CARRARO INDIA LIMITED

(Formerly Carraro India Private Limited)

CIN: L52609PN1997PLC132629

Regd. Office: B 2/2, MIDC Ranjangaon, Pune – 412220, Maharashtra, India

Phone No. +91 2138 662666

Website: www.carraroindia.com || E-mail: secretarial_india@carraro.com

NOTICE

NOTICE is hereby given that the **Twenty Eighth (28th) Annual General Meeting ("AGM")** of the Members of **the Company** will be held on **Thursday**, the **11th day of September, 2025** at **11:00 A.M. (IST)** at The Edge, Second Floor, Hyatt Pune, Kalyani Nagar, 88 Nagar Road (Adj. Aga Khan Palace), Pune - 411006, Maharashtra, India 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 31st March, 2025, together with the reports of the Board of Directors ("the Board") and Auditor's thereon.
2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended 31st March, 2025, together with the report of Auditor's thereon.
3. To declare a final dividend on 56,851,538 equity shares of the Company at the rate of ₹ 4.55/- per equity share of face value of ₹ 10 each (45.50%) fully paid up, for the financial year ended 31st March, 2025.
4. To appoint a director in place of Mr. Tomaso Carraro (DIN: 00592312), 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 a director in place of Mr. Enrico Gomiero (DIN: 00588074), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

6. Annual revision in remuneration payable to Dr. Balaji Gopalan (DIN: 07108093), Managing Director of the Company.

To consider and if thought fit, to pass, the following resolution as an **Ordinary resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), based on the recommendation of the Nomination and Remuneration Committee and pursuant to the approval of the Board of Directors of the Company at its meeting dated 27th May, 2025, approval of the shareholders be and is hereby accorded to pay remuneration to Dr. Balaji Gopalan (DIN:07108093), Managing Director of the Company for the financial year 2025-26 effective from 1st April, 2025 in following manner:

Particulars	Amount
Salary (including allowances) paid monthly	₹ 23.43 Million per annum
Perquisites (Social Security & Tax Benefit reimbursements)	₹ 2.30 Million per annum
Variable pay (in accordance with policies of the Company and Carraro Group)	₹ 8.10 Million per annum
Management allowance	Euro 60,000 per annum

- *One-time good work reward of ₹ 3.97 Million for delivering operational initiatives.*
- *Variable pay up to 150%, basis the achievement of performance targets.*
- *All other terms of appointment and remuneration shall remain unchanged.*

Notwithstanding anything stated hereinabove, if in a financial year, during the tenure of the Dr. Balaji Gopalan, Managing Director, the Company incurs a loss or its profits are inadequate, the Company shall pay to Managing Director, remuneration by way of salary and other allowances not exceeding the limits as specified under the applicable provisions of the Companies Act, 2013, as amended from time to time or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board [including any Committee(s) and / or any of the Director(s) or Official(s) of the Company, duly authorised by the Board] and the Company Secretary and Compliance Officer of the Company be and is hereby authorised to issue certified true copies of the above resolution to any governmental, statutory or regulatory authority as may be required from time to time and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

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7. Annual revision in remuneration payable to Mr. Sudhendra Mannikar (DIN: 07483321), Whole-Time Director and Chief Operating Officer of the Company.

To consider and if thought fit, to pass, the following resolution as an **Ordinary resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and pursuant to the approval of the Board of Directors of the Company at its meeting dated 27th May, 2025, approval of the Shareholders of the Company be and is hereby accorded to pay the following remuneration to Mr. Sudhendra Mannikar (DIN: 07483321), Whole-time Director and Chief Operating Officer of the Company for the financial year 2025-26 effective from 1st April, 2025:

Particulars	Amount
Salary (including allowances) paid monthly	₹ 13.86 Million per annum
Perquisites (Social Security & Tax Benefit reimbursements)	₹ 1.53 Million per annum
Variable pay (in accordance with policies of the Company and Carraro Group)	₹ 3.80 Million per annum
Management allowance	Euro 50,000 per annum

- *One-time good work reward of ₹ 2.20 Million for delivering operational initiatives.*
- *Variable pay up to 150%, basis the achievement of performance targets.*
- *All other terms of appointment and remuneration shall remain unchanged.*

Notwithstanding anything stated hereinabove, if in a financial year, during the tenure of the Mr. Sudhendra Mannikar, Whole-time Director and Chief Operating Officer, the Company incurs a loss or its profits are inadequate, the Company shall pay to Whole-time Director and Chief Operating Officer, remuneration by way of salary and other allowances not exceeding the limits as specified under the applicable provisions of the Companies Act, 2013, as amended from time to time or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board [including any Committee(s) and / or any of the Director(s) or Official(s) of the Company, duly authorised by the Board] and the Company Secretary and Compliance Officer of the Company be and is hereby authorised to issue certified true copies of the above resolutions to any governmental, statutory or regulatory authority as may be required from time to time and to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

8. Annual revision in remuneration payable to Mr. Davide Grossi (DIN: 10252992), Whole-Time Director and Chief Financial Officer of the Company.

To consider and if thought fit, to pass, the following resolution as an **Ordinary resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and pursuant to the approval of the Board of Directors of the Company at its meeting dated 27th May, 2025, approval of the Shareholders of the Company be and is hereby accorded to pay the following remuneration to Mr. Davide Grossi (DIN:10252992), Whole-time Director and Chief Financial Officer of the Company for financial year 2025-26 effective from 1st April, 2025:

Particulars	Amount
Salary (paid monthly)	Euro 143,000 gross salary per annum.
Deferred retention salary	Euro 20,000 per annum (for a period of continuous three years)
Perquisites - Housing	₹ 2.80 Million gross per annum
Management allowance paid monthly	Euro 70,000 per annum

- *One-time good work reward of ₹ 8.75 Million for delivering operational initiatives.*
- *All other terms of appointment, and remuneration (including other perquisites) shall remain unchanged.*

Notwithstanding anything stated hereinabove, if in a financial year, during the tenure of the Mr. Davide Grossi, Whole-time Director & Chief Financial Officer, the Company incurs a loss or its profits are inadequate, the Company shall pay to Whole-time Director and Chief

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Financial Officer, remuneration by way of salary and other allowances not exceeding the limits as specified under the applicable provisions of the Companies Act, 2013, as amended from time to time or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT for the remaining term of Mr. Davide Grossi, the Board [including any Committee(s) and / or any of the Director(s) or Official(s) of the Company, duly authorised by the Board] be and is hereby authorised to alter or vary designation, the scope of remuneration of Mr. Davide Grossi, Whole-time Director & Chief Financial Officer, including the monetary value and annual increments thereof, from time to time, as may be considered appropriate.

RESOLVED FURTHER THAT the remuneration payable to Mr. Davide Grossi, shall not exceed the overall ceiling (including any incremental ceiling already approved by the shareholders at 27th Annual General Meeting) including the total managerial remuneration as provided under Section 197 of the Act or such other limits as may be prescribed, from time to time.

RESOLVED FURTHER THAT all other terms of appointment of Mr. Davide Grossi, except for the revisions made under these resolutions, shall remain unchanged.

RESOLVED FURTHER THAT the Board [including any Committee(s) and / or any of the Director(s) or Official(s) of the Company, duly authorised by the Board] and the Company Secretary and Compliance Officer of the Company be and is hereby authorised to issue certified true copies of the above resolutions to any governmental, statutory or regulatory authority as may be required from time to time and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

9. Re-appointment of Dr. Balaji Gopalan (DIN: 07108093) as the Managing Director of the Company.

To consider and if thought fit, to pass, the following resolution as an **Ordinary resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], Articles of Association of the Company and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, basis recommendation of Nomination and Remuneration Committee and pursuant to the approval of the Board of Directors of the Company at its meeting held on 27th May, 2025, approval of the Shareholders of the Company be and is hereby accorded to re-appoint Dr. Balaji Gopalan (DIN - 07108093) as the Managing Director of the Company on the following terms of re-appointment and remuneration:

I. **Term:** The Tenure of the appointment is for a term of approximately 3 Years, 6 Months and 5 days commencing from 4th February, 2026 up to and including 8th August, 2029.

II. **Remuneration:** the remuneration including Basic Salary, Allowances, Variable Pay, Incentives, Perquisites, Management allowance, Bonus etc. shall be:

Particulars	Amount
Salary (including allowances) paid monthly	₹ 23.43 Million per annum
Perquisites (Social Security & Tax Benefit reimbursements)	₹ 2.30 Million per annum
Variable pay (in accordance with policies of the Company and Carraro Group)	₹ 8.10 Million per annum
Management allowance	Euro 60,000 per annum

- *Variable pay could go up to 150% basis the achievement of performance targets*

III. **Annual Increment:** increment of up to such limits which shall not be more than the limit provided under section 197 of the Act, over the annual gross remuneration of a previous financial year, based on performance.

IV. Subject to any statutory ceiling, he may be given other benefits and facilities as per the Company's rules / Policies or as the Board may decide, from time to time

V. **Valuation of perquisites etc.:** The perquisites / allowances shall be valued as per the Income Tax rules, wherever applicable, and in absence of any such rules, shall be valued at actual cost;

VI. **Minimum Remuneration:** Notwithstanding anything stated hereinabove, if, in any financial year, during the tenure of Dr. Balaji Gopalan as

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Managing Director, the Company incurs a loss or its profits are inadequate, the Company shall pay him remuneration by way of salary and other allowances not exceeding the limits as specified under applicable provisions of the Act, as amended, from time to time, or such other limits as may be prescribed by the Central Government, from time to time, as minimum remuneration.

RESOLVED FURTHER THAT the Board [including any Committee(s) and / or any of the Director(s) or Official(s) of the Company, duly authorised by the Board] be and is hereby authorised to alter or vary designation, the scope of remuneration of Dr. Balaji Gopalan, Managing Director, including the monetary value and annual increments thereof, from time to time, as may be considered appropriate.

RESOLVED FURTHER THAT the remuneration payable to Dr. Balaji Gopalan, shall not exceed the overall ceiling (including any incremental ceiling already approved by the shareholders at 27th Annual General Meeting) including the total managerial remuneration as provided under Section 197 of the Act or such other limits as may be prescribed, from time to time.

RESOLVED FURTHER THAT the Board [including any Committee(s) and / or any of the Director(s) or Official(s) of the Company, duly authorised by the Board] and the Company Secretary and Compliance Officer of the Company be and is hereby authorised to issue certified true copies of the above resolutions to any governmental, statutory or regulatory authority as may be required from time to time and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

10. Re-appointment of Mr. Sudhendra Mannikar (DIN: 07483321) as the Whole-Time Director and Chief Operating Officer of the Company.

To consider and if thought fit, to pass, the following resolution as an **Ordinary resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], Articles of Association of the Company and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, basis recommendation of Nomination and Remuneration Committee and pursuant to the approval of the Board of Directors of the Company at its meeting held on 27th May, 2025, approval of the Shareholders of the Company be and is hereby accorded to re-appoint Mr. Sudhendra Mannikar (DIN - 07483321) as the Whole-time Director & Chief Operating Officer of the Company on the following terms of re-appointment and remuneration:

I. Term: The Tenure of the appointment is for a term of 3 Years, 4 Months and 25 Days commencing from 15th March, 2026 up to and including 8th August, 2029.

II. Remuneration: the remuneration including Basic Salary, Allowances, Variable Pay, Incentives, Perquisites, Management allowance, Bonus etc. shall be:

Particulars	Amount
Salary (including allowances) paid monthly	₹ 13.86 Million per annum
Perquisites (Social Security & Tax Benefit reimbursements)	₹ 1.53 Million per annum
Variable pay (in accordance with policies of the Company and Carraro Group)	₹ 3.80 Million per annum
Management allowance	Euro 50,000 per annum

- *Variable pay could go up to 150% basis the achievement of performance targets.*

III. Annual Increment: increment of up to such limits which shall not be more than the limit provided under section 197 of the Act, over the annual gross remuneration of a previous financial year, based on performance.

IV. Subject to any statutory ceiling, he may be given other benefits and facilities as per the Company's rules / Policies or as the Board may decide, from time to time.

V. Valuation of perquisites etc.: The perquisites / allowances shall be valued as per the Income Tax rules, wherever applicable, and in absence of any such rules, shall be valued at actual cost;

VI. Minimum Remuneration: Notwithstanding anything stated hereinabove, if, in any financial year, during the tenure of Mr. Sudhendra Mannikar as Whole-time Director & Chief Operating Officer, the Company incurs a loss or its profits are inadequate, the Company shall pay him remuneration by way

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of salary and other allowances not exceeding the limits as specified under applicable provisions of the Act, as amended, from time to time, or such other limits as may be prescribed by the Central Government, from time to time, as minimum remuneration.

RESOLVED FURTHER THAT the Board [including any Committee(s) and / or any of the Director(s) or Official(s) of the Company, duly authorised by the Board] be and is hereby authorised to alter or vary designation, the scope of remuneration of Mr. Sudhendra Mannikar, Whole-time Director & Chief Operating Officer, including the monetary value and annual increments thereof, from time to time, as may be considered appropriate.

RESOLVED FURTHER THAT the remuneration payable to Mr. Sudhendra Mannikar, shall not exceed the overall ceiling (including any incremental ceiling already approved by the shareholders at 27th Annual General Meeting) including the total managerial remuneration as provided under Section 197 of the Act or such other limits as may be prescribed, from time to time.

RESOLVED FURTHER THAT the Board [including any Committee(s) and / or any of the Director(s) or Official(s) of the Company, duly authorised by the Board] and the Company Secretary and Compliance Officer of the Company be and is hereby authorised to issue certified true copies of the above resolutions to any governmental, statutory or regulatory authority as may be required from time to time and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

11. Appointment of M/s. Mehta & Mehta, Practicing Company Secretaries as Secretarial Auditor of the Company.

To consider and if thought fit, to pass, the following resolution as an **Ordinary resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 204 of the Companies Act, 2013 ("Act") read with Rule 9 of the Companies (Appointment and Remuneration) Rules 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2025 ("Listing Regulations"), basis the recommendation of the Audit Committee and pursuant to the approval of Board of Directors at its meeting held on 27th May, 2025, the approval of the shareholders be and is hereby accorded for the appointment of M/s. Mehta & Mehta, Practicing Company Secretaries, a registered partnership firm under the Indian Partnership Act, 1932 having Firm Registration Number MU000019250, ICSI Firm Registration Number P1996MH007500, holding peer review certificate no. 3686/2023 valid up to 30th June 2028, as the Secretarial Auditor of the Company for a term of 5 (Five) consecutive years effective from 1st April, 2025 up to 31st March, 2030, on such remuneration as may be decided between the Company and the auditors, at the 28th Annual General Meeting of the Company.

RESOLVED FURTHER THAT basis the recommendation of the Audit Committee and pursuant to the approval of the Board at its meeting held on 27th May, 2025, the Shareholders of the Company hereby approves the following remuneration, excluding any taxes and out of pocket expenses, payable to M/s. Mehta & Mehta, Practicing Company Secretaries and Secretarial Auditors for the financial year 2025-26:

Sr. No.	Scope of services	Amount (₹)
1	**Audit and Certifications**	
i	Secretarial Audit under Companies Act, 2013 ("Act")	150,000
ii	Annual Certificate in Form MGT-8	15,000
iii	Annual Secretarial Compliance Report under Regulation 24A of the Listing Regulations	20,000
iv	Annual certificate of non-disqualification of directors	15,000
v	Each Scrutiniser's Report per event for AGM, EGM or Postal Ballot	12,000
2	**Quarterly Report on Reconciliation of Share Capital Audit**	
i	For the quarter ending on:	
	a. 30th June, 2025	12,000
	b. 30th September, 2025	12,000
	c. 31st December, 2025;	12,000
	d. 31st March, 2026	12,000

RESOLVED FURTHER THAT the Audit Committee and the Board shall have the authority to review, including any change, and approve the annual remuneration, including any fees and other cost, payable to the Secretarial Auditor, during their term of 5 (Five) consecutive years.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary & Compliance Officer of the Company, be and is hereby authorised to provide the necessary assistance for conducting the aforesaid audit.

RESOLVED FURTHER THAT the Board [including any Committee(s) and / or any of the Director(s) or Official(s) of the Company, duly authorised by the Board] and the Company Secretary and Compliance Officer of the Company be and is hereby authorised to issue certified true copies of the above resolutions to

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any governmental, statutory or regulatory authority as may be required from time to time and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

12. Ratification of remuneration to M/s Adawadkar Deshmukh & Associates (FRN: 000421), Cost Auditors of the Company for financial year ending 31st March, 2026.

To consider and if thought fit, to pass, the following resolution as an **Ordinary resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) of the Companies Act 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and such other provisions as maybe applicable, the remuneration of ₹ 3,40,000/- (Rupees Three Lakh Ten Thousand only) plus taxes, payable to M/s Adawarkar Deshmukh & Associates (FRN: 000421), Cost Auditors of the Company for the Financial Year 2025-26, as approved by the Board of Directors, be and is hereby ratified."

13. Approve material related party transaction(s).

To consider and if thought fit, to pass, the following resolution as an **Ordinary resolution**:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded to the Company to enter/continue to enter into Material Related Party Transaction(s)/ Contract(s)/ Arrangement(s)/Agreement(s) (whether by way of an individual transaction or transaction taken together or series of transactions or otherwise) with related parties falling within the definition of 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, during financial year 2025-26 on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between related parties and the Company, such that the maximum value of the Related Party Transactions with such parties, in aggregate, does not exceed value as specified in the explanatory statement to this resolution, provided that the said transaction(s)/Contract(s)/Arrangement(s)/ Agreement(s) shall be carried out in the ordinary course of business and at arm's length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalising and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

14. Approval of remuneration payable to the Non-Executive (Non-Independent) Directors of the Company.

To consider and if thought fit, to pass, the following resolution as an **Ordinary resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Nomination and Remuneration Policy of the Company and based on approval and recommendation of the Board at its meeting held on 5th August, 2025, approval of the Shareholders of the Company be and is hereby accorded to pay the following remuneration payable to the Non-Executive (Non-Independent) Directors of the Company, for the financial year 2025-26:

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Name of Director	Fees#
Mr. Tomaso Carraro	Euro 65,500* per annum
Mr. Andrea Conchetto	Euro 60,000* per annum
Mr. Enrico Gomiero	Euro 50,000* per annum

** Payable bi-annually i.e. on or after 30th September and 31st March, in ₹ based on the proportionate forex value as on end of aforesaid dates.*

 # Inclusive of (i) sitting fees payable to such Directors, not exceeding ₹ 0.1 Million for each meeting of the Board and committees thereof, attended by such Director, in accordance with the applicable provisions of the Companies Act, 2013, read with rules and regulations notified thereunder; and (ii) management fees payable to such Directors.

RESOLVED FURTHER THAT the Board be and is hereby authorised to decide and fix the remuneration payable to Non-executive (Non-independent) Directors of the Company from time to time, without any restriction on individual limit(s) on the remuneration payable to any of the Non-executive (Non-independent) Directors, subject to and within the overall limits (approved by the Members of the Company at their 27th Annual General Meeting held on 20th August, 2024, unless modified), of the net profits of the Company in any financial year.

RESOLVED FURTHER THAT the Board [including any Committee(s) and / or any of the Director(s) or Official(s) of the Company, duly authorised by the Board] and the Company Secretary and Compliance Officer of the Company be and is hereby authorised to issue certified true copies of the above resolutions to any governmental, statutory or regulatory authority as may be required from time to time and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

15. Approval of remuneration payable to the Independent Directors of the Company.

To consider and if thought fit, to pass, the following resolution as an **Ordinary resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Nomination and Remuneration Policy of the Company and based on approval and recommendation of the Board at its meeting held on 5th August, 2025, approval of the Shareholders of the Company, be and is hereby accorded to pay the following fees and profit-linked commission payable to the Independent Directors of the Company, for the financial year 2025-26:

Name of Independent Director	Sitting fees and profit-linked commission#
Mr. Ettore Francesco Sequi	Euro 80,000* per annum
Mrs. Uma Mandavgane	Euro 80,000* per annum
Mr. Kishore Saletore	Euro 80,000* per annum

** Payable bi-annually i.e. on or after 30th September and 31st March, in ₹ based on the proportionate forex value as on end of aforesaid dates.*

 # Inclusive of (i) sitting fees payable to such Directors, not exceeding ₹ 0.1 Million for each meeting of the Board and committees thereof, attended by such Director, in accordance with the applicable provisions of the Companies Act, 2013, read with rules and regulations notified thereunder; and (ii) profit-linked commission which shall be 2% of net profits of the Company for the respective financial year, in accordance with Sections 149 and 197 of the Companies Act, 2013, and other applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to decide and fix the remuneration payable to Independent Directors of the Company from time to time, during each of independent director's remaining term, subject to and within the overall limits (approved by the Members of the Company at their 27th Annual General Meeting held on 20th August, 2024, unless modified), of the net profits of the Company in any financial year.

RESOLVED FURTHER THAT the Board [including any Committee(s) and / or any of the Director(s) or Official(s) of the Company, duly authorised by the Board] and the Company Secretary and Compliance Officer of the Company be and is hereby authorised to issue certified true copies of the above resolutions to any governmental, statutory or regulatory authority as may be required from time to time and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board of Directors

Nakul Shivaji Patil
Company Secretary and Compliance Officer
Membership No.: A39990

Date: 5th August, 2025
Place: Pune

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NOTES

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") setting out material facts concerning the business under Item No. 6, 7, 8, 9, 10, 11, 12, 13, 14 & 15 of the Notice is annexed hereto. The relevant details pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of Members up to and not exceeding 50 Members and holding in the aggregate not more than 10% of the total share capital of the Company. Further, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single proxy and such person shall not act as proxy for any other Member. The instrument appointing proxy must be deposited at the Registered Office of the Company not less than 48 hours before commencement of the AGM.**

3. During the period beginning 24 hours before the time fixed for commencement of the AGM and ending with conclusion of the AGM, a Member would be entitled to inspect proxies lodged at any time during the business hours of the Company, provided not less than three days' written notice is given to the Company.

