226.80
Total fuel consumption (E)	31,517.89	25,639.50
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	40,520.62	33,866.30
Total energy consumed (A+B+C+D+E+F)	44,983.69	41,075.44
Energy intensity per rupee of turnover [Total energy consumed (in GJ) / Revenue from operations (in rupees)]	0.00000363	0.00000413
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total energy consumed (in GJ)/ Revenue from operations in rupees adjusted for PPP]	0.00007377	0.00008533
Energy intensity in terms of physical output [Total energy consumed (in GJ) / Total production in Nos.]	0.63309159	0.78317997
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No

If yes, name of the external agency.

NA

Note:

1. The revenue from operations has been adjusted for Purchasing Power Parity (PPP) using the latest PPP conversion factor published by the International Monetary Fund (IMF) for India which is 20.34 for FY 2025-26 and 20.66 for FY 2024-25.
2. The physical output intensity figures for FY 2024–25 have been restated to align with the refined calculation methodology adopted in FY 2025–26, ensuring year-over-year comparability.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)**

   No

   If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   NA

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	35,416.00	20,335.50
(iii) Third party water	9,166.00	9,966.48
(iv) Seawater / desalinated water	0	0
(v) Others – Rainwater	680.00	5,175.50
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	45,262.00	35,477.48
Total volume of water consumption (in kilolitres)	45,262.00	32,501.00
Water intensity per rupee of turnover [Total water consumption (in KL) / Revenue from operations (in rupees)]	0.00000365	0.00000327
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total water consumption (in KL) / Revenue from operations in rupees adjusted for PPP]	0.00007422	0.00006752
Water intensity in terms of physical output [Total water consumption (in KL) / Total production in Nos]	0.63700847	0.61969226
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)

No

If yes, name of the external agency.

NA

Note –

1. The company has recycled 13,423 KL of water, which is equivalent to 29.66% of total water withdrawal for FY 2025-26 and 7,902 KL of water, which is equivalent to 22.27% of total water withdrawal for FY 2024-25.
2. The revenue from operations has been adjusted for Purchasing Power Parity (PPP) using the latest PPP conversion factor published by the International Monetary Fund (IMF) for India which is 20.34 for FY 2025-26 and 20.66 for FY 2024-25.
3. The physical output intensity figures for FY 2024–25 have been restated to align with the refined calculation methodology adopted in FY 2025–26, ensuring year-over-year comparability.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	0	2,976.48
With treatment – please specify level of treatment	0	0
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	2,976.48

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

NA

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

Yes

If yes, provide details of its coverage and implementation.

NA

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	mg/Nm3	24.00	28.27
SOx	mg/Nm3	9.50	15.70
Particulate matter (PM)	mg/Nm3	35.00	26.73
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Yes

If yes, name of the external agency.

1. Nawal Analytical Labs India Private Limited
2. Tejus Enterprises Testing Laboratory
3. National Analytical Laboratories and Research Center

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	2,536.99	2,145.92
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,775.54	1,661.36
Total Scope 1 and Scope 2 emissions per rupee of turnover [Total Scope 1 and Scope 2 GHG emissions (in MTCO2e) / Revenue from operations (in rupees)]		0.00000035	0.00000038
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total Scope 1 and Scope 2 GHG emissions (in MTCO2e) / Revenue from operations in rupees adjusted for PPP]		0.00000707	0.00000791
Total Scope 1 and Scope 2 emission intensity in terms of physical output [Total Scope 1 and Scope 2 GHG emissions (in MTCO2e) / Total production in Nos]		0.06069370	0.07259290
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

NA

Note:

1. Source of emission factors used - EPA's GHG Emission Factors Hub, CEA's CDM - CO2 Baseline Database User Guide Version 21 has been used for the purpose of GHG Emissions calculations.
2. The revenue from operations has been adjusted for Purchasing Power Parity (PPP) using the latest PPP conversion factor published by the International Monetary Fund (IMF) for India which is 20.34 for FY 2025-26 and 20.66 for FY 2024-25.
3. The physical output intensity figures for FY 2024–25 have been restated to align with the refined calculation methodology adopted in FY 2025–26, ensuring year-over-year comparability.

8. **Does the entity have any project related to reducing Green House Gas emission? (Yes/ No)**

Yes

If Yes, then provide details.

VST makes annual investments in energy conservation initiatives that contribute to reducing greenhouse gas emissions. All three VST plants are equipped with rooftop solar power systems, which have generated 4,463.06 GJ of energy, mitigating 880.22 TCO2e emissions. The Company has also deployed electric vehicle (EV) forklifts to further reduce fuel consumption. These initiatives reflect VST's commitment to environmental stewardship and the adoption of sustainable business practices.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	19.13
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	1.49	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	28.62	68.18
Used oil	4.70	25.40
Empty barrels	4.03	5.61
Paint sludge	9.28	27.23
ETP waste	2.21	4.49
Grinding muck	6.00	-
Cotton waste	2.40	5.45
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1232.29	827.00
Cardboard	331.95	226.30
Wood scrap	354.34	192.03
Metal scrap	546.00	408.67
Total (A+B + C + D + E + F + G + H)	1262.40	914.31
Waste intensity per rupee of turnover [Total waste generated (in MT) / Revenue from operations (in rupees)]	0.00000010	0.00000009
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) Total waste generated (in MT) / Revenue from operations in rupees adjusted for PPP	0.00000207	0.00000190
Waste intensity in terms of physical output Total waste generated (in MT) / Total production in Nos	0.01776677	0.01743303
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	**FY 2025-26**	**FY 2024-25**
(i) Recycled	8.73	5.21
(ii) Re-used	0	0
(iii) Other recovery operations	1,233.78	871.14
Total	1,242.51	876.35
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	**FY 2025-26**	**FY 2024-25**
(i) Incineration	19.89	37.96
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	19.89	37.96

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

NA

Note:

1. The revenue from operations has been adjusted for Purchasing Power Parity (PPP) using the latest PPP conversion factor published by the International Monetary Fund (IMF) for India which is 20.34 for FY 2025-26 and 20.66 for FY 2024-25.
2. The physical output intensity figures for FY 2024–25 have been restated to align with the refined calculation methodology adopted in FY 2025–26, ensuring year-over-year comparability.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

VST is certified to ISO 14001 standards and manages both hazardous and non-hazardous waste in accordance with the Hazardous Waste Management (HWM) regulations prescribed by the respective State Pollution Control Boards (SPCBs). E-manifests are maintained in compliance with applicable regulatory requirements. The Company has also reduced the generation of paint sludge through process improvements, reinforcing its commitment to effective waste management and environmental performance.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
NA	NA	NA	NA	NA

Note: VST does not have any operations or offices in ecologically sensitive area.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes /No)	Relevant Web link
Expansion of GTC Project	EIA Notification 2006	13/04/2026	Yes	No	NA

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).

Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA	NA	NA	NA

Leadership Indicators

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
Applied for EPR - and credit purchase done for plastic waste	The organization purchased Extended Producer Responsibility credits to fund plastic recycling. This investment covered rigid polyvinyl chloride alongside a larger volume of flexible, multi-layered packaging, including films, wraps, and bags.	This purchase successfully offset the corporate environmental footprint by the recovery of complex polymers. It directly supported waste management infrastructure, diverted difficult packaging materials away from landfills, and ensured strict compliance with sustainability regulations regarding the end-of-life cycle of commercial plastics	NA
Green Belt Development done	Under Green Belt Development initiative, the Company planted 109 trees in Mysuru, 537 trees in Malur and 1196 trees in Hosur	The growing vegetation acts as a natural filter, improving local air quality and mitigating industrial noise	NA

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

7

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National/ International)
1	Confederation of Indian Industry (CII)	National
2	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3	Tractor Manufacturers Association (TMA)	National
4	Power Tiller Association of India (PTAI)	National
5	Mysuru Chamber of Commerce	State
6	Karnataka Employers Association	State
7	WACIA - Whitefield Area Commerce & Industry Association	State

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

(This principle emphasizes the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalized groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA

Note - Social Impact Assessment (SIA) has not been conducted for any project in FY 2025-26.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA	NA	NA	NA	NA	NA	NA

Note - Rehabilitation and Resettlement (R&R) has not been undertaken for any of the projects in FY 2025-26.

3. **Describe the mechanisms to receive and redress grievances of the community.**

VST has established a Grievance Redressal Policy and mechanism to address queries and grievances raised by both internal and external stakeholders. The Company's contact details are also available on its website to facilitate stakeholder communication. In addition, the Corporate Social Responsibility (CSR) function has implemented a community feedback mechanism for its initiatives, enabling individuals and communities to raise concerns and provide feedback, as required.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Particular	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	61.82%	49.90%
Directly from within India	94.12%	96.20%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Particular	FY 2025-26	FY 2024-25
Rural	0%	0%
Semi-urban	11.33%	10.79%
Urban	41.87%	40.78%
Metropolitan	46.80%	48.43%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban/metropolitan)

Note: Numbers for FY 2024-25 have been restated based on the calculation methodology adopted in FY 2025-26.

Leadership Indicators

6. **Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education and Medical Relief	NA	NA
2	Rehabilitation and Empowerment of Visually Challenged Persons	NA	NA
3	Rehabilitation and Empowerment of Persons with Disabilities	NA	NA
4	Education of Underprivileged Children	NA	NA
5	Empowerment of Small and Marginal Farmers	NA	NA
6	Wildlife Conservation and Nature Education	NA	NA
7	Mental Healthcare	NA	NA
8	Protection of Endangered Species and Ecosystems	NA	NA
9	Conservation of Wildlife and Wildlands	NA	NA
10	Scholarship for Technical Education	NA	NA
11	Scholarship for Medical Education	NA	NA
12	Educational Support for Underprivileged Students	NA	NA
13	National Apprenticeship Promotion Scheme (NAPS)	91	NA

Note - The Company undertakes its CSR initiatives in collaboration with the above-mentioned NGOs and organizations. Given the nature and scope of these projects, which often involve advocacy, capacity building, and community-wide interventions, it is challenging to quantify the exact number of direct beneficiaries impacted during the reporting period.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company has a dedicated service team and a structured grievance management system to promptly record, address, and resolve customer complaints. For product-related complaints after tractor delivery, customers may report issues to the dealership, where they are logged through a job card.

   The complaint resolution process at the dealership or Regional Sales Office (RSO) begins upon receipt of the tractor, either from the RSO or through direct billing from the plant. A Pre-Delivery Inspection (PDI) is conducted on the same day, and any shortages or defects identified are immediately reported to VST through a PDI job card. Customer complaints are recorded through a job card, following which a Product Concern Intimation Report (PCIR) is generated. Upon approval, the dealer undertakes the necessary corrective actions to resolve the complaint.

   The complaint handling process at the Head Office includes the following stages:

   - Pre-Delivery Inspection (PDI): A job card is created upon receipt of the tractor.
   - Quality Concern Review System (QCRS): Based on the severity and frequency of issues reported through the PCIR, a QCRS is initiated.
   - Cross-Functional Team (CFT): The CFT reviews complaints and escalates them to the Operations Review Committee (ORC), where required.
   - Corrective Action Report (CAR): Upon closure of the complaint, the Quality Assurance (QA) team issues a Corrective Action Report.
   - Operations Review Committee (ORC): The ORC monitors complaint resolution, reviews corrective measures, and ensures timely closure.
   - Closure: Following the release of the CAR by the Service Department, a Technical Bulletin is issued outlining the corrective actions implemented.

   Additionally, the customer care team actively responds to customer feedback, which plays a vital role in driving continuous improvement and strengthening the Company's commitment to delivering high standards of customer service.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about**

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

3. **Number of consumer complaints in respect of the following:**

Particular	FY 2025-26		Remark	FY 2024-25		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of essential services	0	0	Nil	0	0	Nil
Restrictive Trade Practices	0	0	Nil	0	0	Nil
Unfair Trade Practices	0	0	Nil	0	0	Nil
Other	4,718	0	Nil	4,119	0	Nil

4. **Details of instances of product recalls on account of safety issues:**

Particular	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)**

   Yes

   If available, provide a web link of the policy

   https://www.vsttractors.com/privacy-policy/

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   No such corrective action has been taken by the Company in FY 2025-26.

7. **Provide the following information relating to data breaches**

a.	**Number of instances of data breaches along-with impact**	0
b.	**Percentage of data breaches involving personally identifiable information of customers**	0%
c.	**Impact, if any, of the data breaches**	

   No such instance of data breach has taken place in FY 2025-26.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   https://www.vsttractors.com/in/

Independent Auditor's Report

To the members of V.S.T. Tillers Tractors Limited

Report on the audit of standalone financial statements

OPINION

1. We have audited the accompanying standalone financial statements of M/s. V.S.T. Tillers Tractors Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2026, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year ended March 31, 2026, and notes to the standalone financial statements, and a summary of the material accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements for the year ended March 31, 2026 give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2026, and its profit (financial performance including other comprehensive income), its changes in equity, and its cash flows for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Appropriateness of capitalization of costs as per Ind AS 16: Property, plant and equipment (PPE): The Company has incurred total cost ₹ 1,637.94 lakhs on property, plant and equipment (representing cost incurred for development of engines and acquisition of plant & machinery, and other capital equipment) as part of business expansion and product development. This cost needs to be capitalized and depreciated once the assets are ready for use as intended by the management and certainty about the future economic cashflows. Inappropriate timing of capitalization of the cost and/or inappropriate classification of categories of items of PPE could result in material misstatement of PPE with a consequent impact on depreciation charged. Owing to the above factors, we have identified this as a key audit matter for current year audit due to the significance of the capital expenditure incurred during the year.	Our audit procedures to assess appropriate capitalization of such expenditure includes, but were not limited to the following: • Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs. • Reviewed management's capitalization policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16: Property, plant and equipment. • Compared the additions with the budgets and the orders given to the vendors. • Tested the additions on a sample basis for their nature and purpose to ensure that the capitalization is as per Company's accounting policy. • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable Indian Accounting Standards.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

6. The accompanying standalone financial statements have been approved by the Company's Board of directors. The Company's Board of directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, the Board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. The Board of directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    (i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

    (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(v) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

    In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors/managers during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Appendix - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    c) The standalone balance Sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e) On the basis of written representations received from the directors as on March 31, 2026 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2026 from being appointed as directors in terms of section 164(2) of the Act.

    f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as amended.

    g) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Appendix - B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

    h) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – (Refer note 44 to the standalone financial statements).

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. The amount required to be transferred to the Investor Education and Protection Fund has been transferred by the Company during the year ended March 31, 2026.

        iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

            b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

            c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

        v. The dividend paid by the Company is in accordance with provisions of Section 123 of Companies Act, 2013.

        vi. The books of account of the Company are being maintained using an accounting software that has audit trail feature. Based on our examination which includes test checks, barring the instances described below, the audit trail feature has operated throughout the year with respect to all the transactions that are recorded using the software.

            Audit trail feature is not there for logging the changes done by the users having privileged access, at the application level for certain tables that relate to the significant financial processes, and the changes done at the data base level.

            Further, where audit trail was enabled, we didn't come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **K.S. Rao & Co.,**
Chartered Accountants
ICAI Firm Registration No: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060
UDIN: 26223060MGABFM1710

Place: Bengaluru
Date: May 15, 2026

Appendix - A to the Independent Auditors' Report

The Appendix referred to in independent auditors' report to the members of the Company on the standalone financial statements for the year ended March 31, 2026, we report that:

(i) In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment ('PPE') including right-of-use asset.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a program of physical verification of property, plant and equipment and right-of-use assets over a period of three years, which in our opinion, is reasonable having regard to size of the Company and nature of its assets. Pursuant to the program certain property, plant and equipment and right-of-use assets were due for verification during the year and were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) The title deeds of all the immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

d) The Company has not revalued any of its PPE during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and material discrepancies noted have been properly dealt in the books of account.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion and based on the information and explanation provided to us, there are no significant variances in the monthly information filed with the banker related to current assets and liabilities of the Company.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnership or any other party. Accordingly, clauses 3(iii)(a), and 3(iii)(c) to (iii)(f) of paragraph 3 of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, and based on the audit procedures performed by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interests of the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of Companies Act 2013 in respect of loans, making investments and providing guarantee and security as applicable.

(v) According to the information and explanations given to us, the Company has not accepted deposits and does not have any unclaimed deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the Act, in respect of the Company's manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. However, we have not conducted a detailed examination of the same.

(vii) a) According to the information and explanations given to us and according to the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, customs duty, cess and other material statutory dues, as applicable, and there are no arrears of outstanding statutory dues as at March 31, 2026 for a period of more than six months from the date they become payable.

b) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess which have not been deposited on account of dispute except for the below:

Name of the statute	Nature of dues	Forum where dispute is pending	Period for which the amount relates	Amount involved (₹ in lakhs)
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Income Tax Appellate Tribunal	2010-11	3.41
The Income Tax Act, 1961	Disallowance of marketing expenses.	Income Tax Appellate Tribunal	2011-12	344.94
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Commissioner of Income Tax (Appeals)	2011-12	196.68
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Income Tax Appellate Tribunal	2012-13	4.05
The Income Tax Act, 1961	Disallowance of expenditure incurred in connection with earning exempted income.	Income Tax Appellate Tribunal	2013-14	16.45
The Income Tax Act, 1961	Disallowance of advance written off and 80G disallowance.	Commissioner of Income Tax (Appeals)	2016-17	75.32
The Income Tax Act, 1961	Disallowance u/s 14A.	Commissioner of Income Tax (Appeals)	2019-20	61.33
The Customs Act, 1962	Disallowance of concessional custom duty availed under Customs Notification No.12/2012 for reaper combinder.	Appellate Tribunal	2014-2017	25.68
Indirect tax matters	Mismatch of input tax credit as per GSTR2A and 3B, mismatch with e-way bills and non-submission of details for certain expenses.	Various GST Authorities	2017-2026	1,780.89

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) According to the information and explanations provided to us and based on examination of the standalone financial statements, the Company is not having any loans except for working capital loan from banks. Further, there are no defaults in the repayment of the working capital loan.

(b) According to the information and explanations provided to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender;

(c) According to the information and explanations provided to us and based on examination of the standalone financial statements, the Company is not having any borrowings. Accordingly, reporting under this clause is not applicable.

(d) According to the information and explanations provided to us and based on an overall examination of the standalone financial statements, the Company has not raised any funds on short-term basis. Accordingly, reporting under this clause is not applicable.

(e) According to the information and explanation provided to us and based on the examination of the standalone financial statements, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture as defined under the Act.

(f) According to the information and explanation provided to us and based on the examination of the standalone financial statements, the Company has not raised loans during the year on the pledge of securities held in its joint venture as defined under the Act.

(x) (a) According to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence the reporting under clause 3(x)(a) is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the period.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government, during the year and up to the date of this report.

(c) According to the information and explanations given by the management the Company has not received any whistle blower complaints during the year (and up to the date of this report). Accordingly, reporting under this clause is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the books of account

a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) in respect of other than ongoing projects. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) The unspent CSR amount in respect of ongoing project (relating to financial year 2023-24) had been transferred to the separate bank account within 30 days from the end of the financial year 2023-24.

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of the standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **K.S. Rao & Co.,**
Chartered Accountants
ICAI Firm Registration No: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060
UDIN: 26223060MGABFM1710

Place: Bengaluru
Date: May 15, 2026

Appendix - B to the Independent Auditors' Report

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to the standalone financial statements of M/s. V.S.T. Tillers Tractors Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

The Company's Board of directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements includes obtaining an understanding of internal financial controls with reference to the standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS.

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that,

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS.

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **K.S. Rao & Co.,**
Chartered Accountants
ICAI Firm Registration No: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060
UDIN: 26223060MGABFM1710

Place: Bengaluru
Date: May 15, 2026

Standalone Balance Sheet

as at 31st March 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March 2026	As at 31st March 2025
A Assets			
1. Non-current assets			
a) Property, plant and equipment	4(a)	20,423.18	21,145.42
b) Capital work-in-progress	4(b)	1,778.49	1,006.30
c) Right-of-use assets	4(c)	488.13	502.64
d) Investment property	5	2,099.72	2,127.89
e) Other intangible assets	6	160.37	239.58
f) Financial assets			
i) Investments	7	1,887.28	4,149.97
ii) Loans	8	3.28	4.14
iii) Other financial assets	9	273.36	320.44
g) Other non-current assets	10	524.47	315.44
Total non-current assets		**27,638.28**	**29,811.82**
2. Current assets			
a) Inventories	11	12,331.40	10,072.05
b) Financial assets			
i) Investments	7	61,464.46	48,370.40
ii) Loans	8	3.68	9.07
iii) Trade receivables	12	17,170.66	20,564.25
iv) Cash and cash equivalents	13	4,667.76	7,117.01
v) Bank balances other than (iv) above	14	314.51	354.18
vi) Other financial assets	9	62.01	102.23
c) Current tax asset (net)	15	959.42	1,475.01
d) Other current assets	10	10,133.14	8,834.94
Total current assets		**1,07,107.04**	**96,899.14**
Total assets		**1,34,745.32**	**1,26,710.96**
B Equity and liabilities			
1. Equity			
a) Equity share capital	16	865.28	864.34
b) Other equity	17	1,08,868.34	99,515.49
Total equity		**1,09,733.62**	**1,00,379.83**
2. Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Lease liabilities	18	94.69	106.45
ii) Other financial liabilities	19	3,991.23	4,149.25
b) Provisions	20	1,259.95	896.36
c) Deferred tax liabilities (net)	21	628.13	853.01
d) Other non-current liabilities	22	2.28	5.97
Total non-current liabilities		**5,976.28**	**6,011.04**
Current liabilities			
a) Financial liabilities			
i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	23	2,904.64	3,378.45
- total outstanding dues of creditors other than micro enterprises and small enterprises	23	7,186.94	6,501.85
ii) Lease liabilities	18	96.30	89.95
iii) Other financial liabilities	19	5,616.58	5,594.44
b) Provisions	20	439.15	344.08
c) Other current liabilities	22	2,791.81	4,411.32
Total current liabilities		**19,035.42**	**20,320.09**
Total liabilities		**25,011.70**	**26,331.13**
Total equity and liabilities		**1,34,745.32**	**1,26,710.96**

The accompanying notes form an integral part of financial statements

As per our report of even date
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060

Place: Bengaluru
Date: May 15, 2026

For and on behalf of Board of Directors
V.S.T. Tillers Tractors Limited

V.T.Ravindra
DIN: 00396156
Managing Director

Rajen Padukone
DIN: 00262729
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
ACS - 21759
Company Secretary

Place: Bengaluru
Date: May 15, 2026

Standalone statement of profit and loss

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I	Revenue from operations	24	1,24,035.65	99,454.87
II	Other income	25	434.97	3,830.99
III	**Total income (I+II)**		**1,24,470.62**	**1,03,285.86**
IV	**Expenses**			
	a) Cost of materials consumed		74,457.45	58,053.42
	b) Purchases of stock-in-trade		11,072.19	8,467.94
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(675.69)	1,828.15
	d) Employee benefits expense	27	11,280.89	10,077.40
	e) Finance costs	28	191.36	196.16
	f) Depreciation and amortisation expenses	29	2,550.44	2,547.69
	g) Other expenses	30	11,309.29	9,919.92
	Total expenses		**1,10,185.93**	**91,090.68**
V	Profit before exceptional items and tax (III-IV)		14,284.69	12,195.18
VI	Exceptional items		-	-
VII	**Profit before tax (V-VI)**		**14,284.69**	**12,195.18**
VIII	**Tax expense:**			
	a) Current tax		3,900.19	2,584.50
	b) Deferred tax		(215.12)	164.88
IX	**Profit for the year (VII-VIII)**		**10,599.62**	**9,445.79**
X	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	a) Remeasurement of defined employee benefit plans	31	(38.79)	(31.54)
	(ii) Income tax on items that will not be reclassified to profit or loss	31	9.76	7.94
	B (i) Items that will be reclassified to the profit or loss		-	-
	Total other comprehensive income (net of taxes)		**(29.03)**	**(23.60)**
	Total comprehensive income for the year (IX+X)		**10,570.59**	**9,422.19**
XI	**Earnings per share**	32		
	- Basic (in ₹ per share)		122.63	109.33
	- Diluted (in ₹ per share)		122.15	109.15

The accompanying notes form an integral part of financial statements

As per our report of even date
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060

Place: Bengaluru
Date: May 15, 2026

For and on behalf of Board of Directors
V.S.T. Tillers Tractors Limited

V.T.Ravindra
DIN: 00396156
Managing Director

Rajen Padukone
DIN: 00262729
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
ACS - 21759
Company Secretary

Place: Bengaluru
Date: May 15, 2026

Statement of changes in equity

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

I. EQUITY SHARE CAPITAL

	At the beginning of the year	Changes during the year	At the end of the year
For the year ended March 31, 2025	863.95	0.38	864.34
For the year ended March 31, 2026	864.34	0.94	865.28

II. OTHER EQUITY

	Capital reserve	General reserve	Share option outstanding account	Securities premium	Surplus in statement of profit and loss	Other comprehensive income	Total
As at April 01, 2024	**264.05**	**30,000.00**	**25.30**	**-**	**61,541.54**	**(288.10)**	**91,542.78**
Profit for the year	-	-	-	-	9,445.80	-	9,445.80
Other comprehensive income	-	-	-	-	-	(23.60)	(23.60)
Total comprehensive income	**-**	**-**	**-**	**-**	**9,445.80**	**(23.60)**	**9,422.20**
Dividends paid on equity shares	-	-	-	-	(1,727.91)	-	(1,727.91)
Share based payments to employees	-	-	278.42	-	-	-	278.42
Exercise of employee stock options	-	-	(121.91)	121.91	-	-	-
As at March 31, 2025	**264.05**	**30,000.00**	**181.81**	**121.91**	**69,259.44**	**(311.71)**	**99,515.49**
Profit for the year	-	-	-	-	10,599.62	-	10,599.62
Other comprehensive income	-	-	-	-	-	(29.03)	(29.03)
Total comprehensive income	**-**	**-**	**-**	**-**	**10,599.62**	**(29.03)**	**10,570.59**
Dividends paid on equity shares	-	-	-	-	(1,728.67)	-	(1,728.67)
Share based payments to employees	-	-	510.93	-	-	-	510.93
Exercise of employee stock options	-	-	(308.38)	308.38	-	-	-
As at March 31, 2026	**264.05**	**30,000.00**	**384.36**	**430.29**	**78,130.38**	**(340.74)**	**1,08,868.34**

The accompanying notes form an integral part of financial statements

Description of the nature and purpose of other equity:

(i) Capital reserve: Capital reserve mainly represents the amount of profit on reissue of shares.

(ii) General reserve: General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

(iii) Retained earnings: Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to/from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

(iv) Employee stock option outstanding account: Share option outstanding account represents reserve in respect of equity settled share options granted to the Company's employees in pursuance to employee stock option plan.

(v) Securities premium: Securities premium reserve is used to record the premium on issue of shares. The fair value of employee stock options is recognised in Securities Premium once the shares have been allotted on exercise of the options.