4. Members / proxies / authorised representatives are requested to bring the attendance slip(s) / proxy form(s), forming part of this Notice, duly filled in and signed for attending the AGM along with their identity proof for the purpose of identification. Members to write their DP ID and Client ID on the attendance slip for attending the AGM and hand over the same at the entrance of the venue.

5. Any query relating to the financial statements must be sent to the Company's e-mail ID at company_secretary@carraroindia.com or to the Registered Office of the Company at least seven days before the date of the AGM.

6. Pursuant to the provisions of Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Wednesday, the 03rd day of September, 2025 has been fixed a Record Date for determining the Members entitled for dividend.

7. In compliance with the provisions of the Companies Act, 2013 ('Act') and MCA Circulars, the AGM of the Company is being held at The Edge, Second Floor, Hyatt Pune, Kalyani Nagar, 88 Nagar Road (Adj. Aga Khan Palace), Pune - 411006, Maharashtra, India.

8. **Dividend and related information:**

   The Board of Directors of the Company, at its meeting held on 27th May, 2025, had recommended a final dividend of ₹ 4.55/- per equity share of face value of ₹10 each (45.50%) fully paid up, for the financial year 2024-25. Dividend, if declared, at the AGM will be credited / dispatched within the prescribed statutory timelines to the Members or their mandates whose names appear as Members or as beneficial owners (holding shares in electronic form), as per the beneficial ownership data to be furnished by the depositories viz. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") [NSDL and CDSL shall collectively be referred to as "Depositories" hereinafter] as of Wednesday, 3rd September, 2025 ("Record Date").

   As per the Income-tax Act, 1961 ("IT Act") and the Rules framed thereunder, as amended by the Finance Act, 2020 ('the FA Act'), the Company is required to deduct Tax at Source ("TDS") at the time of making payment of the dividend, as approved by the Members, since the same shall be taxable in the hands of the Shareholders. The rate of TDS would vary depending on the category of the Shareholder, residential status of the Shareholders and the documents submitted by them and accepted by the Company.

   ### Resident Shareholders:

   Tax shall be deducted at source under Section 194 of the IT Act at a rate of 10% on the amount of dividend where Shareholders have registered their valid Permanent Account Number ("PAN") with their respective Depositories. In case, the Shareholders do not have PAN / have not registered their valid PAN details in their demat account/ PAN is invalid or declared to be inoperative on non-linking of PAN with Aadhaar, TDS at the rate of 20% shall be deducted under Section 206AA of the IT Act.

   In case of Resident Individuals, no tax shall be deducted at source on the dividend payable, if:

   - The total dividend to be received by the said individual from the Company during a financial year does not exceed ₹ 10,000; or

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- If an eligible resident shareholder provides a valid declaration in Form 15G (applicable to resident individual below the age of 60 years) / 15H (applicable to a resident Individual aged 60 years and above) or other documents as may be applicable to different categories of shareholders, provided that all the required eligibility conditions are met. The said form(s) may be uploaded on the Company's Registrar and Transfer Agent's ("RTA's") portal at https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html. In relation to Form 15G / 15GH, all fields are mandatory to be filled up and the Company may at its sole discretion reject the form if it does not fulfil the requirement of law; or
- Exemption certificate, if any, issued by the Income-tax Department.

In case of Resident Non-Individuals, no tax shall be deducted on the dividend payable to the following resident non-individuals, if:

i. **Insurance Companies:** The Shareholder furnishes a self-declaration that it qualifies as 'Insurer' as per Section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the Equity Shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.

ii. **Mutual Funds:** The Shareholder furnishes a self-declaration that it is registered with Securities and Exchange Board of India ('SEBI') and is notified under Section 10 (23D) of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.

iii. **Alternative Investment Fund (AIF):** The Shareholder furnishes a self-declaration that its income is exempt under Section 10 (23FBA) of the Act, and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.

iv. **New Pension System (NPS) Trust:** The Shareholder furnishes a self-declaration that it qualifies as NPS trust and income is eligible for exemption under Section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.

v. **Other Non-Individual Shareholders:** The Shareholder(s) provides self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.

Non-resident Shareholders:

Tax is required to be deducted at source in the case of non-resident Shareholders in accordance with the provisions of Section 195 of the IT Act or section 196D of the Act, as per the rates applicable. As per the relevant provisions of the IT Act, TDS on dividend shall be @ 20% (plus applicable surcharge, and health and education cess) on the amount of dividend payable to the non-resident shareholders. For FII / FPI shareholders, Section 196D of the IT Act provides for TDS @ 20% (plus applicable surcharge and health and education cess).

However, as per Section 90 of the IT Act, non-resident Shareholders shall have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA" or "Tax Treaty") read with applicable Multilateral Instrument provisions, between India and the country of tax residence of the Shareholder, if they are more beneficial to them.

For this purpose, i.e., to avail DTAA / Tax Treaty benefit, the non-resident Shareholders shall be required to provide:

i. Self-attested copy of the PAN card allotted by the Indian Income-tax authorities. In case, PAN is not available, the non-resident Shareholder shall furnish (a) name, (b) email ID, (c) contact number, (d) address in residency country, (e) Tax Identification Number of the residency country.

ii. Self-attested copy of Tax Residency Certificate (TRC) (For the financial year 1st April, 2025 to 31st March, 2026) obtained from the tax authorities of the country of which the Shareholder is a resident.

iii. E-filed Form 10F (filed electronically on the Indian Income Tax web portal pursuant to Notification no. 03/2022 dated 16th July, 2022) valid for the period - April 2025 to March 2026.

iv. Self-declaration by Shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (For the financial year 1st April, 2025 to 31st March, 2026).

v. In case of FIIs and FPIs, a copy of SEBI registration certificate.

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vi. In case of Shareholder being tax resident of Singapore, the Shareholder shall be required to furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24-Limitation of Relief under India-Singapore DTAA / Tax Treaty.

Shareholders would be required to independently satisfy their eligibility to claim DTAA/ Tax Treaty benefit(s) including fulfilling of all the conditions laid down by DTAA/ Tax Treaty. The Company shall not be obligated to apply beneficial DTAA/ Tax Treaty rates at the time of tax deduction / withholding on dividend amounts. The beneficial rate(s) as per DTAA/ Tax Treaty for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident Shareholder.

Non-resident shareholders should upload all of above declarations, forms and other documents, as applicable to them at https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html.

A list of documents / declarations required to be provided by the resident shareholders and list of documents / declarations required to claim the benefit of DTAA by non-resident shareholders are available on the Company's website at https://www.carraroindia.com/investors/shareholders-forms.

Further, if a shareholder (resident or non-resident) has obtained a lower or Nil withholding tax certificate from the tax authorities and provides a copy of the same to the Company, tax shall be deducted on the dividend payable to such shareholder at the rate specified in the said certificate.

Important Note:

No communication on tax determination / deduction shall be entertained after 29th August, 2025. The above referred documents submitted will be verified by the Company and the same shall be considered while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the IT Act.

In addition to the above, please note the following:

i. **TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar:** As per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/ inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Shareholders may visit https://www.incometax.gov.in/iec/foportal/ for FAQ issued by the Government on PAN Aadhar linking.

ii. **Declaration under Rule 37BA of the Income-tax Rules, 1962 ('the Rules'):** In terms of Rule 37BA of the Rules, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules. Any documents submitted after cut-off period will be accepted at sole discretion of the Company.

iii. In case you hold shares under multiple accounts under different status / category but under a single PAN, the highest rate of tax as applicable to the status in which shares are held under the said PAN will be considered on the entire holding in different accounts.

iv. In case of joint shareholding, the withholding tax rates shall be considered on the basis of the status of the primary beneficial shareholder. For TDS, the Company would be relying on the above data shared by the RTA as updated, up to the Record Date. It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the aforementioned details / documents from the Members, they may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted.

The Company shall arrange to send soft copy of the TDS certificate to the Members at their registered e-mail ID within the prescribed time, post payment of the said dividend, if declared in the AGM. The said certificate can also be viewed in Form 26AS, which can be downloaded from their e-filing account at https://www.incometax.gov.in/iec/foportal.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder(s), such shareholder(s) will be responsible to indemnify the Company, and also provide the Company with all information / documents and co-

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operation in any assessment / appellate proceedings before the Tax / Government authorities.

9. In terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service ("ECS"), Local ECS / Regional ECS / National ECS, Direct Credit, Real Time Gross Settlement, National Electronic Fund Transfer / NACH etc., for making payment of dividend to its Members.

   Accordingly, Members holding securities in demat mode are requested to update their bank account details with their respective Depository Participants ("DPs").

   To avoid fraudulent transactions, the identity / signature of the Members holding shares in electronic / demat form is verified with the specimen signatures furnished by NSDL /CDSL. Members are requested to keep the same updated.

10. In accordance with the provisions of Section 152(6) of the Act, Mr. Tomaso Carraro (DIN - 00592312) and Mr. Enrico Gomiero (DIN – 00588074) will retire by rotation at the forthcoming AGM and, being eligible, they have offered themselves for re-appointment.

    Pursuant to Regulation 36 of the Listing Regulations, additional information in respect of Mr. Tomaso Carraro and Mr. Enrico Gomiero, seeking re-appointment upon retirement by rotation at the AGM, is annexed to the Notice.

11. In terms of Regulation 36 of the Listing Regulations, Sections 101 and 136 of the Act read with the rules made thereunder, electronic copy of the Annual Report is being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes unless any Member has requested for a hard copy of the same. A request for hard copy of the Annual Report may be sent to company_secretary@carraroindia.com or rnt.helpdesk@in.mpms.mufg.com mentioning the DP ID and Client ID or on the portal at https://web.in.mpms.mufg.com/helpdesk/Service_Request.html.

    Physical copy of Annual Report of the Company will not be sent to the Members even if they have not registered their e-mail IDs with the Company / RTA / Depositories, as the said requirement has been dispensed with by SEBI vide its notification dated 12th December, 2024.

12. Members desirous of receiving communication from the Company in electronic form, may register their e-mail IDs with their respective DPs.

    Members who have not registered their e-mail IDs with the Company / RTA / DPs are requested to log in to the website of RTA, https://in.mpms.mufg.com/ under Investor Services > E-mail Registration, fill in the details, upload the required documents and submit.

    Further, Members are also requested to approach their DPs to register their e-mail IDs in their demat account details as per the process defined by the respective DPs.

13. SEBI has mandated every participant in securities market to update KYC details. Members holding shares in dematerialised form are requested to submit / update their KYC details with their respective DPs.

14. Members can avail nomination facility pertaining to their shareholding in the Company by filing Form SH-13, as prescribed under Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 with the Company or the RTA. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form ISR-3 or Form SH-14, as the case may be. Blank forms are available on website of the Company at https://www.carraroindia.com/investors/shareholders-forms and also on website of RTA at https://web.in.mpms.mufg.com/KYC-downloads.html.

15. Members may note that the Notice of AGM and Annual Report for the financial year 2024-25 are also available on the Company's website at www.carraroindia.com, 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, and on website of the e-voting service provider i.e. MUFG Intime at https://instavote.linkintime.co.in/

16. Documents referred in the Notice of AGM and the Statement are open for inspection, without any fee, at the Registered Office of the Company on all working days (Monday to Friday) from 10.00 a.m. to 1.00 p.m., except public holidays, up to the date of the AGM i.e. Thursday, 11th September, 2025.

17. Following statutory registers will be available for inspection by the Members at the Registered Office of the Company on all working days (Monday to Friday), up to the date of the AGM, between 10.00 a.m. and 1.00 p.m.

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a. Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act.

b. Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act.

The said registers shall be kept open for inspection during the AGM and shall be made accessible to any Member attending the same.

18. As per the provisions of Clause 3.A.II of the General Circular No. 20/ 2020 May 5th May, 2020, the matters of Special Business as appearing at Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.

19. Members are requested to address all correspondence, including dividend-related matters, to RTA, MUFG Intime India Private Limited, at C 101, 1st Floor, C Tower, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083 and e-mail rnt.helpdesk@in.mpms.mufg.com. Members willing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office or at company_secretary@carraroindia.com. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.

20. Voting through electronic means:

20.1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged MUFG Intime (India) Private Limited ("InstaVote") as the agency for facilitating remote e-voting to enable the Members to cast their votes electronically ("remote e-voting").

20.2. The remote e-voting period begins on Monday, 8th September, 2025, at 9:00 a.m. and ends on Wednesday, 10th September, 2025, at 5:00 p.m. The remote e-voting module shall be disabled/blocked by NSDL /CDSL and the remote e-voting beyond the said date and time shall not be allowed. The Members, whose names appear in the Register of Members / Beneficial Owners as on the Record Date (cut-off date) i.e. 3rd September, 2025, shall only be entitled to avail remote evoting facility and may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

20.3. Any person who acquires shares of the Company and becomes its Member after dispatch of the Notice of AGM and holds shares as on the Cut-off Date, may obtain login id and password by sending a request at enotices@in.mpms.mufg.com or to the Company at company_secretary@carraroindia.com.

20.4. A Member may participate in the 28th AGM even after exercising his/her right to vote through remote e-voting but shall not be entitled to vote again at the 28th AGM.

21. Instructions for voting electronically:

A. Login method of e-voting for individual Members holding securities in demat form:

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

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Type of Members	Login method
Individual Shareholders holding securities in demat mode with **NSDL**	**METHOD 1 –** **Individual Shareholders registered with NSDL IDeAS facility:** a) Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "Login". b) Enter User ID and Password. Click on "Login". c) After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services. d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period. **Shareholders who have not registered for NSDL IDeAS facility:** a) To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. b) Proceed with updating the required fields. c) Post successful registration, user will be provided with Login ID and password. d) After successful login, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services. e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period. **METHOD 2 –** **Individual Shareholders directly visiting the e-voting website of NSDL:** a) Visit URL: https://www.evoting.nsdl.com b) Click on the "Login" tab available under 'Shareholder/Member' section. c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services. e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

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Type of Members	Login method
Individual Shareholders holding securities in demat mode with **CDSL**	**METHOD 1 –** **Individual Shareholders registered with CDSL Easi/ Easiest facility:** a) Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com. b) Click on New System Myeasi Tab. c) Login with existing my easi username and password. d) After successful login, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period. e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period. **Shareholders who have not registered for CDSL Easi/ Easiest facility:** a) To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration / https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration b) Proceed with updating the required fields. c) Post registration, user will be provided username and password. d) After successful login, user able to see e-voting menu. e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period. **METHOD 2 –** **Individual Shareholders directly visiting the e-voting website of CDSL:** a) Visit URL: https://www.cdslindia.com b) Go to e-voting tab. c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit". d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account. e) After successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.
Individual Shareholders holding securities in demat mode with **Depository Participant**	Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility: a) Login to DP website. b) After Successful login, user shall navigate through "e-voting" option. c) Click on e-voting option, user will be redirected to NSDL/CDSL. Depository website after successful authentication, wherein user can see e-voting feature. d) After successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

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B. Login method for e-voting for Members other than individual Members holding securities in demat mode.

Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting and who have not registered for INSTAVOTE facility, may register for InstaVote as under:

a) Visit URL: https://instavote.linkintime.co.in

b) Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:

i. User ID:

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

ii. PAN:

Enter your 10-digit Permanent Account Number (PAN).

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.)

iii. DOB/DOI:

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format).

iv. Bank Account Number:

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders holding shares in NSDL form, shall provide 'iv' above.

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (! # $ & *), at least one numeral, at least one alphabet and at least one capital letter).
- Enter Image Verification (CAPTCHA) Code
- Click "Submit" (You have now registered on InstaVote).

Shareholders who have registered for INSTAVOTE facility:

a) Visit URL: https://instavote.linkintime.co.in

b) Click on "Login" under 'SHARE HOLDER' tab

A. User ID: Enter your User ID

B. Password: Enter your Password

C. Enter Image Verification (CAPTCHA) Code

D. Click "Submit"

c) Cast your vote electronically:

A. After successful login, you will be able to see the "Notification for e-voting".

B. Select 'View' icon.

C. E-voting page will appear.

D. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

E. After selecting the desired option i.e. Favour / Against, click on 'Submit'.

A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

a) Visit URL: https://instavote.linkintime.co.in

b) Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund".

c) Fill up your entity details and submit the form.

d) A declaration form and organisation ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

e) Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

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b) Click on "Investor Mapping" tab under the Menu Section.

c) Map the Investor with the following details:

A. Investor ID' –

i. NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678.

ii. CDSL demat account – User ID is 16 Digit Beneficiary ID.

B. 'Investor's Name - Enter Investor's Name as updated with DP.

C. 'Investor PAN' - Enter your 10-digit PAN.

D. 'Power of Attorney' - Attach Board resolution or Power of Attorney.

**File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.*

E. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting

The corporate shareholder can vote by two methods, during the remote e-voting period.

Method 1 - VOTES ENTRY	a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials. b) Click on **"Votes Entry"** tab under the Menu section. c) Enter the **"Event No."** for which you want to cast vote. Event No. can be viewed on the home page of InstaVote under **"On-going Events".** d) Enter **"16-digit Demat Account No."** for which you want to cast vote. e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). f) After selecting the desired option i.e. Favour / Against, click on 'Submit'. *A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.*
Method 2 - VOTES UPLOAD	a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials. b) After successful login, you will be able to see the "Notification for e-voting". c) Select "View" icon for "Company's Name / Event number". d) E-voting page will appear. e) Download sample vote file from "Download Sample Vote File" tab. f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option. g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Non-Individual Shareholders holding securities in demat mode:

Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

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Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Non-Individual Shareholders holding securities in demat mode:

Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- Click on "Login" under 'SHARE HOLDER' tab.
- Click "forgot password?"
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain a minimum of 8 characters, at least one special character (!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID:

i. NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

ii. CDSL demat account – User ID is 16 Digit Beneficiary ID.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in.

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab.
- Click "forgot password?"
- Enter User ID, Organisation ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT."

*In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (! # $ & *), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

22. Members may reach out at the contact details mentioned below for addressing e-voting related grievances:

Mr. Ashish Upadhyay, Senior Officer,
MUFG Intime India Private Limited
(formerly Link Intime India Private Limited)
Unit: Carraro India Limited
C 101, 1st Floor, C Tower, 247 Park, L B S Marg,
Vikhroli West, Mumbai - 400 083.
T: +91 22 4918 6000
Toll-free No.: (0) 810 811 6767
E-mail: enotices@in.mpms.mufg.com.

NOTICE (CONTD.)

23. Voting at AGM

The Chairman at the AGM, shall at the end of discussion on the resolutions, on which voting is to be held, allow voting, with the assistance of the Scrutiniser, by ballot / venue e-voting system for Members who are present at the AGM but have not cast their votes earlier through remote e-voting facility.

24. Scrutiniser's & their Report:

a) The Company has appointed M/s. Mehta & Mehta, Practicing Company Secretaries, a registered partnership firm under the Indian Partnership Act, 1932 having Firm Registration Number MU000019250, ICSI Firm Registration Number P1996MH007500 holding peer review certificate no. 3686/2023, to act as the Scrutiniser, to review that the process of e-voting and voting at the venue of the AGM is conducted in a fair and transparent manner and issue a report on the votes through remote e-voting and those cast at the AGM.

b) The Scrutiniser shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) unblock the votes cast through remote e-voting in presence of at least two witnesses not in the employment of the Company. The Scrutiniser shall make not later than two working days of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, each resolution, invalid votes, if any, and whether the resolutions(s) has/ have been carried or not. This report shall be submitted to the Chairman or a person authorised by him, in writing, who shall countersign the same.

c) The results shall be declared after the AGM of the Company and shall be deemed to be passed on the date of the AGM. The results along with the Scrutiniser's Report shall be placed on the website of the Company at www.carraroindia.com within two working days of passing of the resolutions at the AGM and shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the Company's equity shares are listed. MUFG Intime/InstaVote, who has provided the platform for facilitating remote e-voting, will also display these results on its website at https://instavote.linkintime.co.in/.

25. Route map to reach venue of the 28th AGM is annexed herewith as per the requirement of the applicable Secretarial Standards.

26. Members can contact RTA of the Company for queries relating to their shareholding at:

MUFG Intime (India) Private Limited

(formerly Link Intime India Private Limited)

C 101, 1st Floor, C Tower, 247 Park, L B S Marg,

Vikhroli West, Mumbai - 400 083

Tel No.: (0) 810 811 6767

Toll-free No.: 1800 1020 878

27. In case of joint holders attending the AGM, the Member whose name appears 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, if they have not voted previously using the remote e-voting facility.

28. Request to Members to register / update their e-mail IDs with the Company / Depository, so that the notice and related documents can be served on their e-mail IDs.

29. Entire shareholding of the Company held by its Members is in dematerialised form.

ANNEXURE TO THE NOTICE

Details of Directors seeking re-appointment at the Twenty Eighth Annual General Meeting
[Pursuant to the Secretarial Standard - 2 on General Meetings and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

ITEM NO. 4

Information about the director retiring by rotation -

Name of the director	Mr. Tomaso Carraro
DIN	00592312
Date of appointment	Mr. Tomaso Carraro has been associated with the Company in the capacity of Non-executive Director from 21st April, 2015. He was re-designated as the Vice Chairman of the Company by the Board of Directors ("Board") on 9th August, 2024 and was identified as the Promoter of the Company by the Board on 19th August, 2024. Mr. Tomaso Carraro continuous to be the Vice-Chairman, Non-executive Non-independent Director as well as the Promoter of the Company.
Date of birth /age	23rd April, 1966 / 59 years
Qualification(s)	Master's degree in business administration from the Graduate School of Business, University of Chicago.
Experience and nature of expertise	Mr. Tomaso Carraro has over 26 years of experience in the manufacturing sector. He is currently associated with various entities in the Carraro Group, including Carraro China Drive Systems Co. Ltd, Carraro Drive Tech Italia S.p.A., Carraro International S.E., Carraro S.p.A., Carraro North America Inc. and Siap S.p.A. and was previously associated with Gear World S.p.A.
Expertise in specific functional area	• Domain knowledge in Agricultural Tractors and Construction Vehicles and equipment components industry • Strategy and Planning • Business Management • Financial knowledge and expertise • Law and Governance
Relationship with other Directors, and Key Managerial Personnel of the Company	None
Directorship(s) in other Indian listed companies as on 31st March, 2025	None
Memberships / Chairmanship of Committees of other Indian companies as on 31st March, 2025	None
Shareholding in the Company	1 Equity Share held jointly with Carraro International S.E. *(where Carraro International S.E. is the first holder of equity share in the joint holding).*
Attendance at the Board meetings held during the financial year 2024-25	11 meetings of the Board were held and Mr. Tomaso Carraro attended 8 out of 11 Board meetings.
Remuneration drawn in the financial year 2024-25	• Sitting fees of ₹ 1.2 Million for attending Board and Committee meetings as the Non-executive Director; and • Remuneration by way of Management Fee of ₹ 4.69 Million paid to him as Non-executive Director.
Terms and conditions of re-appointment	Mr. Tomaso Carraro is a Non-executive, Non-independent Director of the Company and is liable to retire by rotation. He is entitled for sitting fees for attending meetings of the Board and its Committees and remuneration by way of management fee as the Board may approve, from time to time and subject to such limits prescribed or as may be prescribed, from time to time.
Listed entities from which Mr. Tomaso Carraro has resigned as director in the past three years	None.

ANNEXURE TO THE NOTICE (CONTD.)

Mr. Tomaso Carraro is not disqualified from being appointed as the Director in terms of Section 164 of the Companies Act, 2013 ("Act") and he is not debarred from holding the office of director pursuant to any order of SEBI or of any such other regulatory authority.

Except for Mr. Tomaso Carraro, none of the other Directors, Key Managerial Personnel of the Company and / or their relatives are, in any way, concerned or interested, financially or otherwise, in this item.

The proposal for his re-appointment as the Director, liable to retire by rotation, is placed before the Members for their approval at item no. 4 of this Notice. The Board recommends the same for approval of the Members.

ITEM NO. 5

Information about the director retiring by rotation -

Name of the director	Mr. Enrico Gomiero
DIN	00588074
Date of appointment	6th June 1997
Date of birth /age	27th October, 1958/ 66 years
Qualification(s)	Diploma of accountant and commercial expert from the Technical Institute for Commercials and Surveyors of Padua, Italy.
Experience and nature of expertise	Mr. Enrico Gomiero has over 29 years of experience in the manufacturing sector. He was also previously associated with Carraro S.p.A. (ultimate holding company of the Company) in his capacity as a Manager.
Expertise in specific functional area	• Domain knowledge in Agricultural Tractors and Construction Vehicles and equipment components industry • Strategy and Planning • Business Management • Financial knowledge and expertise • Law and Governance
Relationship with other Directors, and Key Managerial Personnel of the Company	None
Directorship(s) in other Indian listed companies as on 31st March, 2025	None
Memberships / Chairmanship of Committees of other Indian companies as on 31st March, 2025	None
Shareholding in the Company	*1 Equity Share held jointly with Carraro International S.E. (where Carraro International S.E. is the first holder of equity share in the joint holding).*
Attendance at the Board meetings held during the financial year 2024-25	11 meetings of the Board were held and Mr. Tomaso Carraro attended 8 out of 11 Board meetings.
Remuneration drawn in the financial year 2024-25[1]	• Sitting fees of ₹ 1.2 Million is payable for attending Board and Committee meetings as the Non-executive Director; and • Remuneration by way of Management Fee of ₹ 3.42 Million payable to him as Non-executive Director.
Terms and conditions of re-appointment	Mr. Enrico Gomiero is a Non-executive, Non-independent Director of the Company and is liable to retire by rotation. He is entitled for sitting fees for attending meetings of the Board and its Committees and remuneration by way of management fee as the Board may approve, from time to time and subject to such limits prescribed or as may be prescribed, from time to time.
Listed entities from which Mr. Enrico Gomiero has resigned as director in the past three years	None.

[1] *The sitting fees for attending meetings of the Board and Committees thereof and the Management Fee stands payable as at the end of financial year 2024-25, as Mr. Gomiero expressed to receive the same post 28th AGM.*

ANNEXURE TO THE NOTICE (CONTD.)

Mr. Enrico Gomiero is not disqualified from being appointed as the Director in terms of Section 164 of the Companies Act, 2013 ("Act") and he is not debarred from holding the office of director pursuant to any order of SEBI or of any such other regulatory authority.

Except for Mr. Enrico Gomiero, none of the other Directors, Key Managerial Personnel of the Company and / or their relatives are, in any way, concerned or interested, financially or otherwise, in this item.

The proposal for his re-appointment as the Director, liable to retire by rotation, is placed before the Members for their approval at item no. 5 of this Notice. The Board recommends the same for approval of the Members.

ANNEXURE TO THE NOTICE (CONTD.)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THEREUNDER

The following Statement sets out all material facts relating to the business mentioned under Item Nos. 6 to 15 in the Notice:

ITEM NO. 6

Annual revision in remuneration payable to Dr. Balaji Gopalan (DIN: 07108093), Managing Director of the Company.

Dr. Balaji Gopalan was appointed as the Managing Director of the Company in his current term on 4th February, 2021 for a period of five (5) consecutive years.

In the Twenty Seventh (27th) Annual General Meeting ("AGM") held on 20th August, 2024, the Shareholders of the Company:

a. in accordance with the provisions of Sections 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder, basis the recommendation of the Nomination and Remuneration Committee ("NRC") and approval of the Board, in their meeting held on 16th August, 2024 & 19th August, 2024, respectively, increased the overall limit of maximum remuneration payable to the Directors of the Company (including, Managing Director and Whole-time Directors) from 11% to 25% of the net profits of the Company, without any restriction on individual limit(s) on the remuneration payable to any of the Managerial Personnel by way of Special Resolution; and

b. approved the following remuneration of Dr. Balaji Gopalan, Managing Director of the Company for the financial year 2024-25, by way of Special Resolution:

Particulars	Amount
Basic salary (including allowances)	₹ 18.16 Million per annum
Monthly incentive performance bonus	₹ 1.08 Million per annum
Perquisites (including leave travel allowance, provident fund contribution, gratuity and vehicle#)	₹ 1.86 Million per annum
Variable pay (in accordance with policies of the Company and Carraro Group)	₹ 11.75 Million per annum
Management fees	Euro 60,000* per annum

** Payable on the last day of the salary month in ₹ based on the forex value as on that date & fixed management fees for all years*

 # He is also entitled to an additional amount of ₹ 1.08 Million as per the Company's policies in relation to vehicle ownership and/ or leasing for employees"

In the said 27th AGM, the Shareholders, while according their approval for remuneration payable to the WTD-COO, missed to delegate the authority to the Board or any Committee thereof to decide matters pertaining to annual revision in remuneration of the Managing Director during his remaining term which is set to expire on 3rd February, 2026.

The NRC at its meeting held on 23rd May, 2025 recommended and the Board at its meeting held on 27th May, 2025, approved the annual revision in remuneration payable to Dr. Balaji Gopalan, as the Managing Director, for financial year 2025-26, subject to approval by the Shareholders of the Company at ensuing 28th AGM, as set out in Item No. 6 of the Notice of 28th AGM. The proposed revision in remuneration is within the increased overall limit of maximum remuneration, as approved by the Shareholders of the Company at their 27th AGM.

In absence of authority to the Board and NRC and in terms of Section 196(4) of the Act, approval of the Shareholder by way of Ordinary Resolution is required to the proposed revision in remuneration payable to Dr. Balaji Gopalan, Managing Director, for financial year 2025-26.

Accordingly, the Board recommends the passing of the resolution under Item no. 6 as an **Ordinary Resolution.**

Except Dr. Balaji Gopalan, Managing Director, none of the directors or key managerial persons or their relatives is concerned or interested, financial or otherwise, in the resolution.

ITEM NO. 7

Annual revision in remuneration payable to Mr. Sudhendra Mannikar (DIN: 07483321), Whole-Time Director and Chief Operating Officer of the Company.

Mr. Sudhendra Mannikar was appointed as the Whole-time Director and Chief Operating Officer ("WTD-COO") of the Company in his current term on 15th March, 2021 for a period of five (5) consecutive years.

In the Twenty Seventh (27th) Annual General Meeting ("AGM") held on 20th August, 2024, the Shareholders of the Company:

a. in accordance with the provisions of Sections 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder, basis the recommendation of the NRC and approval of the

ANNEXURE TO THE NOTICE (CONTD.)

Board, in their meeting held on 16th August, 2024 & 19th August, 2024, respectively, increased the overall limit of maximum remuneration payable to the Directors of the Company (including, Managing Director and Whole-time Directors) from 11% to 25% of the net profits of the Company, without any restriction on individual limit(s) on the remuneration payable to any of the Managerial Personnel by way of Special Resolution; and

b. approved the following remuneration of Mr. Sudhendra Mannikar, WTD-COO of the Company for the financial year 2024-25, by way of Special Resolution:

Particulars	Amount
Basic salary (including allowances)	₹ 12.46 Million per annum
Monthly incentive performance bonus	₹ 1.08 Million per annum
Perquisites (including leave travel allowance, provident fund contribution, gratuity and vehicle#)	₹ 1.39 Million per annum
Variable pay (in accordance with policies of the Company and Carraro Group)	₹ 7.94 Million per annum
Management fees	Euro 50,000 per annum

** Payable on the last day of the salary month in ₹ based on the forex value as on that date& fixed management fees for all years.*

 # In accordance with the Company's policies in relation to vehicle ownership and/ or leasing for employees.

In the said 27th AGM, the Shareholders, while according their approval for remuneration payable to the WTD-COO, missed to delegate the authority to the Board or any Committee thereof to decide matters pertaining to annual revision in remuneration of the WTD-COO during his remaining term which is set expire on 14th March, 2026.

The NRC at its meeting held on 23rd May, 2025 recommended and the Board at its meeting held on 27th May, 2025, approved the annual revision in remuneration payable to Mr. Sudhendra Mannikar, as WTD-COO, for financial year 2025-26, subject to approval by the Shareholders of the Company at ensuing 28th AGM, as set out in Item No. 7 of the Notice of 28th AGM. The proposed revision in remuneration is within the increased overall limit of maximum remuneration, as approved by the Shareholders of the Company at their 27th AGM.

In absence of authority to the Board and NRC and in terms of Section 196(4) of the Act, approval of the Shareholder by way of Ordinary Resolution is required to the proposed revision in remuneration payable to Mr. Sudhendra Mannikar, WTD-COO, for financial year 2025-26.

Accordingly, the Board recommends the passing of the resolution under Item no. 7 as an **Ordinary Resolution**.

Except Mr. Sudhendra Mannikar, WTD-COO, none of the directors or key managerial persons or their relatives is concerned or interested, financial or otherwise, in the resolution.

ITEM NO.8

Annual revision in remuneration payable to Mr. Davide Grossi (DIN: 10252992), Whole-Time Director and Chief Financial Officer of the Company.

Mr. Davide Grossi was appointed as the Chief Financial Officer of the Company with effect from 2nd August, 2024, by the Board at its meeting held on 09th August, 2025. In the said Board meeting held on 9th August, 2024, Mr. Davide Grossi was also appointed by the Board, as the Whole-Time Director to hold the office until the conclusion of the Twenty Seventh (27th) Annual General Meeting ("AGM") and subject to the approval of the Shareholders in the said 27th AGM, appointed as Whole-Time Director, for a term of Five (5) consecutive years commencing on 9th August, 2024 to 8th August 2029.

In the said 27th AGM held on 20th August, 2024, the Shareholders of the Company:

a. had regularised the appointment of Mr. Davide Grossi as the Whole-time Director and Chief Financial Officer ("WTD-CFO") of the Company for the aforesaid term of Five (5) consecutive years commencing on 9th August, 2024 to 8th August 2029, by way of an Ordinary Resolution;

b. in accordance with the provisions of Sections 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder, basis the recommendation of the NRC and approval of the Board, in their meeting held on 16th August, 2024 & 19th August, 2024, respectively, increased the overall limit of maximum remuneration payable to the Directors of the Company (including, Managing Director and Whole-time Directors) from 11% to 25% of the net profits of the Company, without any restriction on individual limit(s) on the remuneration payable to any of the Managerial Personnel by way of Special Resolution; and

c. approved the following remuneration of Mr. Davide Grossi, WTD-CFO of the Company for financial year 2024-25 i.e. on pro-rate basis from the date of his appointment, by way of Special Resolution:

ANNEXURE TO THE NOTICE (CONTD.)

Particulars	Amount
Basic salary	Euro 143,000 gross salary per annum**
Variable performance pay	Euro 62,500* per annum (payable monthly)
Deferred retention salary	Euro 20,000 per annum# (for a period of continuous three years)
Perquisites	Customary perquisites, including, accommodation (maximum rent of ₹ 200,000 per month), telephone/ broadband at residence, vehicle, travel allowances, insurance, medical hospitalisation coverage and relocation allowance
Management fee	Euro 70,000* per annum (paid bi-annually)

**Payable on the last day of the salary month in ₹ based on the forex value as on that date & fixed management fees for all years*

 # Post completion of 36 months of service, and payable in the 37th month.

*** Inclusive of PF contribution*

In the said 27th AGM, the Shareholders, while according their approval for remuneration of WTD-CFO, missed to delegate the authority to the Board or any Committee thereof to decide matters pertaining to annual revision in remuneration of the WTD-CFO during his term of 5 years.

The NRC at its meeting held on 23rd May, 2025 recommended and the Board at its meeting held on 27th May, 2025, approved the annual revision in remuneration of Mr. Davide Grossi, as WTD-CFO, for financial year 2025-26 and also proposed to delegate authority to the NRC and the Board of Directors to decide matters pertaining to annual revision in remuneration of the WTD-CFO during his term of 5 years, subject to approval by the Shareholders of the Company at ensuing 28th AGM, as set out in Item No. 8 of the Notice of 28th AGM, which is within the increased overall limit of maximum remuneration, as approved by the Shareholders of the Company at their 27th AGM.

Accordingly, the Board recommends the passing of the resolution under Item no. 8 as an **Ordinary Resolution**.

Except Mr. Davide Grossi, WTD-CFO, none of the directors or key managerial persons or their relatives is concerned or interested, financial or otherwise, in the resolution.

ITEM NO.9

Re-appointment of Dr. Balaji Gopalan (DIN: 07108093), as the Managing Director of the Company

The existing tenure of Dr. Balaji Gopalan (DIN: 07108093), as the Managing Director of the Company expires on 3rd February, 2026. Accordingly, as per the provisions of Section 196 of the Companies Act, 2013 ("Act") and based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Company ("Board") at its meeting held on 27th May, 2025, had re-appointed Dr. Balaji Gopalan as the Managing Director of the Company for another term of 3 Years, 6 Months and 5 days commencing from 4th February, 2026 up to and including 8th August, 2029. This re-appointment is subject to approval by the Members of the Company.

Under the leadership of Dr. Balaji Gopalan, the Company has grown progressively from 1685 Crore in the financial year 2022-23 to 1784 Crore in the financial year 2024-25 with increase in EBITDA in the financial year 2022-23 from 7.2% to 10.23% in the financial year 2024-25. Dr. Balaji's acumen, foresighted approach and business understanding has helped to establish the Company as a fundamentally strong organisation. Dr. Balaji believes that sustainable growth can be achieved through ensuring both financial and operational discipline. With this approach, the Company has shown consistent growth in performance and profit despite volatility in the market in which the Company operates. The Company's efforts towards increasing its operational efficiency, R&D capabilities has earned the Company its position as preferred independent tier 1 provider of axles, transmission systems and gears for the agricultural tractor and construction vehicle industries in India.

Basis the performance assessment carried by the NRC and the Board of Directors, it is proposed to re-appoint Dr. Balaji Gopalan as the Managing Director of the Company effective from 04th February, 2026 till 8th August, 2029, which will cover a continuous period of approximately 3 Years and 6 Months during this proposed term.

The NRC and Board of Directors shall be authorised to make annual increments to his remuneration up to such limits which shall not exceed the overall ceiling (including any incremental ceiling already approved by the shareholders at 27th Annual General Meeting) including the total managerial remuneration as provided under Section 197 of the Act or such other limits as may be prescribed, from time to time, over the annual gross remuneration of a previous financial year, based on performance.

Based on the recommendation of the NRC, the Board of Directors have approved his re-appointment, subject to approval of shareholders.

In terms of Sections 196, 197, 198, 203 and Schedule V of the Act and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under as amended, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, re-appointment of the Dr. Balaji Gopalan (DIN: 07108093) as the Managing Director of the Company, requires approval by the Members of the Company.

ANNEXURE TO THE NOTICE (CONTD.)

Information relating to Dr. Balaji Gopalan including his brief profile is mentioned below for perusal of the Members:

Name	Dr. Balaji Gopalan
DIN	07108093
Date of appointment and designation	Dr. Balaji Gopalan has been the Director of the Company since 21st April, 2015
Date of birth/ Age	26th May, 1968 / 57 years
Qualification(s)	Doctor of philosophy in human resource management from the University of Pune
Experience and nature of expertise	Dr. Balaji Gopalan's association with the Company dates back to 01st September, 1998 when he joined the Company as an employee and over the years of his employment was successfully elevated to the leadership role. He was appointed as the Managing Director in his current tenure on 4th February, 2021 for a period of five (5) consecutive years. He has over 25 years of experience in the manufacturing sector. Under the leadership of Dr. Balaji Gopalan, the Company has grown progressively from 1685 Crore in the financial year 2022-23 to 1784 Crore in the financial year 2024-25 with increase in EBITDA in the financial year 2022-23 from 7.2% to 10.23% in the financial year 2024-25. Dr. Balaji's acumen, foresighted approach and business understanding has helped to establish the Company as a fundamentally strong organisation.
Expertise in specific functional areas	• Domain knowledge in Agricultural Tractors and Construction Vehicles and equipment components industry • Strategy and Planning • Business Management • Financial knowledge and expertise • Law and Governance • Human Resources and Industrial Relations
Relationship with Directors, Key Managerial Personnel of the Company	None
Directorship in other Indian listed companies as on 31st March, 2025	None
Membership/ Chairmanship of Committees as on 31st March, 2025	a. Corporate Social Responsibility Committee – Member; and b. Risk Management Committee - Member
Memberships / Chairmanship of Committees of other companies as on 31st March, 2025	None
Shareholding in the Company	Nil
Attendance at the Board meetings held during the financial year 2024-25	11 meetings of the Board were held and Dr. Balaji Gopalan attended all of them.
Proposed Remuneration	As mentioned in the resolution forming part of this Notice at item no. 9.
Remuneration drawn in the financial year 2024-25	₹ 38.15 Million
Terms and conditions of re-appointment	It is proposed to re-appoint Dr. Balaji Gopalan as the Managing Director of the Company for a period of 3 Years and 6 Months and 5 days commencing from 4th February, 2026 up to and including 8th August, 2029, not liable to retire by rotation. He shall be entitled to remuneration as approved by the Members of the Company and as per the terms and conditions detailed in item no. 9 of this Notice.
Listed entities from which Dr. Balaji Gopalan has resigned as Director in the past three years	None

ANNEXURE TO THE NOTICE (CONTD.)

Dr. Balaji Gopalan is not disqualified from being appointed as the Director in terms of Section 164 of the Act and he is not debarred from holding the office of director pursuant to any order of SEBI or of any such other regulatory authority.

Except Dr. Balaji Gopalan, Managing Director, none of the directors or key managerial persons or their relatives, is concerned or interested, financial or otherwise, in the resolution.

In view of the foregoing, the Board recommends the **Ordinary Resolution** set out at Item No. 9 for the approval of the Members.

ITEM NO.10

Re-appointment of Mr. Sudhendra Mannikar (DIN: 07483321), as the Whole-Time Director and Chief Operating Officer of the Company.

The existing tenure of Mr. Sudhendra Mannikar (DIN: 07483321) as the Whole-time Director and Chief Operating Officer ("WTD-COO") expires on 14th March, 2025. Accordingly, as per the provisions of Section 196 of the Companies Act, 2013 ("Act") and based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors of the Company ("Board") at its meeting held on 27th May, 2025, had re-appointed Mr. Sudhendra Mannikar as WTD-COO of the Company for another term of 3 Years, 4 Months and 25 Days commencing from 15th March, 2026 up to and including 8th August, 2029. This re-appointment is subject to approval by the Members of the Company.

Mr. Sudhendra Mannikar while acting as WTD-COO, significantly supported to the Company's growth in Revenue & EBIDTA. Plant efficiency improved from 39.6% to 47.1% in last 3 years. 52 new vendors have been added in last 4 years with successful localisation initiatives that resulted in improvement of local content from 72.8% in 2020-21 to 76.98% in 2024-25. In alignment with the Company's commitment to deliver high-quality products, Customer PPM for the Assembly Units dropped to 2007 in 2024 against 3689 in 2020 and for Gears the PPM dropped to 60 in 2024 against 75 in 2020. Towards development of new products, aligned with market demands, 310 protos produced from 2022 till date. Upholding the highest standards of safety and sustainability, as well as maintaining Industrial Peace are other key contributions.

Basis the performance assessment carried by the NRC and the Board of Directors, it is proposed to re-appoint Mr. Sudhendra Mannikar, as the WTD-COO of the Company effective from 15th March, 2026 till 8th August, 2029, which will cover a continuous period of approximately 3 Years, 4 Months and 25 Days during this proposed term.

The NRC and Board of Directors shall be authorised to make annual increments to his remuneration up to such limits which shall not exceed the overall ceiling (including any incremental ceiling already approved by the shareholders at 27th Annual General Meeting) including the total managerial remuneration as provided under Section 197 of the Act or such other limits as may be prescribed, from time to time, over the annual gross remuneration of a previous financial year, based on performance.

Based on the recommendation of the NRC, the Board of Directors have approved his re-appointment, subject to approval of shareholders.