As per our report of even date
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060

Place: Bengaluru
Date: May 15, 2026

For and on behalf of Board of Directors
V.S.T. Tillers Tractors Limited

V.T.Ravindra
DIN: 00396156
Managing Director

Rajen Padukone
DIN: 00262729
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
ACS - 21759
Company Secretary

Place: Bengaluru
Date: May 15, 2026

Standalone cash flow statement

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
I Cash flows from operating activities:		
A. Profit before tax	14,284.69	12,195.18
B. Adjustments for:		
a. Depreciation and amortisation expenses	2,550.44	2,547.69
b. Interest income from investments	(91.01)	(68.44)
c. Interest income on security deposits	(0.68)	(0.70)
d. Dividend income	(190.12)	(193.70)
e. Unrealised (gain)/loss on investments	677.66	(2,468.59)
f. (Profit)/loss on sale of investment	21.79	(335.60)
g (Profit)/loss on sale of property, plant and equipment	4.24	7.18
h. Allowance for expected credit loss	115.69	88.20
i. Rent received	(255.64)	(246.85)
j. Provisions written back	(59.92)	(119.29)
k. Unrealized foreign exchange (gain)/loss	(36.57)	13.70
l. Interest expense on lease liabilities	12.78	12.62
m . Interest expense on security deposits	6.07	5.76
n . Other finance costs	172.50	177.77
o. Deferred rental income on security deposits received	(5.91)	(5.91)
p. Amortisation of prepaid lease rentals	0.69	0.71
q. Share based payments to employees	510.93	278.42
r. Assets written off	33.01	-
	17,750.65	**11,888.15**
C. Adjustments for movements in working capital		
a. Trade payables, other liabilities and provisions (Net of fair value adjustments on deposits)	(1,068.87)	1,872.36
b. Trade receivables	3,314.48	(5,150.02)
c. Inventories	(2,259.35)	1,708.26
d. Financial and other current assets (Net of fair value adjustment on deposits)	(1,191.37)	(567.08)
D. Cash generated from operations	**16,545.54**	**9,751.67**
Less: Direct taxes paid (net of refund)	(3,384.60)	(2,097.05)
Net cash flows from operating activities (I)	**13,160.94**	**7,654.62**
II Cash flows from investing activities		
a. Purchase of property, plant and equipment including intangible assets, capital work-in-progress and capital advances	(2,638.92)	(2,040.70)
b. Proceeds from sale of property, plant and equipment	4.81	-
c. Redemption/(investment) in bank deposits	39.67	(47.92)
d. Purchase of investments	(15,481.91)	(10,336.60)
e. Proceeds from sale of investments	3,951.09	9,064.82
f. Interest received	78.75	45.42
g. Income from investments	190.12	193.70
h. Rent received	255.64	246.85
Net cash flows used in investing activities (II)	**(13,600.74)**	**(2,874.43)**

Standalone cash flow statement

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
III	**Cash flows from financing activities**		
	a. Interest paid	(172.50)	(177.77)
	b. Payment of lease liabilities	(109.21)	(124.97)
	c. Dividends paid on equity shares	(1,728.67)	(1,727.91)
	d. Proceeds from exercise of stock options	0.94	0.38
	Net cash flows used in financing activities (III)	**(2,009.44)**	**(2,030.27)**
IV	**Net increase/(decrease) in cash and cash equivalents (I + II + III)**	**(2,449.25)**	**2,749.92**
	Cash and cash equivalents at the beginning of the year	7,117.01	4,367.09
V	**Cash and cash equivalents at the end of the year**	**4,667.76**	**7,117.01**
VI	**Components of cash and cash equivalents:**		
	a. Cash in hand	-	-
	b. With banks		
	i fixed deposits with banks	2,449.00	2,401.00
	ii. in current accounts	2,218.76	4,716.01
	Total cash and cash equivalents	**4,667.76**	**7,117.01**

CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

For the year ended March 31, 2026

Particulars	As at April 01, 2025	Cash flows	Non-cash changes	As at March 31, 2026
Lease liabilities	196.40	(109.21)	103.80	190.99
Total	**196.40**	**(109.21)**	**103.80**	**190.99**

For the year ended March 31, 2025

Particulars	As at April 01, 2024	Cash flow	Non-cash changes	As at March 31, 2025
Lease liabilities	135.45	(124.97)	185.93	196.40
Total	**135.45**	**(124.97)**	**185.93**	**196.40**

The accompanying notes form an integral part of financial statements

As per our report of even date
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060

Place: Bengaluru
Date: May 15, 2026

For and on behalf of Board of Directors
V.S.T. Tillers Tractors Limited

V.T.Ravindra
DIN: 00396156
Managing Director

Rajen Padukone
DIN: 00262729
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
ACS - 21759
Company Secretary

Place: Bengaluru
Date: May 15, 2026

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

1. CORPORATE INFORMATION:

V.S.T. Tillers Tractors Limited ("VTTL" or "the Company") was incorporated on December 18, 1967 in Bangalore, India. It was promoted by the VST Group, a well-known business house in South India, in technical collaboration and joint venture with Mitsubishi Heavy Industries and Mitsubishi Corporation, Japan for the manufacture of power tillers and diesel engines. The plant went into production in the year 1970.

In 1984, an additional technical and financial collaboration with Mitsubishi Agricultural Machinery Company Ltd, Japan for the manufacture of 18.5 HP, 4-wheel drive tractor was entered into.

The company was incorporated for the purpose of manufacture and to deal with tractors, tillers, power weeders, diesel engines, harvesters, reapers, binders, transplanters/planters, trench cutters, front end loaders and all kinds of allied agricultural, plantation and horticultural machinery including attachments, components, accessories, spares & implements, and other equipment required for the satisfactory functioning of the agricultural equipment.

2. BASIS OF PREPARATION:

The standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act ("the Act"), the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

These standalone financial statements were approved by the Company's Board of Directors and authorized for issue on May 15, 2026.

The standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

3. MATERIAL ACCOUNTING POLICIES:

a) Significant accounting estimates and assumptions

The preparation of standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosures of contingencies at the end of each reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates were made by the Company based on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. **Impairment of non-current assets:**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposals and its value in use. The fair value less costs of disposal is calculated based on available data from binding sales transactions, conducted at arm's length price, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The value in use is sensitive to the discount rate (generally weighted average cost of capital) used for the DCF model as well as the expected future cash-inflows and the growth rate used for exploration purposes.

ii. **Defined benefit plans:**

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

iii. **Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

iv. **Contingencies:**

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claim/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

v. **Property, plant and equipment:**

Based on evaluations done by technical assessment team, the management has adopted the useful life and residual value of its property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

vi. **Intangibles assets:**

Internal technical or user team assesses the useful lives of intangible assets. Management believes that assigned useful lives are reasonable.

vii. **Income taxes:**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

viii. **Provision for warranty expenditure:**

Due to the nature of industry the Company operates in, it needs to incur warranty expenditure on regular basis. Company applies rational judgement and past experience in determining the extent of provision to be created at the end of each reporting period.

b) Current vs non-current classifications:

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies below criteria:

i. Expected to be realized or is intended to be sold or consumed in its normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realized within twelve months after the reporting period; or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies below criteria:

i. Expected to settle the liability in its normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Due to be settled within twelve months after the reporting period; or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

c) Property, plant and equipment:

Property, plant and equipment are stated at cost net of GST input credit, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price, any attributable cost of bringing the asset to its working condition for its intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

The Company adopted cost model as its accounting policy, in recognition of the property, plant and equipment and recognizes the transaction value as the cost.

Direct expenditure incurred and other attributable costs on projects under construction or in the process of installation are termed as capital work in progress and shown at cost in the balance sheet.

Depreciation is provided on the straight-line method as per the useful life prescribed in the schedule II to the Companies Act, 2013 except in respect of the following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance supports etc.

Estimated useful life of the assets are as follows:

Type of the asset	Method of depreciation	Useful life considered
Buildings	Straight line method	3 - 60 years
Plant and machinery	Straight line method	2 - 15 years
Data processing equipment	Straight line method	3 - 6 years
Furniture and fixtures	Straight line method	5 - 10 years
Vehicles	Straight line method	8 years
Office equipment	Straight line method	5 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss. Property, plant and equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value if any is charged to statement of profit and loss.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at March 31, 2016 measured as per previous GAAP as the deemed cost of property, plant and equipment.

d) Intangible assets:

Intangible assets are carried at cost, net of accumulated amortization expenses and impairment losses, if any. The cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

Computer software:

Costs incurred towards purchase of computer software are amortized over the useful life as estimated by the management, which is about 3 years for all of the intangible computer software assets.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the statement of profit and loss when the asset is derecognized.

e) Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefit associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment properties are depreciated using the straight – line method over their estimated useful lives. The estimated useful life of buildings, classified as investment properties, ranges from 30 - 60 years. The useful life has been determined based on technical evaluation performed by the management's expert. Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their use. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit and loss in the period of derecognition.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

f) Impairment of tangible and intangible assets:

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discounting factor. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

ii. When there is an indication previously recognized impairment losses no longer exists or may have decreased such reversal of impairment loss is recognized in the statement of profit and loss.

g) Borrowing cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

h) Leases:

The Company assesses a contract at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities:

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included in the measurement of the lease liability include fixed payments (including in substance fixed payments), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss. In the case of a short-term lease contract and lease contracts for which the underlying asset is of low value, lease payments are charged to the statement of profit and loss on accrual basis.

i) Inventories:

i. Stock-in-trade:

Stock-in-trade is stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price of inventories less estimated costs of completion and costs necessary to make the sale. Cost is determined on weighted average basis.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

ii. Stores and spares:

Spare parts, stand-by equipment and servicing equipment are recognized in accordance with Ind AS 16 when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. Spare parts, stand-by equipment and servicing equipment classified as inventory are stated at the lower of cost or net realizable value. Cost is determined on weighted average basis.

j) Investment in joint venture:

The Company accounts for its equity investments in joint venture at cost less accumulated impairment loss, if any.

k) Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or the liability if market participants would take those characteristics into account when pricing the asset or the liability at the measurement date. Fair value for measurement and / or disclosure purpose in these standalone financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value, such as net realizable value in Ind AS 2, or value in use in Ind AS 36. In addition, for financial reporting purpose, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety. All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i. Level 1 – Quoted (unadjusted market prices) in active markets for identical assets or liabilities.

ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.

iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

l) Revenue recognition:

i. Revenue from operations:

Revenue from sale of goods is recognised upon satisfaction of performance obligation which is at a point in time, generally on delivery of the goods, when control of the goods is transferred to customers. Revenue from services is recognised upon satisfaction of performance obligation towards rendering of such services.

The Company recognises revenue from sale of goods or services at the amount of transaction price (excluding variable consideration that is constrained), that is allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of third parties.

An amount of consideration can vary because of discounts, rebates, incentives etc. which are explicitly stated in the contract or are as per customary business practices. The consideration can also vary where the entitlement is contingent on occurrence or non-occurrence of a future event. The Company includes variable consideration as part of transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Variable consideration is estimated using the expected value method or the most likely amount depending on which method the Company expects to better predict the amount of consideration to which it will be entitled and is applied consistently throughout the contract.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income / expense, as applicable.

ii. **Interest and dividend:**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the right to receive payment is established by the balance sheet date.

iii. **Rental income:**

Rental income is recognized on accrual basis, based on agreements entered by the company as on the reporting date.

m) Foreign currency transactions:

In preparing the standalone financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in the statement of profit and loss in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

n) Retirement and other employee benefits:

i. Employer's contribution to provident fund, employee state insurance and labour welfare fund which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

ii. Gratuity liability is in the nature of defined benefit obligation. The Company's plan assets comprise of gratuity fund maintained by Life Insurance Corporation of India and liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each reporting period as per the requirements of Ind AS 19 on "Employee benefits". Actuarial gain/(loss) in the valuation are recognized as other comprehensive income for the period.

iii. Compensated absences which are in the nature of defined benefit obligation are provided for based on estimates and provided for on the basis of independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 on "Employee benefits".

iv. **Share based payments to employees:**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest, with a corresponding increase in equity.

v. **Termination benefits:**

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for those benefits. The company recognizes the termination benefits at the earlier of the following dates:

a) when the company no longer withdraw the offer of those benefits and

b) when the company recognizes the costs for a restructuring that is within the scope of Ind AS 37 and involves payment of termination benefits.

o) Earnings per share:

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

p) Provisions:

Provisions are recognized when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provisions. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as a finance cost.

q) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognized in the balance sheet and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

r) Taxes on income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods. Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carried forward tax losses, all deferred tax assets are recognized only if it is probable that they can be utilized against future taxable profits. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company can write-off the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-off is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

s) Prior period items:

In case prior period adjustments are material in nature, the Company prepares the restated standalone financial statement as required under Ind AS 8 - "Accounting policies, changes in accounting estimates and errors". In case of immaterial items pertaining to prior periods, they will be shown under respective items in the statement of profit and loss.

t) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash as are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments. For the statement of cash flows, cash and cash equivalents consists of short-term deposits, as defined above, net of outstanding bank overdraft (if any) as they being considered as integral part of the Company's cash management.

u) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Financial assets:

A. Initial recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

B. Subsequent measurement:

For subsequent measurement, financial assets are classified into following categories:

a. Debt instruments at amortized cost

b. Debt instruments at fair value through profit and loss

c. Equity instruments at fair value through profit and loss

a. Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the statement of profit and loss.

b. Debt instrument at fair value through profit and loss (FVTPL):

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

c. Equity instruments at fair value through profit and loss (FVTPL):

Equity instruments/mutual funds in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognized in the statement of profit and loss.

C. Derecognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognized when:

a. The rights to receive cash flows from the asset have expired, or

b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement.

D. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet it is shown as reduction from the specific financial asset.

Financial liabilities:

A. Initial recognition and measurement:

At initial recognition, all financial liabilities are recognized at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

B. Subsequent measurement:

a. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognized in the statement of profit and loss. The company doesn't designate any financial liability at fair value through profit or loss.

b. Financial liabilities at amortized cost:

Amortized cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortization is included as finance costs in the statement of profit and loss. Financial liability with maturity of less than one year is shown at transaction value.

C. Derecognition:

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit and loss as other income or finance costs.

v) Warranty:

The Company periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past experience of claims.

w) Segment reporting:

The Company has only one reportable business segment, which is manufacturing and trading of agriculture machinery and operates in a single business segment. Accordingly, the amounts appearing in the standalone financial statements relate to the company's single business segment.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

x) Exceptional items:

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'exceptional item'.

y) Recent pronouncements:

New Accounting standards, amendments and interpretations adopted by the Company effective from April 1, 2025:

i. Amendments to Ind AS 21–The effects of changes in foreign exchange rates:

The amendment clarifies the assessment of whether a currency is exchangeable and prescribes the determination of a spot exchange rate when exchangeability is lacking. It also introduces additional disclosure requirements to enable users of financial statements to understand the impact arising from a currency not being exchangeable. These amendments are effective for annual reporting periods beginning on or after April 1, 2025. The Company has evaluated the impact of these amendments and concluded that they do not have a material impact on the standalone financial statements.

ii. Amendments to Ind AS 1–Presentation of financial statements:

On August 13, 2025, the Ministry of Corporate Affairs (MCA) issued amendments to Ind AS 1 – Presentation of financial statements relating to the classification of liabilities as current or non-current and non-current liabilities with covenants. These amendments aim to improve consistency in the application of classification requirements by clarifying whether liabilities with uncertain settlement dates should be classified as current or non-current in the statement of financial position. The amendments also clarify the classification requirements for liabilities that may be settled through conversion into equity. These amendments are effective for annual reporting periods beginning on or after April 1, 2025, and are to be applied retrospectively. The Company has assessed the impact of these amendments and concluded that they do not have a material impact on the standalone financial statements.

iii. Amendments to Ind AS 7 - Statement of cash flows and Ind AS 107 - Financial instruments:

On August 13, 2025, MCA issued 'Supplier Finance Arrangements (Amendments to Ind AS 7 and Ind AS 107)'. These amendments require entities to disclose information about supplier finance arrangements to enable users of financial statements to assess the effects of such arrangements on the Company's liabilities, cash flows, and exposure to liquidity risk. These amendments are effective for annual reporting periods beginning on or after April 1, 2025, and are to be applied retrospectively. The Company has evaluated the impact of these amendments and concluded that they do not have a material impact on the standalone financial statements.

iv. Amendments to Ind AS 12 – Income taxes:

On August 13, 2025, the MCA issued amendments to Ind AS 12 – Income Taxes relating to the International Tax Reform – Pillar Two Model Rules. These amendments clarify the application of Ind AS 12 to income taxes arising from tax laws enacted or substantively enacted to implement the Organisation for Economic Co-operation and Development (OECD) Pillar Two Model Rules, including tax laws implementing qualified domestic minimum top-up taxes under such rules.

The Company has applied the temporary exception from the accounting requirements for deferred taxes under Ind AS 12. Accordingly, the Company has neither recognised nor disclosed information relating to deferred tax assets and liabilities associated with Pillar Two income taxes. The Company has evaluated the impact of these amendments and concluded that they do not have a material impact on the standalone financial statements.

New accounting standards, amendments and interpretations not yet adopted by the company:

MCA notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

4(A) PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant & machinery	Computer equipment	Office equipment	Vehicles	Furniture & fixtures	Total
Gross block								
At April 1, 2024	**4,889.26**	**9,637.12**	**22,225.98**	**979.46**	**293.73**	**427.70**	**305.90**	**38,759.14**
Additions	-	101.40	876.83	17.16	33.05	253.95	24.90	1,307.31
Less: Disposals	-	-	56.83	-	-	-	-	56.83
At March 31, 2025	**4,889.26**	**9,738.53**	**23,045.98**	**996.62**	**326.78**	**681.66**	**330.79**	**40,009.62**
Additions	-	154.94	890.77	74.75	32.52	476.75	8.22	1,637.94
Less: Disposals	-	26.09	124.70	13.16	8.74	6.40	-	179.08
At March 31, 2026	**4,889.26**	**9,867.38**	**23,812.05**	**1,058.21**	**350.56**	**1,152.00**	**339.01**	**41,468.47**
Accumulated depreciation								**-**
At April 01, 2024	**-**	**3,266.95**	**11,874.58**	**880.29**	**245.87**	**124.45**	**207.16**	**16,599.30**
Charge for the year	-	307.95	1,828.04	51.08	20.49	82.07	24.91	2,314.55
Less: Disposals	-	-	49.65	-	-	-	-	49.65
At March 31, 2025	**-**	**3,574.90**	**13,652.97**	**931.37**	**266.37**	**206.53**	**232.07**	**18,864.20**
Charge for the year	-	309.05	1,808.13	34.15	27.50	114.38	24.92	2,318.11
Less: Disposals	-	26.08	87.45	13.16	8.74	1.59	-	137.02
At March 31, 2026	**-**	**3,857.86**	**15,373.65**	**952.36**	**285.13**	**319.31**	**256.98**	**21,045.29**
Net block								
At March 31, 2025	**4,889.26**	**6,163.63**	**9,393.01**	**65.25**	**60.41**	**475.13**	**98.72**	**21,145.42**
At March 31, 2026	**4,889.26**	**6,009.51**	**8,438.40**	**105.85**	**65.44**	**832.69**	**82.03**	**20,423.18**

4(B) CAPITAL WORK IN PROGRESS

Particulars	As at March 31, 2026	As at March 31, 2025
Capital work in progress	1,778.49	1,006.30
	1,778.49	**1,006.30**

4(C) RIGHT-OF-USE ASSETS

Particulars	Leasehold land	Other leasehold assets	Total
Gross block			
At April 1, 2024	**329.37**	**293.96**	**623.33**
Additions	-	173.30	173.30
Less: Disposals	-	-	-
At March 31, 2025	**329.37**	**467.26**	**796.63**
Additions	-	91.01	91.01
Less: Disposals			-
At March 31, 2026	**329.37**	**558.27**	**887.64**
Accumulated depreciation			
At April 1, 2024	**9.99**	**166.03**	**176.02**
Charge for the year	3.33	114.65	117.97
Less: Disposals	-	-	-
At March 31, 2025	**13.32**	**280.68**	**293.99**
Charge for the year	3.33	102.20	105.52
Less: Disposals	-	-	-
At March 31, 2026	**16.65**	**382.86**	**399.51**
Net block			
At March 31, 2025	**316.05**	**186.59**	**502.64**
At March 31, 2026	**312.72**	**175.41**	**488.13**

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

5 INVESTMENT PROPERTY

Particulars	Land	Buildings	Total
Gross block			
At April 1, 2024	**1,389.18**	**1,020.44**	**2,409.62**
Additions	-	-	-
Less: Disposals	-	-	-
At March 31, 2025	**1,389.18**	**1,020.44**	**2,409.62**
Additions	-	-	-
Less: Disposals	-	-	-
At March 31, 2026	**1,389.18**	**1,020.44**	**2,409.62**
Accumulated depreciation			
At April 1, 2024	**-**	**253.57**	**253.57**
Charge for the year	-	28.17	28.17
Less: Disposals	-	-	-
At March 31, 2025	**-**	**281.73**	**281.73**
Charge for the year	-	28.17	28.17
Less: Disposals	-	-	-
At March 31, 2026	**-**	**309.90**	**309.90**
Net block			
At March 31, 2025	**1,389.18**	**738.71**	**2,127.89**
At March 31, 2026	**1,389.18**	**710.54**	**2,099.72**

6 OTHER INTANGIBLE ASSETS

Particulars	Technical knowhow	Software	Total
Gross block			
At April 1, 2024	**1,407.40**	**724.90**	**2,132.30**
Additions	-	98.76	98.76
Less: Disposals	-	-	-
At March 31, 2025	**1,407.40**	**823.66**	**2,231.06**
Additions	0.77	18.66	19.43
Less: Disposals	-	-	-
At March 31, 2026	**1,408.17**	**842.32**	**2,250.49**
Amortisation			
At April 1, 2024	**1,311.21**	**593.28**	**1,904.49**
Charge for the year	28.32	58.68	87.00
Less: Disposals	-	-	-
At March 31, 2025	**1,339.53**	**651.95**	**1,991.48**
Charge for the year	26.25	72.39	98.64
Less: Disposals	-	-	-
At March 31, 2026	**1,365.78**	**724.34**	**2,090.12**
Net block			
At March 31, 2025	**67.87**	**171.70**	**239.58**
At March 31, 2026	**42.39**	**117.98**	**160.37**

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

7 FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Investments consist of the following		
Non - current investments		
a) Investments carried at fair value through profit or loss		
- Fully paid equity shares (unquoted)	918.28	876.20
- Convertible preference shares (Zimeno Inc)	-	2,304.77
b) Investments in joint venture at cost		
- VST Zetor Private Limited	969.00	969.00
	1,887.28	**4,149.97**
Current investments		
a) Investments carried at fair value through profit or loss		
- Fully paid equity shares (quoted)	6,188.76	6,982.28
- Mutual funds (quoted)	55,275.70	41,388.12
	61,464.46	**48,370.40**
Aggregate amount of quoted investments and market value thereof	61,464.46	48,370.40
Aggregate amount of un-quoted investments	1,887.28	4,149.97
Total	**63,351.74**	**52,520.37**

8 FINANCIAL ASSETS - LOANS

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured loans consist of the following		
Non - current		
Considered good		
- Loans to employees	3.28	4.14
	3.28	**4.14**
Current		
Considered good		
- Loans to employees	3.68	9.07
	3.68	**9.07**

9 FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2026	As at March 31, 2025
Other financial assets consist of the following		
Non - current		
a) Deposits with remaining maturity more than 12 months	14.14	14.14
b) Security deposits	259.22	306.30
	273.36	**320.44**
Current		
a) Income accrued but not due	62.01	49.73
b) Other receivables	-	52.50
	62.01	**102.23**

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

10 OTHER ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Non - current		
Considered good		
a) Capital advances	524.22	314.85
b) Prepaid lease rentals	0.25	0.59
	524.47	**315.44**
Current		
Considered good		
a) Advance to suppliers	453.61	414.60
b) Advances to employees	12.16	9.67
c) Prepaid expense	298.55	369.15
d) Pre-paid lease rentals	0.60	0.54
e) Indirect tax recoverable	8,120.58	7,089.70
f) Deposits relating to indirect tax appeals	1,247.64	951.28
	10,133.14	**8,834.94**

11 INVENTORIES

Particulars	As at March 31, 2026	As at March 31, 2025
a) Raw material and components	7,937.29	6,374.72
b) Work-in-progress	1,422.61	1,234.61
c) Finished goods	1,737.56	1,184.56
d) Stock-in-trade	819.36	884.67
e) Loose tools	280.76	274.30
f) Machinery spares and others	133.82	119.19
	12,331.40	**10,072.05**

12 TRADE RECEIVABLES

Particulars	As at March 31, 2026	As at March 31, 2025
a) Secured, considered good	626.50	2,416.37
b) Unsecured, considered good	16,544.16	18,147.88
c) Unsecured, considered doubtful	3,400.59	3,313.69
Total	**20,571.25**	**23,877.94**
Less: Allowance for expected credit loss	3,400.59	3,313.69
Trade receivables (net)	17,170.66	20,564.25

13 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2026	As at March 31, 2025
a) Balances with banks		
- On current accounts	2,218.76	4,716.01
- Deposits with original maturity of less than 3 months	2,449.00	2,401.00
	4,667.76	**7,117.01**

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

14 OTHER BANK BALANCES

Particulars	As at March 31, 2026	As at March 31, 2025
a) Earmarked balances with banks (unpaid dividend & unspent CSR expenditure)	146.03	168.77
b) Marginal money deposits	168.49	185.41
	314.51	**354.18**

15 CURRENT TAX ASSET (NET)

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax asset (net)	959.42	1,475.01
	959.42	**1,475.01**

16 SHARE CAPITAL

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Authorised:		
1,00,00,000 equity shares of ₹ 10/- each	1,000.00	1,000.00
(b) Issued, subscribed and paid-up :		
86,52,754/- equity shares of ₹ 10/- each paid up	865.28	864.34

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	Amount	Nos.	Amount
Equity shares				
At the beginning of the year	86,43,358	864.34	86,39,528	863.95
Movement during the year	9,396	0.94	3,830	0.38
At the end of the year	**86,52,754**	**865.28**	**86,43,358**	**864.34**

(d) Terms / rights attached to equity shares

i. The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.

ii. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10/- each fully paid				
V.K.Surendra	19,34,534	22.36%	19,34,534	22.38%
V.V.Vijayendra	6,26,012	7.23%	6,26,012	7.24%
Kotak Small Cap Fund	8,20,016	9.48%	6,96,258	8.06%
Nippon Life India Trustee Ltd	5,01,622	5.80%	7,20,083	8.33%
	38,82,184	**44.87%**	**39,76,887**	**46.01%**

Includes all schemes under their management as per records of the Company, including its register of shareholders/members, the above shareholding represent legal ownership of shares.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

17 OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
(A) Capital reserve		
Opening balance	264.05	264.05
Add: Current period transfers	-	-
Less: Written back in current year	-	-
Closing balance	**264.05**	**264.05**
(B) Securities premium		
Opening balance	121.91	-
Exercise of employee stock options	308.38	121.91
Less: Written back in current year	-	-
Closing balance	**430.29**	**121.91**
(C) General reserve		
Opening balance	30,000.00	30,000.00
Add: Current period transfers	-	-
Less: Written back in current year	-	-
Closing balance	**30,000.00**	**30,000.00**
(D) Balance in statement of profit and loss		
Opening balance	69,259.43	61,541.54
Add: Profit/(loss) for the year	10,599.62	9,445.79
Less: Dividend on equity shares	(1,728.67)	(1,727.91)
Closing balance	**78,130.38**	**69,259.43**
(E) Employee stock option plan (VST RSU Plan)		
Opening balance	181.80	25.30
Current year additions	510.93	278.42
Less: Exercise of employee stock options	(308.38)	(121.91)
Closing balance	**384.36**	**181.80**
(F) Other comprehensive income		
On actuarial gain/(loss) on post employment benefits		
Opening balance	(311.71)	(288.10)
Add: Actuarial gain/(loss) for the year	(29.03)	(23.60)
Closing balance	(340.74)	(311.71)
Closing other equity	**1,08,868.34**	**99,515.49**

18 LEASE LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
a) Lease liabilities	94.69	106.45
	94.69	**106.45**
Current		
a) Lease liabilities	96.30	89.95
	96.30	**89.95**

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

19 FINANCIAL LIABILITIES - OTHERS

Particulars	As at March 31, 2026	As at March 31, 2025
Other financial liabilities consist of the following		
Non-current		
a) Dealer deposits	3,886.14	4,048.78
b) Rental deposits	105.10	100.47
	3,991.23	**4,149.25**
Current		
a) Unclaimed dividends	48.40	60.62
b) Rental deposits	18.00	18.00
c) Outstanding expenses	4,015.52	4,102.38
d) Incentives and marketing expenses payable	840.59	724.16
e) Employee cost payable	596.44	591.66
f) CSR payable	97.62	97.62
	5,616.58	**5,594.44**

20 PROVISIONS

Particulars	As at March 31, 2026	As at March 31, 2025
Non - current		
a) Provision for gratuity	783.07	510.32
b) Provision for leave benefits	476.87	386.04
	1,259.95	**896.36**
Current		
a) Provision for leave benefits	104.55	92.20
b) Provision for warranty	334.61	251.88
	439.15	**344.08**

21 DEFERRED TAX BALANCES

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets		
a) Employee benefits	343.00	317.00
b) Carried forward capital loss	49.00	-
c) Allowance for expected credit losses	880.00	858.00
	1,272.00	**1,175.00**
Deferred tax liabilities		
a) Property, plant and equipment & intangible assets	607.00	680.00
b) Fair valuation of financial assets	1,293.13	1,348.01
	1,900.13	**2,028.01**
Net deferred tax liability /(assets)	**628.13**	**853.01**

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

22 OTHER LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
a) Deferred rental income	2.28	5.97
	2.28	**5.97**
Current		
a) Statutory dues	1,754.32	3,629.04
b) Deferred rental income	4.98	5.76
c) Advance received-customers	1,032.51	776.52
	2,791.81	**4,411.32**

23 TRADE PAYABLES

Particulars	As at March 31, 2026	As at March 31, 2025
- Dues to micro enterprises and small enterprises	2,904.64	3,378.45
- Others	7,186.94	6,501.85
	10,091.58	**9,880.30**

24 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Sale of products	1,22,994.17	98,516.52
b) Sale of services	540.78	466.41
c) Other operating revenues	500.70	471.94
	1,24,035.65	**99,454.87**

25 OTHER INCOME

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Dividend	190.12	193.70
b) Income from investments		
i. Change in fair value	(677.66)	2,416.82
ii. Gain on sale of investments	-	387.36
c) Rent received		
i. Rental income	255.64	246.85
ii. Deferred rental income	5.91	5.91
d) Interest income		
i. On financial assets measured at amortized cost	91.01	68.44
ii. Others	89.36	142.97
e) Gain on sale of property, plant and equipment (net)	-	-
f) Insurance claims	14.00	41.24
g) Sundry credit balances written back	59.92	119.29
h) Gain on foreign exchange fluctuations (net)	283.31	97.41
i) Bill discounting	109.16	94.82
j) Miscellaneous income	14.19	16.17
	434.97	**3,830.98**

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

26 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Inventory at the beginning of the year		
- Finished goods	1,184.56	3,232.83
- Stock-in-trade	884.67	748.60
- Work-in-progress	1,234.61	1,150.56
	3,303.84	**5,131.99**
b) Inventory at the end of the year		
- Finished goods	1,737.56	1,184.56
- Stock-in-trade	819.36	884.67
- Work-in-progress	1,422.61	1,234.61
	3,979.52	**3,303.84**
(Increase)/decrease in inventory	**(675.69)**	**1,828.15**

27 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Salaries, wages and bonus	9,766.30	8,905.03
b) Contribution to funds	594.12	462.70
c) Share based payments to employees	510.93	278.42
d) Welfare expenses	409.53	431.25
	11,280.89	**10,077.40**

28 FINANCE COSTS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Interest expense on lease liability	12.78	12.62
b) Interest expense on financial liabilities measured at amortized cost	6.07	5.76
c) Other interest expenses	172.50	177.78
	191.36	**196.16**

29 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Depreciation on property, plant and equipment	2,318.11	2,314.55
b) Amortisation on other intangible assets	98.64	87.00
c) Depreciation on right-of-use assets	105.52	117.98
d) Depreciation on investment property	28.17	28.17
	2,550.44	**2,547.69**

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

30 OTHER EXPENSES

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
a)	Power and fuel	468.16	427.51
b)	Stores & tools consumed	666.84	623.93
c)	Warranty expenses	494.13	200.05
d)	Consultancy and legal charges	1,147.95	1,366.70
e)	Payment to statutory auditors (excluding GST)		
	- Audit Fee	30.50	30.50
	- Tax audit fee	5.00	5.00
	- Reimbursement of expenses	3.20	2.85
f)	Fees, rates and taxes	253.09	101.03
g)	Directors sitting fees	32.00	36.50
h)	Insurance	154.83	110.26
i)	Rental expenditure		
	- Rent	87.86	79.50
	- Amortisation of lease rentals	0.69	0.71
j)	Warehousing services	213.89	188.37
k)	Repairs and maintenance		
	- IT expense	658.73	600.92
	- Machinery	261.39	273.85
	- Buildings	86.73	81.71
	- Others	42.35	57.12
l)	Research and development	134.83	130.32
m)	Bank charges	37.67	26.32
n)	Travelling and conveyance	1,373.17	1,331.55
o)	Communication expenses	95.11	93.47
p)	Advertisement & promotion	542.20	457.42
q)	Freight and distribution	2,770.32	2,265.73
r)	Selling expenses	731.97	566.84
s)	Service expenses	283.45	262.06
t)	Allowance for expected credit loss	115.69	88.20
u)	Loss on sale of assets	4.24	7.18
v)	CSR expenditure	214.48	221.85
w)	Miscellaneous expenses	377.04	282.47
x)	Loss on sale of investments	21.79	-
		11,309.29	**9,919.92**

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

31 OTHER COMPREHENSIVE INCOME

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Actuarial gain/(losses) on gratuity expense for the year	(38.79)	(31.54)
Taxes on above	9.76	7.94
	(29.03)	**(23.60)**

32 EARNINGS PER EQUITY SHARE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit for the year attributable to equity share holders	10,599.62	9,445.79
Weighted average number of equity shares of ₹ 10/-each - basic	86.43	86.40
Weighted average number of equity shares of ₹ 10/-each - diluted	86.78	86.54
Earnings per equity share (basic)	122.63	109.33
Earnings per equity share (diluted)	122.15	109.15

33 FINANCIAL ASSETS (INVESTMENTS)

Sr no.	Particulars	Face value (Amt in ₹)	As at March 31, 2026		As at March 31, 2025	
			No. of shares/units	Amount	No. of shares/units	Amount
	As per statements					
	Non-current investments:					
	I. Investment in equity instruments (unquoted)					
1	MHI - VST Diesel Engines Private Limited	10	41,50,000	918.28	41,50,000	876.20
	II. Investment in preference shares					
	Investment in preference shares (unquoted)					
1	Investment In JV - Zimeno Inc (Monarch) (refer note below)		-	-	4,14,477	2,304.77
	III. Investment in equity instruments of joint venture (unquoted)					
1	VST Zetor Private Limited	10	96,90,000	969.00	96,90,000	969.00
	Total of non-current investments (I+II+III)			**1,887.28**		**4,149.97**
	Current investments:					
	I. Investment in equity shares					
	Investments in equity instruments (trade-quoted)					
1	Rane Holdings Limited	10	-	-	50,000	637.93
2	Asian Paints Limited	1	6,000	129.91	6,000	140.44
3	Infosys Limited	5	33,500	418.95	33,500	526.17
4	Larsen and Toubro Limited	2	20,000	700.82	20,000	698.46
5	Sundaram Finance Limited	10	25,000	1,093.88	20,000	914.89
6	Tata Consultancy Services Limited	1	14,500	342.04	14,500	522.89
7	Cipla Limited	2	24,000	293.81	24,000	346.13
8	Pidilite Industries Limited	1	17,800	228.73	8,900	253.59
9	Housing Development Finance Corporation Ltd	2	33,600	245.80	16,800	307.14
10	HDFC Life Insurance Company Limited	10	-	-	20,000	137.14
11	ICICI Bank Limited	2	43,000	518.54	43,000	579.79

Notes to the standalone financial statements
for the year ended March 31, 2026
(All amounts are rupees in lakhs, unless otherwise stated)

Sr no.	Particulars	Face value (Amt in ₹)	As at March 31, 2026		As at March 31, 2025	
			No. of shares/units	Amount	No. of shares/units	Amount
12	Kotak Mahindra Bank Limited	5	75,000	265.05	15,000	325.68
13	Mphasis Limited	10	7,000	143.71	7,000	175.01
14	Hindustan Unilever Limited	1	17,000	349.38	17,000	384.00
15	ITC Limited	1	40,000	115.08	40,000	163.90
16	Colgate-Palmolive (India) Limited	1	9,000	160.98	9,000	215.08
17	Tata Consumer Products Limited	1	30,000	304.44	30,000	300.57
18	Reliance Industries	10	15,000	201.59	15,000	191.27
19	State Bank of India	1	39,000	381.97	20,000	154.30
20	ITC Hotels Ltd	1	-	-	4,000	7.90
21	Life Insurance Corporation of India Ltd.	10	40,000	290.26	-	-
22	Kwality Walls (India) Ltd	1	17,000	3.82	-	-
	Total I			**6,188.76**		**6,982.28**
	II. Investment in mutual funds (trade-quoted)					
	(a) Investments in debt mutual funds					
1	Aditya Birla Sun Life Savings Fund - Growth - Regular Plan		23,888	137.03	23,888	128.36
2	Axis Corporate Debt Fund - Regular Growth (CO-GP)		-	-	10,98,545	183.24
3	HDFC Floating Rate Debt Fund Short Term Plan-Growth		78,52,480	4,091.63	58,67,649	2,865.52
4	HDFC Short term Debt Fund - Regular Plan - Growth		40,76,446	1,353.89	40,76,446	1,276.31
5	HDFC Ultra Short Term Fund - Regular Growth		4,97,50,701	7,865.39	4,97,50,701	7,400.07
6	ICICI Prudential Savings Fund-Growth		6,31,307	3,592.27	4,48,716	2,388.18
7	Nippon India Money Market Fund - Growth Plan Growth Option		87,196	3,783.09	87,196	3,549.68
8	SBI Magnum Ultra Short Duration Fund-Growth		22,727	1,418.63	27,545	1,615.62
9	HSBC Ultra Short Duration Fund		1,40,378	1,984.95	1,40,378	1,865.67
10	HDFC Liquid Fund - Regular Plan -Growth		-	-	43,489	2,191.84
11	HDFC Overnight Fund		14,761	583.31	14,761	553.71
12	Kotak Liquid Fund Regular Plan Growth		25,129	1,384.26	25,129	1,304.61
	Sub-total (a)			**26,194.45**		**25,322.82**
	(b) Investments in equity mutual funds					
1	Axis Flexi multi Cap Fund - Regular Growth		9,02,334	211.51	9,02,334	220.17
2	Canara Robeco Flexi Cap Fund - Regular Growth(DVGP)		1,44,637	435.76	1,44,637	448.03
3	DSP Flexi Cap Fund - Regular Plan - Growth		7,15,344	646.66	7,15,344	687.47
4	Franklin India Smaller Companies Fund - Growth		2,98,846	432.89	2,98,846	453.16
5	HDFC Flexi Cap Fund- Growth		66,259	1,204.32	66,259	1,223.29
6	HDFC Large and Mid Cap Fund-Reg-Growth		1,50,375	450.21	1,50,375	466.16
7	HDFC Small Cap Fund		6,51,043	770.58	6,51,043	789.73
8	ICICI Prudential Blue Chip Fund		8,89,926	888.77	8,89,926	915.91
9	ICICI Prudential Value Discovery Fund - Growth		69,686	303.97	69,686	304.52
10	Kotak Blue Chip Fund		38,965	200.58	38,965	206.67
11	Kotak Equity Saving Fund		1,41,09,676	3,653.81	1,04,33,227	2,598.76

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Sr no.	Particulars	Face value (Amt in ₹)	As at March 31, 2026		As at March 31, 2025	
			No. of shares/units	Amount	No. of shares/units	Amount
12	Kotak Flexi Cap Fund-Regular Growth		10,78,445	826.38	10,78,445	834.38
13	SBI Large & Mid Cap Fund Regular Growth		1,55,290	898.88	1,38,707	792.33
14	Black Rock India Enhanced		1,11,30,650	2,413.35	42,49,300	901.57
15	Nippon India Flexi Cap Fund - Growth Plan		25,73,520	372.11	25,73,520	392.22
16	Kotak Multicap Fund Regular Plan - Growth		23,13,395	404.17	23,13,395	395.41
17	HSBC Value Fund - Regular Growth		3,99,109	406.26	3,99,109	392.66
18	Tata Flexicap Fund - Regular Plan - Growth		9,22,310	198.75	9,22,310	205.20
19	IDFC Core Equity fund- Growth		1,50,128	184.20	1,50,128	182.79
20	HSBC Equity Savings fund		58,52,138	1,973.05	32,65,575	1,018.28
21	ICICI Prudential Flexicap Fund - Growth		11,50,029	195.96	-	-
	Sub-total (b)			**17,072.17**		**13,428.72**
	(c) Investments in arbitrage mutual funds					
1	HDFC Arbitrage Fund-Growth		1,29,68,796	4,149.75	10,91,179	329.11
2	IDFC Arbitrage Fund-Growth		19,63,155	663.83	19,63,155	627.15
3	Kotak Equity Arbitrage Fund		72,00,287	2,819.03	18,99,189	700.49
4	Nippon India Arbitrage Fund - Growth Plan		12,80,539	354.68	12,80,539	334.74
5	SBI Arbitrage Opportunities Fund - Regular Plan		1,13,81,254	4,021.79	19,39,767	645.09
	Sub-total (c)			**12,009.08**		**2,636.58**
	Total of investment in mutual funds II (a+b+c)			**55,275.70**		**41,388.12**
	Grand total of current investments (I+II)			**61,464.46**		**48,370.40**
	Total investments			**63,351.74**		**52,520.37**

Note:

The Company holds an investment in preference shares of Zimeno Inc. ("Monarch"), carried at fair value through profit or loss, with a carrying value as at the beginning of the year of ₹ 2,304.77 lakhs. During the year, the Company was informed that Zimeno Inc. has entered into liquidation proceedings, and that no amount is expected to be recoverable by shareholders on account of the priority of claims of other stakeholders in the liquidation process. Based on this information, the Company has re-measured the investment at its estimated recoverable value of ₹ Nil and has recognised a fair value loss of ₹ 2,304.77 lakhs during the year, which has been recognised in the statement of profit and loss under "Change in fair value of investments" (see note 25).

34. RETIREMENT BENEFIT OBLIGATIONS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Defined contribution plan (expenses):		
Contribution to provident fund	359.84	343.04
Contribution to employee state insurance	0.36	1.18
Contribution to labor welfare fund	0.60	0.31
B. Defined benefit plans (gratuity):		
1. Movement in obligation – gratuity:		
• Present value of obligation at the beginning of year	781.64	673.63
• Current service cost	199.36	92.39
• Interest cost	53.00	48.56
• Benefits paid	(33.24)	(57.33)

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	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	• Past service cost (vested and non-vested)	-	-
	• Actuarial (gain)/loss on obligation	38.97	24.39
	Present value of obligation at the end of year	**1,039.73**	**781.64**
2.	**Movement in plan assets – gratuity:**		
	• Fair value of planned assets at the beginning of the year	271.32	313.23
	• Return of plan assets	18.40	22.58
	• Actuarial gain/(loss)	0.17	(7.16)
	• Contributions during the year	-	-
	• Benefits paid during the year	(33.24)	(57.33)
	Fair value of planned assets at the end of the year	**256.65**	**271.32**
3.	**Expenses recognized in profit and loss statement:**		
	Gratuity: -		
	Current service cost	199.36	92.39
	Net interest cost	34.60	25.98
	Past service cost	-	-
	Expense for the year	**233.96**	**118.37**
4.	**Recognized in other comprehensive income:**		
	Actuarial (gain)/loss for the year	38.79	31.54
5.	**Actuarial assumptions for estimating Company's defined benefit obligation:**		
	a. Attrition rate	22.00% for executives and 0% for others	22.00% for executives and 0% for others
	b. Discount rate	7.08%	6.78%
	c. Expected rate of increase in salary	8.00%	8.00%
	d. Expected rate of return on plan assets	6.78%	7.21%
	e. Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
	f. Decrement adjusted future service	22.12 years	22.32 years
6.	**Sensitivity analysis:**		
	Sensitivity	**Change**	**Effect on obligations**
	Salary escalation rate	+1%	90.42
		-1%	(78.77)
	Withdrawal rate	+1%	(9.53)
		-1%	3.69
	Discount rates	+0.5%	(41.41)
		-0.5%	44.89

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized in the balance sheet.

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		Amount
7.	**Expected payout – Gratuity:**	
	Expected payments – 1st year	136.63
	Expected payments – 2nd year	96.01
	Expected payments – 3rd year	111.98
	Expected payments – 4th year	84.38
	Expected payments – 5th year	86.02
	Expected payments – after 5 years	1,745.24

8. Other information:

i. The Company has invested planned assets with Life Insurance Corporation of India. Expected return on assets is based on rate of return declared by fund managers.

ii. **Present value of defined benefit obligation:**

Present value of the defined benefit obligation is calculated by using Projected Unit Credit method (PUC Method). Under the PUC method a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The "projected accrued benefit" is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

C. Compensated absences amounting to ₹ 159.14 lakhs (March 31, 2025: ₹ 125.12 lakhs) is recognized as expense and included in Note 27 'Employee benefits expense'.

Risk Exposure:

a. Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

b. Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. Overstating withdrawals can understate liabilities, as long-serving employees usually have higher benefit costs.

35. EMPLOYEE STOCK OPTION PLAN

V.S.T. Tillers Tractors Limited – Restricted Stock Units Plan 2024

On January 22, 2024, pursuant to the approval by the shareholders, the Board was authorized to introduce, offer, issue and allot share based incentives to the eligible employees of the Company under the "V.S.T. Tillers Tractors Limited – Restricted Stock Units Plan 2024" ("the RSU plan"). The maximum number of shares under the RSU plan shall not exceed 50,000 equity shares. These instruments will generally vest equally over a period of 4 years starting from February 26, 2025 for Grant 1, February 26, 2026 for Grant 2 and February 26, 2027 for Grant 3. The options shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NRC). The exercise price of the equity-settled RSUs will be equal to the par value of the shares.

The fair value of the options is estimated using the Black-Scholes Model. The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk-free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company has been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options.

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for the year ended March 31, 2026

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The fair value of the equity-settled options is estimated on the date of grant using the following assumptions:

Particulars	For options granted in 2025-26	For options granted in 2024-25	For options granted in 2023-24
Weighted average share price (₹)	5,844.50	3,460.00	3,283.25
Exercise price (₹)	10.00	10.00	10.00
Expected volatility	34.86%	33.82%	34.07%
Expected life of the options (years)*	1-4	1-4	1-4
Expected dividend yield (%)	0.84%	1.18%	1.08%
Risk free interest rate (%)	5.11%	5.66%	6.92%
Weighted average fair value as on grant date (₹)	5,711.37	3,348.08	3,182.90

*The expected life of the options is estimated based on the vesting and the contractual terms of the RSU and the exercise behaviour of the employee who receives the RSU.

The summary of the grants made during the years ended March 31, 2026 and March 31, 2025 is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Equity settled RSUs (in Nos.)		
Key Management Personnel	-	1,600
Employees other than KMP	3,080	23,960

The activity in the RSU Plan for equity-settled share-based payment transactions during the year ended March 31, 2026 and March 31, 2025 is as follows:

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Outstanding at the beginning	37,050	10	18,200	10
Granted	3,080	10	25,560	10
Exercised	9,396	10	3,830	10
Forfeited and expired	2,864	10	2,880	10
Outstanding at the end	27,870	10	37,050	10
Exercisable at the end	-	-	-	-

The summary of the equity-settled RSUs outstanding as at March 31, 2026 and March 31, 2025 is as follows:

Range of exercise price per share (₹)	As at March 31, 2026		As at March 31, 2025	
	Shares arising out of options	Weighted average remaining contractual life	Shares arising out of options	Weighted average remaining contractual life
0 – 10*	27,870	1.83	37,050	2.34

*Weighted average exercise price is ₹ 10

Notes to the standalone financial statements

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The break-up of the employee compensation expense is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Equity settled RSUs		
Key Management Personnel	102.89	148.68
Employees other than KMP	408.04	129.74
Total	**510.93**	**278.42**

36. INCOME TAX EXPENSE AND DEFERRED TAXES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Income tax expense :-		
a. Current tax	3,900.19	2,584.50
b. Deferred tax (arising on temporary differences)	(215.12)	164.88
Total tax expense for the year	**3,685.07**	**2,749.38**
Effective tax reconciliation :-		
a. Net profit/(loss) before taxes	14,284.69	12,195.18
b. Tax rate applicable to the company as per normal provisions	25.168%	25.168%
c. Tax expense on net profit (c = a*b)	3,595.17	3,069.28
d. Increase/(decrease) in tax expenses on account of:		
i Effect of unrealized income	170.55	(621.29)
ii Effect of expenses not deductible in determining taxable profits	281.63	208.08
iii Effect of deduction for expenses earlier disallowed	(67.92)	(67.92)
iv Effect of income not forming part of business income	1.22	60.73
v Net effect of deductible temporary differences recognized as deferred tax liabilities and assets	(215.12)	164.88
vi Other adjustments	(80.47)	(64.38)
Net increase/(decrease) in tax expenses	**89.90**	**(319.90)**
e. Income tax expense as reported in the Statement of Profit and Loss (c + d)	3,685.07	2,749.38
Deferred tax expenses/(income) recognized for the year:		
A. Deferred tax recognized in profit and loss	(215.12)	164.88
B. Deferred tax recognized in other comprehensive income	(9.76)	(7.94)
C. Deferred tax recognized in total comprehensive income	(224.88)	156.94

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

The management assessed that cash and cash equivalents, other bank balances, trade receivables, trade payables, and other current financial assets and financial liabilities approximates to their carrying amount largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a. The fair value of investment in quoted instruments is measured at quoted price at the reporting date. The fair value of unquoted instruments is valued using inputs based on information about market participants assumptions and other data that are available.

b. Fair value of Interest free Security deposits are calculated by discounting future cash flows using rates currently available for debt on similar terms credit risk and remaining maturities.

Notes to the standalone financial statements

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Description of significant observable inputs to valuation:

Interest free security deposits (assets & liabilities):

Interest rate factor has been considered at a rate of 6.06% p.a. by the Company for discounting the amount receivable at the time of maturity.

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the standalone financial statements is reasonable approximation of fair values.

Particulars	Carrying value		Fair value	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Financial assets				
At fair value through profit & loss A/c				
Investments	62,382.74	51,551.37	62,382.74	51,551.37
At Amortized cost				
Loans	6.96	13.21	6.96	13.21
Trade receivables	17,170.66	20,564.25	17,170.66	20,564.25
Cash and bank balances	4,982.27	7,471.19	4,982.27	7,471.19
Other financial assets	335.37	422.67	335.37	422.67
Total	**84,878.00**	**80,022.70**	**84,878.00**	**80,022.70**
Financial Liabilities				
At Amortized cost				
Trade payables	10,091.58	9,880.30	10,091.58	9,880.30
Lease liabilities	190.99	196.40	190.99	196.40
Other financial liabilities	9,607.81	9,743.69	9,607.81	9,743.69
Total financial liabilities	**19,890.38**	**19,820.39**	**19,890.38**	**19,820.39**

38. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2026:

Particulars	Total value	Fair value measurement using		
		Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
Financial assets: -				
Designated at fair value through profit or loss:				
Investments in quoted instruments (equity & mutual funds)	61,464.46	61,464.46	-	-
Investments in unquoted instruments	918.28	-	-	918.28
Designated at amortized cost:				
Investments in unquoted instruments	-	-	-	-
Loans	6.96	-	-	6.96

Notes to the standalone financial statements

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(All amounts are rupees in lakhs, unless otherwise stated)

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2025:

Particulars	Total value	Fair value measurement using		
		Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
Financial assets: -				
Designated at fair value through profit or loss:				
Investments in quoted instruments (equity & mutual funds)	48,370.40	48,370.40	-	-
Investments in unquoted instruments	3,180.97	-	-	3,180.97
Designated at amortized cost:				
Investments in unquoted instruments	-	-	-	-
Loans	13.21	-	-	13.21

39. RELATED PARTY TRANSACTIONS

Details of the related parties and the description of relationship

i) Key Management Personnel (KMP)

Name of the Key Management Personnel	Designation
Mr. V. T. Ravindra	Managing Director
Mr. Antony Cherukara	Chief Executive Officer
Mr. Nitin Agrawal	Chief Financial Officer
Mr. Chinmaya Khatua	Company Secretary

ii) Directors of the Company (other than those covered above)

Name of the director	Designation
Mr. V. S Arun	Chairman
Mr. V. V. Pravindra	Non-executive director
Mrs. Siva Kameswari Vissa	Independent director
Mr. Nandakumar Jairam	Independent director
Mr. Kula Ajith Kumar Rai	Independent director
Mr. Rajen Padukone	Independent director

iii) Wholly owned subsidiaries

- VST Americas Inc. (yet to issue shares and commence operations)
- VST Fieldtrac LLC (yet to issue shares and commence operations)

iv) Joint venture

- VST Zetor Private Limited

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v) **Enterprises over which shareholders of the Company or KMP or relatives of KMP exercise control or significant influence**

1. Mitsubishi Heavy Industries - VST Diesel Engines Private Limited
2. India Garage
3. VST & Sons
4. Anand & Associates
5. VST Motors Private Limited
6. Suprajit Engineering Limited
7. Bangalore Motors Private Limited
8. VST Supercars Private Limited
9. Smt. Kamalabai Educational Trust
10. V. S. Thiruvengadaswamy Mudaliar Memorial Trust

Transactions entered during the year

i) **Compensation to Key Management Personnel**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-term employment benefits	529.98	493.67
Post employment benefits[1]	19.83	18.68
Other long-term benefits[2]	-	-
Termination benefits	-	-
Share-based payments	102.89	148.68

1. Does not include gratuity expenses.
2. Does not include leave salary expenses.

ii) **Sitting fee paid to directors of the Company**

The sitting fee paid to independent directors and non-executive directors for the financial year 2025-26 is ₹ 32.00 and for the Financial Year 2024-25 is ₹ 36.50.

iii) **Transactions with other related parties**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
VST & Sons		
- Payment of royalty	13.06	9.95
Mitsubishi Heavy Industries - VST Diesel Engines Private Limited		
- Supply of spare parts	-	21.42
- Rental income from immovable property	96.00	96.00
- Services rendered – job work	332.80	210.92
- Purchase of diesel engines and other materials	10.82	10.67
- Availing engine testing services	-	13.40
India Garage		
- Rental income from immovable property	31.92	31.44
VST Zetor Private Limited		
- Transfer of co-developed product	-	69.91
- Supply of tractors and spare parts	1,468.15	1,848.36
- Rendering of warranty, sales support and other related services (net of recovery)	106.81	27.68
- Rendering of service relating to the use of various functions (accounting, HR, legal, and sales & marketing)	30.62	4.90
- Reimbursement of expenses received	72.90	93.87
- Rental income from immovable property	2.70	2.70
- Royalty received	-	8.02
Suprajit Engineering Limited		
- Purchase of various components	58.80	60.77
Bangalore Motors Private Limited		
- Repairs & maintenance availed	1.24	0.44
VST Supercars Private Limited		
- Rental income from immovable property	18.18	17.92
VST Motors Private Limited		
- Redemption of debentures	-	500.00
- Interest received on debentures	-	44.38
Anand Associates		
- Architectural profession services availed	20.70	5.52
VST Americas Inc.		
- Reimbursement of expenses	-	52.50
Smt. Kamalabai Educational Trust		
- Corporate Social Responsibility expenditure	-	86.00
V. S. Thiruvengadaswamy Mudaliar Memorial Trust		
- Corporate Social Responsibility expenditure	154.48	-

Outstanding balances at the end of the year

Particulars	As at March 31, 2026	As at March 31, 2025
Amounts due to related parties		
- VST & Sons	-	9.95
- Suprajit Engineering Limited	13.40	8.44
- Key Management Personnel and directors	133.34	106.85
Amounts due from related parties		
- Mitsubishi Heavy Industries - VST Diesel Engines Private Limited	94.11	68.69
- India Garage	8.37	8.37
- VST Zetor private limited	213.46	278.99
- VST Americas Inc.	-	52.50
Security deposits with related parties		
- India Garage	20.00	20.00
- Mitsubishi Heavy Industries - VST Diesel Engines Private Limited	80.00	80.00
- VST Supercars Private Limited	13.00	13.00

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Companies activities expose it to variety of financial risks such as interest rate risk, foreign currency risk, market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance and there has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

i. Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans and advances, deposits, investments in debt securities, mutual funds, and other equity funds.

a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the investment in debt securities, investment in debt mutual funds and cash and cash equivalents and other bank balances.