In terms of Sections 196, 197, 198, 203 and Schedule V of the Act and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under as amended, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, re-appointment of Mr. Sudhendra Mannikar (DIN: 07483321) as the WTD-COO the Company, requires approval by the Members of the Company.

Information relating to Mr. Sudhendra Mannikar including his brief profile is mentioned below for perusal of the Members:

Name	Mr. Sudhendra Mannikar
DIN	07483321
Date of appointment and designation	Mr. Sudhendra Mannikar has been the Director of the Company since 5th April, 2016
Date of birth/ Age	29th September, 1970 / 54 years
Qualification(s)	Bachelor's degree in Engineering (production) and a Masters' degree in Business Administration from Pune University

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Experience and nature of expertise	Mr. Sudhendra Mannikar's association with the Company dates back to 02nd August, 1999 when he joined the Company as an employee and over the years of his employment was successfully elevated to the leadership role. He was appointed as the WTD-COO in his current tenure on 15th March, 2021 for a period of five (5) consecutive years. He has over 25 years of experience in the field of supply chain, purchase and operations. He was previously associated with Essar Projects Limited. Mr. Sudhendra Mannikar while acting as WTD-COO, significantly supported to the Company's growth in Revenue & EBIDTA. Plant efficiency improved from 39.6% to 47.1% in last 3 years. 52 new vendors have been added in last 4 years with successful localisation initiatives that resulted in improvement of local content from 72.8% in 2020-21 to 76.98% in 2024-25. In alignment with the Company's commitment to deliver high-quality products, Customer PPM for the Assembly Units dropped to 2007 in 2024 against 3689 in 2020 and for Gears the PPM dropped to 60 in 2024 against 75 in 2020. Towards development of new products, aligned with market demands, 310 protos produced from 2022 till date. Upholding the highest standards of safety and sustainability, as well as maintaining Industrial Peace are other key contributions.
Expertise in specific functional areas	• Domain knowledge in Agricultural Tractors and Construction Vehicles and equipment components industry • Strategy and Planning • Business Management • Human Resources and Industrial Relations • Technology and Research and Development
Relationship with Directors, Key Managerial Personnel of the Company	None
Directorship in other Indian listed companies as on 31st March, 2025	None
Membership/ Chairmanship of Committees as on 31st March, 2025	Corporate Social Responsibility Committee – Member
Memberships / Chairmanship of Committees of other companies as on 31st March, 2025	None
Shareholding in the Company	Nil
Attendance at the Board meetings held during the financial year 2024-25	11 meetings of the Board were held and Mr. Sudhendra Mannikar attended all of them.
Proposed Remuneration	As mentioned in the resolution forming part of this Notice at item no. 10
Remuneration drawn in the financial year 2024-25	₹ 27.04 Million
Terms and conditions of re-appointment	It is proposed to re-appoint Mr. Sudhendra Mannikar as the WTD-COO of the Company for a period of 3 Years 4 Months and 25 Days commencing from 15th March, 2026 up to and including 8th August, 2029, not liable to retire by rotation. He shall be entitled to remuneration as approved by the Members of the Company and as per the terms and conditions detailed in item no. 10 of this Notice.
Listed entities from which Mr. Sudhendra Mannikar has resigned as Director in the past three years	None

Mr. Sudhendra Mannikar is not disqualified from being appointed as the Director in terms of Section 164 of the Act and he is not debarred from holding the office of director pursuant to any order of SEBI or of any such other regulatory authority.

Except Mr. Sudhendra Mannikar, WTD-COO, none of the directors or key managerial persons or their relatives, is concerned or interested, financial or otherwise, in the resolution.

In view of the foregoing, the Board recommends the **Ordinary Resolution** set out at Item No. 10 for the approval of the Members.

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ITEM NO.11

Appointment of M/s. Mehta & Mehta, Practicing Company Secretaries as the Secretarial Auditor of the Company.

Pursuant to the amended provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as introduced vide SEBI Notification dated 12th December, 2024 and provisions of Section 204 of the Companies Act, 2013 ("Act") and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), the Audit Committee and the Board of Directors of the Company ("Board") at their respective meetings held on 27th May, 2025 have recommended the appointment of M/s. Mehta & Mehta, Peer Reviewed Firm of Practicing Company Secretaries (Peer Review Certificate Number - 3686/2023) as the Secretarial Auditor of the Company for a term of five consecutive financial years, on following terms and conditions:

a) Professional fee and scope of services:

Professional fees for the below mentioned scope of services excludes applicable taxes and other out-of-pocket expenses for the financial year 2025-26 and for subsequent financial year(s) of their term, at such fee as may be determined by the Board.

Sr. No.	Scope of services	Amount (₹)
1	**Audit support**	
i	Secretarial Audit under Companies Act, 2013 ("Act")	150,000
ii	Annual Certificate in Form MGT-8	15,000
iii	Annual Secretarial Compliance Report under Regulation 24A of the Listing Regulations	20,000
iv	Annual certificate of non-disqualification of directors	15,000
v	Each Scrutiniser's Report per event for AGM, EGM or Postal Ballot	12,000
2	**Quarterly Report on Reconciliation of Share Capital Audit**	
i	For the quarter ending on:	
	a. 30th June, 2025	12,000
	b. 30th September, 2025	12,000
	c. 31st December, 2025;	12,000
	d. 31st March, 2026	12,000

The above proposed fee for scope of services is based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmark. The fees for services in the nature of certifications and other professional work will be in addition to the secretarial audit fee as above and will be determined by the Board in consultation with the Secretarial Auditor and as per the recommendations of the Audit Committee.

It is recommended that the Board be authorised to decide the remuneration and, alter and vary the terms and conditions thereof, arising out of increase in their scope of work on account of amendments to the applicable Secretarial Standards or the Listing Regulations or any other regulatory amendment(s).

b) Terms of appointment:

For five consecutive financial year(s) from 1st April, 2025 to 31st March, 2030.

The letter of engagement specifying the detailed terms of appointment shall be finalised by the Managing Director and / or the Company Secretary of the Company as authorised by the Board.

c) Basis of recommendation for appointment:

The recommendation is based on the fulfilment of the eligibility criteria and qualification prescribed under the Act, the Rules and the Listing Regulations, with regard to the Firm, Secretarial Audits handled, experience, capability, independent assessment and the audit experience.

d) Credentials:

M/s. Mehta & Mehta, Corporate Legal firm has been promoted by Mr. Atul Mehta, Fellow member and Past President of The Institute of Company Secretaries of India ("ICSI") and Mrs. Dipti Mehta who is also a fellow member of the ICSI. The firm specialises in Secretarial, Management, Strategizing, Finance, Legal, Compliance etc. It is registered with ICSI and brings over 25 years of experience in delivering, providing wide range of corporate legal services. The firm is based in Mumbai and have PAN India level presence. It also holds a valid Peer Review Certificate issued by ICSI.

Ms. Ashwini Mohit Inamdar, Partner of M/s. Mehta & Mehta has given consent to act as the Secretarial Auditor of the Company and has confirmed that the proposed appointment would be within the prescribed limits under the ICSI Auditing Standards on Secretarial Audit and the Listing Regulations. She has further confirmed that the firm is not disqualified from being appointed as the Secretarial Auditor of the Company.

The Board recommends the **Ordinary Resolution** set out at item no. 11 of the Notice for the approval of the Members.

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None of the Directors and / or Key Managerial Personnel of the Company and / or their relatives are deemed to be concerned or interested in the said resolution.

ITEM NO. 12

Ratification of remuneration to M/s Adawadkar Deshmukh & Associates (FRN: 000421), Cost Auditors of the Company for financial year ending 31st March, 2026.

Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 ("Audit Rules") provides for:

- appointment of Cost Accountant in practice, to conduct audit of cost records of a company, by the board of directors on the recommendation of the audit committee; and
- ratification of remuneration payable to him by the members of the Company.

In terms of the aforesaid provisions, the Board of Directors of the Company ("Board"), at its meeting held on 27th May, 2025 and upon the recommendation of the Audit Committee, has approved the appointment of M/s Adawadkar Deshmukh and Associates (FRN:000421), a practicing firm of Cost Accountants, as the Cost Auditors of the Company for the financial year 2025-26. The remuneration fixed for their appointment is ₹ 3,40,000/- (Rupees Three Lakh Forty Thousand Only) excluding applicable taxes and reimbursement of out-of-pocket expenses, at actuals.

The said appointment is for cost audit of the business activities of the Company, covered under CTA Heading 8483 and 8431, for the financial year 2025-26.

M/s Adawadkar Deshmukh & Associates, firm of practicing Cost Accountants based in Pune with two partners, serving clients across India and having over 13 years of experience in this field. The firm has strength of 15 associates including 5 qualified Cost Accountants, Oracle & SAP Certified consultants.

The firm is having the service portfolio covering Cost Audit, Developing and strengthening costing system, cost management, Profitability improvement projects and Corporate governance and internal audit etc.

In terms of Rule 14 of the Audit Rules, the Members are requested to consider and ratify the remuneration payable to M/s Adawadkar Deshmukh & Associates, as mentioned in the resolution at item no. 12 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and / or their relatives are, in any manner, concerned or interested in the said resolution.

In view of the foregoing, the Board recommends the **Ordinary Resolution** set out at item no. 12 of the Notice for approval of the Members.

ITEM NO. 13

Approve material related party transaction(s).

The provisions of the SEBI Listing Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective 1st April, 2022, mandates prior approval of members by means of an ordinary resolution for all material related party transactions and subsequent material modifications as defined by the audit committee, even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis. Effective from 1st April, 2022, a transaction with a related party shall be considered as material if the transaction(s) to be entered into, either individually or taken together with previous transactions during a financial year, whether directly, exceed(s) ₹1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower. The amended Regulation 2(1)(zc) of the SEBI Listing Regulations has also enhanced the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged or not.

In furtherance of its business activities, the Company have entered into / will enter into transactions / contract(s) / agreement(s) / arrangement(s) with related parties in terms of Regulation 2(1)(zc) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") as mentioned below, on mutually agreed terms and conditions, and the aggregate of such transaction(s), are expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions proposed to be undertaken by the Company. All the said transactions shall be in the ordinary course of business of the Company and on an arm's length basis.

All related party transactions are undertaken after obtaining prior approval of the Audit Committee. All related party transactions have been unanimously approved by the Audit Committee after satisfying itself that the related party transactions are at arm's length and in the ordinary course of business. The Audit Committee of the Company reviews

ANNEXURE TO THE NOTICE (CONTD.)

on a quarterly basis, the details of all related party transactions entered into by the Company during the previous quarter, pursuant to its approvals. The related party transactions between the Company and its subsidiaries and their related parties are approved by the audit committees consisting of a majority of independent directors.

The below referred related party transactions with related parties shall also be reviewed/ monitored by the Audit Committee of the Company as per requirements of the Listing Regulations and the Act and shall remain within the limits as approved by the members. Any subsequent material modifications in the proposed transactions, as defined by the Audit committee forming part of Company's policy on related party transactions shall be placed before the members for approval, in terms of Regulation 23(4) of the Listing Regulations.

Information required under Regulation 23 of the Listing Regulations read with SEBI Circular dated 22nd November, 2021 in respect of all such related parties are provided herein below:

Details of related Party transactions:

Sl no	Description	Details of the Related Party Transaction
a	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Carraro Drive Tech Italia S.p.A. ("CDTI") is a wholly-owned subsidiary of Carraro SpA, which is the ultimate parent company of the Company and is a Related Party of the Company, forming part of Company's Promoter Group. CDTI is a leader in driveline business within Carraro Group and is an Italy based company operating in the business of manufacturing and selling including undertaking sale of manufactured goods i.e., axles, clutches, transmissions, drives and related components etc.
b	Type, nature, material terms and particulars of the proposed transactions/ contracts or arrangements	The Company undertakes the sale of manufactured goods to CDTI in accordance with the intercompany contract manufacturing agreement entered into on 1st April, 2022. The above transaction is carried out on arm's length basis and is based on cost plus pricing mechanism. The pricing of products is determined in a manner that ensures to the Company, an arm's length profitability in line as per range of benchmarks.
c	Tenure of the proposed transaction (particular tenure shall be specified)	Approval of the members is being sought for the transactions to be undertaken during the financial year 2025-26.
d	Value of the proposed transaction (monetary value)	The Company estimates that the monetary value to be up to ₹ 915.976 Crore for the financial year 2025-26.
e	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally pro-vided)	The transaction value represents 50.67% of the annual consolidated turnover of the Company for the financial year 2024-25.
f	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
	details of the source of funds in connection with the proposed transaction;	Not Applicable
	where any financial indebtedness is incurred to make or give loans, inter- corporate de-posits, advances or investments: nature of indebtedness; cost of funds; and tenure;	Not Applicable
	the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the related party transaction	Not Applicable
	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured, the nature of security;	Not Applicable

ANNEXURE TO THE NOTICE (CONTD.)

Sl no	Description	Details of the Related Party Transaction
g	Justification as to why the RPT is in the interest of the listed entity	The Company is engaged in the manufacture and sale of axles and transmission systems for off-highway vehicles for agricultural tractors, construction vehicles and other high value markets such as industrial and automotive markets and related components. CDTI is a leader in driveline business within Carraro Group. CDTI in its principal role is responsible for sourcing and management of international customers of Carraro Group, which include large global Original Equipment Manufacturers. CDTI provides all the know-how, instructions and information required for manufacturing of the products in line with CDTIs quality levels to the Company. The Company has had a legacy arrangement with its related party i.e., CDTI and pursuant to this legacy arrangement, Carraro India Limited had entered into a "Contract Manufacturing" setup, wherein the Company manufactures and sells axles, transmission systems and related components CDTI. This arrangement has been significantly contributing to the revenues and foreign exchange earnings of the Company, for the past several years. In view of such arrangement being beneficial to the Company in the long-term ensuring fulfilment of its growth objectives and vision of being industry leader, it is proposed to seek approval of the Members for Related Party Transactions entered/to be entered into between the Company and its related party i.e., CDTI, to enable this growth.
h	A copy of the valuation or other external party report, if any such report has been relied upon	The profitability of the transaction is in line with arm's length standard documented in the transfer pricing documentation maintained by the Company.
i	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	The following Non-executive directors of the Company, namely Mr. Tomaso Carraro, Mr. Enrico Gomiero, and Mr. Andrea Conchetto are also the directors on the Board of CDTI. Each of their interest or concern or that each of their relative(s), is limited only to the extent of them holding directorship position in the Company and CDTI.
j	Any other information that may be relevant	Please refer our policy on related party transactions as available on the Company's official website: https://www.carraroindia.com/investors/corporate-governance/policies

Except, Mr. Tomaso Carraro, Mr. Andrea Conchetto and Mr. Enrico Gomiero, Non-Executive (Non-Independent) Directors, none of the directors or key managerial persons or their relatives is concerned or interested, financial or otherwise, in the resolution.

Based on the approval of the Audit Committee, the Board recommends passing of the resolution under Item No. 13 as an **Ordinary Resolution**.

The Members may note that in terms of the provisions of the Listing Regulations, no Related Party shall vote on the Ordinary Resolution set forth at Item No. 13 of the Notice, whether the entity is a Related Party to the particular transaction(s) or not.

ANNEXURE TO THE NOTICE (CONTD.)

ITEM NO. 14

Approval of remuneration payable to the Non-Executive (Non-Independent) Directors of the Company.

In the Twenty Seventh (27th) Annual General Meeting ("AGM") of the Company held on 20th August, 2024, the Shareholders of the Company:

a. in accordance with the provisions of Sections 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder, basis the recommendation of the Nomination and Remuneration Committee ("NRC") and approval of the Board, in their meeting held on 16th August, 2024 & 19th August, 2024, respectively,

   i. increased the overall limit of maximum remuneration payable to the Directors of the Company (including, Managing Director and Whole-time Directors) from 11% to 25% of the net profits of the Company without any restriction on individual limit(s) on the remuneration payable to any of the Managerial Personnel by way of Special Resolution; and

   ii. increased the overall limit of maximum remuneration payable to the Directors (other than Managing Director and Whole-time Directors) from 1% to 10% of the net profits of the Company by way of Special Resolution;

b. approved the following remuneration to the Non-Executive (Non-Independent) Directors of the Company for the financial year 2024-25, by way of Special Resolution:

Name of Director	Fees#
Tomaso Carraro	Euro 65,500* per annum
Andrea Conchetto	Euro 60,000* per annum
Enrico Gomiero	Euro 50,000* per annum

** Payable proportionately on the last day of the salary month in ₹ based on the proportionate forex value as on that date.*

 # Inclusive of (i) sitting fees payable to such Directors, not exceeding ₹ 0.1 Million for each meeting of the Board and committees thereof, attended by such Director, in accordance with the applicable provisions of the Companies Act, 2013, read with rules and regulations notified thereunder; and (ii) management fees payable to such Directors.

The Nomination and Remuneration Policy of the Company, requires the Board to recommend all fees or remuneration payable to Non-Executive Directors which further requires approval of the Shareholders in general meeting. In terms of Regulation 23(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2025 ("Listing Regulations"), though not material, the Audit Committee of the Company at its meeting held on 05th August, 2025, approved the proposed remuneration of Mr. Tomaso Carraro, Vice-Chairman, Non-executive Director and Promoter of the Company, for financial year 2025-26. The Board of Directors in its meeting held on 05th August, 2025 had decided to be consistent with the remuneration of Non-Executive (Non-Independent) Directors with that of previous financial year 2024-25. Accordingly, the following remuneration (by way of commission and/or sitting fees or any other permissible mode, as the case may be) to Non-Executive (Non-Independent Directors) of the Company for financial year 2025-26 is proposed for the approval of Shareholders:

Name of Director	Fees#
Mr. Tomaso Carraro	Euro 65,500* per annum
Mr. Andrea Conchetto	Euro 60,000* per annum
Mr. Enrico Gomiero	Euro 50,000* per annum

** Payable bi-annually i.e. on or after 30th September and 31st March, in ₹ based on the proportionate forex value as on end of aforesaid dates.*

 # Inclusive of (i) sitting fees payable to such Directors, not exceeding ₹ 0.1 Million for each meeting of the Board and committees thereof, attended by such Director, in accordance with the applicable provisions of the Companies Act, 2013, read with rules and regulations notified thereunder; and (ii) management fees payable to such Directors.

Further, the Board seeks approval of the Shareholders for delegating authority to the Board to fix the remuneration payable to Non-executive (Non-independent) Directors of the Company from time to time, without any restriction on individual limit(s) on the remuneration payable to any of the Non-Executive (Non-Independent) Directors, subject to and within the overall limits (approved by the Members of the Company at their 27th Annual General Meeting held on 20th August, 2024, unless modified), of the net profits of the Company in any financial year.

Accordingly, the Board recommends the passing of the resolution under Item no. 14 as an **Ordinary Resolution**.

Except Mr. Tomaso Carraro, Mr. Andrea Conchetto and Mr. Enrico Gomiero, Non-Executive (Non-Independent) Directors, none of the directors or key managerial persons or their relatives is concerned or interested, financial or otherwise, in the resolution.

ITEM NO. 15

Approval of remuneration payable to the Independent Directors of the Company.

In the Twenty Seventh (27th) Annual General Meeting ("AGM") of the Company held on 20th August, 2024, the Shareholders of the Company:

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a. in accordance with the provisions of Sections 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder, basis the recommendation of the Nomination and Remuneration Committee ("NRC") and approval of the Board, in their meeting held on 16th August, 2024 & 19th August, 2024, respectively,

   i. increased the overall limit of maximum remuneration payable to the Directors of the Company (including, Managing Director and Whole-time Directors) from 11% to 25% of the net profits of the Company without any restriction on individual limit(s) on the remuneration payable to any of the Managerial Personnel by way of Special Resolution; and

   ii. increased the overall limit of maximum remuneration payable to the Directors (other than Managing Director and Whole-time Directors) from 1% to 10% of the net profits of the Company by way of Special Resolution;

b. approved the following sitting fees & profit-linked commission to the Non-Executive (Independent) Directors of the Company for the financial year 2024-25, by way of Special Resolution:

Name of Director	Sitting fees and profit-linked commission#
Ettore Francesco Sequi	Euro 80,000* per annum
Uma Mandavgane	Euro 80,000* per annum
Kishore Saletore	Euro 80,000* per annum

** Payable proportionately on the last day of the salary month in ₹ based on the proportionate forex value as on that date.*

 # Inclusive of (i) sitting fees payable to such Directors, not exceeding ₹ 0.1 Million for each meeting of the Board and committees thereof, attended by such Director, in accordance with the applicable provisions of the Companies Act, 2013, read with rules and regulations notified thereunder; and (ii) profit-linked commission which shall be 2% of net profits of the Company for the respective financial year, in accordance with Sections 149 and 197 of the Companies Act, 2013, and other applicable law.

The Nomination and Remuneration Policy of the Company, requires the Board to recommend all fees or remuneration payable to Non-Executive Directors which further requires approval of the Shareholders in general meeting. The Board of Directors in its meeting held on 5th August, 2025 had decided to be consistent with the remuneration of Non-Executive (Independent) Directors with that of previous financial year 2024-25. Accordingly, the following remuneration (by way of commission and/or sitting fees or any other permissible mode, as the case may be) to Non-Executive (Independent) Directors of the Company for financial year 2025-26 is proposed for the approval of Shareholders:

Name of Independent Director	Sitting fees and profit-linked commission#
Mr. Ettore Francesco Sequi	Euro 80,000* per annum
Mrs. Uma Mandavgane	Euro 80,000* per annum
Mr. Kishore Saletore	Euro 80,000* per annum

** Payable bi-annually i.e. on or after 30th September and 31st March, in ₹ based on the proportionate forex value as on end of aforesaid dates.*

 # Inclusive of (i) sitting fees payable to such Directors, not exceeding ₹ 0.1 Million for each meeting of the Board and committees thereof, attended by such Director, in accordance with the applicable provisions of the Companies Act, 2013, read with rules and regulations notified thereunder; and (ii) profit-linked commission which shall be 2% of the net profits of the Company for the respective financial year, in accordance with Sections 149 and 197 of the Companies Act, 2013, and other applicable law.