The Company's policy is to manage its interest rate risk by monitoring of changes in interest rates. Further, as there are no borrowings, the Company's policy to manage its interest cost does not arise.

b) Foreign currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company has transactional currency exposures arising from exports or imports that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated are mainly in US Dollars ($) and Euros (€). The Company's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

The following table demonstrates the sensitivity in the USD, GBP and Euro to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets is given below:

Particulars	Change in rate	For the year ended March 31, 2026	For the year ended March 31, 2025
USD	+5.00 %	(21.95)	9.44
	-5.00 %	21.95	(9.44)
GBP	+5.00 %	3.38	16.60
	-5.00 %	(3.38)	(16.60)
Euro	+5.00 %	62.17	49.27
	-5.00 %	(62.17)	(49.27)

* Decimals have been rounded to nearest rupees lakhs.

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ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty defaults on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits), the Company minimizes the credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The Company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, outstanding customer receivables are regularly monitored and any credit to new customers are generally covered by appropriate security in the form of deposits.

a) Exposure to credit risk:

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognized in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

b) Credit risk concentration profile:

At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognized financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

c) Financial assets that are neither past due nor impaired:

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short-term deposits, investment securities that are neither past due nor impaired are placed with or entered with reputable banks, financial institutions or companies with high credit ratings and no history of default.

d) Financial assets that are either past due or impaired:

Trade receivables that are past due or impaired at the end of the reporting period, for which lifetime expected credit loss has been provided by the company according to its policy. These are shown in the balance sheet at carrying value less impairment/expected credit loss (information provided in note no. 13).

iii. Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 12 months	1 to 3 years	More than 3 years	Total
As at March 31, 2026				
Trade payables	10,091.58	-	-	**10,091.58**
Security deposits	38.00	3,979.14	-	**4,017.14**
Lease liability	102.93	100.65	-	**203.58**
Other financial liabilities	5,598.58	-	-	**5,598.58**
As at March 31, 2025				
Trade payables	9,880.30	-	-	**9,880.30**
Security deposits	31.00	4,148.78	-	**4,179.78**
Lease liability	99.41	101.40	11.33	**212.14**
Other financial liabilities	5,576.44	-	-	**5,576.44**

41. INVESTMENT PROPERTY:

The Company recognizes the income earned from renting of investment property under 'Other income' and the incidental expenditure relating to such property is recognized under the respective sub-heads of 'Other expenses'.

Summary of net income recognized in the statement of profit and loss from investment property generating rental income:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) Rental income	**234.76**	**226.23**
Less: Direct operating expenses incurred		
i. Repairs and maintenance	24.53	9.74
ii. Property taxes	14.16	12.52
(B) Total expenses	**38.69**	**22.26**
Net income / (expense) from investment property (A-B)	**196.07**	**203.97**

Fair valuation of investment property:

Particulars	As at March 31, 2026	As at March 31, 2025
a) Land	15,793.78	13,115.82
b) Building	1,535.86	1,576.08
Total	**17,329.64**	**14,691.90**

Note: The fair values of investment properties have been determined by independent valuers. The main inputs used are the rental growth rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

Depreciation and useful life: Depreciation method used by the entity for investment property is straight line method. Useful life of buildings is considered as 10-60 years.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

42. CAPITAL MANAGEMENT:

Capital includes equity attributable to the equity holders of the Company. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder's value.

The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, Company may adjust the dividend payment to shareholders or return capital to shareholders or issue new shares.

Currently the Company does not have any borrowings and maintains the entire capital in form of equity share capital.

43. UNHEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	As at March 31, 2026			As at March 31, 2025		
	#	Foreign Currency	Amount (₹)	#	Foreign Currency	Amount (₹)
Trade Receivables	$	4.21	396.52	$	2.92	248.30
	£	0.55	67.54	£	3.04	332.06
	€	11.58	1,243.42	€	10.76	988.21
Trade Payables	$	8.86	835.46	$	0.70	59.48
	€	0.00 *	0.02	€	0.03	2.74

# Denotes currency symbol

* Amount is zero because of rounding off to lakhs

44. CONTINGENCIES AND COMMITMENTS:

Particulars	As at March 31, 2026	As at March 31, 2025
Contingent liabilities		
a. Cases filed by customers in various consumer courts not acknowledged as debts	70.56	79.44
b. Appeals filed by the Company in respect of income tax matters	702.23	702.23
c. Appeals filed by the Company in respect of customs matters	25.68	25.68
d. Bank guarantees issued to government agencies by way of securities	101.50	94.46
e. Indirect tax matters*	1,780.89	12,596.51
f. Other claims not acknowledged as debts	26.57	1,203.66
Commitments		
a. Estimated value of contracts remaining to be executed on capital accounts and not provided for (net of advances)	3,748.25	3,321.61

The Company had received GST Assessment Order and Demand for ₹ 109.92 crores (inclusive of interest of ₹ 24.78 crores and penalty of 42.57 crores) from the Assistant Commissioner (State Tax), Hosur (North-I) Assessment Circle, Tamil Nadu, for FY 2017-18, FY 2018-19 and FY 2019-20 due to mismatch of sales as per GSTR 1 and 3B, mismatch of Input Tax Credit as per GSTR 2A and 3B, mismatch with E- way bills and non-submission of details for expenses.

The Company had filed an appeal before the Deputy Commissioner (ST)(Appeals), Salem, along with submitting the grounds of appeal and the supporting documentation. During the year, the Appellate Authority set aside the original assessment orders and remanded the matters to the adjudicating authority for a fresh adjudication. Pursuant to the fresh adjudication by the Assistant Commissioner, after considering the Company's submissions and supporting evidence, the adjudicating authority substantially accepted the Company's contentions, resulting in a significant reduction in the disputed demand. Consequently, only a general penalty of 0.01 crores remains payable.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

45. MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT)

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the micro and small enterprises should mention in their correspondence with their customers about the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at March 31, 2026 has been made in the standalone financial statements based on the information received and available with the Company. The Company has not received any claim for interest from any supplier under the said acts except as stated below. Further in the management's view, the impact of interest, if any, that may be applicable in accordance with provisions of the Act is not expected to be material.

	Particulars	As at March 31, 2026	As at March 31, 2025
a	The principal and the interest due thereon remaining unpaid as at 31st March		
	• Principal	2,904.64	3,378.45
	• Interest	-	-
b	The interest paid by the Company in terms of section 16 of the MSMED Act along with the amount of the payment made beyond the appointed day during the year ending 31st March		
	• Principal	-	84.30
	• Interest	-	21.76
c	Interest due and payable for the period of delay (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
d	Interest accrued and remaining unpaid as at 31st March	-	-
e	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006	-	-

46. LEASES

Company as lessee:

The Company's lease assets consist of leases for land, building and computers. The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2026.

Particulars	Category of ROU asset		Total
	Equipment & building	Land	
Balance as at April 1, 2025	186.59	316.05	502.64
Add: Additions	91.01	-	91.01
Less: Deletions	-	-	-
Depreciation	102.20	3.33	105.52
Balance as at March 31, 2026	**175.41**	**312.72**	**488.13**

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2025.

Particulars	Category of ROU asset		Total
	Equipment & building	Land	
Balance as at April 1, 2024	127.93	319.38	447.31
Add: Additions	173.30	-	173.30
Less: Deletions	-	-	-
Depreciation	114.65	3.33	117.97
Balance as at March 31, 2025	**186.59**	**316.05**	**502.64**

The depreciation expenses on ROU assets are included under depreciation and amortization expenses in the statement of profit and loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2026 and March 31, 2025.

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liability	96.30	89.95
Non-current lease liability	94.69	106.45
Total	**190.99**	**196.40**

The following is the movement in lease liabilities during the year ended March 31, 2026 and March 31, 2025.

Particulars	As at March 31, 2026	As at March 31, 2025
Opening lease liability	196.40	135.45
Additions	91.01	173.30
Finance cost accrued during the year	12.78	12.62
Deletions	-	-
Payment of lease liabilities	109.21	124.97
Balance at the end	**190.99**	**196.40**

Following amount has been recognized in the statement of profit & loss:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on right to use assets	105.52	117.97
Interest on lease liability	12.78	12.62
Total amount recognized in the Statement of Profit and Loss	**118.30**	**130.59**

The details regarding the contractual maturities of lease liabilities as at March 31, 2026 and March 31, 2025 on an undiscounted basis are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	102.93	99.41
One to five years	100.65	112.73
More than five years	-	-

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

47. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

CSR amount required to be spent by the Company during the year is ₹ 214.48 lakhs (previous year ₹ 221.85 lakhs). Further, during the year, the Company has spent an amount ₹ 214.48 lakhs related to current year liability, details of which are as follows:

Details of amount spending on CSR activities:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening unspent amount*	97.62	97.62
Amount required to be spent as per section 135(5) of companies Act, 2013	214.48	221.85
Less: Amount spent during the year	214.48	221.85
Balance amount to be spent	97.62	97.62
Unspent amount transferred to separate bank account	97.62	97.62

* The unspent amount of 97.62 lakhs had been transferred to unspent CSR account within 30 days from the end of the financial year 2023-24 , in accordance with the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended ("CSR Rules").

48. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 37 "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS"

a) Movement in provision for warranty

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
• Carrying amount as at the beginning of the year	251.88	169.72
• Add: Additional provision made during the year	334.61	237.48
• Less: Provision used during the year	251.88	117.90
• Less: Unused amounts reversed during the year	-	37.42
• Carrying amount as at the end of the year	334.61	251.88

b) Nature of obligation

The Company gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. The provision made as at March 31, 2026 represents the amount of expected cost of meeting such obligations on account of rectification or replacement. The timing of outflow is expected to be within a period of one year from the end of the year.

The Company generally provides a warranty period of 12 months for its tiller products, except for the 135DI and 165DI tiller models, for which a warranty period of 24 months is offered. For both compact and higher horsepower tractors (17 HP to 50 HP), a warranty period of 60 months is provided. The provision for warranty obligations is estimated by management based on historical warranty claim experience, adjusted for recent trends and other relevant factors that may indicate that historical claim patterns may not be representative of future warranty claims.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

49. DISCLOSURE PURSUANT TO IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

1. Disaggregation of revenue

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Revenue by type of goods & services		
Revenue from products		
- Tillers	78,294.22	57,598.42
- Tractors	26,210.31	22,948.69
- Others	26,820.57	23,520.02
Revenue from services		
- Job works	503.27	382.41
- Others	37.51	79.99
Other operating revenue	500.70	471.94
Total	**1,32,366.58**	**1,05,001.47**
b) Revenue by geographical region		
Domestic sales	1,23,535.45	94,816.12
Export sales	8,831.13	10,185.35
Total	**1,32,366.58**	**1,05,001.47**
c) Revenue by sales channel		
Dealer sales	1,21,151.67	92,955.84
End customer sales	6,178.63	7,232.41
Others	5,036.28	4,813.22
Total	**1,32,366.58**	**1,05,001.47**
d) Recognition of revenue over the period of time or at a point in time		
Recognition of revenue at a point in time	1,32,366.58	1,05,001.47
Total	**1,32,366.58**	**1,05,001.47**

2. Contract balance:

Out of the opening customer advances amounting to ₹ 776.51 lakhs, ₹ 319.45 lakhs have been recognized as revenue during the year ended March 31, 2026 (₹ 352.63 lakhs recognized for the previous financial year).

3. Reconciliation of revenue recognized in the statement of profit & loss with contract price:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Contract price	1,32,366.58	1,05,001.47
Adjustment towards discounts	(8,330.93)	(5,546.60)
Transaction price	**1,24,035.65**	**99,454.87**

4. Revenue from major customers:

There are no major customers exceeding 10% of the total revenue.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

50. AGEING ANALYSIS

A) Ageing schedule of capital work-in-progress

As at March 31, 2026	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
a) Projects in progress	1,103.64	496.29	25.46	153.10	1,778.49
b) Projects temporarily suspended	-	-	-	-	-
Total	**1,103.64**	**496.29**	**25.46**	**153.10**	**1,778.49**

As at March 31, 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
a) Projects in progress	738.25	29.10	83.49	155.46	1,006.30
b) Projects temporarily suspended	-	-	-	-	-
Total	**738.25**	**29.10**	**83.49**	**155.46**	**1006.30**

B) Ageing schedule of trade payables

As at March 31, 2026	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Due to MSME	2,904.64	-	-	-	2,904.64
Due to Others	7,046.97	91.87	4.90	43.20	7,186.94
Disputed dues — MSME	-	-	-	-	-
Disputed dues — Others	-	-	-	-	-
Total	**9,951.61**	**91.87**	**4.90**	**43.20**	**10,091.58**

As at March 31, 2025	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Due to MSME	3,378.45	-	-	-	3,378.45
Due to Others	6,221.88	153.80	121.89	4.28	6,501.85
Disputed dues — MSME	-	-	-	-	-
Disputed dues — Others	-	-	-	-	-
Total	**9,600.33**	**153.80**	**121.89**	**4.28**	**9,880.30**

* Amount which is "not due" is considered in less than 1 year category.

C) Ageing schedule of trade receivables

As at March 31, 2026	Outstanding from the due date of receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade receivables – considered good	2,287.14	9,852.09	2,609.49	298.99	251.55	1,590.03	**16,889.29**
b) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	29.43	29.21	1,379.10	**1,437.74**
c) Disputed trade receivables – credit impaired	-	-	1.23	38.27	2.51	2,202.22	**2,244.22**
Gross trade receivables							**20,571.25**
Less: Allowance for expected credit loss							**3,400.59**
Net trade receivables							**17,170.66**

As at March 31, 2025	Outstanding from the due date of receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade receivables – considered good	2,920.04	12,387.83	2,461.88	589.77	983.30	1,229.85	**20,572.67**
b) Undisputed trade receivables – which have significant increase in credit risk	-	9.80	3.05	6.96	150.91	1,529.25	**1699.97**
c) Disputed trade receivables – credit impaired	0.17	9.44	12.15	0.61	4.78	1,578.15	**1605.30**
Gross trade receivables							**23,877.94**
Less: Allowance for expected credit loss							**3,313.69**
Net trade receivables							**20,564.25**

51. SHAREHOLDING OF PROMOTERS:

Sr No.	Name of the promoter	As at March 31, 2026			As at March 31, 2025		
		No. of shares	% of share holding	% change during the year	No. of shares	% of share holding	% change during the year
1	V K Surendra	19,34,534	22.36%	-0.02%	19,34,534	22.38%	-0.01%
2	V V Pravindra	2,24,146	2.59%	-	2,24,146	2.59%	-
3	Arun Vellore Surendra	2,15,630	2.49%	-	2,15,630	2.49%	-0.12%
4	V P Tiruvengadaswamy	2,44,692	2.83%	-	2,44,692	2.83%	-
5	V V Vijayendra	6,26,012	7.23%	-0.01%	6,26,012	7.24%	-0.01%
6	S Mahalakshmi	35,375	0.41%	-	35,375	0.41%	-
7	V V Sujay	72,664	0.84%	-	72,664	0.84%	-
8	M Bharathi	61,200	0.71%	-	61,200	0.71%	-
9	P Jayalakshmi	33,750	0.39%	-	33,750	0.39%	-
10	V Lakshmi	33,007	0.38%	-	33,007	0.38%	-
11	V V Anjali	30,123	0.35%	-	30,123	0.35%	-
12	V T Ravindra	29,152	0.34%	-	29,152	0.34%	-
13	V P Rahul	18,076	0.21%	-	18,076	0.21%	-
14	V M Anand	58,859	0.68%	-	58,859	0.68%	-

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Sr No.	Name of the promoter	As at March 31, 2026			As at March 31, 2025		
		No. of shares	% of share holding	% change during the year	No. of shares	% of share holding	% change during the year
15	V M Vishnu	58,720	0.68%	-	58,720	0.68%	-
16	V P Karan	15,714	0.18%	-	15,714	0.18%	-
17	Amritha V M Ward	50,898	0.59%	-	50,898	0.59%	-
18	V T Anusuya	2,250	0.03%	-	2,250	0.03%	-
19	Sita Rajgopal	11,500	0.13%	-	11,500	0.13%	0.11%
20	VST Motors Private Limited	3,88,885	4.49%	-0.01%	3,88,885	4.50%	-
21	Mitsubishi Heavy Industries Engine And Turbocharger Limited	2,53,125	2.93%	-	2,53,125	2.93%	-
22	Padmanaban Motors LLP	1,36,311	1.58%	-	1,36,311	1.58%	-
23	K S And Sons LLP	85,690	0.99%	-	85,690	0.99%	-
24	V T Velu Investments Private Limited	67,725	0.78%	-	67,725	0.78%	-
25	Gove Finance Limited	66,082	0.76%	-	66,082	0.76%	-
26	Vijayendra Brothers Investments Private Limited	52,470	0.61%	-	52,470	0.61%	-
Total promoter holding		**48,06,590**	**55.56%**	**-0.04%**	**48,06,590**	**55.60%**	**-0.03%**

52. RATIOS

Ratio	Numerator	Denominator	2025-26	2024-25	% Variance	Reason for variance
Current ratio	Current assets	Current liabilities	5.63	4.77	17.99%	
Debt-equity ratio	Total debt	Shareholders' equity	NA	NA	NA	
Debt service coverage ratio	Earnings available for debt service	Debt service = Interest & lease payments + principal repayments	NA	NA	NA	
Return on equity (ROE)	Net profits after taxes less preference dividend	Average shareholder's equity	10.09%	9.80%	2.96%	
Inventory turnover ratio	Cost of goods sold or sales	Average inventory	7.58	6.26	21.09%	
Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales returns	Average accounts receivable	6.57	5.51	19.25%	
Trade payables turnover ratio	Net credit purchases (gross credit purchases - purchase returns)	Average trade payables	8.72	6.73	29.51%	Refer note 1 below.
Net capital turnover ratio	Net sales = Total sales - sales returns	Working capital	1.41	1.30	8.44%	
Net profit ratio	Net profit	Net sales = Total sales - sales returns	8.55%	9.50%	-10.02%	
Return on capital employed (ROCE)	Earnings before interest and taxes	Capital employed = Tangible net worth + total debt + deferred tax liability	13.14%	12.27%	7.06%	
Return on investment (ROI)	Return from investments	Average investments	-0.88%	6.11%	-114.59%	Refer note 2 below.

Notes:

1. Increase in purchases during FY 25-26 compared to FY 24-25.
2. During FY 25-26, the Company has recognized a fair value loss on investments amounting to ₹ 677.66 compared to a fair value of gain of ₹ 2,416.82 in FY 24-25.

Notes to the standalone financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

53. RECONCILIATION OF MONTHLY INFORMATION FILED WITH LENDER

The Company has availed working capital facility from HDFC Bank Limited which is paid within the financial year. As per the terms & conditions of the sanction letter, the Company is required to file monthly statement of inventory, trade receivables and trade payables. On reconciliation of books of account and periodical submissions made with the banker, there are no significant variances.

54. DISCLOSURE REQUIRED UNDER SCHEDULE III AS AMENDED, THAT ARE NOT COVERED ABOVE:

a) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

c) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

d) No scheme of arrangement has been approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013, hence this is not applicable.

e) No registration and/or satisfaction of charges are pending to be filed with ROC.

f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

g) The Company does not have any relationship with struck off companies.

55. The Company is engaged only in the business of manufacturing and trading of agriculture machinery and accordingly the business activity falls within a single business segment in terms of "Ind AS 108 Operating Segments".

56. The Board has recommended a dividend of ₹ 25 per equity share having face value of ₹ 10 each for the financial year 2025-26 (amounts in rupees).

57. Previous year figures have been regrouped or reclassified wherever necessary to conform with the current year grouping or classification.

As per our report of even date
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060

Place: Bengaluru
Date: May 15, 2026

For and on behalf of Board of Directors
V.S.T. Tillers Tractors Limited

V.T.Ravindra
DIN: 00396156
Managing Director

Rajen Padukone
DIN: 00262729
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
ACS - 21759
Company Secretary

Place: Bengaluru
Date: May 15, 2026

Independent Auditor's Report

To the members of V.S.T. Tillers Tractors Limited

Report on the audit of consolidated financial statements

OPINION

1. We have audited the accompanying consolidated financial statements of M/s. V.S.T. Tillers Tractors Limited ("the Company"), and its joint venture, which comprise the consolidated balance sheet as at March 31, 2026, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended March 31, 2026, and notes to the consolidated financial statements, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditor on separate financial statements of the joint venture, the aforesaid consolidated financial statements for the year ended March 31, 2026 give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (financial position) of the Company and its joint venture as at March 31, 2026, of the consolidated profit (financial performance including other comprehensive income), the consolidated changes in equity, and the consolidated cash flows of the Company and its joint venture for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its joint venture in accordance with the code of ethics issued by the Institute of Chartered Accountants of India('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained along with the consideration of the report of the other auditor referred to in paragraph (a) of the "Other matters" section below is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgement and based on the consideration of the report of the other auditor on the separate financial statements of the joint venture, were of most significance in our audit of the consolidated financial statements for the year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
Appropriateness of capitalisation of costs as per Ind AS 16: Property, Plant and Equipment (PPE): The Company has incurred total cost ₹ 1637.94 lakhs on property, plant and equipment (PPE - representing cost incurred for development of Engines and acquisition of plant & machinery, and other capital equipment) as part of business expansion and product development. This cost needs to be capitalised and depreciated once the assets are ready for use as intended by the management and certainty about the future economic cash flows. Inappropriate timing of capitalisation of the cost and/or inappropriate classification of categories of items of PPE could result in material misstatement of PPE with a consequent impact on depreciation charged. Owing to the above factors, we have identified this as a key audit matter for current year audit due to the significance of the capital expenditure incurred during the year.	Our audit procedures to assess appropriate capitalization of such expenditure includes, but were not limited to the following: • Assessed the design and implementation and tested the operating effectiveness of key controls surrounding the capitalization of costs. • Reviewed management's capitalization policy, including application of the aforesaid policy, to assess consistency with the requirements set out by Ind AS 16: Property, plant and equipment. • Compared the additions with the budgets and the orders given to the vendors. • Tested the additions on a sample basis for their nature and purpose to ensure that the capitalization is as per Company's accounting policy. • Assessed the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable Indian Accounting Standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

5. The Company's Board of directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the consolidated financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

6. The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity, and consolidated cash flows of the Company and its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the Company and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Company as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of directors of the Company and its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of directors of the Company and its joint venture are also responsible for overseeing each company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    (i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(iv) Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its joint venture to cease to continue as a going concern.

(v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(vi) Obtain sufficient appropriate audit evidence regarding the financial statements of the joint venture to express an opinion on the consolidated financial statements. The joint venture included in the consolidated financial statements, has been audited by other auditors and such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other matters" in this audit report.

11. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

12. We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance of the Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

15. The consolidated financial statements include the Company's share of total net loss after tax of ₹ 127.64 lakhs for the year ended March 31, 2026, in respect of the joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on the report of the other auditors.

    Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of this matter with respect to the financial statements of the joint venture.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

    In our opinion and according to the information and explanations given to us and based on the report of the statutory auditors of the joint venture which was not audited by us, the remuneration paid by the Company and its joint venture to their directors/managers during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company and its joint venture is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Appendix - A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of the joint venture, as noted in the "Other matters" paragraph, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors, except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e) On the basis of written representations received from the directors of the Company as on March 31, 2026 taken on record by the board of directors of the Company and the report of the report of the statutory auditors of the joint venture, none of the directors of the Company and its joint venture is disqualified as on March 31, 2026 from being appointed as directors in terms of section 164(2) of the Act.

    f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as amended.

    g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and its joint venture and the operating effectiveness of such controls, refer to our separate report in "Appendix - B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls of the Company and its joint venture with reference to financial statements.

    h) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on consideration of the report of the other auditors on the financial statements of the joint venture as noted in the "Other matters" paragraph:

       i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2026, on the consolidated financial position (refer note 45 to the consolidated financial statements).

       ii. The Company and its joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

       iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company or its joint venture incorporated in India during the year ended March 31, 2026.

       iv. a. The respective management of the Company and its joint venture have represented to us and the other auditor of the joint venture that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company or its joint venture to or in any persons or entities, including foreign entities ('the Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its joint venture ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective management of the Company and its joint venture have represented that, to the best of their knowledge and belief, no funds have been received by the Company or its joint venture from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company or its joint venture shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the joint venture whose financial statements have been audited under the Act, nothing has come to our or other auditor's attention that causes us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The dividend paid by the Company during the year is in accordance with provisions of Section 123 of Companies Act, 2013. The joint venture has neither declared nor paid any dividend.

vi. The Books of account of the Company are being maintained using an accounting software that has audit trail feature. Based on our examination which includes test checks, barring the instances described below, the audit trail feature has operated throughout the year with respect to all the transactions that are recorded using the software.

Audit trail feature is not there for logging the changes done by the users having privileged access, at the application level for certain tables that relate to the significant financial processes, and the changes done at the data base level.

Further, where audit trail was enabled, we didn't come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **K.S. Rao & Co.,**
Chartered Accountants
ICAI Firm Registration No: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060
UDIN: 26223060DGRKUO4178

Place: Bengaluru
Date: May 15, 2026

Appendix - A to the Independent Auditors' Report

With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of joint venture included in the consolidated financial statements, to which reporting under CARO is applicable, as provided to us by the management of the Company, we report that in respect of those companies where audits have been completed under Section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

Auditors of the joint venture have reported cash losses in the financial year under clause 3(xvii) of the CARO report. Based on information and explanations provided to us, in our opinion, these observations are not considered unfavourable or qualified or adverse in nature and hence not reported under this clause.

For **K.S. Rao & Co.,**
Chartered Accountants
ICAI Firm Registration No: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060
UDIN: 26223060DGRKUO4178

Place: Bengaluru
Date: May 15, 2026

Appendix - B to the Independent Auditors' Report

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to the consolidated financial statements of M/s. V.S.T. Tillers Tractors Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

OPINION

In our opinion and based on the consideration of report of the other auditors on internal financial controls with reference to the financial statements of the joint venture as was audited by the other auditors, the Company and its joint venture have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to the financial statements criteria established by the Company and its joint venture considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

The respective company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to the consolidated financial statements criteria established by the respective company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial statements based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements includes obtaining an understanding of internal financial controls with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the auditors of the joint venture in terms of their report referred to in the "Other matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE CONSOLIDATED FINANCIAL STATEMENTS.

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that, (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS.

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to the joint venture, incorporated in India, is based on the corresponding report of the auditors of the joint venture.

Our opinion is not modified in respect of this matter.

For **K.S. Rao & Co.,**
Chartered Accountants
ICAI Firm Registration No: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060
UDIN: 26223060DGRKUO4178

Place: Bengaluru
Date: May 15, 2026

Consolidated Balance Sheet

as at 31st March 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March 2026	As at 31st March 2025
A Assets			
1. Non-current assets			
a) Property, plant and equipment	4(a)	20,423.18	21,145.41
b) Capital work-in-progress	4(b)	1,778.49	1,006.30
c) Right-of-use assets	4(c)	488.13	502.64
d) Investment property	5	2,099.72	2,127.89
e) Other intangible assets	6	160.37	239.58
f) Financial assets			
i) Investments	7	1,565.80	3,956.12
ii) Loans	8	3.28	4.14
iii) Other financial assets	9	273.36	320.44
g) Other non-current assets	10	524.47	315.44
Total non-current assets		**27,316.80**	**29,617.97**
2. Current assets			
a) Inventories	11	12,331.40	10,072.05
b) Financial assets			
i) Investments	7	61,464.46	48,370.40
ii) Loans	8	3.68	9.07
iii) Trade receivables	12	17,170.66	20,564.25
iv) Cash and cash equivalents	13	4,667.76	7,117.01
v) Bank balances other than (iii) above	14	314.51	354.18
vi) Other financial assets	9	62.01	102.23
c) Current tax asset (net)	15	959.42	1,475.01
d) Other current assets	10	10,133.13	8,834.94
Total current assets		**1,07,107.03**	**96,899.14**
Total assets		**1,34,423.83**	**1,26,517.11**
B Equity and liabilities			
1. Equity			
a) Equity share capital	16	865.28	864.34
b) Other equity	17	1,08,546.86	99,321.65
Total equity		**1,09,412.14**	**1,00,185.99**
2. Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Lease liabilities	18	94.69	106.45
ii) Other financial liabilities	19	3,991.23	4,149.25
b) Provisions	20	1,259.95	896.36
c) Deferred tax liabilities (net)	21	628.13	853.01
d) Other non-current liabilities	22	2.28	5.97
Total non-current liabilities		**5,976.28**	**6,011.04**
Current liabilities			
a) Financial liabilities			
i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	23	2,904.64	3,378.45
- total outstanding dues of creditors other than micro enterprises and small enterprises	23	7,186.94	6,501.85
ii) Lease liabilities	18	96.30	89.95
iii) Other financial liabilities	19	5,616.57	5,594.44
b) Provisions	20	439.15	344.08
c) Other current liabilities	22	2,791.81	4,411.31
Total current liabilities		**19,035.41**	**20,320.08**
Total liabilities		**25,011.69**	**26,331.12**
Total equity and liabilities		**1,34,423.83**	**1,26,517.11**

The accompanying notes form an integral part of financial statements

As per our report of even date
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060

Place: Bengaluru
Date: May 15, 2026

For and on behalf of Board of Directors
V.S.T. Tillers Tractors Limited

V.T.Ravindra
DIN: 00396156
Managing Director

Rajen Padukone
DIN: 00262729
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
ACS - 21759
Company Secretary

Place: Bengaluru
Date: May 15, 2026

Consolidated statement of profit and loss

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I	Revenue from operations	24	1,24,035.65	99,454.87
II	Other income	25	434.97	3,830.99
III	**Total income (I+II)**		**1,24,470.62**	**1,03,285.86**
IV	**Expenses**			
	a) Cost of materials consumed		74,457.45	58,053.42
	b) Purchases of stock-in-trade		11,072.19	8,467.94
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(675.69)	1,828.15
	d) Employee benefits expense	27	11,280.89	10,077.40
	e) Finance costs	28	191.36	196.16
	f) Depreciation and amortisation expenses	29	2,550.44	2,547.69
	g) Other expenses	30	11,309.29	9,919.92
	Total expenses		**1,10,185.93**	**91,090.68**
V	Profit before exceptional items and tax and before share of profit/(loss) of a joint venture (III-IV)		14,284.69	12,195.18
VI	Share of profit/(loss) of a joint venture		(127.64)	(149.15)
VII	Profit before exceptional items and tax (V+VI)		14,157.05	12,046.03
VIII	Exceptional items		-	-
IX	**Profit before tax (VII-VIII)**		**14,157.05**	**12,046.03**
X	**Tax expense:**			
	a) Current tax		3,900.19	2,584.50
	b) Deferred tax		(215.12)	164.88
XI	**Profit for the year (IX-X)**		**10,471.99**	**9,296.65**
XII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	a) Remeasurement of defined employee benefit plans	31	(38.79)	(31.54)
	(ii) Income tax on items that will not be reclassified to profit or loss	31	9.76	7.94
	B (i) Items that will be reclassified to the profit or loss		-	-
	Total other comprehensive income (net of taxes)		**(29.03)**	**(23.60)**
	Total comprehensive income for the year (XI+XII)		**10,442.95**	**9,273.05**
XIII	**Earnings per share**	32		
	- Basic (in ₹ per share)		121.16	107.60
	- Diluted (in ₹ per share)		120.68	107.43

The accompanying notes form an integral part of financial statements

As per our report of even date
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060

Place: Bengaluru
Date: May 15, 2026

For and on behalf of Board of Directors
V.S.T. Tillers Tractors Limited

V.T.Ravindra
DIN: 00396156
Managing Director

Rajen Padukone
DIN: 00262729
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
ACS - 21759
Company Secretary

Place: Bengaluru
Date: May 15, 2026

Statement of changes in equity

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

I. EQUITY SHARE CAPITAL

	At the beginning of the year	Changes during the year	At the end of the year
For the year ended March 31, 2025	863.95	0.38	864.34
For the year ended March 31, 2026	864.34	0.94	865.28

II. OTHER EQUITY

	Capital reserve	General reserve	Share option outstanding account	Securities premium	Surplus in statement of profit and loss	Other comprehensive income	Total
As at April 01, 2024	**264.05**	**30,000.00**	**25.30**	**-**	**61,496.85**	**(288.10)**	**91,498.09**
Profit for the year	-	-	-	-	9,296.65	-	9,296.65
Other comprehensive income	-	-	-	-	-	(23.60)	(23.60)
Total comprehensive income	**-**	**-**	**-**	**-**	**9,296.65**	**(23.60)**	**9,273.05**
Dividends paid on equity shares	-	-	-	-	(1,727.91)	-	(1,727.91)
Share based payment to employees	-	-	278.42	-	-	-	278.42
Exercise of employee stock options			(121.91)	121.91	-	-	-
As at March 31, 2025	**264.05**	**30,000.00**	**181.81**	**121.91**	**69,065.59**	**(311.71)**	**99,321.65**
Profit for the year	-	-	-	-	10,471.99	-	10,471.99
Other comprehensive income	-	-	-	-	-	(29.03)	(29.03)
Total comprehensive income	**-**	**-**	**-**	**-**	**10,471.99**	**(29.03)**	**10,442.95**
Dividends	-	-	-		(1,728.67)	-	(1,728.67)
Share based payment to employees	-	-	510.93	-	-	-	510.93
Exercise of employee stock options	-		(308.38)	308.38			
As at March 31, 2026	**264.05**	**30,000.00**	**384.36**	**430.29**	**77,808.90**	**(340.74)**	**1,08,546.86**

The accompanying notes form an integral part of financial statements

Description of the nature and purpose of other equity:

(i) Capital reserve: Capital reserve mainly represents the amount of profit on reissue of shares.

(ii) General reserve: General reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

(iii) Retained earnings: Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to/from other reserves from time to time. The reserve can be utilized or distributed by the Company in accordance with the provisions of the Companies Act, 2013.

(iv) Employee stock option outstanding account: Share option outstanding account represents reserve in respect of equity settled share options granted to the Company's employees in pursuance to employee stock option plan.

(v) Securities premium: Securities premium reserve is used to record the premium on issue of shares. The fair value of employee stock options is recognised in Securities Premium once the shares have been allotted on exercise of the options.

As per our report of even date
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060

Place: Bengaluru
Date: May 15, 2026

For and on behalf of Board of Directors
V.S.T. Tillers Tractors Limited

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Place: Bengaluru
Date: May 15, 2026

Consolidated cash flow statement

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
I Cash flows from operating activities:		
A. Profit before tax	14,157.05	12,046.03
B. Adjustments for:		
a. Depreciation and amortisation expenses	2,550.44	2,547.69
b. Interest income from investments	(91.01)	(68.44)
c. Interest income on security deposits	(0.68)	(0.70)
d. Dividend income	(190.12)	(193.70)
e. Share of (profit)/loss of a joint venture	127.64	149.15
f. Unrealised (gain)/loss on investments	677.66	(2,468.59)
g. (Profit)/loss on sale of investment	21.79	(335.60)
h. (Profit)/loss on sale of property, plant and equipment	4.24	7.18
i. Allowance for expected credit loss	115.69	88.20
j. Rent received	(255.64)	(246.85)
k. Provisions written back	(59.92)	(119.29)
l. Unrealized foreign exchange (gain)/loss	(36.57)	13.70
m Interest expense on lease liabilities	12.78	12.62
n. Interest expense on security deposit	6.07	5.76
o. Other finance costs	172.50	177.77
p. Deferred rental income on security deposits received	(5.91)	(5.91)
q. Amortisation of prepaid lease rentals	0.69	0.71
r. Share based payment to employees	510.93	278.42
s. Assets written off	33.01	-
	17,750.65	**11,888.15**
C. Adjustments for movements in working capital		
a. Trade payables, other liabilities and provisions (Net of fair value adjustment on deposits)	(1,068.87)	1,872.37
b. Trade receivables	3,314.48	(5,150.02)
c. Inventories	(2,259.35)	1,708.26
d. Financial and other current assets (Net of fair value adjustment on deposits)	(1,191.37)	(567.07)
D. Cash generated from operations	**16,545.54**	**9,751.69**
Less: Direct taxes paid (net of refund)	(3,384.60)	(2,097.05)
Net cash flows from operating activities (I)	**13,160.94**	**7,654.64**
II Cash flows from investing activities		
a. Purchase of property, plant and equipment including intangible assets, capital work-in-progress and capital advances	(2,638.92)	(2,040.71)
b. Proceeds from sale of property, plant and equipment	4.81	-
c. Redemption/(investment) in bank deposits	39.67	(47.92)
d. Purchase of investments	(15,481.91)	(10,336.60)
e. Proceeds from sale of investments	3,951.09	9,064.82
f. Interest received	78.75	45.42
g. Income from investment	190.12	193.70
h. Rent received	255.64	246.85
Net cash flows used in investing activities (II)	**(13,600.74)**	**(2,874.44)**

Consolidated cash flow statement

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
III	**Cash flows from financing activities**		
	a. Interest paid	(172.50)	(177.77)
	b. Payment of lease liabilities	(109.21)	(124.97)
	c. Dividends paid on equity shares	(1,728.67)	(1,727.91)
	d. Proceeds from exercise of stock options	0.94	0.38
	Net cash flows used in financing activities (III)	**(2,009.44)**	**(2,030.27)**
IV	**Net increase/(decrease) in cash and cash equivalents (I + II + III)**	**(2,449.25)**	**2,749.92**
	Cash and cash equivalents at the beginning of the period	7,117.01	4,367.09
V	**Cash and cash equivalents at the end of the year**	**4,667.76**	**7,117.01**
VI	**Components of cash and cash equivalents:**		
	a. Cash in hand	-	-
	b. With banks		
	i fixed deposits with banks	2,449.00	2,401.00
	ii. in current accounts	2,218.76	4,716.01
	Total cash and cash equivalents	**4,667.76**	**7,117.01**

CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

For the year ended March 31, 2026

Particulars	As at April 01, 2025	Cash flows	Non-cash changes	As at March 31, 2026
Lease liabilities	196.40	(109.21)	103.80	190.99
Total	**196.40**	**(109.21)**	**103.80**	**190.99**

For the year ended March 31, 2025

Particulars	As at April 01, 2024	Cash flow	Non-cash changes	As at March 31, 2025
Lease liabilities	135.45	(124.97)	185.93	196.40
Total	**135.45**	**(124.97)**	**185.93**	**196.40**

The accompanying notes form an integral part of financial statements

As per our report of even date
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060

Place: Bengaluru
Date: May 15, 2026

For and on behalf of Board of Directors
V.S.T. Tillers Tractors Limited

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Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

1. CORPORATE INFORMATION:

V.S.T. Tillers Tractors Limited ("VTTL" or "the Company") was incorporated on December 18, 1967 in Bangalore, India. It was promoted by the VST Group, a well-known business house in South India, in technical collaboration and joint venture with Mitsubishi Heavy Industries and Mitsubishi Corporation, Japan for the manufacture of power tillers and diesel engines. The plant went into production in the year 1970.

In 1984, an additional technical and financial collaboration with Mitsubishi Agricultural Machinery Company Ltd, Japan for the manufacture of 18.5 HP, 4-wheel drive tractor was entered into.

The company was incorporated for the purpose of manufacture and to deal with tractors, tillers, power weeders, diesel engines, harvesters, reapers, binders, transplanters/planters, trench cutters, front end loaders and all kinds of allied agricultural, plantation and horticultural machinery including attachments, components, accessories, spares & implements, and other equipment required for the satisfactory functioning of the agricultural equipment.

2. BASIS OF PREPARATION:

The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act ("the Act"), the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

These consolidated financial statements were approved by the Company's Board of Directors and authorized for issue on May 15, 2026.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

3. MATERIAL ACCOUNTING POLICIES:

a) Basis of consolidation:

Joint arrangements

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have the rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are accounted using the equity method of accounting. Where the Company's activities are conducted through joint operations (i.e. the parties have rights to the assets and obligation for liabilities relating to the arrangement), the Company recognizes its share of assets, liabilities, income and expenses of such joint operations incurred jointly along with its share of income from the sale of output.

b) Significant accounting estimates and assumptions

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosures of contingencies at the end of each reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates were made by the Company based on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. Impairment of non-current assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposals and its value in use. The fair value less costs of disposal is calculated based on available data from binding sales transactions, conducted at arm's length price, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The value in use is sensitive to the discount rate (generally weighted average cost of capital) used for the DCF model as well as the expected future cash-inflows and the growth rate used for exploration purposes.

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

ii. **Defined benefit plans:**

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

iii. **Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

iv. **Contingencies:**

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claim/litigations against the company/by the company as it is not possible to predict the outcome of pending matters with accuracy.

v. **Property, plant and equipment:**

Based on evaluations done by technical assessment team, the management has adopted the useful life and residual value of its property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

vi. **Intangibles assets:**

Internal technical or user team assesses the useful lives of intangible assets. Management believes that assigned useful lives are reasonable.

vii. **Income taxes:**

Management judgment is required for the calculation of provision for income taxes and deferred tax assets/liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements.

viii. **Provision for warranty expenditure:**

Due to the nature of industry the Company and its joint venture operates in, it needs to incur warranty expenditure on regular basis. Company applies rational judgement and past experience in determining the extent of provision to be created at the end of each reporting period.

c) **Current vs non-current classifications:**

The Company presents assets and liabilities in the consolidated balance sheet based on current/non-current classification. An asset is classified as current when it satisfies below criteria:

i. Expected to be realized or is intended to be sold or consumed in its normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realized within twelve months after the reporting period; or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies below criteria:

i. Expected to settle the liability in its normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Due to be settled within twelve months after the reporting period; or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

d) **Property, plant and equipment:**

Property, plant and equipment are stated at cost net of GST input credit, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price, any attributable cost of bringing the asset to its working condition for its intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

The Company adopted cost model as its accounting policy, in recognition of the property, plant and equipment and recognizes the transaction value as the cost.

Direct expenditure incurred and other attributable costs on projects under construction or in the process of installation are termed as capital work in progress and shown at cost in the consolidated balance sheet.

Depreciation is provided on the straight-line method as per the useful life prescribed in the schedule II to the Companies Act, 2013 except in respect of the following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance supports etc.

Estimated useful life of the assets are as follows:

Type of the asset	Method of depreciation	Useful life considered
Buildings	Straight line method	3 - 60 years
Plant and machinery	Straight line method	2 - 15 years
Data processing equipment	Straight line method	3 - 6 years
Furniture and fixtures	Straight line method	5 - 10 years
Vehicles	Straight line method	8 years
Office equipment	Straight line method	5 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statement of profit and loss. Property, plant and equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the carrying value if any is charged to the consolidated statement of profit and loss.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at March 31, 2016 measured as per previous GAAP as the deemed cost of property, plant and equipment.

e) **Intangible assets:**

Intangible assets are carried at cost, net of accumulated amortization expenses and impairment losses, if any. The cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

Computer software:

Costs incurred towards purchase of computer software are amortized over the useful life as estimated by the management, which is about 3 years for all of the intangible computer software assets.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

f) **Investment properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefit associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment properties are depreciated using the straight – line method over their estimated useful lives. The estimated useful life of buildings,

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

classified as investment properties, ranges from 30 - 60 years. The useful life has been determined based on technical evaluation performed by the management's expert. Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their use. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit and loss in the period of derecognition.

g) Impairment of tangible and intangible assets:

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discounting factor. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

ii. When there is an indication previously recognized impairment losses no longer exists or may have decreased such reversal of impairment loss is recognized in the consolidated statement of profit and loss.

h) Borrowing cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the consolidated statement of profit and loss in the period in which they are incurred.

i) Leases:

The Company assesses a contract at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities:

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included in the measurement of the lease liability include fixed payments (including in substance fixed payments), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the consolidated statement of profit and loss. In the case of a short-term lease contract and lease contracts for which the underlying asset is of low value, lease payments are charged to the consolidated statement of profit and loss on accrual basis.

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

j) Inventories:

i. Stock-in-trade:

Stock-in-trade is stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price of inventories less estimated costs of completion and costs necessary to make the sale. Cost is determined on weighted average basis.

ii. Stores and spares:

Spare parts, stand-by equipment and servicing equipment are recognized in accordance with Ind AS 16 when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. Spare parts, stand-by equipment and servicing equipment classified as inventory are stated at the lower of cost or net realizable value. Cost is determined on weighted average basis.

k) Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or the liability if market participants would take those characteristics into account when pricing the asset or the liability at the measurement date. Fair value for measurement and / or disclosure purpose in these consolidated financial statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value, such as net realizable value in Ind AS 2, or value in use in Ind AS 36. In addition, for financial reporting purpose, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i. Level 1 – Quoted (unadjusted market prices) in active markets for identical assets or liabilities.

ii. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.

iii. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

l) Revenue recognition:

i. Revenue from operations:

Revenue from sale of goods is recognised upon satisfaction of performance obligation which is at a point in time, generally on delivery of the goods, when control of the goods is transferred to customers. Revenue from services is recognised upon satisfaction of performance obligation towards rendering of such services.

The Company recognises revenue from sale of goods or services at the amount of transaction price (excluding variable consideration that is constrained), that is allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of third parties.

An amount of consideration can vary because of discounts, rebates, incentives etc. which are explicitly stated in the contract or are as per customary business practices. The consideration can also vary where the entitlement is contingent on occurrence or non-occurrence of a future event. The Company includes variable consideration as part of transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Variable consideration is estimated using the expected value method or the most likely amount depending on which method the Company expects to better predict the amount of consideration to which it will be entitled and is applied consistently throughout the contract.

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income / expense, as applicable.

ii. Interest and dividend:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the right to receive payment is established by the balance sheet date.

iii. Rental income:

Rental income is recognized on accrual basis, based on agreements entered by the company as on the reporting date.

m) Foreign currency transactions:

In preparing the consolidated financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in the consolidated statement of profit and loss in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

n) Retirement and other employee benefits:

i. Employer's contribution to provident fund, employee state insurance and labour welfare fund which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

ii. Gratuity liability is in the nature of defined benefit obligation. The Company's plan assets comprise of gratuity fund maintained by Life Insurance Corporation of India and liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each reporting period as per the requirements of Ind AS 19 on "Employee benefits". Actuarial gain/ (loss) in the valuation are recognized as other comprehensive income for the period.

iii. Compensated absences which are in the nature of defined benefit obligation are provided for based on estimates and provided for on the basis of independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 on "Employee benefits".

iv. Share based payments to employees:

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest, with a corresponding increase in equity.

v. Termination benefits:

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for those benefits. The company recognizes the termination benefits at the earlier of the following dates:

a) when the company no longer withdraw the offer of those benefits and

b) when the company recognizes the costs for a restructuring that is within the scope of Ind AS 37 and involves payment of termination benefits.

o) Earnings per share:

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

p) Provisions:

Provisions are recognized when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provisions. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as a finance cost.

q) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognized in the consolidated balance sheet and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible outcomes on obligations/ rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

r) Taxes on income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax includes taxes to be paid on the profit earned during the year and for the prior periods. Deferred income taxes are provided based on the balance sheet approach considering the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carried forward tax losses, all deferred tax assets are recognized only if it is probable that they can be utilized against future taxable profits. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company can write-off the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-off is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

s) Prior period items:

In case prior period adjustments are material in nature, the Company prepares the restated consolidated financial statement as required under Ind AS 8 - "Accounting policies, changes in accounting estimates and errors". In case of immaterial items pertaining to prior periods, they will be shown under respective items in the consolidated statement of profit and loss.

t) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash as are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments. For the consolidated statement of cash flows, cash and cash equivalents consists of short-term deposits, as defined above, net of outstanding bank overdraft (if any) as they being considered as integral part of the Company's cash management.

u) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

A. Initial recognition and measurement:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or

Notes to the consolidated financial statements
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(All amounts are rupees in lakhs, unless otherwise stated)

loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

B. Subsequent measurement:

For subsequent measurement, financial assets are classified into following categories:

a. Debt instruments at amortized cost

b. Debt instruments at fair value through profit and loss

c. Equity instruments at fair value through profit and loss

a. Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the consolidated statement of profit and loss.

b. Debt instrument at fair value through profit and loss (FVTPL):

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

c. Equity instruments at fair value through profit and loss (FVTPL):

Equity instruments/mutual funds in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognized in the consolidated statement of profit and loss.

C. Derecognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognized when:

a. The rights to receive cash flows from the asset have expired, or

b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement.

D. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognized during the period is recognized as income or expense, as the case may be, in the consolidated statement of profit and loss. In case of consolidated balance sheet it is shown as reduction from the specific financial asset.

Financial liabilities:

A. Initial recognition and measurement:

At initial recognition, all financial liabilities are recognized at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

B. Subsequent measurement:

a. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognized in the consolidated statement of profit and loss. The company doesn't designate any financial liability at fair value through profit or loss.

b. Financial liabilities at amortized cost:

Amortized cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortization is included as finance costs in the consolidated statement of profit and loss. Financial liability with maturity of less than one year is shown at transaction value.

C. Derecognition:

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in consolidated statement of profit and loss as other income or finance costs.

v) Warranty:

The Company periodically assesses and provides for the estimated liability on warranty given on sale of its products based on past experience of claims.

w) Segment reporting:

The Company and its joint venture has only one reportable business segment, which is manufacturing and trading of agriculture machinery and operates in a single business segment. Accordingly, the amounts appearing in the consolidated financial statements relate to the company's and its joint venture's single business segment.

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

x) Exceptional items:

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'exceptional item'.

y) Recent pronouncements:

New Accounting standards, amendments and interpretations adopted by the Company effective from April 1, 2025:

i. Amendments to Ind AS 21–The effects of changes in foreign exchange rates:

The amendment clarifies the assessment of whether a currency is exchangeable and prescribes the determination of a spot exchange rate when exchangeability is lacking. It also introduces additional disclosure requirements to enable users of financial statements to understand the impact arising from a currency not being exchangeable. These amendments are effective for annual reporting periods beginning on or after April 1, 2025. The Company has evaluated the impact of these amendments and concluded that they do not have a material impact on the consolidated financial statements.

ii. Amendments to Ind AS 1–Presentation of financial statements:

On August 13, 2025, the Ministry of Corporate Affairs (MCA) issued amendments to Ind AS 1 – Presentation of financial statements relating to the classification of liabilities as current or non-current and non-current liabilities with covenants. These amendments aim to improve consistency in the application of classification requirements by clarifying whether liabilities with uncertain settlement dates should be classified as current or non-current in the statement of financial position. The amendments also clarify the classification requirements for liabilities that may be settled through conversion into equity. These amendments are effective for annual reporting periods beginning on or after April 1, 2025, and are to be applied retrospectively. The Company has assessed the impact of these amendments and concluded that they do not have a material impact on the consolidated financial statements.

iii. Amendments to Ind AS 7 - Statement of cash flows and Ind AS 107 - Financial instruments:

On August 13, 2025, MCA issued 'Supplier Finance Arrangements (Amendments to Ind AS 7 and Ind AS 107)'. These amendments require entities to disclose information about supplier finance arrangements to enable users of financial statements to assess the effects of such arrangements on the Company's liabilities, cash flows, and exposure to liquidity risk. These amendments are effective for annual reporting periods beginning on or after April 1, 2025, and are to be applied retrospectively. The Company has evaluated the impact of these amendments and concluded that they do not have a material impact on the consolidated financial statements.

iv. Amendments to Ind AS 12 – Income taxes:

On August 13, 2025, the MCA issued amendments to Ind AS 12 – Income Taxes relating to the International Tax Reform – Pillar Two Model Rules. These amendments clarify the application of Ind AS 12 to income taxes arising from tax laws enacted or substantively enacted to implement the Organisation for Economic Co-operation and Development (OECD) Pillar Two Model Rules, including tax laws implementing qualified domestic minimum top-up taxes under such rules.

The Company has applied the temporary exception from the accounting requirements for deferred taxes under Ind AS 12. Accordingly, the Company has neither recognised nor disclosed information relating to deferred tax assets and liabilities associated with Pillar Two income taxes. The Company has evaluated the impact of these amendments and concluded that they do not have a material impact on the consolidated financial statements.