Further, the Board seeks approval of the Shareholders for delegating authority to the Board to fix the remuneration payable to Non-executive (Independent) Directors of the Company from time to time, during each of independent director's remaining term, subject to and within the overall limits (approved by the Members of the Company at their 27th Annual General Meeting held on 20th August, 2024, unless modified), of the net profits of the Company in any financial year.

Accordingly, the Board recommends the passing of the resolution under Item no. 15 as an **Ordinary Resolution**.

Except Mr. Ettore Francesco Sequi, Mrs. Uma Mandavgane and Mr. Kishore Saletore, Non-Executive (Independent) Directors, none of the directors or key managerial persons or their relatives is concerned or interested, financial or otherwise, in the resolution.

By Order of the Board of Directors

Nakul Shivaji Patil
Company Secretary and Compliance Officer
Membership No.: A39990

Date: 5th August, 2025
Place: Pune

ANNEXURE TO THE NOTICE (CONTD.)

Route Map of the 28th AGM Venue



CARRARO INDIA LIMITED

(Formerly Carraro India Private Limited)
CIN: L52609PN1997PLC132629
Regd. Office: B 2/2, MIDC Ranjangaon, Pune – 412220, Maharashtra, India
Phone No. +91 2138 662666
Website: www.carraroindia.com || E-mail: secretarial_india@carraro.com

ATTENDANCE SLIP

(To be presented at the entrance of the AGM Venue)

I/We hereby record my / our presence at the Twenty Eighth (28th) Annual general Meeting ("AGM") of the Company on Thursday, the 11th day of September, 2025 at 11:00 A.M. (IST) at The Edge, Second Floor, Hyatt Pune, Kalyani Nagar, 88 Nagar Road (Adj. Aga Khan Palace), Pune - 411006, Maharashtra, India.

DP ID No.	Client ID No.
Name of the Member:	
Signature:	
Name of the Proxy holder:	
Signature:	

1. Only Member / Proxy holder can attend the AGM.
2. Member / Proxy holder should also bring a valid photo identity (i.e. PAN, Voter ID, AADHAR etc.) for identification purpose.

CARRARO INDIA LIMITED

(Formerly Carraro India Private Limited)
CIN: L52609PN1997PLC132629
Regd. Office: B 2/2, MIDC Ranjangaon, Pune – 412220, Maharashtra, India
Phone No. +91 2138 662666
Website: www.carraroindia.com || E-mail: secretarial_india@carraro.com

PROXY FORM [MGT-11]

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): .....

Registered Address:.....

E-mail ID .....

DP ID No. ..... Client ID No. .....

I / We, being the member(s) of Carraro India Limited holding _____ equity shares having face value ₹ 10 each, hereby appoint:

1 Name: ..... E-mail: .....

Address: .....

Signature: .....

Or failing him/her

2 Name: ..... E-mail: .....

Address: .....

Signature: .....

Or failing him/her

3 Name: ..... E-mail: .....

Address: .....

Signature: .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty Eighth (28th) Annual General Meeting ("AGM") of the Company to be held on Thursday, the 11th day of September, 2025 at 11:00 A.M. (IST) at The Edge, Second Floor, Hyatt Pune, Kalyani Nagar, 88 Nagar Road (Adj. Aga Khan Palace), Pune - 411006, Maharashtra, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended 31st March, 2025, together with the reports of the Board of Directors ("the Board") and Auditor's thereon.
2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended 31st March, 2025, together with the report of Auditor's thereon.
3. To declare a final dividend on 56,851,538 equity shares of the Company at the rate of ₹ 4.55/- per equity share of face value of ₹ 10 each (45.50%) fully paid up, for the financial year ended 31st March, 2025.
4. To appoint a director in place of Mr. Tomaso Carraro (DIN: 00592312), 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 a director in place of Mr. Enrico Gomiero (DIN: 00588074), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

6. Annual revision in remuneration payable to Dr. Balaji Gopalan (DIN: 07108093), Managing Director of the Company.
7. Annual revision in remuneration payable to Mr. Sudhendra Mannikar (DIN: 07483321), Whole-Time Director and Chief Operating Officer of the Company.
8. Annual revision in remuneration payable to Mr. Davide Grossi (DIN: 10252992), Whole-Time Director and Chief Financial Officer of the Company.
9. Re-appointment of Dr. Balaji Gopalan (DIN: 07108093) as the Managing Director of the Company.
10. Re-appointment of Mr. Sudhendra Mannikar (DIN: 07483321), as the Whole-Time Director and Chief Operating Officer of the Company.
11. Appointment of M/s. Mehta & Mehta, Practicing Company Secretaries as Secretarial Auditor of the Company.
12. Ratification of remuneration to M/s Adawadkar Deshmukh & Associates (FRN: 000421), Cost Auditors of the Company for financial year ending 31st March, 2026.
13. Approve material related party transaction(s).
14. Approval of remuneration payable to the Non-Executive (Non-Independent) Directors of the Company.
15. Approval of remuneration payable to the Independent Directors of the Company.

Signed this ..... day of ....., 2025

Signature of Member .....

Affix Revenue Stamp

Signature of Proxy holder(s) .....

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at B 2/2, MIDC Ranjangaon, Pune – 412220, Maharashtra, not less than 48 hours before the commencement of the 28th AGM.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip / Proxy form.

CARRARO India

Carraro Drives **Energy**

Carraro India Limited

Annual Report 2024-25

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For more investor related information, please visit:

https://www.carraroindia.com/investors/financial-information/annual-reports

Scan this QR code to navigate investor-related information

Investor Information

Market Capitalisation 31st March, 2025	₹ 1,757.9967 Crore
CIN	L52609PN1997PLC132629
BSE Code	544320
NSE Symbol	CARRARO
Final Dividend Recommended	₹ 4.55/- per Equity Share
AGM Date	11th September, 2025
AGM Venue	The Edge, Second Floor, Hyatt Pune, Kalyani Nagar, 88 Nagar Road (Adj. Aga Khan Palace), Pune - 411 006

Disclaimer

This document contains statements about expected future events and financials of Carraro India 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.

Carraro Drives **Energy**

At Carraro India, energy is not merely transmitted but transformed, driving progress through every idea, system, and solution. The theme 'Carraro Drives Energy', which is also the motto used by Carraro at the Group level to describe its activities, reflects the Company's commitment to innovation, precision engineering, sustainability, empowered teams, and a future-ready manufacturing ecosystem.

Innovation is pursued with intent, integrating advanced technologies to enhance off-highway mobility. Customer-focussed solutions are developed in collaboration with OEMs, resulting in smarter, adaptable driveline assemblies. The Company's progress is powered by individuals who embrace responsibility and continuous learning. Carraro is also committed to sustainability, developing electric driveline solutions and enhancing energy-efficient operations. Strategic presence on shop floors and global platforms ensures that the Company converts intent into measurable impact. 'Carraro Drives Energy' is a mindset that powers intelligent machines and fosters lasting progress.

Chairman's Message

Message from the Chairman



Carraro India is evolving, from a trusted components manufacturer to a key transmission systems player in the transformation of mobility for agriculture and construction equipment.

Dear Shareholders,

This is a moment of great pride for me personally and for Carraro India as we take a landmark step forward in our journey. It is a privilege to connect with you, our valued shareholders, for the first time through this message following our successful listing on the Indian stock exchanges. I would like to extend my heartfelt thanks to all our shareholders and stakeholders for their support in making our Initial Public Offering a success. I also take this opportunity to express sincere gratitude to all the investors who placed their trust in us and participated in the IPO. This milestone is not only a reflection of our belief in India's growth story but also a reflection of our vision, capabilities, and long-term commitment. Carraro India is steadily evolving from being a trusted components manufacturer to becoming a key enabler in the transformation of mobility for agriculture and construction equipment. Through continuous product innovation, operational excellence, and enduring customer relationships, we are building a strong foundation as a global engineering partner and a growth-driven Indian enterprise.

Global Overview

As we step into this new transformational journey, we do so with a keen awareness of the global macroeconomic environment and its implications. According to the IMF, global GDP is projected to expand by around 3.0% in 2025, reflecting a steady yet uneven recovery supported by resilient consumption, easing inflation, and renewed investment-led growth. Growth prospects remain varied: advanced economies are expected to see modest expansion, generally below 2%, as they navigate tighter monetary policy and heightened geopolitical tensions—including regional conflicts and shifting trade alliances. In contrast, emerging markets continue to drive global growth, with India notably projected at 6.5%. While monetary policy remains tight in many regions, improving supply chains and rapid digital adaptation are providing stability across key sectors. Despite ongoing uncertainties in global trade and energy markets, there is optimism that industrial and infrastructure-driven economies are well-positioned to seize new opportunities in this dynamic landscape.

A Strong Foundation for Manufacturing and Innovation

India remains a bright spot in the global economy. With GDP projected to grow at 6.5% in 2024–25, the country is making steady strides in strengthening its industrial foundation and scaling its digital ecosystem. The Government's focus on self-reliance, infrastructure development, and investment-led incentives is enhancing the competitiveness of domestic manufacturing.

For Carraro India, this creates a compelling landscape to grow with scale, improve local value addition, and support OEMs across the agricultural and construction segments. The policy tailwinds are aligned with our core strengths in engineering, production, and localisation.

Strengthening Our Core Business

Carraro India has built a strong presence as a Tier 1 supplier of axles, transmissions, and gears for agricultural and construction equipment. We hold a leadership position in the non-captive segment of agricultural tractor drivelines/transmissions systems and have a 60–65% share in the non-captive construction vehicle drivelines/transmission systems market. In 2024–25, we further strengthened this position, supported by high-capacity utilisation, steady domestic demand, and improved operational efficiencies. Our full-year total income stood at ₹ 18,234 Million, with EBITDA of ₹ 1,864 Million and PAT of ₹ 881 Million. This performance reflects sustained margin improvement, prudent cost management, and increased localisation, which reached 77% during the year. We continued to meet customer expectations, uphold stringent quality standards, and earned recognitions from marquee OEMs—reinforcing our commitment to manufacturing excellence and enduring partnerships.

Driving Innovation and Product Expansion

At Carraro India, our long-standing expertise in transmission systems and driveline integration continues to be the foundation of our engineering excellence. Today, we are reimagining these core capabilities to drive the future of mobility and off-highway applications. As the industry undergoes a fundamental shift, led by electrification, modular platforms, and digital control systems, we are evolving in parallel, adapting proven technologies to meet the complex demands of tomorrow. During the year, we successfully developed and piloted a high-horsepower (>100 HP) transmission for a global OEM—an important step forward in advancing next-generation drivetrain capabilities.

This future-focussed mindset is enabling us to stay ahead of the curve, not just by upgrading existing solutions, but by architecting entirely new ones. Our robust R&D ecosystem plays a central role in this evolution, equipping us to deliver cutting-edge, high-performance systems that balance efficiency, intelligence, and adaptability.

By pairing our legacy of precision engineering with forward-looking innovation, Carraro India is uniquely positioned to lead the transition from conventional to next-generation driveline solutions. Its entry into high-potential segments such as tele-boom handlers—through a landmark contract with a leading global OEM—is driving scale and global relevance. With volumes projected to rise from 6,000 axles in 2024–25 to over 14,500 in the next three years, supported by phased plant expansion, this platform is set to generate over ₹ 300 Crore in revenue and contribute margin-accretive growth over the medium term.

Scaling with Focus

Scaling, for us, is not about chasing volume, it is about building selectively, strengthening where we are advantaged, and deepening where we see enduring value. In India, we are expanding within high-potential applications such as 4WD agricultural tractors, high-HP transmissions, and compact construction vehicles, while driving operating leverage through better asset utilisation. We are also ramping up customer programmes in emerging product lines such as tele-boom handlers, which offer long-term growth potential and higher value realisation.

On the cost front, we are focussed on increasing localisation beyond the 77% achieved in 2024–25 by targeting high-runner components for value engineering. These actions support our medium-term aspiration towards achieving over ₹ 3,500 Crore in revenue and expanding EBITDA margins by 1% annually over next 3-4 years is already well underway.

While global demand has been uneven, we are cautiously optimistic on exports and have already secured new projects that will contribute over the next few years. As sourcing strategies evolve, our role as a cost-efficient, technology-led supplier from India positions us well to scale our international business in a focussed, capital-disciplined manner.

Gratitude to Our People and Partners

These achievements have only been possible because of the dedication of our employees, the partnership of our customers, and the trust of our shareholders. I thank each one of you for the role you have played in helping Carraro India grow into the company it is today.

A Note of Thanks

To our shareholders, especially those who joined us during the IPO, I express my deepest appreciation. Your trust is a responsibility we take seriously. In our very first year as a publicly listed company, the Board has recommended a dividend of ₹4.55 per equity share, translating to a pay-out ratio of approximately 30%. This reflects our intent to balance rewarding shareholders with reinvesting for future growth. We aim to maintain this level of pay-out in the foreseeable future, in line with our disciplined capital allocation approach. As we step into this new chapter, we remain committed to building a business that delivers value consistently and a brand that reflects trust, innovation, and long-term relevance.

Warm Regards,

Mr. Ettore Francesco Sequi
Chairman of the Board (Independent Director)

Vice Chairman's Message

Message from the Vice-Chairman & Promoter



At Carraro India, our vision is to be the trusted technology partner for the world's leading OEMs, driving the future of mobility with innovative, reliable, and sustainable solutions.

Dear Shareholders,

As I reflect on Carraro India's journey, I am filled with pride, not just in what we have achieved, but in how we have achieved it. Over nearly three decades, Carraro India has grown from a manufacturing base to a critical part of our Group's global footprint. Today, it represents our most successful integration of innovation, operational excellence, and local leadership.

The past year, culminating in our IPO and entry into the Indian capital markets, has reaffirmed our commitment to transparency, growth, and stakeholder alignment. But beyond the numbers, this moment is a recognition of the trust placed in us by customers, employees, partners, and now, a broad base of Indian shareholders.

Vision Rooted in Relevance

At Carraro India, our vision is to be the trusted technology partner for the world's leading OEMs, driving the future of mobility with innovative, reliable, and sustainable solutions. We aspire to set benchmarks in engineering excellence, product quality, and customer satisfaction, ensuring that our products empower progress in agriculture, construction, and beyond. As the global landscape evolves, we remain committed to anticipating market needs, embracing emerging technologies, and delivering value that stands the test of time.

Values That Drive Everything We Do

At Carraro, our values are not corporate slogans. They define how we operate, how we think, collaborate, and deliver. Integrity and fairness shape our relationships. Collaboration drives us to co-create with customers. And quality is never optional — it is embedded in our processes, our mindset, and our culture.

We take pride in how deeply our India team has embraced this ethos. From the transfer of exclusive IP rights to Carraro India, to embedding application engineering at the design stage, we have built a model where local capabilities stand shoulder to shoulder with global benchmarks. This commitment has earned us the trust of global OEMs and the privilege of long-standing partnerships.

Innovation with Intent

Our R&D centre, now a wholly owned subsidiary, has evolved into the innovation nucleus of Carraro India. It brings together experimentation, digital tools, and deep domain expertise to engineer the future of mobility. It supports every stage of the development journey, from concept design and digital validation to application engineering and prototype realisation.

Our progress is powered by the commitment of our 1,600 employees. It is reinforced by the trust of our OEM customers, many of whom have partnered with us for over a decade.

In 2024–25, this innovation engine delivered several breakthrough products. The TBH Axles 46.XX series reimagined axle performance for teleboom handlers. The AG Evo Transmissions responded to the growing demand for higher horsepower tractors. Most notably, 'THE' transmission, purpose-built for electric applications, marked our strategic entry into clean, smart mobility solutions.

We are also expanding the scope of our engineering capability. By entering the engineering services space, we are now co-developing solutions with OEMs. A recently signed major development contract exemplifies this shift, where our R&D capabilities are being used to transform customer visions into real-world, ready-to-market innovations.

At Carraro, R&D isn't an isolated function; it's a mindset. One that fuels progress, enables agility, and keeps us firmly geared for what's next.

Expanding Possibilities with Responsibilities

As equipment demand grows, so do expectations for cost, performance, and sustainability. Carraro India is responding to this challenge with sharper execution, increased localisation, and deeper reliability across our product portfolio. We are expanding into segments such as teleboom handlers and widening our customer base in both domestic and export markets. These moves are guided by strategic alignment and a focus on long-term relevance.

Carraro Social Responsibility (CSR)

At Carraro Group in general and Carraro India in particular, there's a strong belief that environment does not adapt to human activity; rather, all actions in business must mould around the planet and there is an urgent need to share resources at a global level. A 'sustainable growth' in the industry does not mean to talk merely about the production phase but rather about a comprehensive overview of all activities within the business, starting with product development which, from the outset, must consider the scarcity of resources.

From the 'social' standpoint, CSR is not a simple programme, but it has to be what people in a business organisation do every day i.e. maximising positive impact and minimising negative impact on society. At Carraro India, CSR must evolve from being engaged in passive philanthropy to corporate community investments, which take the form of a social partnership initiative creating value for stakeholders.

A Shared Journey of Growth

Our progress is powered by the commitment of our 1,600 employees. It is reinforced by the trust of our OEM customers, many of whom have partnered with us for over a decade. And it is enabled by a resilient supply network that continues to deliver in a dynamic environment. To each of you, I offer my sincere gratitude.

To our new shareholders, I extend a warm welcome. Your belief in Carraro India means a great deal. The IPO was more than a milestone. It was a shared step towards the future we are building together.

Looking Ahead

Carraro India is ready for its next phase of growth. The world around us is shifting, technology is advancing, supply chains are evolving, and expectations are rising.

We are responding with purposeful investment, disciplined scale-up, and a deep focus on what customers and markets truly need. Our ambition remains clear: to lead through innovation, deliver uncompromising quality, and create lasting value for every stakeholder.

Warm Regards,

Mr. Tomaso Carraro
Vice Chairman & Promoter

MD's Message

Managing Director's Message



In a year marked by global transformation and local opportunities, Carraro India has strengthened its position as a technology-driven partner for OEMs worldwide. With a focus on advanced driveline solutions, deep localisation, and responsible growth, we continue to deliver value through innovation, operational excellence, and a commitment to all our stakeholders.

Dear Esteemed Stakeholders,

This past year has been one of renewed momentum and purposeful progress at Carraro India. As industries around the world navigated volatility and transformation, we remained focussed on what has always set us apart, precision engineering, deep-rooted partnerships, and a shared energy that drives us forward. This spirit is captured in the theme that defines our journey today: Carraro Drives Energy. It reflects not only the physical energy we transmit through our high-performance transmission systems, but also the inner drive that powers our people, our innovation, and our ambition to shape the future of mobility. Whether it is through our growing portfolio of electric and hydrostatic solutions, or our expanding role as a co-development partner to global OEMs, we are engineering not just movement—but momentum, with intent and impact.

Global Overview

The global economy in 2024–25 was seen navigating a complex, yet gradually stabilising environment. The International Monetary Fund projected global growth at 3.0%, with advanced economies growing at 1.8% and emerging markets leading the momentum. While inflationary pressures have eased in many regions, some risks remain, alongside ongoing supply chain adjustments and shifting trade alliances. Nevertheless, signs of normalisation are becoming more evident, supported by improved consumer demand, stronger energy dynamics, and a global shift towards green industrial investments.

For the mobility sector, the implications are structural. Electrification, digital integration, autonomous systems, and sustainability targets are re-shaping how OEMs design, build, and source components. In this environment, companies that offer agility, localisation, and product innovation are emerging as preferred partners. Carraro India is well-positioned to meet this evolving demand.

India's Growth Story: Resilient, Reform-Focussed, Ready

India reaffirmed its position as the world's fastest-growing economy with a projected GDP growth of 6.5% in 2024–25. This performance is underpinned by strong domestic consumption, expanding infrastructure, and a supportive policy environment. Government initiatives such as the Production-Linked Incentive (PLI) schemes across automotive and electronics, PM Gati Shakti, the National Logistics Policy, and digital public infrastructure have created a multiplier effect for manufacturing and industrial services. Additionally, the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME II) scheme continues to support clean mobility transitions, especially in the electric two-wheeler and compact vehicle categories. Together, these reforms are not only creating industrial momentum but also reinforcing India's role as a credible and competitive base for global manufacturing.

India's Positioning in the Global Context

The ongoing recalibration of global supply chains, intensified by geopolitical shifts, tariff reconfigurations, and a growing need for resilience has prompted OEMs and Tier-1 players to diversify sourcing beyond traditional hubs. Within this 'China+1' strategy, India is emerging as a credible and competitive alternative, offering the right combination of scale, skilled talent, and an increasingly sophisticated ecosystem of design, engineering, and advanced manufacturing. Carraro India stands at the intersection of this global shift. With nearly three decades of experience in the country, we have evolved from a manufacturing base into a strategic centre for driveline innovation, rapid prototyping, and export-ready production—well-aligned with the sourcing priorities of global customers seeking agility, localisation, and technology assurance.

Market and Industry Trends

Across agriculture, construction, and utility mobility, demand patterns are evolving quickly. The Indian tractor industry, the world's largest, is witnessing a decisive shift towards higher horsepower and 4WD configurations, with the 41–50 HP segment becoming the dominant category. Construction equipment demand continues to benefit from infrastructure projects, while compact electric mobility solutions are emerging as the next growth frontier. In this context, advanced driveline systems are no longer optional; they are essential. OEMs seek lightweight, modular, electrified, and customisable solutions. Engineering speed, digital validation, and lifecycle efficiency are becoming central to design requirements.

Carraro India is well-aligned with these shifts. Our product development this year included the AG Evo transmission platform for higher HP tractors, the TBH 46.XX axle series for teleboom handlers, and early-stage work on THE (Transmission-Hydrostatic-Electric) systems tailored for electric tractors. Our engineering services vertical, recently launched, enables us to go beyond manufacturing by providing design, simulation, and application engineering support to OEMs both in India and globally.

Make in India, Made with Precision

At Carraro India, localisation is a core strategic priority that goes far beyond cost optimisation. In 2024–25, we achieved over 77% localisation in our purchase mix, focussing not only on sourcing more from within India, but also on building deeper engineering and supply chain capabilities across the ecosystem. This includes transferring design ownership for key driveline platforms to India, strengthening our in-house R&D integration, and upskilling Tier-2 and Tier-3 vendors to meet global standards.

What sets our localisation apart is its impact on business agility. By moving critical design, validation, and production capabilities closer to the market, we are able to reduce lead times, accelerate development cycles, and respond faster to OEM requirements—both domestic and global. This approach ensures that we are not only building in India, but building with precision, speed, and purpose.

Business Performance and Strategic Progress

The year 2024–25 was marked by steady progress across our operational, strategic, and customer engagement priorities. Our financial results are expected to reflect continued growth across topline and profitability metrics with PAT of ₹ 881 Crore and EBITDA margin of 10.2%. Over the last five years, we have nearly doubled our revenue base, with healthy improvements in earnings quality and capital efficiency.

Additionally, both the Ranjangaon plants were operated at strong capacity utilisation levels throughout the year, supporting a consistent and efficient delivery. Our R&D team developed 20 new prototypes in previous fiscal, of which 9 have moved to production during 2024-25. We expanded our product footprint across segments and geographies, onboarded six new customers, and extended collaborations with long-standing OEM partners. Importantly, our key customers are primarily India-based OEMs, including large domestic OEMs and international OEMs with Indian subsidiaries or operations. We have long-term relationships with our top 10 customers based on their revenue contribution on consolidated groups basis as of 31st March, 2025, which have continuously engaged us for at least 15 years, a reflection of our commitment, reliability, and shared long-term alignment. Our export performance in recent quarters has been subdued due to softness in overseas agri-machinery markets. However, we are encouraged by signs of recovery in key customer programmes and the realignment of global sourcing strategies. Carraro India's role as a preferred supplier within the global Carraro Group and our deep engineering integration with Italy-based platforms position us well for the medium term. We are focussed on sustaining export contributions at around 35% of overall revenues over the long term, supported by recovery in key customer programmes and alignment with global sourcing trends.

A Balanced Growth Model with Responsibility at the Core

Sustainability and governance are embedded in our operating model. Both facilities are ISO 14001:2015 certified and implement strong energy efficiency and waste reduction measures. We continue to support social programmes in health, education, and employability through our CSR initiatives. Our governance structure ensures rigorous oversight, board-level engagement, and a clear focus on ethical conduct. The successful listing of Carraro India in December 2024 is a validation of our institutional readiness and commitment to shareholder value.

Looking Ahead

Carraro India is entering a new phase, one where engineering excellence is matched by global ambition. Our focus will remain on deepening localisation across materials and components while investing in high-impact R&D to shorten product development cycles and enhance application-specific customisation. We aim to expand our presence in electric and intelligent driveline systems, aligning our capabilities with the accelerating shift towards clean and efficient mobility.

In parallel, we are building our engineering services offering to provide co-development and digital simulation support to OEMs across geographies, helping them reduce time-to-market. On the international front, we are actively preparing to capitalise on the recovery in global agri and construction equipment demand. As new sourcing programmes are finalised and product launches resume, we expect our export volumes to strengthen and contribute meaningfully to our growth.

As we navigate this next chapter, we remain firmly anchored in our values—Driving Market-Focussed Innovation, Taking the Lead, Empowering Sustainable Solutions, Embracing Diverse Perspectives and Embodying Passion for Performance. With a strong foundation in place and a clear vision ahead, we are confident in our ability to deliver sustainable value to all stakeholders.

Warm Regards,

Dr. Balaji Gopalan
Managing Director

About Carraro

Local Expertise. Global Standards.

Leading sole supplier in the non-captive segment of agriculture tractors transmission market.

Rooted in the legacy of the Carraro Group, Carraro India has emerged as a self-sustained engineering partner to leading OEMs in agriculture and construction. As the Group's first industrial base beyond Italy, the Company anchors global technology with local execution, delivering drivetrain solutions that move India forward.

Carraro Group
A Global Heritage in Motion

With over 90 years of excellence, the Carraro Group is a global leader in engineering mobility for off-highway vehicles. Headquartered in Italy, the Group develops and manufactures highly specialised transmission systems, axles, and gears for agricultural and construction machinery, partnering with some of the world's most respected OEMs.

Carraro is recognised globally for its technological depth, product performance, and enduring customer partnerships. With manufacturing and R&D operations across Europe, Asia, and the Americas, the Group serves key international markets and remains a trusted partner in delivering future-ready mobility solutions for the off-highway segment.

India plays a pivotal role in this global strategy. Carraro India Limited, established over 25 years ago, became the Group's first industrial hub outside Italy, signalling its long-term commitment to India's potential as a centre for manufacturing excellence and sustainable growth.

Guided by Values that Build Excellence

Carraro's global operations, including its presence in India, are governed by a strong set of shared values:





Carraro India
Engineering India's Growth Story

Carraro India Limited has established itself as a trusted independent Tier-I supplier of axles, transmission systems, gears, and related components. The Company serves the agriculture and construction equipment industries—two of the most vital sectors for India's economic and social progress.

Operating out of two advanced manufacturing facilities and one R&D centre in Ranjangaon, Pune, Carraro India combines global engineering standards with deep localisation. Its products are essential to high-performing tractors, backhoe loaders, teleboom handlers, and compact construction equipment that operate in the toughest conditions.

Core Strengths and Market Position

Market Share in Non-Captive Construction Vehicle Transmission Systems

60-65%

Suppliers

252

R&D Professionals

54

Total Income

₹ 18,234 Million

Employees

1,600

A Critical Role in Nation Building

Carraro India's solutions are core to India's growth engines, agriculture and infrastructure. Its transmission systems and axles power the machines that till fields, build roads, and construct cities. The rapid adoption of four-wheel drive (4WD) technology in Indian tractors and the need for higher-horsepower transmission systems in evolving equipment categories underline the Company's role in:

- Enhancing farm productivity through efficient mechanisation
- Accelerating infrastructure growth with high-performance construction vehicle components
- Supporting Atmanirbhar Bharat through deep localisation and supplier development

These contributions place Carraro India at the intersection of technology, productivity, and national development.

A Milestone in Growth Journey

In **December 2024, Carraro India Limited** was successfully **listed on the National Stock Exchange (NSE)** and **Bombay Stock Exchange (BSE)**—a significant milestone that reflects the **Company's growth trajectory, strong fundamentals, and future aspirations** as a public company.



Awards & Recognitions

A culture of excellence, recognised by industry leaders.

Carraro India has consistently earned the trust of leading OEMs through its focus on quality, responsiveness, and reliability. The Company was recognised across key areas, including supply chain performance, service excellence, and community engagement, reflecting its role as a strategic partner in the off-highway equipment ecosystem.

Best Supplier Award
Strategic Excellence



Bull Machines

Annual Supplier Award
Best in Spare Parts



Escorts Kubota Limited

Supplier Excellence Award



Mahindra Group

Awards & Recognitions

Manitou Equipment



CSR Award
Outstanding Contribution

Caterpillar



Supplier Excellence Recognition (SER) Certificate 2024

Swaraj Tractors



Award for Extraordinary Support

Carraro's Journey

Built through Milestones. Driven by Purpose.

Carraro India's journey has been one of measured growth, shaped by technical capability and long-term commitment to the Indian market. What began as the Group's first manufacturing investment outside Italy has gradually evolved into a meaningful presence within the country's agricultural and construction equipment value chain.

OUR JOURNEY

1997
Establishment of the first manufacturing centre in Pune, India, marking Carraro Group's entry into the Indian market.

1999
Commenced production of transmission systems, laying the foundation for advanced driveline solutions.

2000
Began manufacturing axles, expanding the Company's core product portfolio.

2006
Set up Carraro Technologies India Private Limited (R&D centre), reinforcing the Company's commitment to innovation and engineering excellence.

2013
Launched the 120 HP tractor transmission, introducing high-performance solutions for the agricultural sector.

2014
Amalgamation of Turbo Gears (acquired in 2003 as a backward integration project for production of gears) and Carraro India, consolidating the operational efficiencies.

2016
Introduced the steering axle applicable for 4WD vehicles, addressing evolving market needs.

2019
Launched the SCOM axle with hypoid design, furthering technological advancement.

2022
Rolled out the 40.16 series of planetary axles and steering portal axle, along with the AG Evo Transmission (100-150 HP), expanding the product range for higher power applications.

2023
Launched the T135, a new generation transmission, and completed the reorganisation of IPR and R&D, transferring IPR for all domestically sold products to Carraro India Limited.

2024
Achieved a significant milestone with the listing of Carraro India Limited on NSE and BSE in December, marking its emergence as a public company.

OVER 25+ Years in Action

Product Portfolio

Comprehensive and Customised Product Offerings

Carraro India offers a comprehensive range of axles, transmission systems, and gears that are custom-engineered to meet the demanding requirements of global OEMs in the agriculture and construction sectors. With solutions that are complex by design and difficult to substitute, the Company plays a critical role in enabling vehicle mobility, torque management, and mechanical efficiency.

These systems are not only built for endurance and precision, but are also validated for seamless integration into end-customer platforms—making Carraro India a preferred technology and manufacturing partner in the off-highway equipment space.

Product Portfolio

Transmission Systems

Carraro India manufactures transmission solutions tailored for a broad horsepower range and application-specific performance. These include:





35-50 HP Tractor Transmission T40 & T50



50–90 HP Tractor Transmissions



Up to 150 HP Tractor Transmissions



TCB80 Series



TCB80SPS Series

Hydrodynamic Transmission for Construction Vehicles



Hydrostatic Transmission for Construction Vehicles

These transmissions serve critical roles in tractors, loaders, and specialised equipment, delivering optimal torque flow and durability across varied terrains and usage patterns.

Axles

The axle product range supports multiple vehicle configurations, including rigid, steering, and hypoid designs for rear and front-wheel drive systems:



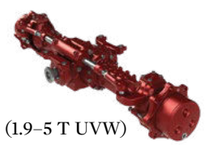
4WD Portal Axle for Tractor 30–50 HP



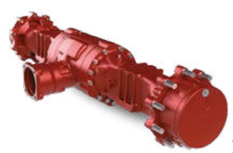
4WD Planetary Axle for Tractor 49–135 HP



Steering Axles for Construction Vehicles (1.9–5 T UVW)



Rigid Axles for Construction Vehicles (1.9–5 T UVW)



Rigid Hypoid Axles (5–17 T UVW)

This range ensures adaptability across vehicle categories and payload conditions while maintaining high reliability and ease of assembly.

Gears

Carraro India also produces:



















Gears and gear shafts for captive consumption and third-party customers.

Backed by certified processes and in-house chemical and metallurgical analysis, these components form the backbone of high-precision drivetrains.

Manufacturing Capabilities and Certifications

The Company operates two advanced plants in Ranjangaon, Pune, with distinct competencies:

Drivelines Manufacturing Plant



Product Focus

- Axles
- AG Transmissions
- CE Transmissions & Gearboxes

Technologies

- Cast Machining
- Heat Treatment
- Assembly, Painting, and Testing

Certifications

- ISO 9001:2015
- ISO 14001:2015
- IATF 16949:2016

Gears Manufacturing Plant



Product Focus

- Gears
- Ring Gears
- Shafts

Technologies

- Heat Treatment
- Chemical and Metallurgical Analysis

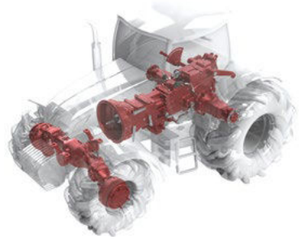
Certifications

- ISO 9001:2015
- IATF 16949:2016

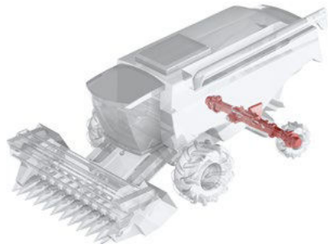
End-Industry Applications

Carraro India's driveline solutions are designed for mission-critical use in agricultural and construction vehicles, including:

Agricultural Vehicles



Tractor

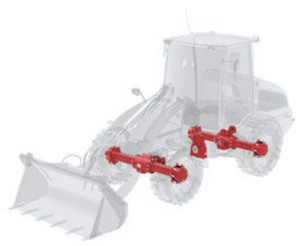


Harvester

Construction Vehicles



Back-hoe Loaders (BHL)



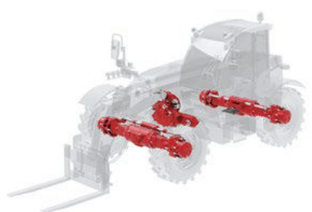
Compact Wheel Loaders (CWL)



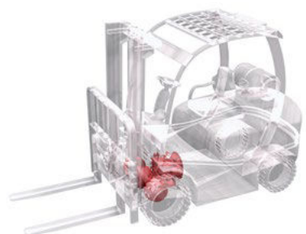
Soil Compactor (SCOM)



Self-Loading Concrete Mixers (SLCM)



Telescopic Boom Handlers (TBH)



Forklift (MH)

Manufacturing Capabilities

Precision-Driven Manufacturing Capabilities

Carraro India's manufacturing capabilities are built around precision, scalability and integrated engineering excellence. The Company's plants are designed to meet the complex requirements of global OEM customers, with an emphasis on automation, quality control, and lean production practices. With a focus on continuous improvement, each facility reflects Carraro's commitment to operational agility and technological modernisation.



Driveline Manufacturing Facility Ranjangaon, Pune

Carraro India's primary driveline facility supports the production of axles and transmission systems for agricultural and construction equipment. The plant brings together end-to-end capabilities, including casting machining, sub-assembly, painting, prototyping, and performance testing. Its vertically integrated approach allows for superior quality assurance and cost optimisation across the value chain.

2024-25 Output

Axles
86,551

Transmission Systems
38,323

Capacity Utilisation
75.06%

Built-up Area
84,000 sq.m.

Production Technologies

Advanced machining lines, automated assembly stations, in-line painting and comprehensive testing protocols ensure high repeatability and product traceability

Site Overview

Phase 1

Warehouse
~12,870 sq.m.

Phase 2

Portal assembly line
~1,800 sq.m.

Phase 3 Yet to Initiate

Warehouse
~5,100 sq.m.



Gear Manufacturing Facility Ranjangaon, Pune

Carraro India's gear plant caters to the high-precision manufacturing of gears and shafts used in driveline systems. With comprehensive in-house heat treatment and machining capabilities, the plant plays a critical role in ensuring product performance and durability.

2024-25 Output

Gears
1.68 Million

Built-up Area
78,000 sq. m.

Capacity Utilisation
75.77%

Production Technologies

Heat treatment (carburizing & induction, hardening & nitriding), gears machining (hobbing, shaving & grinding)

Site Overview

Phase 1
Manufacturing Shop
1,486 sq.m.

Phase 2
Heat Treatment Shop
1,579 sq.m.

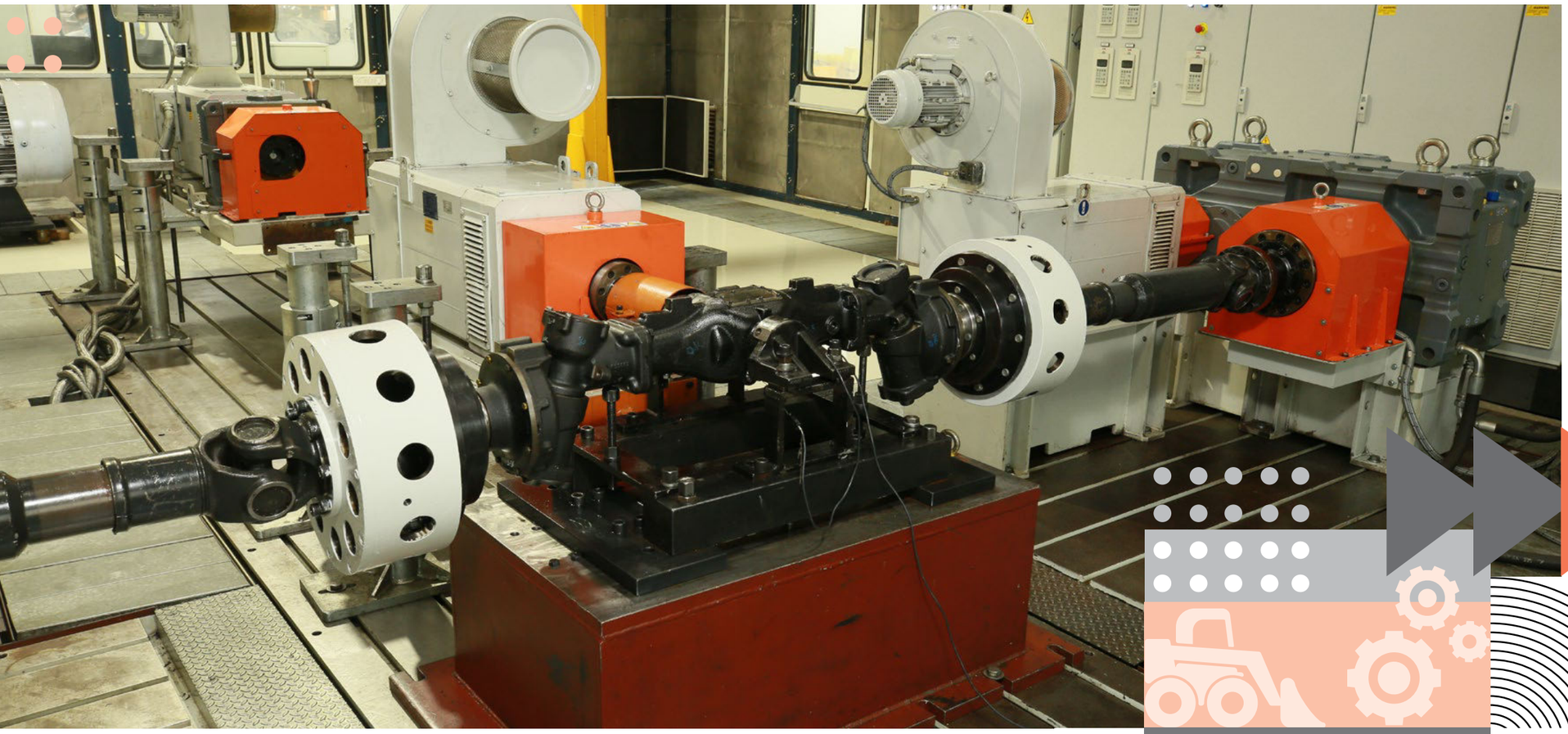
- In-house gear production capabilities
- ~38k sq.m. free-space for potential expansion in future
- Low overall rejection rates (0.6% - 2024-25)
- Plant location in close proximity to key suppliers

Both facilities benefit from their proximity to key suppliers, facilitating efficient supply chain management and reduced turnaround times. Looking ahead, Carraro India remains focussed on advancing its manufacturing systems through digitisation, capacity augmentation, and quality-driven processes, ensuring it remains well-positioned to serve evolving customer needs in India and global markets.

Research & Development

Strong In-House R&D Capabilities in India

As a strategic hub for the Carraro Group, Carraro India's R&D centre plays a critical role in the design, development, and validation of axles and transmission systems tailored for agricultural and construction equipment. With robust engineering capabilities and a growing focus on application-specific innovations, the Company continues to strengthen its position as a future-ready, solutions-oriented technology partner for OEMs.



Infrastructure and Facility

The Company's R&D facility is equipped to manage the complete product development lifecycle, including concept design, virtual simulation, prototype creation, and validation. It enables the concurrent development of multiple solutions tailored to different end-user requirements.

R&D Centre Area

1,254.2 sq.m.

Quality Compliance

The R&D centre operates under globally recognised quality standards, ensuring strong process control, engineering rigour, and consistency across all development activities.

ISO 9001:2015 Certified

Skilled Team

Carraro India's R&D function is supported by a team of over 54 engineers with expertise in driveline technologies. Their capabilities span application engineering, cost optimisation, reliability testing, and maintenance engineering.

R&D Professionals

54

Prototype Development

During 2024–25, the Company successfully developed five prototypes, addressing varied customer requirements across segments. These developments reflect Carraro India's continued focus on customised product engineering and responsiveness to evolving market dynamics.

Prototypes Developed in 2024–25

5

Transition to Production

Nine prototypes were industrialised and transitioned into series production which were developed in previous financial year. This achievement highlights the Company's ability to deliver commercially viable solutions with high levels of engineering maturity and manufacturing readiness.

Prototypes Taken to Production

9

Strategic Areas of Focus

Development of Future-Ready Solutions

The R&D roadmap is focussed on building driveline systems that support emerging demands in higher horsepower vehicles and electric mobility for off-highway applications.

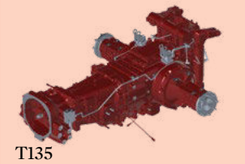
Extension of Existing Platforms

The Company is also exploring new applications for existing product families, enabling cost-effective adaptation and quicker deployment across adjacent markets and operating conditions.