New accounting standards, amendments and interpretations not yet adopted by the company: MCA notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

4(A) PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant & machinery	Computer equipment	Office equipment	Vehicles	Furniture & fixtures	Total
Gross block								
At April 1, 2024	**4,889.26**	**9,637.12**	**22,225.98**	**979.46**	**293.73**	**427.70**	**305.90**	**38,759.14**
Additions	-	101.40	876.83	17.16	33.05	253.95	24.90	1,307.31
Less: Disposals	-	-	56.83	-	-	-	-	56.83
At March 31, 2025	**4,889.26**	**9,738.53**	**23,045.98**	**996.62**	**326.78**	**681.66**	**330.79**	**40,009.62**
Additions	-	154.94	890.77	74.75	32.52	476.75	8.22	1,637.94
Less: Disposals	-	26.09	124.70	13.16	8.74	6.40	-	179.08
At March 31, 2026	**4,889.26**	**9,867.38**	**23,812.05**	**1,058.21**	**350.56**	**1,152.00**	**339.01**	**41,468.47**
Accumulated depreciation								**-**
At April 01, 2024	**-**	**3,266.95**	**11,874.58**	**880.29**	**245.87**	**124.45**	**207.16**	**16,599.30**
Charge for the year	-	307.95	1,828.04	51.08	20.49	82.07	24.91	2,314.55
Less: Disposals	-	-	49.65	-	-	-	-	49.65
At March 31, 2025	**-**	**3,574.90**	**13,652.97**	**931.37**	**266.37**	**206.53**	**232.07**	**18,864.20**
Charge for the year	-	309.05	1,808.13	34.15	27.50	114.38	24.92	2,318.11
Less: Disposals	-	26.08	87.45	13.16	8.74	1.59	-	137.02
At March 31, 2026	**-**	**3,857.86**	**15,373.65**	**952.36**	**285.13**	**319.31**	**256.98**	**21,045.29**
Net block								
At March 31, 2025	**4,889.26**	**6,163.63**	**9,393.01**	**65.25**	**60.41**	**475.13**	**98.72**	**21,145.42**
At March 31, 2026	**4,889.26**	**6,009.51**	**8,438.40**	**105.85**	**65.44**	**832.69**	**82.03**	**20,423.18**

4(B) CAPITAL WORK IN PROGRESS

Particulars	As at March 31, 2026	As at March 31, 2025
Capital work in progress	1,778.49	1,006.30
	1,778.49	**1,006.30**

4(C) RIGHT-OF-USE ASSETS

Particulars	Lease hold land	Other leasehold assets	Total
Gross block			
At April 1, 2024	**329.37**	**293.96**	**623.33**
Additions	-	173.30	173.30
Less: Disposals	-	-	-
At March 31, 2025	**329.37**	**467.26**	**796.63**
Additions	-	91.01	91.01
Less: Disposals	-	-	-
At March 31, 2026	**329.37**	**558.27**	**887.64**
Accumulated depreciation			
At April 1, 2024	**9.99**	**166.03**	**176.02**
Charge for the year	3.33	114.65	117.97
Less: Disposals	-	-	-
At March 31, 2025	**13.32**	**280.68**	**293.99**
Charge for the year	3.33	102.20	105.52
Less: Disposals	-	-	-
At March 31, 2026	**16.65**	**382.86**	**399.51**
Net block			
At March 31, 2025	**316.05**	**186.59**	**502.65**
At March 31, 2026	**312.72**	**175.41**	**488.13**

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

5 INVESTMENT PROPERTY

Particulars	Land	Buildings	Total
Gross block			
At April 1, 2024	**1,389.18**	**1,020.44**	**2,409.62**
Additions	-	-	-
Less: Disposals	-	-	-
At March 31, 2025	**1,389.18**	**1,020.44**	**2,409.62**
Additions	-	-	-
Less: Disposals	-	-	-
At March 31, 2026	**1,389.18**	**1,020.44**	**2,409.62**
Accumulated depreciation			
At April 1, 2024	**-**	**253.57**	**253.57**
Charge for the year	-	28.17	28.17
Less: Disposals	-	-	-
At March 31, 2025	**-**	**281.73**	**281.73**
Charge for the year	-	28.17	28.17
Less: Disposals	-	-	-
At March 31, 2026	**-**	**309.90**	**309.90**
Net block			
At March 31, 2025	**1,389.18**	**738.71**	**2,127.89**
At March 31, 2026	**1,389.18**	**710.54**	**2,099.72**

6 OTHER INTANGIBLE ASSETS

Particulars	Technical knowhow	Software	Total
Gross block			
At April 1, 2024	**1,407.40**	**724.90**	**2,132.30**
Additions	-	98.76	98.76
Less: Disposals	-	-	-
At March 31, 2025	**1,407.40**	**823.66**	**2,231.06**
Additions	0.77	18.66	19.43
Less: Disposals			-
At March 31, 2026	**1,408.17**	**842.32**	**2,250.49**
Amortisation			
At April 1, 2024	**1,311.21**	**593.28**	**1,904.49**
Charge for the year	28.32	58.68	87.00
Less: Disposals			-
At March 31, 2025	**1,339.53**	**651.95**	**1,991.48**
Charge for the year	26.25	72.39	98.64
Less: Disposals			-
At March 31, 2026	**1,365.78**	**724.34**	**2,090.12**
Net block			
At March 31, 2025	**67.87**	**171.70**	**239.58**
At March 31, 2026	**42.39**	**117.98**	**160.37**

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

7 FINANCIAL ASSETS - INVESTMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Investments consist of the following		
Non - current investments		
a) Investments carried at fair value through profit or loss		
- Fully paid equity shares (unquoted)	918.28	876.20
- Convertible preference shares (Zimeno Inc)	-	2,304.77
b) Investments carried at amortised cost		
- Non convertible debentures	-	-
c) Investments in joint venture at cost		
- VST Zetor Private Limited	969.00	969.00
Add/(less): share of profit/(loss) from joint venture	(321.47)	(193.85)
	1,565.80	**3,956.12**
Current investments		
a) Investments carried at fair value through profit or loss		
- Fully paid equity shares (quoted)	6,188.76	6,982.28
- Mutual funds (quoted)	55,275.70	41,388.12
	61,464.46	**48,370.40**
Aggregate amount of quoted investments and market value thereof	61,464.46	48,370.40
Aggregate amount of un-quoted investments	1,565.80	3,956.12
Total	**63,030.26**	**52,326.52**

8 FINANCIAL ASSETS - LOANS

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured loans consist of the following		
Non-current		
Considered good		
- Loans to employees	3.28	4.14
	3.28	**4.14**
Current		
Considered good		
- Loans to employees	3.68	9.07
	3.68	**9.07**

Notes to the consolidated financial statements
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(All amounts are rupees in lakhs, unless otherwise stated)

9 FINANCIAL ASSETS - OTHERS

Particulars	As at March 31, 2026	As at March 31, 2025
Other financial assets consist of the following		
Non-current		
a) Deposits with remaining maturity more than 12 months	14.14	14.14
b) Security deposits	259.22	306.30
	273.36	**320.44**
Current		
a) Income accrued but not due	62.00	49.73
b) Other receivables	-	52.50
	62.01	**102.23**

10 OTHER ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Non - current		
Considered good		
a) Capital advances	524.22	314.85
b) Prepaid lease rentals	0.25	0.59
	524.47	**315.44**
Current		
Considered good		
a) Advance to suppliers	453.61	414.60
b) Advances to employees	12.16	9.67
c) Prepaid expense	298.54	369.15
d) Pre-paid lease rentals	0.60	0.54
e) Indirect tax recoverable	8,120.58	7,089.70
f) Deposits relating to indirect tax appeals	1,247.64	951.28
	10,133.13	**8,834.94**

11 INVENTORIES

Particulars	As at March 31, 2026	As at March 31, 2025
a) Raw material and components	7,937.29	6,374.72
b) Work-in-progress	1,422.61	1,234.61
c) Finished goods	1,737.56	1,184.56
d) Stock-in-trade	819.36	884.67
e) Loose tools	280.76	274.30
f) Machinery spares and others	133.82	119.19
	12,331.40	**10,072.05**

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12 TRADE RECEIVABLES

Particulars	As at March 31, 2026	As at March 31, 2025
a) Secured, considered good	626.50	2,416.37
b) Unsecured, considered good	16,544.16	18,147.88
c) Unsecured, considered doubtful	3,400.59	3,313.69
Total	**20,571.25**	**23,877.94**
Less: Allowance for expected credit loss	3,400.59	3,313.69
Trade receivables (net)	17,170.66	20,564.25

13 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2026	As at March 31, 2025
a) Balances with banks		
- On current accounts	2,218.76	4,716.01
- Deposits with original maturity of less than 3 months	2,449.00	2,401.00
	4,667.76	**7,117.01**

14 OTHER BANK BALANCES

Particulars	As at March 31, 2026	As at March 31, 2025
a) Earmarked balances with banks (unpaid dividend & unspent CSR expenditure)	146.03	168.77
b) Marginal money deposits	168.49	185.41
	314.51	**354.18**

15 CURRENT TAX ASSET (NET)

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax asset (net)	959.42	1,475.01
	959.42	**1,475.01**

16 SHARE CAPITAL

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Authorised:		
1,00,00,000 equity shares of ₹ 10/- each	1,000.00	1,000.00
(b) Issued, subscribed and paid-up :		
86,52,754/- equity shares of ₹ 10/- each paid up	865.28	864.34

Notes to the consolidated financial statements

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(All amounts are rupees in lakhs, unless otherwise stated)

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	Amount	Nos.	Amount
Equity shares				
At the beginning of the year	86,43,358	864.34	86,39,528	863.95
Movement during the year	9,396	0.94	3,830	0.38
At the end of the year	**86,52,754**	**865.28**	**86,43,358**	**864.34**

(d) Terms / rights attached to equity shares

i. The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.

ii. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10/- each fully paid				
V.K.Surendra	19,34,534	22.36%	19,34,534	22.38%
V.V.Vijayendra	6,26,012	7.23%	6,26,012	7.24%
Kotak Small Cap Fund	8,20,016	9.48%	6,96,258	8.06%
Nippon Life India Trustee Ltd	5,01,622	5.80%	7,20,083	8.33%
	38,82,184	**44.87%**	**39,76,887**	**46.01%**

Includes all schemes under their management as per records of the company, including its register of shareholders/members, the above shareholding represent legal ownership of shares.

17 OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
(A) Capital reserve		
Opening balance	264.05	264.05
Add: Current year transfers	-	-
Less: Written back in current year	-	-
Closing balance	**264.05**	**264.05**
(B) Securities premium		
Opening balance	121.91	-
Exercise of employee stock options	308.38	121.91
Less: Written back in current year	-	-
Closing balance	**430.29**	**121.91**
(C) General reserve		
Opening balance	30,000.00	30,000.00
Add: Current year transfers	-	-
Less: Written back in current year	-	-
Closing balance	**30,000.00**	**30,000.00**
(D) Balance in statement of profit and loss		
Opening balance	69,065.59	61,496.85
Add: Profit/(loss) for the year	10,471.99	9,296.65
Less: Dividend on equity shares	(1,728.67)	(1,727.91)
Closing balance	**77,808.90**	**69,065.59**
(E) Employee stock option plan (VST RSU Plan)		
Opening balance	181.80	25.30
Current year additions	510.93	278.42
Less: Exercise of employee stock options	(308.38)	(121.91)
Closing balance	**384.36**	**181.80**
(F) Other comprehensive income		
On actuarial gain/(loss) on post employment benefits		
Opening balance	(311.71)	(288.10)
Add: Actuarial gain/(loss) for the year	(29.03)	(23.60)
Closing balance	(340.74)	(311.71)
Closing other equity	**1,08,546.86**	**99,321.65**

18 LEASE LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
a) Lease liabilities	94.69	106.45
	94.69	**106.45**
Current		
a) Lease liabilities	96.30	89.95
	96.30	**89.95**

19 FINANCIAL LIABILITIES - OTHERS

Particulars	As at March 31, 2026	As at March 31, 2025
Other financial liabilities consists of the following		
Non-current		
a) Dealer deposits	3,886.14	4,048.78
b) Rental deposits	105.10	100.47
	3,991.23	**4,149.25**

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
a) Unclaimed dividends	48.40	60.62
b) Rental deposits	18.00	18.00
c) Outstanding expenses	4,015.52	4,102.38
d) Incentives and marketing expenses payable	840.59	724.16
e) Employee cost payable	596.43	591.66
f) CSR payable	97.62	97.62
	5,616.57	**5,594.44**

20 PROVISIONS

Particulars	As at March 31, 2026	As at March 31, 2025
Non - current		
a) Provision for gratuity	783.07	510.32
b) Provision for leave benefits	476.87	386.04
	1,259.95	**896.36**
Current		
a) Provision for leave benefits	104.55	92.20
b) Provision for warranty	334.61	251.88
	439.15	**344.08**

21 DEFERRED TAX BALANCES

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets		
a) Employee benefits	343.00	317.00
b) Carried forward capital loss	49.00	
c) Allowance for expected credit losses	880.00	858.00
	1,272.00	**1,175.00**
Deferred tax liabilities		
a) Property, plant and equipment & intangible assets	607.00	680.00
b) Fair valuation of financial assets	1,293.13	1,348.01
	1,900.13	**2,028.01**
Net deferred tax liability/(assets)	**628.13**	**853.01**

22 OTHER LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
a) Deferred rental income	2.28	5.97
	2.28	**5.97**

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
a) Statutory dues	1,754.32	3,629.04
b) Deferred rental income	4.98	5.76
c) Advance received-customers	1,032.51	776.52
	2,791.81	**4,411.32**

23 TRADE PAYABLES

Particulars	As at March 31, 2026	As at March 31, 2025
- Dues to micro enterprises and small enterprises	2,904.64	3,378.45
- Others	7,186.94	6,501.85
	10,091.58	**9,880.30**

24 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Sale of products	1,22,994.17	98,516.52
b) Sale of services	540.78	466.41
c) Other operating revenues	500.70	471.94
	1,24,035.65	**99,454.87**

25 OTHER INCOME

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Dividend	190.12	193.70
b) Income from investment		
i. Change in fair value	(677.66)	2,416.82
ii. Gain on sale of investments	-	387.36
c) Rent received		
i. Rental income	255.64	246.85
ii. Deferred rental income	5.91	5.91
d) Interest income		
i. On financial assets measured at amortized cost	91.01	68.44
ii. Others	89.36	142.97
e) Gain on sale of property, plant and equipment (net)	-	-
f) Insurance claims	14.00	41.24
g) Sundry credit balances written back	59.92	119.29
h) Gain on foreign exchange fluctuations (net)	283.31	97.41
i) Bill discounting	109.16	94.82
j) Miscellaneous income	14.19	16.17
	434.97	**3,830.98**

Notes to the consolidated financial statements
for the year ended March 31, 2026
(All amounts are rupees in lakhs, unless otherwise stated)

26 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Inventory at the beginning of the year		
- Finished goods	1,184.56	3,232.83
- Stock-in-trade	884.67	748.60
- Work-in-progress	1,234.61	1,150.56
	3,303.84	**5,131.99**
b) Inventory at the end of the year		
- Finished goods	1,737.56	1,184.56
- Stock-in-trade	819.36	884.67
- Work-in-progress	1,422.61	1,234.61
	3,979.52	**3,303.84**
(Increase)/decrease in inventory	**(675.69)**	**1,828.15**

27 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Salaries, wages and bonus	9,766.30	8,995.53
b) Contribution to funds	594.12	462.70
c) Share based payments to employees	510.93	278.42
d) Welfare expenses	409.53	431.25
	11,280.89	**10,167.89**

28 FINANCE COSTS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Interest expense on lease liability	12.78	12.62
b) Interest expense on financial liabilities measured at amortized cost	6.07	5.76
c) Other interest expenses	172.50	177.78
	191.36	**196.16**

29 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Depreciation on property, plant and equipment	2,318.11	2,314.53
b) Amortisation on other intangible Assets	98.64	87.00
c) Depreciation on right-of-use assets	105.52	117.98
d) Depreciation on investment property	28.17	28.17
	2,550.44	**2,547.67**

Notes to the consolidated financial statements
for the year ended March 31, 2026
(All amounts are rupees in lakhs, unless otherwise stated)

30 OTHER EXPENSES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Power and fuel	468.16	427.51
b) Stores & tools consumed	666.84	623.93
c) Warranty expenses	494.13	200.05
d) Consultancy and legal charges	1,147.95	1,366.70
e) Payment to statutory auditors (excluding GST)		
- Audit fee	30.50	30.50
- Tax audit fee	5.00	5.00
- Reimbursement of expenses	3.20	2.85
f) Fees, rates and taxes	253.09	101.03
g) Directors sitting fees	32.00	36.50
h) Insurance	154.83	110.26
i) Rental expenditure		
- Rent	87.86	79.50
- Amortisation of lease rental	0.69	0.71
j) Warehousing services	213.89	188.37
k) Repairs and maintenance		
- IT expense	658.73	600.92
- Machinery	261.39	273.85
- Buildings	86.73	81.71
- Others	42.35	57.12
l) Research and development	134.83	130.32
m) Bank charges	37.67	26.32
n) Travelling and conveyance	1,373.17	1,331.55
o) Communication expenses	95.11	93.47
p) Advertisement & promotion	542.20	457.42
q) Freight and distribution	2,770.32	2,265.73
r) Selling expenses	731.97	566.84
s) Service expenses	283.45	262.06
t) Allowance for expected credit loss	115.69	88.20
u) Loss on sale of assets	4.24	7.18
v) CSR expenditure	214.48	221.85
w) Miscellaneous expenses	377.04	282.47
x) Loss on sale of investments	21.79	-
	11,309.29	**9,919.92**

31 OTHER COMPREHENSIVE INCOME

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Actuarial gain/(losses) on gratuity expense for the year	(38.79)	(31.54)
Taxes on above	9.76	7.94
	(29.03)	**(23.60)**

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

32 EARNINGS PER EQUITY SHARE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit for the period attributable to equity share holders	10,471.99	9,296.65
Weighted average number of equity shares of ₹ 10/-each - basic	86.43	86.40
Weighted average number of equity shares of ₹ 10/-each - diluted	86.78	86.54
Earnings per equity share (basic)	121.16	107.60
Earnings per equity share (diluted)	120.68	107.43

33 FINANCIAL ASSETS (INVESTMENTS)

Sr no.	Particulars	Face value (Amt in ₹)	As at March 31, 2026		As at March 31, 2025	
			No. of shares/units	Amount	No. of shares/units	Amount
	As per statements					
	Non-current investments:					
	I. Investment in equity instruments (unquoted)					
1	MHI - VST Diesel Engines Private Limited	10	41,50,000	918.28	41,50,000	876.20
	II. Investment in preference shares					
	Investment in preference shares (unquoted)					
1	Investment In JV - Zimeno Inc (Monarch)		-	-	4,14,477	2,304.77
	III. Investment in equity instruments of joint venture (unquoted)					
1	VST Zetor Private Limited	10	96,90,000	647.52	96,90,000	775.15
	Total of non-current investments (I+II+III)			**1,565.80**		**3,956.12**
	Current investments:					
	I. Investment in equity shares					
	Investments in equity instruments (trade-quoted)					
1	Rane Holdings Limited	10	-	-	50,000	637.93
2	Asian Paints Limited	1	6,000	129.91	6,000	140.44
3	Infosys Limited	5	33,500	418.95	33,500	526.17
4	Larsen and Toubro Limited	2	20,000	700.82	20,000	698.46
5	Sundaram Finance Limited	10	25,000	1,093.88	20,000	914.89
6	Tata Consultancy Services Limited	1	14,500	342.04	14,500	522.89
7	Cipla Limited	2	24,000	293.81	24,000	346.13
8	Pidilite Industries Limited	1	17,800	228.73	8,900	253.59
9	Housing Development Finance Corporation Ltd	2	33,600	245.80	16,800	307.14
10	HDFC Life Insurance Company Limited	10	-	-	20,000	137.14
11	ICICI Bank Limited	2	43,000	518.54	43,000	579.79
12	Kotak Mahindra Bank Limited	5	75,000	265.05	15,000	325.68
13	Mphasis Limited	10	7,000	143.71	7,000	175.01
14	Hindustan Unilever Limited	1	17,000	349.38	17,000	384.00
15	ITC Limited	1	40,000	115.08	40,000	163.90
16	Colgate-Palmolive (India) Limited	1	9,000	160.98	9,000	215.08
17	Tata Consumer Products Limited	1	30,000	304.44	30,000	300.57
18	Reliance Industries	10	15,000	201.59	15,000	191.27

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Sr no.	Particulars	Face value (Amt in ₹)	As at March 31, 2026		As at March 31, 2025	
			No. of shares/units	Amount	No. of shares/units	Amount
19	State Bank of India	1	39,000	381.97	20,000	154.30
20	ITC Hotels Ltd	1	-	-	4,000	7.90
21	Life Insurance Corporation of India Ltd.	10	40,000	290.26	-	-
22	Kwality Walls (India) Ltd	1	17,000	3.82	-	-
	Total I			**6,188.76**		**6,982.28**
	II. Investment in mutual funds (trade-quoted)					
	(a) Investments in debt mutual funds					
1	Aditya Birla Sun Life Savings Fund - Growth - Regular Plan		23,888	137.03	23,888	128.36
2	Axis Corporate Debt Fund - Regular Growth (CO-GP)		-	-	10,98,545	183.24
3	HDFC Floating Rate Debt Fund Short Term Plan-Growth		78,52,480	4,091.63	58,67,649	2,865.52
4	HDFC Short term Debt Fund - Regular Plan - Growth		40,76,446	1,353.89	40,76,446	1,276.31
5	HDFC Ultra Short Term Fund - Regular Growth		4,97,50,701	7,865.39	4,97,50,701	7,400.07
6	ICICI Prudential Savings Fund-Growth		6,31,307	3,592.27	4,48,716	2,388.18
7	Nippon India Money Market Fund - Growth Plan Growth Option		87,196	3,783.09	87,196	3,549.68
8	SBI Magnum Ultra Short Duration Fund-Growth		22,727	1,418.63	27,545	1,615.62
9	HSBC Ultra Short Duration Fund		1,40,378	1,984.95	1,40,378	1,865.67
10	HDFC Liquid Fund - Regular Plan -Growth		-	-	43,489	2,191.84
11	HDFC Overnight Fund		14,761	583.31	14,761	553.71
12	Kotak Liquid Fund Regular Plan Growth		25,129	1,384.26	25,129	1,304.61
	Sub-total (a)			**26,194.45**		**25,322.82**
	(b) Investments in equity mutual funds					
1	Axis Flexi multi Cap Fund - Regular Growth		9,02,334	211.51	9,02,334	220.17
2	Canara Robeco Flexi Cap Fund - Regular Growth(DVGP)		1,44,637	435.76	1,44,637	448.03
3	DSP Flexi Cap Fund - Regular Plan - Growth		7,15,344	646.66	7,15,344	687.47
4	Franklin India Smaller Companies Fund - Growth		2,98,846	432.89	2,98,846	453.16
5	HDFC Flexi Cap Fund- Growth		66,259	1,204.32	66,259	1,223.29
6	HDFC Large and Mid Cap Fund-Reg-Growth		1,50,375	450.21	1,50,375	466.16
7	HDFC Small Cap Fund		6,51,043	770.58	6,51,043	789.73
8	ICICI Prudential Blue Chip Fund		8,89,926	888.77	8,89,926	915.91
9	ICICI Prudential Value Discovery Fund - Growth		69,686	303.97	69,686	304.52
10	Kotak Blue Chip Fund		38,965	200.58	38,965	206.67
11	Kotak Equity Saving Fund		1,41,09,676	3,653.81	1,04,33,227	2,598.76
12	Kotak Flexi Cap Fund-Regular Growth		10,78,445	826.38	10,78,445	834.38
13	SBI Large & Mid Cap Fund Regular Growth		1,55,290	898.88	1,38,707	792.33
14	Black Rock India Enhanced		1,11,30,650	2,413.35	42,49,300	901.57
15	Nippon India Flexi Cap Fund - Growth Plan		25,73,520	372.11	25,73,520	392.22

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Sr no.	Particulars	Face value (Amt in ₹)	As at March 31, 2026 No. of shares/units	As at March 31, 2026 Amount	As at March 31, 2025 No. of shares/units	As at March 31, 2025 Amount
16	Kotak Multicap Fund Regular Plan - Growth		23,13,395	404.17	23,13,395	395.41
17	HSBC Value Fund - Regular Growth		3,99,109	406.26	3,99,109	392.66
18	Tata Flexicap Fund - Regular Plan - Growth		9,22,310	198.75	9,22,310	205.20
19	IDFC Core Equity fund- Growth		1,50,128	184.20	1,50,128	182.79
20	HSBC Equity Savings fund		58,52,138	1,973.05	32,65,575	1,018.28
21	ICICI Prudential Flexicap Fund - Growth		11,50,029	195.96	-	-
	Sub-total (b)			**17,072.17**		**13,428.72**
	(c) Investments in arbitrage mutual funds					
1	HDFC Arbitrage Fund-Growth		1,29,68,796	4,149.75	10,91,179	329.11
2	IDFC Arbitrage Fund-Growth		19,63,155	663.83	19,63,155	627.15
3	Kotak Equity Arbitrage Fund		72,00,287	2,819.03	18,99,189	700.49
4	Nippon India Arbitrage Fund - Growth Plan		12,80,539	354.68	12,80,539	334.74
5	SBI Arbitrage Opportunities Fund - Regular Plan		1,13,81,254	4,021.79	19,39,767	645.09
	Sub-total (c)			**12,009.08**		**2,636.58**
	Total of investment in mutual funds II (a+b+c)			**55,275.70**		**41,388.12**
	Grand total of current investments (I+II)			**61,464.46**		**48,370.40**
	Total investments			**63,030.26**		**52,326.52**

Note:

The Company holds an investment in preference shares of Zimeno Inc. ("Monarch"), carried at fair value through profit or loss, with a carrying value as at the beginning of the year of ₹ 2,304.77 lakhs. During the year, the Company was informed that Zimeno Inc. has entered into liquidation proceedings, and that no amount is expected to be recoverable by shareholders on account of the priority of claims of other stakeholders in the liquidation process. Based on this information, the Company has re-measured the investment at its estimated recoverable value of ₹ Nil and has recognised a fair value loss of ₹ 2,304.77 lakhs during the year, which has been recognised in the statement of profit and loss under "Change in fair value of investments" (see note 25).

34. RETIREMENT BENEFIT OBLIGATIONS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Defined contribution plan (expenses):		
Contribution to provident fund	359.84	343.04
Contribution to employee state insurance	0.36	1.18
Contribution to labor welfare fund	0.60	0.31
B. Defined benefit plans (gratuity):		
1. Movement in obligation – gratuity:		
• Present value of obligation at the beginning of year	781.64	673.63
• Current service cost	199.36	92.39
• Interest cost	53.00	48.56
• Benefits paid	(33.24)	(57.33)
• Past service cost (vested and non-vested)	-	-
• Actuarial (gain)/loss on obligation	38.97	24.39
Present value of obligation at the end of year	**1,039.73**	**781.64**

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
2. Movement in plan assets – gratuity:		
• Fair value of planned assets at the beginning of the year	271.32	313.23
• Return of plan assets	18.40	22.58
• Actuarial gain/(loss)	0.17	(7.16)
• Contributions during the year	-	-
• Benefits paid during the year	(33.24)	(57.33)
Fair value of planned assets at the end of the year	**256.65**	**271.32**
3. Expenses recognized in profit and loss statement:		
Gratuity: -		
Current service cost	199.36	92.39
Net interest cost	34.60	25.98
Past service cost	-	-
Expense for the year	**233.96**	**118.37**
4. Recognized in other comprehensive income:		
Actuarial (gain)/loss for the year	38.79	31.54
5. Actuarial assumptions for estimating Company's defined benefit obligation:		
a. Attrition rate	22.00% for executives and 0% for others	22.00% for executives and 0% for others
b. Discount rate	7.08%	6.78%
c. Expected rate of increase in salary	8.00%	8.00%
d. Expected rate of return on plan assets	6.78%	7.21%
e. Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
f. Decrement adjusted future service	22.12 years	22.32 years
6. Sensitivity analysis:		
Sensitivity	**Change**	**Effect on obligations**
Salary escalation rate	+1%	90.42
	-1%	(78.77)
Withdrawal rate	+1%	(9.53)
	-1%	3.69
Discount rates	+0.5%	(41.41)
	-0.5%	44.89

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized in the balance sheet.

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

7.	Expected payout – Gratuity:	Amount
	Expected payments – 1st year	136.63
	Expected payments – 2nd year	96.01
	Expected payments – 3rd year	111.98
	Expected payments – 4th year	84.38
	Expected payments – 5th year	86.02
	Expected payments – after 5 years	1,745.24

8. Other information:

i. The Company has invested planned assets with Life Insurance Corporation of India. Expected return on assets is based on rate of return declared by fund managers.

ii. **Present value of defined benefit obligation:**

Present value of the defined benefit obligation is calculated by using Projected Unit Credit method (PUC Method). Under the PUC method a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The "projected accrued benefit" is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

C. Compensated absences amounting to ₹ 159.14 lakhs (March 31, 2025: ₹ 125.12 lakhs) is recognized as expense and included in Note 27 'Employee benefits expense'.

Risk Exposure:

a. Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

b. Salary inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. Overstating withdrawals can understate liabilities, as long-serving employees usually have higher benefit costs.

35. EMPLOYEE STOCK OPTION PLAN

V.S.T. Tillers Tractors Limited – Restricted Stock Units Plan 2024

On January 22, 2024, pursuant to the approval by the shareholders, the Board was authorized to introduce, offer, issue and allot share based incentives to the eligible employees of the Company under the "V.S.T. Tillers Tractors Limited – Restricted Stock Units Plan 2024" ("the RSU plan"). The maximum number of shares under the RSU plan shall not exceed 50,000 equity shares. These instruments will generally vest equally over a period of 4 years starting from February 26, 2025 for Grant 1, February 26, 2026 for Grant 2 and February 26, 2027 for Grant 3. The options shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NRC). The exercise price of the equity-settled RSUs will be equal to the par value of the shares.

The fair value of the options is estimated using the Black-Scholes Model. The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk-free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company has been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options.

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

The fair value of the equity-settled options is estimated on the date of grant using the following assumptions:

Particulars	For options granted in 2025-26	For options granted in 2024-25	For options granted in 2023-24
Weighted average share price (₹)	5,844.50	3,460.00	3,283.25
Exercise price (₹)	10.00	10.00	10.00
Expected volatility	34.86%	33.82%	34.07%
Expected life of the options (years)*	1-4	1-4	1-4
Expected dividend yield (%)	0.84%	1.18%	1.08%
Risk free interest rate (%)	5.11%	5.66%	6.92%
Weighted average fair value as on grant date (₹)	5,711.37	3,348.08	3,182.90

*The expected life of the options is estimated based on the vesting and the contractual terms of the RSU and the exercise behaviour of the employee who receives the RSU.