Product Platforms Developed Since 2019


40.16 Axles


20.10P Portal Axle


T135

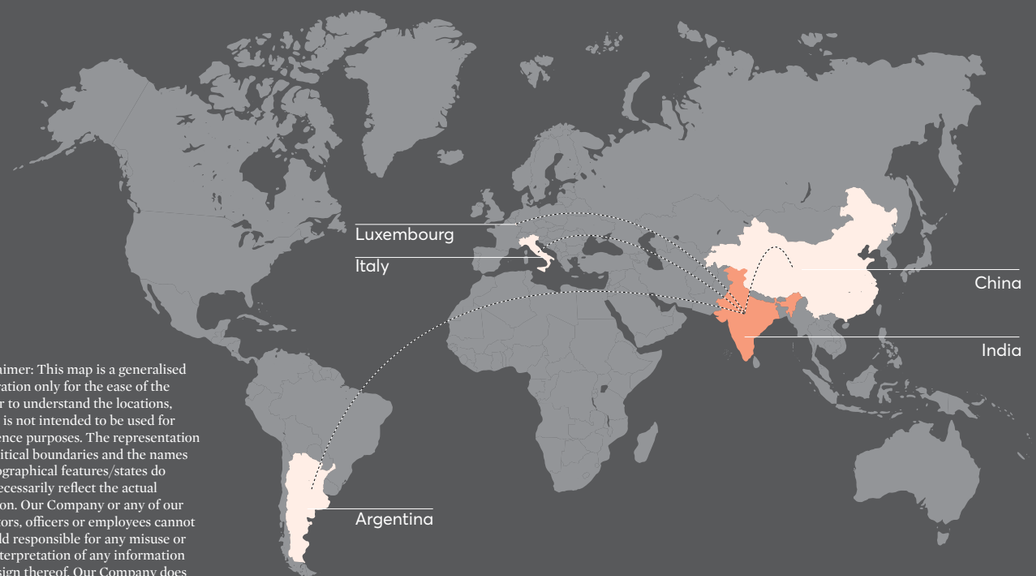

TBH Axles – 46.XX Series

Global Collaboration

Carraro India's R&D operations are closely aligned with the Carraro Group's global engineering hubs located in Italy, Argentina, Luxembourg, and China. This collaboration facilitates the exchange of technical knowledge, faster localisation of global platforms, and consistent alignment with international standards.

Integration with

4 Carraro Group R&D Centres



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. Our Company or any of our directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness.



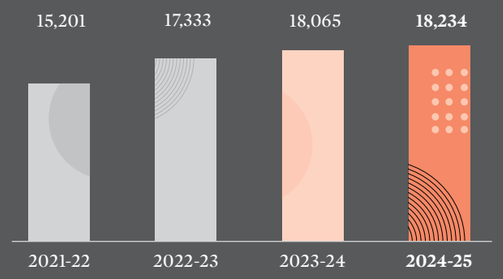
Operational & Financial Performance

Powered by Precision, Strengthened by Performance.

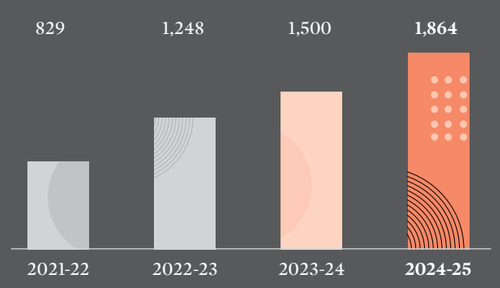
Carraro India delivered a balanced performance in 2024–25, marked by improved profitability, strong operational execution, and focussed investments in future-ready capabilities. While global export markets remained challenging, the Company leveraged its strengths in product innovation, manufacturing efficiency, and customer engagement to maintain growth momentum. The consistent improvement in financial and operational metrics reflects Carraro India's ability to drive value through disciplined strategy, technical expertise, and a sharp focus on execution.

Financial Highlights

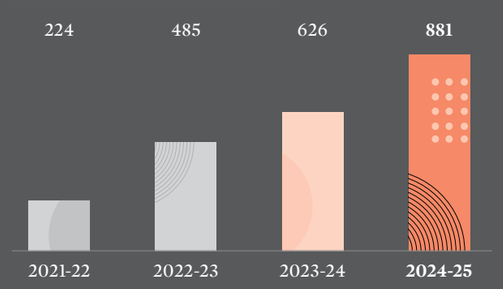
Total Income (₹ Million)



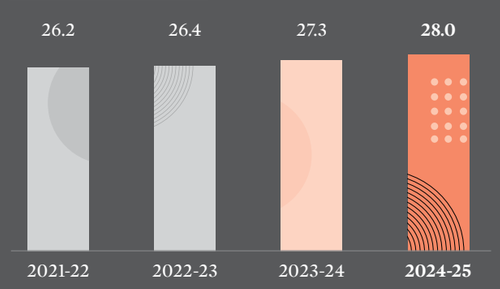
EBITDA (₹ Million)



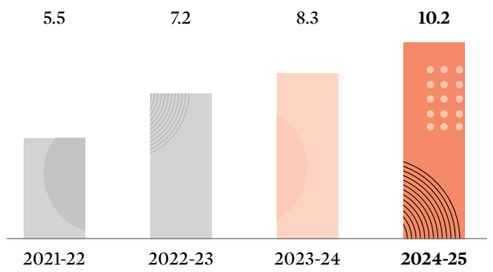
Profit After Tax (₹ Million)



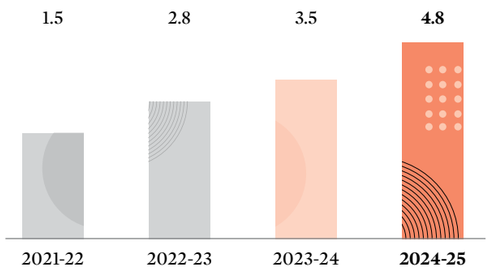
Gross Margin (%)



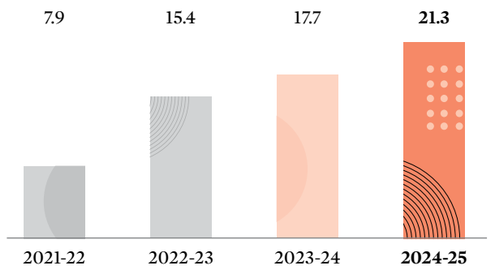
EBITDA Margin (%)



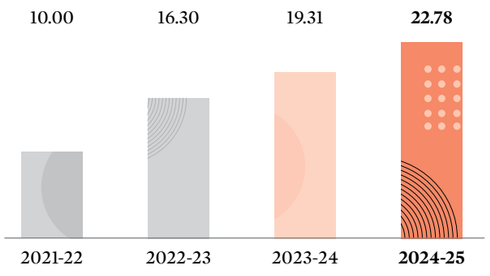
PAT Margin (%)



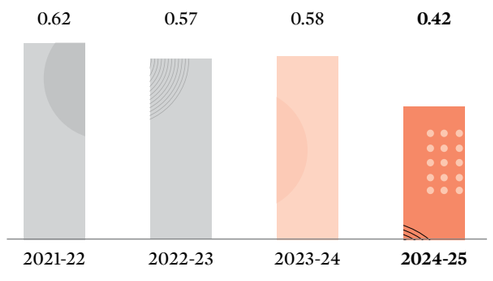
Return on Equity (ROE in %)



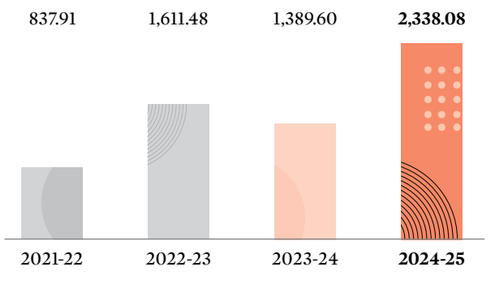
Return on Capital Employed (RoCE in %)



Debt-to-Equity Ratio (X)



Net Working Capital (₹ Million)
(Current Asset – Current Liability)



Operational Highlights

High-Capacity, High-Precision Manufacturing

Carraro India operates two state-of-the-art manufacturing facilities, both running at over 75% capacity utilisation. These plants are equipped with advanced machining, heat treatment, and assembly capabilities—supporting the Company's ability to manage complex product portfolios efficiently. The precision and adaptability of these facilities enable quick turnaround for new product introductions and ensure robust execution across varying production scales.

Strategic Expansion Reserve

The Company has reserved ~38,000 sq.m. for future expansion within its current manufacturing ecosystem. This forward-looking investment ensures preparedness to scale operations in response to new project wins, increased volumes, or diversification into adjacent product segments such as electric driveline solutions, higher horsepower transmissions and state-of-the-art machining.

Benchmark Quality and Execution Efficiency

With an exceptionally low rejection rate of 0.01%, Carraro India continues to lead the industry in manufacturing precision and quality assurance. The Company's rigorous quality control processes and embedded culture of excellence result in consistent delivery performance, reduced rework, and higher customer satisfaction.

Seamless Global R&D Integration

Carraro India's operational strategy is closely aligned with the Group's global engineering network, which includes centres in Italy, Argentina, Luxembourg, and China. This integration allows Carraro India to adapt and industrialise global platforms for local and regional deployment, significantly reducing time-to-market and ensuring alignment with global quality benchmarks.



Sustainability Embedded in Operations

Carraro India continues to embed sustainability across its value chain. Key operational efforts include localisation of supply chains to reduce carbon footprint, implementation of energy-efficient systems, and waste minimisation across manufacturing lines. These initiatives are further supported by digitised monitoring systems and ISO-certified environmental practices.

New Product and Customer Additions

During the year, the Company successfully industrialised five new prototypes and added six new customers, including those in high-growth areas such as electric tractors and tele-boom handlers. These wins reflect the Company's operational readiness, agility, and alignment with evolving industry requirements.

Growth Strategies

Strategising for Scalable Growth

1. Tapping into High-Growth End-Markets

Carraro India is uniquely positioned to benefit from the structural growth across the Indian agriculture and construction equipment sectors. These markets are expanding not only in volume but also in complexity — with a clear shift towards higher power, technologically advanced, and more efficient equipment. With a deep engineering foundation and OEM alignment, Carraro is ready to serve the evolving demand with future-ready driveline systems.

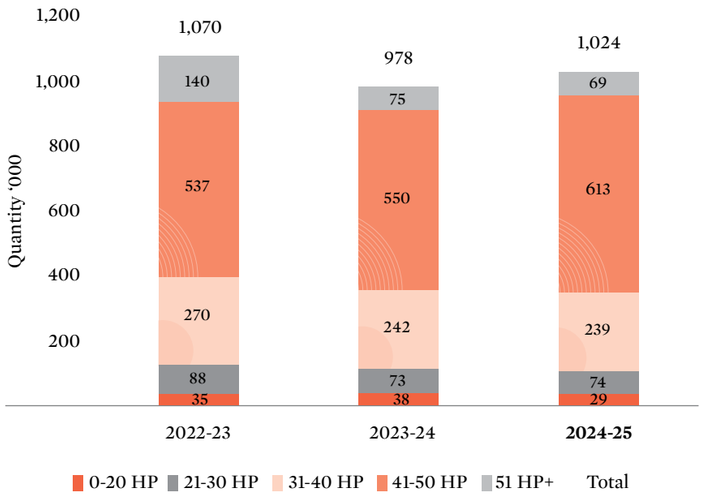
Key Strategic Drivers

Evolution of India's Tractor Market

India, the world's largest tractor market with 35–40% of global sales, is rapidly shifting towards medium-to-high HP tractors. This shift is fuelling demand for robust axles and advanced transmission solutions.



Total Indian Agriculture Tractor Market



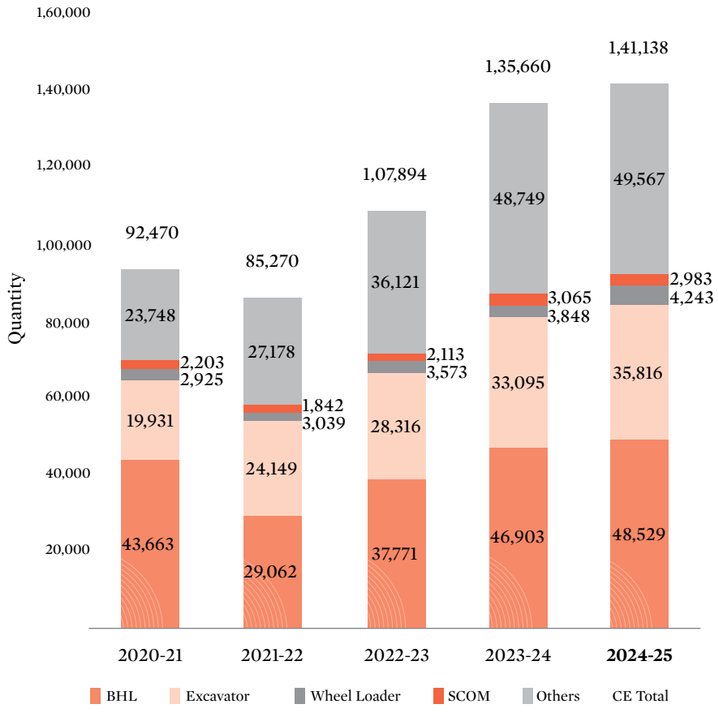
Source: TMA

4WD is the New Growth Frontier

The 4WD tractor segment is expanding at 23% CAGR, driven by demand for better traction, productivity, and high-power applications and the 4WD Indian Tractor Market is expected to reach 600 thousand units by 2029.

Urbanisation Fuels Construction Equipment Demand

Total Indian Construction Vehicle Market



As India urbanises, construction equipment demand is rising. Compact yet powerful vehicles like backhoe loaders and teleboom handlers require efficient driveline systems, a key product focus area for Carraro.

Shift to High-Tech Components Creates Competitive Edge

OEMs are demanding integrated, high-torque, precision systems with better localisation. Carraro's 77%+ localisation, cost-efficiency, and readiness for 105+ HP categories make it a preferred partner.



What's Ahead

Carraro India is not merely scaling with the industry, it is actively shaping its direction. Through sustained capital investments in high-horsepower transmissions, teleboom handler axle platforms, and a sharper localisation strategy over the next three years, the Company is structurally positioned to outperform broader sector growth. Backed by robust OEM demand, engineering-led product innovation, and a diversified presence across agriculture and construction equipment, Carraro India is targeting revenue growth of 8–12% in 2025–26. Its long-term strategic roadmap towards achieving ₹ 3,500 Crore (i.e. Euro 350 Million) in revenue and expanding EBITDA margins by 1% annually over next 3-4 years is already well underway.

2. Strengthening Leadership in Critical Driveline Systems

Carraro India continues to deepen its leadership in the segment of critical and complex driveline components, specifically axles and transmissions for agriculture and construction equipment. As an independent Tier 1 supplier, the Company plays a vital role in enabling OEMs to meet demanding performance standards while reducing integration complexity. Leveraging its engineering depth and customised solution capability, Carraro India has emerged as a one-stop partner for OEMs seeking system-level performance across diverse operating conditions.

KPIs

50%+
Indian Agricultural Tractor 4WD Axles, >40HP Volumes (Non-Captive)

60%+
Indian Construction Vehicle Transmission Volumes (Non-Captive)

Shifting Gears - A Comparative View of 2WD and 4WD

Parameter	2WD	4WD
Current Market Share	✓	
Traction & Pulling Power		✓
Suitable for Light-Duty Tasks	✓	✓
Performance on Challenging Terrain		✓
Growth Potential (CAGR till 2029)		✓
Export Market Suitability		✓
Cost of Ownership		✓
Alignment with TREM-IV/V Trends		✓

Key Strategic Drivers

Early Advantage through Local Market Understanding

Carraro India's long-standing presence in India has enabled a nuanced understanding of performance expectations, terrain-specific challenges, and OEM evolution, particularly within high-growth tractor and construction applications.

OEM-Centric Engineering and Integration Model

The Company offers a fully integrated approach to OEM collaboration, delivering customised driveline assemblies that meet both mechanical performance and packaging requirements, reducing time-to-market and system complexity.

Technology-Driven Product Retention

High levels of engineering complexity and embedded design elements result in significant switching costs for OEMs, fostering long-term relationships and reducing vendor churn in critical subsystems.

Infrastructure and Manufacturing Excellence

Carraro's sustained investment in process capabilities, local sourcing, and automation underpins its ability to scale high-precision driveline components while maintaining tight quality control and competitive cost structures.

What's Ahead

Carraro India aims to accelerate its momentum in the 4WD and high-horsepower transmission markets, supported by its growing portfolio of engineered solutions. With increased localisation, ongoing customer acquisition, and capacity expansion in view, the Company is well-positioned to capture opportunities in both domestic and global markets across the agriculture and construction equipment sectors.

3. Advancing through Customer-Centric Innovation Solutions

As OEM requirements become more specific and performance-driven, tailored engineering has become a key differentiator. Carraro's ability to co-develop driveline systems from concept to production has strengthened customer alignment and market relevance. This strategy is reinforced by a strong track record of proprietary innovation and consistent portfolio expansion across both emerging and developed markets.

KPIs

- Co-developed motor grader driveline (<100 HP) in collaboration with a large OEM; validated after 6 months of field testing
- Partnered with large OEM for a cost-optimised haulage tractor driveline using semi-automatic transmission
- Supported a major OEM's construction equipment expansion through customised driveline systems for backhoe loaders
- Developed proprietary recirculating brake cooling using transmission oil reservoir for better cost-performance ratio

Key Strategic Drivers

Co-Development of New Product Platforms

Partnered with large OEMs from the concept stage to prototype and series production, demonstrating agility in aligning engineering output with specific operational environments, such as India's road and rural terrain.

Focus on Functional Innovation and Cost Efficiency

Introduced intelligent reconfigurations—such as using backhoe loader drivelines for motor graders, to deliver cost-effective solutions without compromising on performance.

Strengthening Strategic OEM Relationships

Worked with leading names like Mahindra and construction equipment majors to address niche product gaps, enabling customers to enter new vehicle categories efficiently.

Diversified Application Coverage

From low-HP chassis-based tractors to specialised backhoe loaders and loader series, Carraro India's customisation bandwidth spans multiple vehicle types and horsepower ranges, expanding market addressability.



What's Ahead

With a proven ability to tailor powertrain solutions to diverse end-uses, Carraro India aims to strengthen its innovation pipeline across segments. The Company's continued focus on co-development and cost-engineered designs is expected to unlock new opportunities in India's rapidly evolving equipment landscape. As customer needs grow more specific, Carraro's innovation-led partnerships will serve as a key differentiator.

4. Building a Resilient and Localised Supply Ecosystem

Supply chain strength is not just a cost factor, it's a competitive edge. Recognising this, the Company has prioritised the diversification and localisation of its supplier base to enhance supply assurance, reduce lead times and improve operational flexibility. With 77% of raw material now locally sourced and a structured approach to supplier development, Carraro India is strengthening the foundation for scalable, sustainable growth.

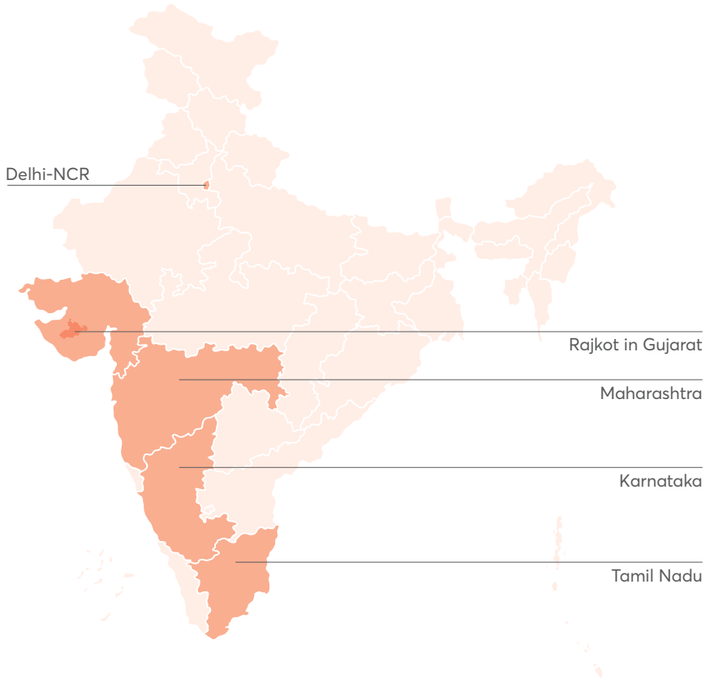
Key Strategic Drivers

Wider Supplier Base with Regional Balance

252
Total Suppliers

185
Domestic Supplier Base

The Company has expanded its supplier footprint across key Indian states and cities, including Delhi-NCR, Maharashtra, Tamil Nadu, Karnataka and Rajkot in Gujarat, to ensure balanced access to talent, quality and delivery capabilities.



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Structured Supplier Relationship Model

Supplier relationships are nurtured through formalised engagement models that include long-term agreements, periodic technical workshops, and capability development initiatives—ensuring consistent delivery, improved quality, and mutual growth.

Supply Chain Risk Mitigation and Optimisation

Minimum
2 Suppliers per Component Supplier

Carraro India has institutionalised dual-sourcing and value engineering mechanisms to reduce disruption risk, lower procurement costs, and optimise logistics in its expanding operations.

What's Ahead

With demand volatility and geopolitical supply risks becoming increasingly frequent, supply-side resilience will be a key competitive differentiator. Carraro India aims to push localisation while fostering more vertically integrated and digitally managed supplier partnerships.

5. Engineering the Shift to Emerging Technologies

As the mobility ecosystem undergoes a fundamental transformation, Carraro India is actively developing next-generation solutions aligned with electric, hybrid and high-efficiency drivetrains. By leveraging internal competencies and Group-level collaboration, the Company is positioning itself as an innovation partner of choice for OEMs seeking to electrify their off-highway platforms.

Key Strategic Drivers

Product Innovation in New-Energy Drivetrains

'THE' transmission platform for electric and hydrostatic applications developed

Carraro Group and Carraro Technologies India (subsidiary of the Company) collaborated to design and develop modular driveline platforms catering to electric, hydrostatic and hybrid propulsion systems, strengthening its innovation roadmap in the off-highway electrification space.