The summary of the grants made during the years ended March 31, 2026 and March 31, 2025 is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Equity settled RSUs (in Nos.)		
Key Management Personnel	-	1,600
Employees other than KMP	3,080	23,960

The activity in the RSU Plan for equity-settled share-based payment transactions during the year ended March 31, 2026 and March 31, 2025 is as follows:

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
Outstanding at the beginning	37,050	10	18,200	10
Granted	3,080	10	25,560	10
Exercised	9,396	10	3,830	10
Forfeited and expired	2,864	10	2,880	10
Outstanding at the end	27,870	10	37,050	10
Exercisable at the end	-	-	-	-

The summary of the equity-settled RSUs outstanding as at March 31, 2026 and March 31, 2025 is as follows:

Range of exercise price per share (₹)	As at March 31, 2026		As at March 31, 2025	
	Shares arising out of options	Weighted average remaining contractual life	Shares arising out of options	Weighted average remaining contractual life
0 – 10*	27,870	1.83	37,050	2.34

*Weighted average exercise price is ₹ 10

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

The break-up of the employee compensation expense is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Equity settled RSUs		
Key Management Personnel	102.89	148.68
Employees other than KMP	408.04	129.74
Total	**510.93**	**278.42**

36. INCOME TAX EXPENSE AND DEFERRED TAXES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Income tax expense :-		
a. Current tax	3,900.19	2,584.50
b. Deferred tax (arising on temporary differences)	(215.12)	164.88
Total tax expense for the year	**3,685.07**	**2,749.38**
Effective tax reconciliation :-		
a. Net profit/(loss) before taxes	14,284.69	12,195.18
b. Tax rate applicable to the company as per normal provisions	25.168%	25.168%
c. Tax expense on net profit (c = a*b)	3,595.17	3,069.28
d. Increase/(decrease) in tax expenses on account of:		
i Effect of unrealized income	170.55	(621.29)
ii Effect of expenses not deductible in determining taxable profits	281.63	208.08
iii Effect of deduction for expenses earlier disallowed	(67.92)	(67.92)
iv Effect of income not forming part of business income	1.22	60.73
v Net effect of deductible temporary differences recognized as deferred tax liabilities and assets	(215.12)	164.88
vi Other adjustments	(80.47)	(64.38)
Net increase/(decrease) in tax expenses	**89.90**	**(319.90)**
e. Income tax expense as reported in the Statement of Profit and Loss (c + d)	3,685.07	2,749.38
Deferred tax expenses/(income) recognized for the year:		
A. Deferred tax recognized in profit and loss	(215.12)	164.88
B. Deferred tax recognized in other comprehensive income	(9.76)	(7.94)
C. Deferred tax recognized in total comprehensive income	(224.88)	156.94

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

The management assessed that cash and cash equivalents, other bank balances, trade receivables, trade payables, and other current financial assets and financial liabilities approximates to their carrying amount largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a. The fair value of investment in quoted instruments is measured at quoted price at the reporting date. The fair value of unquoted instruments is valued using inputs based on information about market participants assumptions and other data that are available.

b. Fair value of Interest free Security deposits are calculated by discounting future cash flows using rates currently available for debt on similar terms credit risk and remaining maturities.

Notes to the consolidated financial statements

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(All amounts are rupees in lakhs, unless otherwise stated)

Description of significant observable inputs to valuation:

Interest free security deposits (assets & liabilities):

Interest rate factor has been considered at a rate of 6.06% p.a. by the Company for discounting the amount receivable at the time of maturity.

The carrying amount of all financial assets and liabilities (except for those instruments carried at fair value) appearing in the consolidated financial statements is reasonable approximation of fair values.

Particulars	Carrying value		Fair value	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Financial assets				
At fair value through profit & loss A/c				
Investments	62,382.74	51,551.37	62,382.74	51,551.37
At Amortized cost				
Loans	6.96	13.21	6.96	13.21
Trade receivables	17,170.66	20,564.25	17,170.66	20,564.25
Cash and bank balances	4,982.27	7,471.19	4,982.27	7,471.19
Other financial assets	335.37	422.67	335.37	422.67
Total	**84,878.00**	**80,022.70**	**84,878.00**	**80,022.70**
Financial Liabilities				
At Amortized cost				
Trade payables	10,091.58	9,880.30	10,091.58	9,880.30
Lease liabilities	190.99	196.40	190.99	196.40
Other financial liabilities	9,607.81	9,743.69	9,607.81	9,743.69
Total financial liabilities	**19,890.38**	**19,820.39**	**19,890.38**	**19,820.39**

38. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2026:

Particulars	Total value	Fair value measurement using		
		Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
Financial assets: -				
Designated at fair value through profit or loss:				
Investments in quoted instruments (equity & mutual funds)	61,464.46	61,464.46	-	-
Investments in unquoted instruments	918.28	-	-	918.28
Designated at amortized cost:				
Investments in unquoted instruments	-	-	-	-
Loans	6.96	-	-	6.96

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2025:

Particulars	Total value	Fair value measurement using		
		Quoted prices in active markets (Level – 1)	Significant observable inputs (Level – 2)	Significant unobservable inputs (Level- 3)
Financial assets: -				
Designated at fair value through profit or loss:				
Investments in quoted instruments (equity & mutual funds)	48,370.40	48,370.40	-	-
Investments in unquoted instruments	3,180.97	-	-	3,180.97
Designated at amortized cost:				
Investments in unquoted instruments	-	-	-	-
Loans	13.21	-	-	13.21

39. INVESTMENT IN JOINT ARRANGEMENTS

a. Interests in joint venture

Name of the entity	Place of incorporation and place of operation	Proportion of ownership interest	
		As at March 31, 2026	As at March 31, 2025
VST Zetor Private Limited	India	51.00%*	51.00%*

* The entity has been treated as joint venture even though the Company holds more than half of the voting power in the entity as it does not have the unilateral control over the investee, primarily due to existence of arrangements that give the substantive rights to the other investor.

b. Investment in subsidiaries

The Company has incorporated VST Americas Inc. and VST Fieldtrac LLC in the United States, to address the requirements of the US market in the tractor and farm machinery segment. As of the reporting date, VST Americas Inc. and VST Fieldtrac have not issued any share capital and the Company has not yet subscribed to its share capital. Further, VST Americas Inc. and VST Fieldtrac have not yet commenced any business operations.

40. RELATED PARTY TRANSACTIONS

Details of the related parties and the description of relationship

i) Key Management Personnel (KMP)

Name of the Key Management Personnel	Designation
Mr. V. T. Ravindra	Managing Director
Mr. Antony Cherukara	Chief Executive Officer
Mr. Nitin Agrawal	Chief Financial Officer
Mr. Chinmaya Khatua	Company Secretary

ii) Directors of the Company (other than those covered above)

Name of the director	Designation
Mr. V. S Arun	Chairman
Mr. V. V. Pravindra	Non-executive director
Mrs. Siva Kameswari Vissa	Independent director
Mr. Nandakumar Jairam	Independent director
Mr. Kula Ajith Kumar Rai	Independent director
Mr. Rajen Padukone	Independent director

iii) Wholly owned subsidiaries

- VST Americas Inc. (yet to issue shares and commence operations)
- VST Fieldtac LLC (yet to issue shares and commence operations)

iv) Joint venture

- VST Zetor Private Limited

v) Enterprises over which shareholders of the Company or KMP or relatives of KMP exercise control or significant influence

1. Mitsubishi Heavy Industries - VST Diesel Engines Private Limited
2. India Garage
3. VST & Sons
4. Anand & Associates
5. VST Motors Private Limited
6. Suprajit Engineering Limited
7. Bangalore Motors Private Limited
8. VST Supercars Private Limited
9. Smt. Kamalabai Educational Trust
10. V. S. Thiruvengadaswamy Mudaliar Memorial Trust

Transactions entered during the year

i) Compensation to Key Management Personnel

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-term employment benefits	529.98	493.67
Post employment benefits[1]	19.83	18.68
Other long-term benefits[2]	-	-
Termination benefits	-	-
Share-based payments	102.89	148.68

1. Does not include gratuity expenses.
2. Does not include leave salary expenses.

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

ii) Sitting fee paid to directors of the Company

The sitting fee paid to independent directors and non-executive directors for the financial year 2025-26 is ₹ 32.00 and for the Financial Year 2024-25 is ₹ 36.50.

iii) Transactions with other related parties

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
VST & Sons		
- Payment of royalty	13.06	9.95
Mitsubishi Heavy Industries - VST Diesel Engines Private Limited		
- Supply of spare parts	-	21.42
- Rental income from immovable property	96.00	96.00
- Services rendered – job work	332.80	210.92
- Purchase of diesel engines and other materials	10.82	10.67
- Availing engine testing services	-	13.40
India Garage		
- Rental income from immovable property	31.92	31.44
VST Zetor Private Limited		
- Transfer of co-developed product	-	69.91
- Supply of tractors and spare parts	1,468.15	1,848.36
- Rendering of warranty, sales support and other related services (net of recovery)	106.81	27.68
- Rendering of service relating to the use of various functions (accounting, HR, legal, and sales & marketing)	30.62	4.90
- Reimbursement of expenses received	72.90	93.87
- Rental income from immovable property	2.70	2.70
- Royalty received	-	8.02
Suprajit Engineering Limited		
- Purchase of various components	58.80	60.77
Bangalore Motors Private Limited		
- Repairs & maintenance availed	1.24	0.44
VST Supercars Private Limited		
- Rental income from immovable property	18.18	17.92
VST Motors Private Limited		
- Redemption of debentures	-	500.00
- Interest received on debentures	-	44.38
Anand Associates		
- Architectural profession services availed	20.70	5.52
VST Americas Inc.		
- Reimbursement of expenses	-	52.50
Smt. Kamalabai Educational Trust		
- Corporate Social Responsibility expenditure	-	86.00
V. S. Thiruvengadaswamy Mudaliar Memorial Trust		
- Corporate Social Responsibility expenditure	154.48	-

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Outstanding balances at the end of the year

Particulars	As at March 31, 2026	As at March 31, 2025
Amounts due to related parties		
- VST & Sons	-	9.95
- Suprajit Engineering Limited	13.40	8.44
- Key Management Personnel and directors	133.34	106.85
Amounts due from related parties		
- Mitsubishi Heavy Industries - VST Diesel Engines Private Limited	94.11	68.69
- India Garage	8.37	8.37
- VST Zetor private limited	213.46	278.99
- VST Americas Inc.	-	52.50
Security deposits with related parties		
- India Garage	20.00	20.00
- Mitsubishi Heavy Industries - VST Diesel Engines Private Limited	80.00	80.00
- VST Supercars Private Limited	13.00	13.00

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Companies activities expose it to variety of financial risks such as interest rate risk, foreign currency risk, market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance and there has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide the details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

i. Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans and advances, deposits, investments in debt securities, mutual funds, and other equity funds.

a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the investment in debt securities, investment in debt mutual funds and cash and cash equivalents and other bank balances.

The Company's policy is to manage its interest rate risk by monitoring of changes in interest rates. Further, as there are no borrowings, the Company's policy to manage its interest cost does not arise.

b) Foreign currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company has transactional currency exposures arising from exports or imports that are denominated in a currency other than the functional currency. The foreign currencies in which these transactions are denominated

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

are mainly in US Dollars ($) and Euros (€). The Company's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

The following table demonstrates the sensitivity in the USD, GBP and Euro to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets is given below:

Particulars	Change in rate	For the year ended March 31, 2026	For the year ended March 31, 2025
USD	+5.00 %	(21.95)	9.44
	-5.00 %	21.95	(9.44)
GBP	+5.00 %	3.38	16.60
	-5.00 %	(3.38)	(16.60)
Euro	+5.00 %	62.17	49.27
	-5.00 %	(62.17)	(49.27)

* Decimals have been rounded to nearest rupees lakhs.

ii. Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty defaults on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits), the Company minimizes the credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The Company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, outstanding customer receivables are regularly monitored and any credit to new customers are generally covered by appropriate security in the form of deposits.

a) Exposure to credit risk:

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognized in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

b) Credit risk concentration profile:

At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognized financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

c) Financial assets that are neither past due nor impaired:

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and short-term deposits, investment securities that are neither past due nor impaired are placed with or entered with reputable banks, financial institutions or companies with high credit ratings and no history of default.

Notes to the consolidated financial statements

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(All amounts are rupees in lakhs, unless otherwise stated)

d) Financial assets that are either past due or impaired:

Trade receivables that are past due or impaired at the end of the reporting period, for which lifetime expected credit loss has been provided by the company according to its policy. These are shown in the balance sheet at carrying value less impairment/expected credit loss (information provided in note no. 13).

iii. Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company ensures that it has sufficient cash on demand to meet expected operational demands, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 12 months	1 to 3 years	More than 3 years	Total
As at March 31, 2026				
Trade payables	10,091.58	-	-	**10,091.58**
Security deposits	38.00	3,979.14	-	**4,017.14**
Lease liability	102.93	100.65	-	**203.58**
Other financial liabilities	5,598.58	-	-	**5,598.58**
As at March 31, 2025				
Trade payables	9,880.30	-	-	**9,880.30**
Security deposits	31.00	4,148.78	-	**4,179.78**
Lease liability	99.41	101.40	11.33	**212.14**
Other financial liabilities	5,576.44	-	-	**5,576.44**

42. INVESTMENT PROPERTY:

The Company recognizes the income earned from renting of investment property under 'Other income' and the incidental expenditure relating to such property is recognized under the respective sub-heads of 'Other expenses'.

Summary of net income recognized in the statement of profit and loss from investment property generating rental income:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) Rental income	**234.76**	**226.23**
Less: Direct operating expenses incurred		
i. Repairs and maintenance	24.53	9.74
ii. Property taxes	14.16	12.52
(B) Total expenses	**38.69**	**22.26**
Net income / (expense) from investment property (A-B)	**196.07**	**203.97**

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for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

Fair valuation of investment property:

Particulars	As at March 31, 2026	As at March 31, 2025
a) Land	15,793.78	13,115.82
b) Building	1,535.86	1,576.08
Total	**17,329.64**	**14,691.90**

Note: The fair values of investment properties have been determined by independent valuers. The main inputs used are the rental growth rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

Depreciation and useful life: Depreciation method used by the entity for investment property is straight line method. Useful life of buildings is considered as 10-60 years.

43. CAPITAL MANAGEMENT:

Capital includes equity attributable to the equity holders of the Company. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder's value.

The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, Company may adjust the dividend payment to shareholders or return capital to shareholders or issue new shares.

Currently the Company does not have any borrowings and maintains the entire capital in form of equity share capital.

44. UNHEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	As at March 31, 2026			As at March 31, 2025		
	#	Foreign Currency	Amount (₹)	#	Foreign Currency	Amount (₹)
Trade Receivables	$	4.21	396.52	$	2.92	248.30
	£	0.55	67.54	£	3.04	332.06
	€	11.58	1,243.42	€	10.76	988.21
Trade Payables	$	8.86	835.46	$	0.70	59.48
	€	0.00 *	0.02	€	0.03	2.74

# Denotes currency symbol

* Amount is zero because of rounding off to lakhs

Notes to the consolidated financial statements

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(All amounts are rupees in lakhs, unless otherwise stated)

45. CONTINGENCIES AND COMMITMENTS:

Particulars	As at March 31, 2026	As at March 31, 2025
Contingent liabilities		
a. Cases filed by customers in various consumer courts not acknowledged as debts	70.56	79.44
b. Appeals filed by the Company in respect of income tax matters	702.23	702.23
c. Appeals filed by the Company in respect of customs matters	25.68	25.68
d. Bank guarantees issued to government agencies by way of securities	101.50	94.46
e. Indirect tax matters*	1,780.89	12,596.51
f. Other claims not acknowledged as debts	26.57	1,203.66
Commitments		
a. Estimated value of contracts remaining to be executed on capital accounts and not provided for (net of advances)	3,748.25	3,321.61

The Company had received GST Assessment Order and Demand for ₹ 109.92 crores (inclusive of interest of ₹ 24.78 crores and penalty of ₹ 42.57 crores) from the Assistant Commissioner (State Tax), Hosur (North-I) Assessment Circle, Tamil Nadu, for FY 2017-18, FY 2018-19 and FY 2019-20 due to mismatch of sales as per GSTR 1 and 3B, mismatch of Input Tax Credit as per GSTR 2A and 3B, mismatch with E- way bills and non-submission of details for expenses.

The Company had filed an appeal before the Deputy Commissioner (ST)(Appeals), Salem, along with submitting the grounds of appeal and the supporting documentation. During the year, the Appellate Authority set aside the original assessment orders and remanded the matters to the adjudicating authority for a fresh adjudication. Pursuant to the fresh adjudication by the Assistant Commissioner, after considering the Company's submissions and supporting evidence, the adjudicating authority substantially accepted the Company's contentions, resulting in a significant reduction in the disputed demand. Consequently, only a general penalty of 0.01 crores remains payable.

46. LEASES

Company as lessee:

The Company's lease assets consist of leases for land, building and computers. The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2026.

Particulars	Category of ROU asset		Total
	Equipment & building	Land	
Balance as at April 1, 2025	186.59	316.05	502.64
Add: Additions	91.01	-	91.01
Less: Deletions	-	-	-
Depreciation	102.20	3.33	105.52
Balance as at March 31, 2026	**175.41**	**312.72**	**488.13**

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(All amounts are rupees in lakhs, unless otherwise stated)

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2025.

Particulars	Category of ROU asset		Total
	Equipment & building	Land	
Balance as at April 1, 2024	127.93	319.38	447.31
Add: Additions	173.30	-	173.30
Less: Deletions	-	-	-
Depreciation	114.65	3.33	117.97
Balance as at March 31, 2025	**186.59**	**316.05**	**502.64**

The depreciation expenses on ROU assets are included under depreciation and amortization expenses in the statement of profit and loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2026 and March 31, 2025.

Particulars	As at March 31, 2026	As at March 31, 2025
Current lease liability	96.30	89.95
Non-current lease liability	94.69	106.45
Total	**190.99**	**196.40**

The following is the movement in lease liabilities during the year ended March 31, 2026 and March 31, 2025.

Particulars	As at March 31, 2026	As at March 31, 2025
Opening lease liability	196.40	135.45
Additions	91.01	173.30
Finance cost accrued during the year	12.78	12.62
Deletions	-	-
Payment of lease liabilities	109.21	124.97
Balance at the end	**190.99**	**196.40**

Following amount has been recognized in the statement of profit & loss:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on right to use assets	105.52	117.97
Interest on lease liability	12.78	12.62
Total amount recognized in the Statement of Profit and Loss	**118.30**	**130.59**

The details regarding the contractual maturities of lease liabilities as at March 31, 2026 and March 31, 2025 on an undiscounted basis are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	102.93	99.41
One to five years	100.65	112.73
More than five years	-	-

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for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

47. CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

CSR amount required to be spent by the Company during the year is ₹ 214.48 lakhs (previous year ₹ 221.85 lakhs). Further, during the year, the Company has spent an amount ₹ 214.48 lakhs related to current year liability, details of which are as follows:

Details of amount spending on CSR activities:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening unspent amount*	97.62	97.62
Amount required to be spent as per section 135(5) of companies Act, 2013	214.48	221.85
Less: Amount spent during the year	214.48	221.85
Balance amount to be spent	97.62	97.62
Unspent amount transferred to separate bank account	97.62	97.62

* The unspent amount of 97.62 lakhs had been transferred to unspent CSR account within 30 days from the end of the financial year 2023-24 , in accordance with the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended ("CSR Rules").

48. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 37 "PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS"

a) Movement in provision for warranty

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
• Carrying amount as at the beginning of the year	251.88	169.72
• Add: Additional provision made during the year	334.61	237.48
• Less: Provision used during the year	251.88	117.90
• Less: Unused amounts reversed during the year	-	37.42
• Carrying amount as at the end of the year	334.61	251.88

b) Nature of obligation

The Company gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. The provision made as at March 31, 2026 represents the amount of expected cost of meeting such obligations on account of rectification or replacement. The timing of outflow is expected to be within a period of one year from the end of the year.

The Company generally provides a warranty period of 12 months for its tiller products, except for the 135DI and 165DI tiller models, for which a warranty period of 24 months is offered. For both compact and higher horsepower tractors (17 HP to 50 HP), a warranty period of 60 months is provided. The provision for warranty obligations is estimated by management based on historical warranty claim experience, adjusted for recent trends and other relevant factors that may indicate that historical claim patterns may not be representative of future warranty claims.

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(All amounts are rupees in lakhs, unless otherwise stated)

49. DISCLOSURE PURSUANT TO IND AS 115 – REVENUE FROM CONTRACTS WITH CUSTOMERS

1. Disaggregation of revenue

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Revenue by type of goods & services		
Revenue from products		
- Tillers	78,294.22	57,598.42
- Tractors	26,210.31	22,948.69
- Others	26,820.57	23,520.02
Revenue from services		
- Job works	503.27	382.41
- Others	37.51	79.99
Other operating revenue	500.70	471.94
Total	**1,32,366.58**	**1,05,001.47**
b) Revenue by geographical region		
Domestic sales	1,23,535.45	94,816.12
Export sales	8,831.13	10,185.35
Total	**1,32,366.58**	**1,05,001.47**
c) Revenue by sales channel		
Dealer sales	1,21,151.67	92,955.84
End customer sales	6,178.63	7,232.41
Others	5,036.28	4,813.22
Total	**1,32,366.58**	**1,05,001.47**
d) Recognition of revenue over the period of time or at a point in time		
Recognition of revenue at a point in time	1,32,366.58	1,05,001.47
Total	**1,32,366.58**	**1,05,001.47**

2. Contract balance:

Out of the opening customer advances amounting to ₹ 776.51 lakhs, ₹ 319.45 lakhs have been recognized as revenue during the year ended March 31, 2026 (₹ 352.63 lakhs recognized for the previous financial year).

3. Reconciliation of revenue recognized in the statement of profit & loss with contract price:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Contract price	1,32,366.58	1,05,001.47
Adjustment towards discounts	(8,330.93)	(5,546.60)
Transaction price	**1,24,035.65**	**99,454.87**

4. Revenue from major customers:

There are no major customers exceeding 10% of the total revenue.

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

50. AGEING ANALYSIS

A) Ageing schedule of capital work-in-progress

As at March 31, 2026	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
a) Projects in progress	1,103.64	496.29	25.46	153.10	1,778.49
b) Projects temporarily suspended	-	-	-	-	-
Total	**1,103.64**	**496.29**	**25.46**	**153.10**	**1,778.49**

As at March 31, 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
a) Projects in progress	738.25	29.10	83.49	155.46	1,006.30
b) Projects temporarily suspended	-	-	-	-	-
Total	**738.25**	**29.10**	**83.49**	**155.46**	**1006.30**

B) Ageing schedule of trade payables

As at March 31, 2026	Outstanding from the due date of payment				Total
	Less than 1 year *	1-2 years	2-3 years	More than 3 years	
Due to MSME	2,904.64	-	-	-	2,904.64
Due to Others	7,046.97	91.87	4.90	43.20	7,186.94
Disputed dues — MSME	-	-	-	-	-
Disputed dues — Others	-	-	-	-	-
Total	**9,951.61**	**91.87**	**4.90**	**43.20**	**10,091.58**

As at March 31, 2025	Outstanding from the due date of payment				Total
	Less than 1 year *	1-2 years	2-3 years	More than 3 years	
Due to MSME	3,378.45	-	-	-	3,378.45
Due to Others	6,221.88	153.80	121.89	4.28	6,501.85
Disputed dues — MSME	-	-	-	-	-
Disputed dues — Others	-	-	-	-	-
Total	**9,600.33**	**153.80**	**121.89**	**4.28**	**9,880.30**

* Amount which is "not due" is considered in less than 1 year category.

C) Ageing schedule of trade receivables

As at March 31, 2026	Outstanding from the due date of receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade receivables – considered good	2,287.14	9,852.09	2,609.49	298.99	251.55	1,590.03	**16,889.29**
b) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	29.43	29.21	1,379.10	**1,437.74**
c) Disputed trade receivables – credit impaired	-	-	1.23	38.27	2.51	2,202.22	**2,244.22**
Gross trade receivables							**20,571.25**
Less: Allowance for expected credit loss							**3,400.59**
Net trade receivables							**17,170.66**

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

As at March 31, 2025	Outstanding from the due date of receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
a) Undisputed trade receivables – considered good	2,920.04	12,387.83	2,461.88	589.77	983.30	1,229.85	**20,572.67**
b) Undisputed trade receivables – which have significant increase in credit risk	-	9.80	3.05	6.96	150.91	1,529.25	**1699.97**
c) Disputed trade receivables – credit impaired	0.17	9.44	12.15	0.61	4.78	1,578.15	**1605.30**
Gross trade receivables							**23,877.94**
Less: Allowance for expected credit loss							**3,313.69**
Net trade receivables							**20,564.25**

51. STATEMENT OF NET ASSETS AND PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON-CONTROLLING INTEREST

As at March 31, 2026

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
V.S.T. Tillers Tractors Limited	100.29%	1,09,733.62	101.22%	10,599.62	100.00%	(29.03)	101.22%	10,570.59
Joint venture (Indian)								
VST Zetor Private Limited	(0.29%)	(321.48)	(1.22%)	(127.64)	0.00%	0.00	(1.22%)	(127.64)
Total	**100%**	**1,09,412.14**	**100%**	**10,471.99**	**100%**	**(29.03)**	**100%**	**10,442.95**

As at March 31, 2025

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of Other Comprehensive Income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
V.S.T. Tillers Tractors Limited	100.19%	1,00,379.84	101.60%	9,445.80	100.00%	(23.60)	100.37%	9,422.21
Joint venture (Indian)								
VST Zetor Private Limited	(0.19%)	(193.85)	(1.60%)	(149.15)	0.00%	0.00	(0.37%)	(149.15)
Total	**100%**	**1,00,185.99**	**100%**	**9,296.65**	**100%**	**(23.60)**	**100%**	**9,273.05**

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

52. SHAREHOLDING OF PROMOTERS:

Sr No.	Name of the promoter	As at March 31, 2026			As at March 31, 2025		
		No. of shares	% of share holding	% change during the year	No. of shares	% of share holding	% change during the year
1	V K Surendra	19,34,534	22.36%	-0.02%	19,34,534	22.38%	-0.01%
2	V V Pravindra	2,24,146	2.59%	-	2,24,146	2.59%	-
3	Arun Vellore Surendra	2,15,630	2.49%	-	2,15,630	2.49%	-0.12%
4	V P Tiruvengadaswamy	2,44,692	2.83%	-	2,44,692	2.83%	-
5	V V Vijayendra	6,26,012	7.23%	-0.01%	6,26,012	7.24%	-0.01%
6	S Mahalakshmi	35,375	0.41%	-	35,375	0.41%	-
7	V V Sujay	72,664	0.84%	-	72,664	0.84%	-
8	M Bharathi	61,200	0.71%	-	61,200	0.71%	-
9	P Jayalakshmi	33,750	0.39%	-	33,750	0.39%	-
10	V Lakshmi	33,007	0.38%	-	33,007	0.38%	-
11	V V Anjali	30,123	0.35%	-	30,123	0.35%	-
12	V T Ravindra	29,152	0.34%	-	29,152	0.34%	-
13	V P Rahul	18,076	0.21%	-	18,076	0.21%	-
14	V M Anand	58,859	0.68%	-	58,859	0.68%	-
15	V M Vishnu	58,720	0.68%	-	58,720	0.68%	-
16	V P Karan	15,714	0.18%	-	15,714	0.18%	-
17	Amritha V M Ward	50,898	0.59%	-	50,898	0.59%	-
18	V T Anusuya	2,250	0.03%	-	2,250	0.03%	-
19	Sita Rajgopal	11,500	0.13%	-	11,500	0.13%	0.11%
20	VST Motors Private Limited	3,88,885	4.49%	-0.01%	3,88,885	4.50%	-
21	Mitsubishi Heavy Industries Engine And Turbocharger Limited	2,53,125	2.93%	-	2,53,125	2.93%	-
22	Padmanaban Motors LLP	1,36,311	1.58%	-	1,36,311	1.58%	-
23	K S And Sons LLP	85,690	0.99%	-	85,690	0.99%	-
24	V T Velu Investments Private Limited	67,725	0.78%	-	67,725	0.78%	-
25	Gove Finance Limited	66,082	0.76%	-	66,082	0.76%	-
26	Vijayendra Brothers Investments Private Limited	52,470	0.61%	-	52,470	0.61%	-
Total promoter holding		**48,06,590**	**55.56%**	**-0.04%**	**48,06,590**	**55.60%**	**-0.03%**

Notes to the consolidated financial statements

for the year ended March 31, 2026

(All amounts are rupees in lakhs, unless otherwise stated)

53. RECONCILIATION OF MONTHLY INFORMATION FILED WITH LENDER

The Company has availed working capital facility from HDFC Bank Limited which is paid within the financial year. As per the terms & conditions of the sanction letter, the Company is required to file monthly statement of inventory, trade receivables and trade payables. On reconciliation of books of account and periodical submissions made with the banker, there are no significant variances.

54. DISCLOSURE REQUIRED UNDER SCHEDULE III AS AMENDED, THAT ARE NOT COVERED ABOVE:

a) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

c) The Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

d) No scheme of arrangement has been approved by the competent authority in terms of section 230 to 237 of the Companies Act, 2013, hence this is not applicable.

e) No registration and/or satisfaction of charges are pending to be filed with ROC.

f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

g) The Company does not have any relationship with struck off companies.

55. The Company is engaged only in the business of manufacturing and trading of agriculture machinery and accordingly the business activity falls within a single business segment in terms of "Ind AS 108 Operating Segments".

56. The Board has recommended a dividend of ₹ 25 per equity share having face value of ₹ 10 each for the financial year 2025-26 (amounts in rupees).

57. Previous year figures have been regrouped or reclassified wherever necessary to conform with the current year grouping or classification.

As per our report of even date
For K.S. Rao & Co.,
Chartered Accountants
Firm Registration No.: 003109S

Sudarshana Gupta M S
Partner
Membership No.: 223060

Place: Bengaluru
Date: May 15, 2026

For and on behalf of Board of Directors
V.S.T. Tillers Tractors Limited

V.T.Ravindra
DIN: 00396156
Managing Director

Rajen Padukone
DIN: 00262729
Director

Antony Cherukara
Chief Executive Officer

Nitin Agrawal
Chief Financial Officer

Chinmaya Khatua
ACS - 21759
Company Secretary

Place: Bengaluru
Date: May 15, 2026

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Notice of the 58th Annual General Meeting

Notice is hereby given that the 58th Annual General Meeting (the "AGM") of the Members of V.S.T. Tillers Tractors Limited (the "Company") will be held on Wednesday, 23rd September, 2026, at 11 a.m. (IST) through Video Conferencing ("VC") or Other Audio-Visual Means (OAVM), to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited standalone Financial Statements of the Company for the Financial Year ended March 31, 2026, together with the Reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the Audited consolidated Financial Statements of the Company for the Financial Year ended March 31, 2026, together with the Reports of the Auditors thereon.

3. To declare a final dividend of ₹ 25/- per equity share for the Financial Year ended March 31, 2026.

4. To consider the appointment of a director in place of Mr. V.V. Pravindra (DIN: 00239888), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers, himself for re-appointment.

5. To appoint M/s. Brahmayya & Co, Chartered Accountants (Firm Registration No. 000515S), as the Statutory Auditors of the Company.

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), based on the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. Brahmayya & Co, Chartered Accountants (Firm Registration No. 000515S) be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of this 58th Annual General Meeting till the conclusion of 63rd Annual General Meeting of the Company, on such annual remuneration, excluding applicable taxes and out of pocket expenses at actuals, as shall be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee and in consultation with the Statutory Auditors.

   RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution.

SPECIAL BUSINESS

6. **To ratify the remuneration of the Cost Auditors for the Financial Year ending March 31, 2027**.

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of section 148 and any other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or amendment(s) thereto or re- enactment(s) thereof, for the time being in force), consent of the members be and is hereby accorded to ratify remuneration of ₹ 3,25,000/- (Exclusive of applicable GST) per annum plus out of pocket expenses payable to M/s. Rao, Murthy & Associates, Cost Accountants having Firm Registration No. 000065 appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of cost records of the Company for the FY 2026-27.

   RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto.

7. **Appointment of Mrs. Shuba Kumar, (DIN: 02081919) as an Independent Director of the Company.**

   To consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150,152, 161 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013, and pursuant to Reg. 16(1) (b), 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the Articles of Association of the Company. Mrs. Shuba Kumar (DIN: 02081919), who was appointed as an Additional Director to function as Independent Director of the Company by the Board of Directors with effect from 27th July, 2026, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying the member's intention to propose Mrs. Shuba Kumar as a Director of the Company, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five (5) consecutive years from 27th July 2026 up to 26th July , 2031 and that she shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds and things, to give effect to this resolution."

By Order of the Board
For **V.S.T. TILLERS TRACTORS LTD.**

Chinmaya Khatua
Company Secretary
Membership No. ACS-21759

Place: Bengaluru
Date:13 August, 2026

PLOT NO.1, DYAVASANDRA INDL. LAYOUT WHITEFIELD ROAD, MAHADEVAPURA POST BENGALURU KA 560048

NOTES:

1. Pursuant to the MCA General Circular No. 03/2025 dated September 22, 2025 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars"), MCA has permitted holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the 58th AGM of the Company is being held through VC / OAVM.

   Central Depository Services (India) Limited (CDSL) will provide facility for voting through remote e-voting, for participation in the 58th AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained below.

2. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.

3. The Company encourages the Members of the Company including the category of Institutional Members to attend and participate in this AGM through VC/ OAVM.

4. Since this AGM is being held through VC/OAVM pursuant to MCA Circulars and SEBI Circulars, physical attendance of the Members has been dispensed with and accordingly, the facility for appointment of proxies by the Members is not available for this AGM. Hence Proxy Form, Attendance Slip and route map are not attached hereto.

5. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the proceedings of this AGM will be deemed to be conducted at the Registered Office of the Company situated at Plot No-1, Dyavasandra Industrial Layout, Whitefield Road, Mahadevapura Post, Bengaluru – 560 048.

6. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice calling AGM along with the Annual Report for the FY 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and Annual Report has also been uploaded on the website of the Company at www.vsttractors.com. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com

   Further, in compliance with Regulation 36(1)(b) of the Listing Regulations, a letter providing the web-link, including the exact path, where Annual Report for the financial year 2025-26 is available, is being sent to those members whose e-mail address is not registered with the Company / Registrar and Transfer Agent / Depository Participants / Depositories.

7. The Record Date for Dividend and Cut-off date for E-voting: Wednesday, September 16, 2026.

8. The Board has recommended a Final Dividend of ₹25/- i.e. 250% per share of ₹ 10/- each for the financial year 2025-26 and the same will be paid on or after September 23, 2026, if approved by the Members at 58th AGM. The dividend, if declared, shall be payable to all those Members whose names appear in the Register of Members or the beneficial owners as per the records of depositories, as at the closing of business hours on Wednesday, September 16, 2026.

   SEBI vide its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, has mandated that with effect from April 1, 2024, dividend to security holders who are holding securities in physical form, shall be paid only through electronic mode. Such payment shall be made only after the shareholders furnish their PAN, contact details (postal address with PIN and mobile number), bank account details & specimen signature ("KYC") and choice of Nomination. Please refer, relevant FAQs published by SEBI on its website.

9. Unpaid/Unclaimed dividend details.

   In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof or the time being in force) any dividends unpaid or unclaimed for seven years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund established by the Central Government. The Members are requested to claim their dividends who have not claimed so far. During the year 2025-26, the Company has transferred ₹ 28,72,774 to the Investor Education and Protection Fund. The details of the unclaimed dividend are uploaded to the IEPF website as well as the website of the Company https://www.vsttractors.com/in/investor/disclosure/?tab=v-pills-disclosure5-tab.

   Accordingly, during the FY 2026-27, the Company will transfer unclaimed final dividend amount for the financial year ended March 31, 2019, on or after September 10, 2026. The Company has already sent notice to all such Members to claim their unclaimed dividend before due date of transfer to IEPF.

   Share Transfer to IEPF:

   In accordance with Section 124(6) of the Companies Act, 2013 read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for 7 (seven) consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority. The Company has transferred 1361 Nos of shares to IEPF during the FY 2025-26 after following the procedure.

   The shares and dividends transferred to the IEPF can be claimed back by the concerned Members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

10. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of September 16, 2026.

11. In the case of joint holders, the Members whose name appear as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

12. Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / Demat form, the nomination form may be filed with the respective Depository Participant.

13. Members holding shares in electronic form are requested to update their E-mail ID with their respective depository participants and Members holding shares in physical form are requested to update their E-mail ID with the Company's registrar and transfer agent (RTA) to enable dispatch of the communications in electronic form from time to time.

14. Members holding shares in electronic form are requested to update their Bank Details with their respective depository participants and Members holding shares in physical form are requested to update their Bank Details with the Company's registrar and transfer agent (RTA) to receive the dividends by bank transfers.

15. Rule 3 of Companies (Management and Administration) Rules, 2014 (as amended) prescribes that Register of Members should include details pertaining to e-mail, PAN/CIN, UIDAI, Occupation, Status and Nationality. We request all the Members of the Company to update the said details with their respective depository participants in case of shares held in electronic form and with the Company's Registrar and Transfer Agents in the case of physical holding.

16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 and other related documents, will be available for inspection electronically. Members seeking to inspect such documents during the AGM can send their request at the mail Id vstagm@vsttractors.com.

17. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 5 -7 of the Notice, is annexed hereto.

18. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN). Members holding shares in electronic form are, therefore, requested to submit the PAN details to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar & Transfer Agent.

19. As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), securities of listed companies can be transferred only in dematerialised form with effect from 1st April 2019, including in case of transmission or transposition of securities. Further, SEBI vide its Circular dated 25th January 2022, has mandated that securities shall be issued only in dematerialised mode while processing duplicate/unclaimed suspense/ renewal/ exchange/ endorsement/ sub-division/ consolidation/ transmission/ transposition service requests received from physical securities holders. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact the Company at investors@vsttractors.com or Company's Registrars & Transfer Agents at irg@integratedindia.in for assistance in this regard.

20. The relevant details, pursuant to 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM is also annexed.

21. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members electronically by writing an e-mail to vstagm@vsttractors.com.

22. As per the Income-tax Act, 2025 (the Act), dividends paid or distributed by a company shall be taxable in the hands of the shareholders. The Company shall, therefore, be required to deduct tax at source at the time of making the payment of Dividend. The Members are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode).

    Members are requested to note that if their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident Members can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents.

    Soft copies of following documents may be downloaded from the link:

    https://ipostatus.integratedregistry.in/TaxExemptionRegistration.aspx

    Form 121 (erstwhile Form 15G).

    Form 121 (erstwhile Form 15H).

    Form 41 (erstwhile Form 10F).

    Declaration from residents.

    Declaration from non-residents.

    Declaration under Rule 217 (erstwhile Rule 37BC) from non-residents (other than companies) not having PAN.

    Duly filled and signed aforesaid documents, as applicable, should be uploaded on the weblink of RTA i.e., https://ipostatus.integratedregistry.in/TaxExemptionRegistration.aspx on or before September 16 till 05:00 PM (IST), to enable the Company to determine the appropriate TDS/withholding tax rate applicable

23. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

    a. For shares held in electronic form: to their Depository Participants (DPs)

    b. For shares held in physical form: to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No.SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37. The Company has already sent communication to shareholders in this regard.

24. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission, Transposition.

    Accordingly, Members are requested to make service requests by submitting a duly filled and signed hard copy of Form ISR – 4 to the Company's Registrar and Transfer Agents, Integrated Registry Management Services Private Limited No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560003. It may be noted that any service request can be processed only after the folio is KYC Compliant.

25. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Integrated Registry Management Services Private Limited for any assistance in this regard.

26. Voting through electronic means

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 of Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Listing Regulation, the Company is pleased to provide Members, the facility to exercise their right to vote in respect of resolutions which are being considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted at the AGM through e-voting services provided by Central Depository Services (India) Ltd (CDSL). The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). Mr. Prasanna Bedi, (FCS: F11711 & CP No: 17457), Practicing Company Secretaries, Bengaluru has been appointed as scrutinizer for remote e-voting and e-voting at the AGM.

A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. September 16, 2026 only shall be entitled to avail the facility of remote e-voting / voting at AGM and a person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

Procedure / Instructions for Members voting electronically and attending the AGM through VC/ OAVM are as under:

(i) The remote e-voting facility will be available during the following period: Start of remote e-voting: From 9:00 a.m. (IST) on September 19, 2026, End of remote e-voting: Up to 5:00 p.m. (IST) on September 22, 2026.

(ii) The remote e-voting will not be allowed beyond the aforesaid date and time, and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.

(iii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.

(iv) Pursuant to SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated December 9, 2020, read with SEBI Master Circular No. HO/49/14/14(7)2025-CFDPOD2/ I/3762/2026 dated January 30, 2026 under Regulation 44 of SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its members, in respect of all Members' resolutions.

However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Members are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Pursuant to above said SEBI Circular, Login method for e-Voting and for joining virtual meetings for Individual Members holding securities in Demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with CDSL Depository	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasitoken/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on https://www.cdslindia.com/ home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL Depository	If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp . You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at the above-mentioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Members holding securities in Demat mode with CDSL	Members facing any technical issue in logging in, can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Members holding securities in Demat mode with NSDL	Members facing any technical issue in logging in can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) Login method for e-Voting and joining virtual meetings for Members other than individual Members & Members holding shares in physical form.

(ii) The Members should log on to the e-voting website www.evotingindia.com

- (i) Click on "Shareholders" module.
- (ii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iii) Next enter the Image Verification as displayed and Click on Login.
- (iv) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (v) If you are a first-time user follow the steps given below:

Financial Year	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of VST TILLERS TRACTORS LTD on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option

"YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(iii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@ cdslindia.com.
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; vstagm@vsttractors.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(iv) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

(v) Any person, who acquires shares of the Company and become a member after dispatch of the notice and holding shares as on the cut-off date i.e., September 16, 2026 may follow the same procedure as mentioned above for e-Voting.

PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES / MOBILE NO. ARE NOT REGISTERED WITH THE DEPOSITORIES / COMPANY FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company on vstagm@vsttractors.com /RTA on irg@integratedindia.in.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

The procedure for attending Meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.

The link for VC/OAVM to attend Meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at www.evotingindia.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
3. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Compensation and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 58th AGM without any restriction on account of first-come-first-served principle.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
7. Further Members will be required to allow Camera access and use Internet with a good speed to avoid any disturbance during the Meeting.
8. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connections via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
9. Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 4 days prior to meeting from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at vstagm@vsttractors.com from September 16, 2026 (9:00 am IST) to September 19, 2026 (5:00pm IST). The Members who do not wish to speak during the AGM but have queries may send their queries in advance i.e. up-to September 19, 2026 mentioning their name, demat account number/ folio number, email id, mobile number at vstagm@vsttractors.com Members who will participate in the AGM through VC/OAVM can also pose question / feedback through question box option. These queries will be replied by the Company suitably depending on the availability of time at the AGM. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.
10. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.vsttractors.com . The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com

respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com

6. The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website, i.e. www.vsttractors.com and on the website of CDSL within 2 working days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed i.e. BSE & NSE.

7. Corporate/ Institutional Members are entitled to appoint authorized representatives to attend the AGM through VC/ OAVM on their behalf and cast votes through remote e-voting or at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board Resolution / Authorization letter to the Company at vstagm@vsttractors.com, authorizing its representative(s) to attend and vote through VC/ OAVM on their behalf or at the Meeting, pursuant to section 113 of the Act.

Annexure to the Notice

Explanatory Statement in terms of Section 102 of the Companies Act, 2013

ITEM NO. 5

At the 53rd Annual General Meeting ("AGM") of the Company held in August 27 2021, the shareholders had approved the re-appointment of M/s. K S Rao & co, Chartered Accountants (Firm Registration No. 003109S), as Statutory Auditors of the Company for a second term of five consecutive years from the conclusion of 53rd AGM till the conclusion of this 58th AGM of the Company.

The Board of Directors of the Company at their meeting held on August 13 2026, considering the experience and expertise and based on recommendations of the Audit Committee, have approved the appointment of M/s. Brahmayya & Co , Chartered Accountants (Firm Registration No. 000515S) and having a valid peer review certificate), as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of this 58th AGM till the conclusion of 63rd AGM of the Company, on such annual remuneration plus applicable taxes and reimbursement of out-of-pocket expenses as shall be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee and in consultation with the Statutory Auditors, subject to approval of the shareholders of the Company at this ensuing 58th AGM.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Act read with the Companies (Audit and Auditors) Rules, 2014 and Listing Regulations, M/s. Brahmayya & Co has provided their consent and eligibility certificate to that effect that, their appointment, if made, would be in compliance with the applicable laws.

The proposed remuneration to be paid to M/s. Brahmayya & Co for statutory audit services for financial year 2026-27 is ₹ 30.50 Lakhs (Rupees Thirty lakhs fifty thousand only), excluding applicable taxes and out of pocket expenses at actuals, if any, incurred in connection with the audit. There is no change in the remuneration proposed to be paid to M/s. Brahmayya & Co for the financial year 2026-27 and the remuneration paid to the outgoing auditors for the financial year 2025-26. The overall remuneration proposed to be paid for statutory audit services is commensurate to the scope of the audit to be carried out by the Statutory Auditors.

The remuneration for the subsequent year(s) of their term shall be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee and in consultation with the Statutory Auditors, from time to time.

The Company may, from time to time, obtain certifications and Tax Audit services from M/s. Brahmayya & Co, in accordance with the provisions of Section 144 of the Act, and subject to the prior approval of the Audit Committee. The remuneration for such certifications and permissible non-audit services shall be determined and paid on mutually agreed terms.

M/s. Brahmayya & Co., Chartered Accountants (ICAI Firm Registration No. 000515S), is one of India's oldest and most established Chartered Accountant firms, founded in 1953 by Sri P. Brahmayya, a Fellow of the Institute of Chartered Accountants of England and Wales. Sri P. Brahmayya served as President of the Institute of Chartered Accountants of India (ICAI) during 1962–63 and as a Member of the Central Council of the ICAI for five terms spanning fifteen years. With over nine decades of continuous professional practice, the firm has built a strong reputation for its expertise, professional standards and integrity. Brahmayya & Co. provides a comprehensive range of services covering Assurance, Audit, Tax Advisory, Risk Advisory and Transaction Services, serving clients across sectors including Finance & Banking, Manufacturing, Infrastructure, Power and Services. The firm has extensive experience in conducting statutory audits of listed and unlisted entities across India and operates through 12 offices, with 28 Partners and a professional staff strength of over 500. Its long-standing heritage, multidisciplinary capabilities and pan-India presence position Brahmayya & Co. to discharge the responsibilities of Statutory Auditor with a high degree of professionalism, competence and independence.

While recommending the appointment of M/s. Brahmayya & Co as the Statutory Auditors of the Company, the Audit Committee and the Board of Directors of the Company, have considered, among other factors, independence, fulfilment of the eligibility criteria & qualification, the credentials of the firm and its partners, and experience of auditing companies in the same industry or of similar size or complexity.

None of the Directors, Key Managerial Personnel, or their relatives, are in any way, concerned or interested, financially or otherwise, in the proposed Ordinary Resolution as set out in Resolution No. 5 of this Notice.

The Board of Directors recommend the Ordinary Resolution as set out in Resolution No. 5 of this Notice for the approval by the members of the Company.

ITEM NO 6

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Rao, Murthy & Associates, Cost Auditors (Firm Registration No.000065) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2027.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration of ₹ 3,25,000/- (Exclusive of applicable GST) per annum plus out-of-pocket expenses payable to the Cost Auditors, as approved by the Board of Directors, must be ratified by the Members of the Company.

The Cost Audit is undertaken by the Cost auditors covering only the manufactured products and not for the traded products, as per the Companies Act, 2013. Even under the manufactured products, not all the products are covered under the Cost Audit. The products which are covered for the Cost Audit are "Power Tiller & Diesel Engine". The remuneration to cost auditors is as per the scope and market standards and not for the overall turnover of the Company.

Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out in item No. 6 of the notice for approving the remuneration payable to the Cost Auditors for the financial year ending March 31, 2027. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested (financially or otherwise) in the resolution as set out in item No.6 of the Notice.

The Board of Directors recommends the Ordinary Resolution set out in Item No 6 of the notice for the approval of the Members.

7. Appointment of Mrs. Shuba Kumar, (DIN: 02081919) as an Independent Director of the Company.

On the recommendation of Nomination, Compensation and Remuneration Committee, Mrs. Shuba Kumar, (DIN: 02081919) was appointed as Additional Director of the Company to function as Independent Director pursuant to the provisions of Sections 149, 150, 152 and Schedule IV of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and provisions of Listing Regulations with effect from July 27, 2026 to July 26, 2031 subject to approval of Shareholders.

As an Additional Director, Mrs. Shuba Kumar, holds office up to the date of the next Annual General Meeting of the Company or for a period of three months from the date of appointment by the Board of Directors, whichever is earlier and is eligible for being appointed as an Independent Director of the Company. The Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Mrs. Shuba Kumar for the office of Director of the Company.

The Board of Directors based on recommendation of Nomination, Compensation & Remuneration Committee and considering the need for providing advice, guidance and mentorship to the Company's executive management, is of opinion that Mrs. Shuba Kumar possess relevant skills, integrity, expertise and vast experience particularly in Business Administration, Technical skill and Governance. Her association as an Independent Director will be of utmost benefit and in the best interests of the Company.

Brief Resume:

Mrs. Shuba Kumar is the Managing Director of Natesan Synchrocones Pvt. Ltd., a market leader serving global automotive and aerospace OEMs and Tier 1 suppliers. Under her leadership, the company has established a Government of India (DSIR)-recognized R&D centre, expanded into the aerospace sector, and co-founded Kyowa Natesan Synchro Technologies Pvt. Ltd., a successful Indo-Japanese joint venture. Prior to joining Natesan, she held senior leadership roles at Applied Materials in the United States, where she played a key role in creating over US$1 billion in new markets, leading mergers and acquisitions, and driving quality and operational excellence through Six Sigma initiatives. She holds an MBA from Stanford University, an MS from MIT, and a B.Tech from IIT Madras, which honored her with the Distinguished Alumnus Award.

Beyond her corporate leadership, Mrs. Shuba Kumar has made significant contributions to industry and academia. She is an elected member of the National Executive Committee of the Automotive Component Manufacturers Association (ACMA), having previously served as Chairperson of its Southern Region, and is a two-term President of the IIT Madras Alumni Association (Global). She also serves as an Independent Director on the Board of India Motor Parts & Accessories Limited (IMPAL). Passionate about social impact, she is committed to advancing quality education for underprivileged and rural students.

Mrs. Shuba Kumar, (DIN: 02081919) shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other meetings as may be decided by the Board of Directors, reimbursement of expenses for participating in the Board and other meetings as per the limits stipulated under the Act.

Mrs. Shuba Kumar has given her consent to act as Director of the Company and has given her declaration to the Board that she meets the criteria for independence as provided under Companies Act and Listing Regulations. Mrs. Shuba Kumar has also confirmed that she is not debarred from holding the office of a Director by virtue of order passed by SEBI or any other such authority

The company has received requisite disclosures/declarations under the provisions of Companies Act and SEBI Listing Regulations from Mrs. Shuba Kumar in this regard. She has also confirmed that she has registered with the data bank of Indian institute of corporate affairs and she has completed the proficiency test.

In the opinion of the Board, Mrs. Shuba Kumar fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the SEBI Listing Regulations, as amended and she is independent of the Management of the Company.

A Copy of the draft letter of appointment of Mrs. Shuba Kumar-as an Independent Director setting out the terms and conditions is available for inspection of the Members in electronic form. Members seeking to inspect the same can send an email to vstagm@vsttractors.com

The profile and specific areas of expertise and other relevant information as required under the LODR Regulations and SS-2 are provided in the Annexure of this Notice.

The Board of Directors therefore recommends the resolution as set out in Item No. 7 of the Notice for approval of members of the Company by way of a Special Resolution.

Except Mrs. Shuba Kumar being the appointee, None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise in the resolution as set out in Item No. 7 of the Notice.

Annexure A

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India]

1. Retire by Rotation and eligible for Reappointment - Mr. V. V. Pravindra

Mr. V.V. Pravindra				
DIN	**Date of Birth**	**Age**	**Date of first Appointment on Board**	**Qualification**
00239888	11/05/1965	61	28/07/2008	Commerce Graduate
Brief resume of the director with Expertise in specific functional areas			Having around two decades of experience with the Company in various capacities, with expertise spanning business development, finance, operations, business administration and governance. He is presently responsible for managing the Automobile business of the VST Group	
Terms & Conditions of appointment/ reappointment			Re-appointment u/s 152(6) of the Companies Act, 2013.	
Directorship held in other companies including listed companies			• CREST CONSTRUCTIONS PRIVATE LIMITED • V.S.T.MOTORS PRIVATE LIMITED • VST SUPERCARS PRIVATE LIMITED • BANGALORE MOTORS PRIVATE LIMITED • V.S.T. AUTO ANCILLARIES PRIVATE LIMITED • CHENNAI AUTO AGENCY PRIVATE LIMITED • V T VELU INVESTMENTS PRIVATE LIMITED • VST HOLDINGS PRIVATE LIMITED • VIJAYENDRA BROTHERS AGENCY PRIVATELIMITED • INNOVED K-12 TECHNOLOGIES PRIVATELIMITED	
Chairmanship / Membership in the Committees of the Boards of other companies in which he is Director.			Nil	
Chairmanship/Membership in the committees of Board of VST.			Member of CSR Committee	
Shareholding in the Company			224146 Nos	
Number of Board Meetings attended during FY26			attended 3 meetings out of 4 board meetings held during FY26	
Inter-se Relationship with other directors and Key Managerial Personnel			Mr. V.V. Pravindra belongs to Promoter group.	
Remuneration sought to be paid			NA, However as a non-executive director he will get the sitting fees for attending the Board and committee meetings.	
Last drawn remuneration during FY26			Sitting fees of ₹3,50,000/-	
Names of listed entities from which Director has resigned in the past three years			NA	

2. Appointment of Mrs. Shuba Kumar as an Independent Director of the Company

DIN	Date of Birth	Age	Date of first Appointment on Board	Qualification
02081919	15/08/1972	54	27/07/2026	MBA from Stanford University, an MS from MIT, and a B.Tech from IIT Madras

Brief resume of the director with Expertise in specific functional areas	Please refer to the explanatory statement for Brief Resume. specific functional areas: Business Management & Administration, Leadership, Technical and professional skills including governance
Terms & Conditions of appointment	Independent Director not liable to retire by rotation, to hold office for a consecutive term of five years effect from July 27, 2026 to July 26, 2031
Directorship held in other companies including listed companies	• Sesha Tools Private Ltd • Natesan Advanced Technologies Pvt Ltd • Natesan Precision Components Pvt Ltd • Natesan Synchrocones Pvt Ltd • Comp Crafts Pvt Ltd • Thor Power systems (India) Pvt Ltd • Kyowa Natesan Synchro technologies Pvt Ltd • India Motor Parts and Accessories Ltd (Listed) • GHL Exports Pvt Ltd
Chairmanship / Membership in the Committees of the Boards of other companies in which he is Director.	NA
Chairmanship/Membership in the committees of Board of VST.	NA
Shareholding in the Company	50 Nos
Number of Board Meetings attended during FY26	NA
Inter-se Relationship with other directors and Key Managerial Personnel	No
Remuneration sought to be paid	Mrs. Shuba Kumar will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors and reimbursement of expenses for participation in the Board and Committee meetings.
Last drawn remuneration (sitting fees only)	NA
Names of listed entities from which Director has resigned in the past three years	NA
Skills and capabilities required for the role and the manner in which she meets such requirements	Mrs. Shuba Kumar possess relevant skills, integrity, expertise and vast experience particularly in Business Administration, Technical skill and Governance. Her association as an Independent Director will be of utmost benefit and in the best interests of the Company

By Order of the Board
For **V.S.T. TILLERS TRACTORS LTD.**

Chinmaya Khatua
Company Secretary
Membership No. ACS-21759

Place: Bengaluru
Date: August 13, 2026

PLOT NO.1, DYAVASANDRA INDL. LAYOUT WHITEFIELD
ROAD, MAHADEVAPURA POST BENGALURU KA 560048

NOTES

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