Strategic Engineering Collaborations

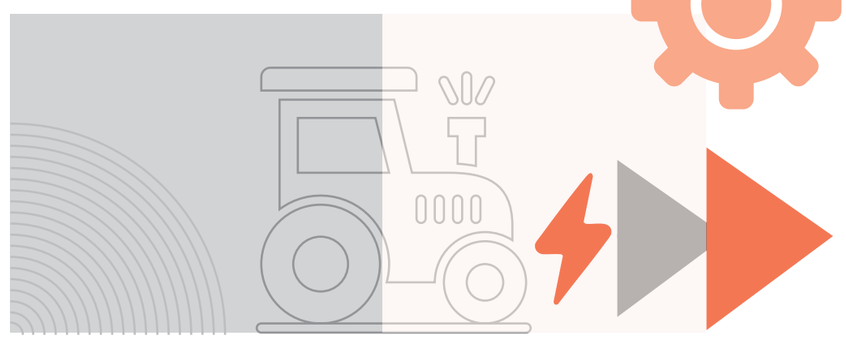
Engineering support to Group's Luxembourg R&D centre and E-trans customers

Through close engagement with Carraro Group's global R&D teams and customers, the Company is supporting electric drivetrain prototypes that integrate new technologies with traditional mechanical systems.

Competence Building for the Future

In-house capability built for electric transmission design and validation

By internalising know-how gained from advanced projects, Carraro India is building future-ready teams capable of addressing the rising demand for EV-oriented transmission systems in India and abroad.



ESG Initiatives

Driving Progress, Responsibly.

At Carraro India, sustainability is not a standalone objective, but a deeply integrated element of how the business operates, grows, and delivers value. Anchored in environmental stewardship, social responsibility, and strong governance, the Company has built a responsible growth framework that aligns with global standards and the evolving expectations of stakeholders. In 2024–25, Carraro India undertook impactful initiatives to reduce its environmental footprint, foster workplace safety and inclusion, and uphold ethical conduct at every level.

E

Environmental Initiatives

Carraro India has actively embedded environmental consciousness into its operations, guided by robust policies and ISO 14001:2015 certification at both its plants. Through smart process changes and sustainable infrastructure investments, the Company is steadily reducing waste, recovering valuable resources, and shifting towards cleaner energy.

Solar Energy Adoption



A combined 3.1 MWp photovoltaic solar array has been deployed across Plant 1 and Plant 2, marking a major step in the Company's transition to renewable power.

Waste Management and Packaging Optimisation



- Use of returnable supplier packaging and reuse of polypropylene (PP) sheets has reduced single-use packaging dependency.
- Introduction of single-layer VCI (vapour corrosion inhibitor) wrapping for exports helped eliminate sizable plastic waste in 2024–25.

Oil and Chip Separation Efficiency

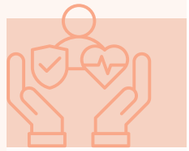


Through in-house solutions using existing infrastructure, segregation of waste oil, metal chips and water has resulted in initial savings on disposal costs.

S

Social Initiatives

Carraro India maintains a people-first approach, backed by structured policies and global certifications such as ISO 9001:2015 and IATF 16949:2016. It fosters a workplace that values safety, diversity, and community engagement.



Health and Safety Culture

During National Safety Week 2025, all employees took a safety oath administered by their respective Functional Heads, reinforcing a culture of shared responsibility.

Inclusive Practices



The Company adheres to a formal Diversity Policy and Quality Policy, ensuring that workplace development is inclusive, ethical, and aligned with industry benchmarks.

Community Engagement

Carraro India continues to forge partnerships that benefit local communities, combining outreach with measurable impact.

G

Governance Practices

Carraro India upholds robust governance frameworks and promotes ethical conduct across all levels of the organisation. The Company's practices are guided by a formal Code of Ethics, Whistleblowing Guidelines, and an Anti-Corruption Policy, ensuring transparency, regulatory compliance, and accountability in all its operations.

Board of Directors

Guiding Vision, Governance, and Growth.



Mr. Ettore Francesco Sequi
Chairman & Independent Director

With a pre-reform degree in Political Science from the University of Cagliari, Mr. Sequi brings diplomatic and institutional experience to the Board. He also represents Italy on the Board of Government Representatives of the Einstein Telescope Infrastructure.



Mr. Tomaso Carraro
Vice Chairman & Non-Executive Director

An MBA graduate from the University of Chicago's Graduate School of Business, Mr Carraro is currently involved with multiple Carraro Group companies and has previously served at Gear World S.p.A.



Mr. Andrea Conchetto
Non-Executive Director

Holding a diploma in Electrotechnical Engineering from the University of Padua, he contributes his operational leadership across Carraro Group businesses.



Dr. Balaji Gopalan
Managing Director

Associated with Carraro India since 1998, Dr. Gopalan holds a Ph.D. in Human Resources Management from the University of Pune. His longstanding tenure reflects his commitment to the Company's strategic evolution.



Mr. Davide Grossi
Whole-time Director & CFO

Mr. Grossi holds a Master's degree in Accounting, Corporate Finance, and Control from Bocconi University. His professional background spans notable firms, including Alten Sverige AB and Deloitte & Touche S.p.A.



Mr. Sudhendra Mannikar
Whole-time Director & Chief Operating Officer

With a degree in Production Engineering and an MBA from the University of Pune, Mr. Mannikar joined Carraro India in 1999. His prior industry experience includes a role at Essar Projects Limited.



Mr. Enrico Gomiero
Non-Executive Director

A diploma-holder in Accounting and Commercial Expertise from the Technical Institute of Commercials and Surveyors of Padua, Mr. Gomiero is closely aligned with several entities within the Carraro Group.



Ms. Uma Mandavgane
Independent Director

As a Chartered Accountant and commerce graduate from the University of Mumbai, Ms. Mandavgane brings strong financial and advisory acumen. She is currently associated with Azzure Advisory & Consulting Services LLP and has prior experience at Deloitte Touche Tohmatsu.



Mr. Kishore Saletore
Independent Director

Mr. Saletore, an Associate Member of the ICAI, previously served as Group CFO at Bharat Forge, contributing significant expertise in corporate finance and strategic oversight.

Management Team

Dr. Balaji Gopalan
Managing Director

- Ph.D. in Human Resources Management, University of Pune
- Longstanding tenure at Carraro India since 1998

Mr. Sanjay Kumar
Director, Manufacturing

- Bachelor's degree in Engineering from Bharathidasan University

Mr. Davide Grossi
Whole-time Director & Chief Financial Officer

- Master's in Accounting, Corporate Finance, and Control, Bocconi University
- Prior roles include financial leadership at Alten Sverige AB and Deloitte & Touche S.p.A.

Mr. Vijay Raman
Director, Purchase & Supply Chain Management

- B.A. (University of Michigan) and Master's in Mechanical Engineering (Oklahoma State University)

Mr. Sudhendra Mannikar
Whole-time Director & Chief Operating Officer

- Bachelor's in Engineering (Production), and an MBA from University of Pune
- Associated with Carraro India since 1999

Ms. Mamta Bakshi
Director, HR, Leadership and Culture

- Postgraduate diploma in Management (Executive) from IMT, Ghaziabad

Mr. Ashok Kumar
Director, Sales and Business Development

- Postgraduate degree in International Business from SIIB, Pune

Mr. Nakul Patil
Company Secretary & Compliance Officer

- Bachelor's degree in computer applications from Dr. Babasaheb Ambedkar Marathwada University, Aurangabad. He is an associate member of the Institute of Company Secretaries of India

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

As per the latest World Economic Outlook by the IMF, the global economy is demonstrating resilience but continues to face persistent uncertainty and shifting trade dynamics. Global growth is projected at 3.0% in 2025 and 3.1% in 2026, slightly higher than April's forecast, driven by stronger-than-expected front-loading ahead of tariff changes, lower average effective U.S. tariff rates, improved financial conditions, and fiscal expansion in key economies. Despite these gains, the pace remains below the pre-pandemic average of 3.7%. Global headline inflation is expected to ease to 4.2% in 2025 and 3.6% in 2026, with significant variation across countries; inflation is set to remain above target in the U.S. while staying more subdued in other major economies.

Advanced economies are forecast to grow by 1.5% in 2025, moderating from 1.8% in 2024. The U.S. economy is expected to expand by 1.9%, 0.1 percentage point higher than April's projection, benefiting from looser financial conditions and lower tariffs, though tempered by cooling private demand. The Euro Area is projected to grow by 1.0% in 2025, aided in part by strong Irish export performance, though underlying momentum remains modest.

Emerging markets and developing economies (EMDEs) are set to grow by 4.1% in 2025, up from the April forecast of 3.7%. China's growth is revised sharply upward to 4.8%, supported by robust first-half performance and reduced U.S.–China tariffs, though front-loading effects may fade in 2026. India continues to lead global growth, with projections of 6.4% in both 2025 and 2026, underpinned by strong domestic demand and a more favorable external environment.

While the near-term outlook benefits from stronger-than-expected trade activity, improved financial conditions, and targeted fiscal support, sustaining this momentum will require careful policy stewardship. Meaningful progress in trade negotiations and clearer policy frameworks could lower barriers, reduce uncertainty, and unlock fresh investment, paving the way for stronger, more inclusive growth. Nonetheless, risks remain from renewed tariff escalations and geopolitical flashpoints to fiscal vulnerabilities and the unwinding of front-loaded activity. Decisive, coordinated action to stabilise trade relations, rebuild fiscal buffers, safeguard financial stability, and advance structural reforms will be essential to converting current resilience into lasting, broad-based prosperity.

Real GDP Growth (in %)

Year	Global Economy	Advanced Economies	Emerging Markets and Developing Economies
2024	3.3	1.8	4.3
2025	3.0	1.5	4.1
2026 P	3.1	1.6	4.0

(Source:https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025?cid=ca-com-compd-pubs_belt)

INDIAN ECONOMY

The year 2024-25 has been a reflection of India's endurance, adaptability, and commitment to progress, even amidst a challenging global economic landscape. The nation's journey has been shaped by a series of key events and developments that have improved the domestic economy and fortified the nation's position as a global economic powerhouse. Despite inflationary pressures, geopolitical uncertainties, and fluctuating global demand, India has demonstrated impressive resilience and emerged as one of the fastest-growing major economies in the world.

Building on this momentum, sectoral strengths continue to offer a strong foundation for optimism. The services sector remains a key growth driver, contributing significantly to GDP and exports. At the same time, rural consumption has remained steady, backed by strong agricultural performance.

Between 2016-17 and 2022-23, India's agricultural sector grew at an average of 5% annual growth rate. In Q2 2024-25, it recorded 3.5% growth, supported by focussed policies that enhanced productivity, encouraged crop diversification, and improved farmer incomes. The sector has accounted for 20% of Gross Value Added (GVA) in recent years, contributing significantly to national income and employment.

Inflation management has been another area of focus. While inflationary pressures have persisted due to rising crude oil prices and currency fluctuations, proactive government measures have helped stabilise food supply chains. These actions ensure that inflation stays within control, despite ongoing economic challenges.

India's infrastructure sector plays an indispensable role in driving economic progress, with significant investments

aimed at enhancing connectivity, reducing logistics costs, and fostering industrial development. The 2025-26 Budget has earmarked ₹ 11.21 Lakh Crore for infrastructure development, prioritising public-private partnerships (PPPs) and asset monetisation to balance investment with debt sustainability. Key initiatives include investments in multimodal parks, railways, highways, and ports, all of which are set to strengthen market access and lower transportation costs.

India's global stature is rising as it becomes a preferred destination for investment and trade under the 'China +1' supply chain strategy, showcasing its role in global trade and manufacturing potential. Strong domestic demand, industrial revival, a young workforce, urbanisation, and rising incomes drive growth, supported by export-led services, automation, green technology, fiscal discipline, and targeted investments. Despite challenges like US tariffs, India's strategic alliances and favourable tariff policies attract foreign investment and boost manufacturing. Ongoing reforms to ease business and address global challenges position India for sustained growth and global economic leadership.

(Source: https://www.thehindubusinessline.com/economy/india-to-remain-fastest-growing-among-major-economies-says-world-bank/article68280023.ece,

https://www.entrepreneur.com/en-in/news-and-trends/oecd-forecasts-higher-growth-for-india-amid-global-economic/480401,

https://www.ey.com/en_in/technical/alerts-hub/2025/02/budget-2025-infrastructure-sector,

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2097886)

AGRICULTURE TRACTOR MARKET

Global Agriculture Tractor Market

As per the projections shared by Country Agricultural Equipment Associations and Markets and Markets Analysis, the global market for agricultural tractors stood at 2.4 Million units in 2023 and is expected to reach 2.5 Million units and 2.6 Million units respectively in 2024 and 2025. The industry is expected to reach around 3.24 Million units by 2029, recording a compound annual growth rate (CAGR) of 5.4%. The anticipated growth is primarily driven by the increasing worldwide adoption of farm mechanisation, supported by favourable government policies and incentive schemes. Such momentum highlights the fact that tractors remain a key segment within the broader agricultural equipment category.

Farm mechanisation involves the use of advanced machinery, including tractors, combine harvesters, balers, and sprayers to improve farm efficiency and productivity. The integration of these technologies helps farmers reduce dependency on manual labour, save time, lower production costs, minimise post-harvest losses, and enhance both crop yields and income levels.

In 2023, Asia accounted for approximately 38% of global tractor sales, driven by major markets such as India and China. The Americas contributed about 15% during the same period. At the country level, India held the largest share with roughly 38%, followed by China at around 28%.

Looking ahead, India is expected to retain its leading position through the forecast period, further solidifying Asia's status as the dominant market for agricultural tractors.

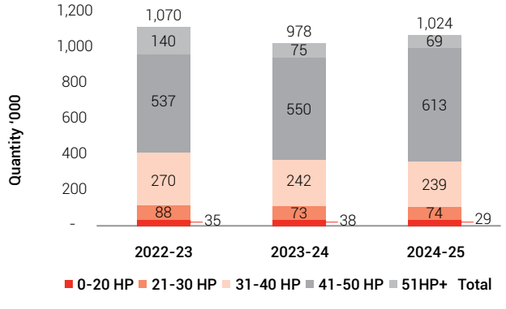
(Source: Country Agricultural Equipment Associations and Markets and Markets analysis.)

Indian Agriculture Tractor Market

India's agricultural tractor market witnessed a moderate uptick in 2024–25, with total domestic sales rising to 1,025 thousand units from 979 thousand units in 2023-24. The growth reflects evolving farm needs and the growing adoption of more versatile, power-efficient machinery. This trend aligns well with the increasing requirement for drivetrain and transmission systems, presenting sustained opportunities for component and system suppliers operating in this space.

This growth was supported by near-normal monsoons, improved crop realisations, higher MSPs, and increased rural credit availability, alongside structural shifts such as high labour costs, limited workforce availability, and the growing need for timely, efficient farm operations. Small and marginal farmers are increasingly adopting tractors to boost productivity and ease operational burdens. Additionally, government-backed schemes, improved access to financing, and the broader shift towards precision and sustainable agriculture are reinforcing demand. With ongoing technological upgrades and expanding export opportunities, the sector remains well-positioned for sustained growth.

Indian Agricultural Tractors Sales Market Size, by Number of Tractors



(Source: TMA Report)

INDIAN AGRICULTURE TRACTOR MARKET, BY DRIVELINE

Two-Wheel Driveline (2WD)

Two-wheel drive (2WD) tractors continue to be used in select pockets of the Indian agricultural landscape, primarily where landholdings are smaller and the scope of mechanisation is modest. These models cater to basic farming requirements and are generally suited for lighter field applications.

Four-Wheel Driveline (4WD)

Four-wheel drive (4WD) tractors are gaining traction in India due to their performance in tough terrains and demanding tasks. The segment earns recognition for superior traction and versatility in tilling, haulage, and other heavy-duty operations. The shift towards lower horsepower, especially in the 41–50 HP range after TREM-IV (Tractor Engine Revision Emission) norms, continues to accelerate 4WD adoption. In addition, increasing exports of high-HP tractors are expected to sustain growth in this segment.

Key Trends and Key Growth Drivers in the Indian Agricultural Tractor Market

Rising Preference for Higher HP Tractors

The market is witnessing a clear shift towards higher horsepower tractors, particularly in the 41–50 HP segment. This trend is fuelled by growing farmer incomes, a rise in collaborative and commercial farming practices, and the need for equipment suited to more intensive irrigation and larger landholdings. Technological advancements and a strong export push by OEMs are further accelerating this demand.

Growing Adoption of 4WD Tractors

While 2WD tractors continue to dominate, the 4WD segment is steadily expanding due to superior traction and versatility. The introduction of TREM emission norms has increased interest in lower HP 4WD models, which deliver performance comparable to mid-range 2WD tractors. This transition is also supporting export potential to emission-regulated markets.

Expansion of Custom Hiring Services

Custom hiring models, supported by government bodies, entrepreneurs, and private players, are enabling broader access to high-performance tractors. These services reduce upfront investment burdens on farmers while improving productivity, making them a strong enabler of farm mechanisation across India.

Increased Localisation

OEMs are advancing their localisation efforts to reduce dependence on imports and improve cost-efficiency. This strategy not only enhances responsiveness to local market needs but also strengthens domestic manufacturing, enables job creation, and contributes to the overall growth of the Indian industrial ecosystem.

Export-Led Growth Momentum

India's tractor industry is increasingly aligning with global standards by adhering to TREM-IV and the forthcoming TREM-V regulations. This positions Indian OEMs to expand into regulation-ready international markets, unlocking new growth opportunities through exports.

Government Initiatives to Promote Farm Mechanisation

Financial Incentives (FAME Scheme)	The Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) scheme provides financial incentives to electric vehicle manufacturers, dealers, and buyers, including those of tractors, to accelerate the adoption of electric vehicles and make them more cost-effective.
Infrastructure Development	The ₹ 1 Lakh Crore Agricultural Infrastructure Fund (AIF) is a significant initiative to boost farm mechanisation and improve agricultural infrastructure in India. As of 2022-23, projects worth ₹ 14,000 Crore have been approved under this fund, directly benefitting farmers by providing them access to modern equipment, storage facilities, and processing units.
Regulatory Support	The Indian government has updated emission standards for tractors, with Bharat Stage (CEV/ Trem) IV standards applicable to agricultural tractors with engine power exceeding 37 kW. Additionally, tractors with engines below 37 kW can be regulated under BS IV standards without waiting for the implementation of BS V standards in 2025-26.
Capacity Building	Between 2014-15 and 2022-23, the Central Government trained 1.64 Lakh workers through its four Farm Machinery Training and Testing Institutes (FMTTIs) and authorised test centres.

Source: Markets and Markets Analysis and Public Domain

GLOBAL CONSTRUCTION VEHICLE MARKET

As per the Country Equipment Manufacturers/Construction Associations and Markets and Markets analysis, The global construction vehicle market stood at 1.16 Million units in 2023 and was expected to reach 1.19 Million units and 1.21 Million units in 2024 and 2025. The industry is expected to reach around 1.41 Million units by 2029, recording a compound annual growth rate (CAGR) of 3.5%. This growth is driven by advancements in autonomous machinery, large-scale infrastructure projects, and a heightened focus on energy-efficient construction practices. Notably, China, India, and the rest of Asia are expected to be primary drivers of this momentum. With increasing investments in infrastructure and technological innovation, the industry is evolving towards greater efficiency and sustainability. Companies are focussing on strengthening supply chains, using digital transformation, and adopting advanced technologies to enhance productivity. As the global construction vehicle market continues its growth trajectory, strategic advancements and proactive industry initiatives will ensure long-term resilience in an ever-evolving economic and environmental scenario.

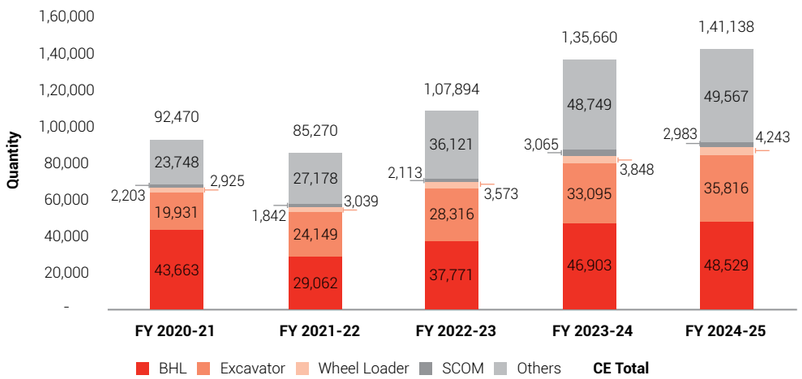
(Source: Country Equipment Manufacturers/Construction Associations and Markets and Markets Analysis.)

INDIAN CONSTRUCTION VEHICLE MARKET

The Indian construction vehicle industry continued its upward trajectory in 2024-25, with total equipment volumes reaching 1,41,138 units, up from 1,35,660 units in 2023-24. Growth was driven by sustained demand across key segments such as backhoe loaders, excavators, and the Others category, indicating broad-based activity across infrastructure and industrial projects. The sector's momentum is supported by ongoing investment in roads, railways, real estate, and mining, along with a policy focus on accelerated project execution. As demand continues to rise, particularly in high-volume categories, the requirement for advanced and emission-compliant components is gaining importance. OEMs are increasingly focussing on efficient, high-performance transmission systems, opening up new opportunities for component suppliers aligned with evolving regulatory and operational needs.

The industry comprises earth-moving equipment, heavy construction vehicles, and material handling machinery, with earth-moving equipment forming the largest segment. This includes excavators, loaders, dozers, and dump trucks that serve critical functions in infrastructure and mining projects. A growing focus on fleet modernisation and operational efficiency is driving continued investment and technological advancement across the value chain. This momentum reinforces India's position as an important market for construction vehicle manufacturers and component suppliers.

Indian Construction Vehicle Sales Market Size



KEY TRENDS AND GROWTH DRIVERS IN THE INDIAN CONSTRUCTION VEHICLE MARKET

Expansion of OEMs Beyond Traditional Propulsion

Electric construction vehicles are gaining traction for being low-maintenance and emission-free, though battery limitations remain a challenge. At the same time, OEMs are also exploring CNG, LPG, LNG, hydrogen, and biofuels, with startups introducing niche electric solutions.

Rise in Demand for Compact Vehicles

Mini excavators and skid steer loaders are increasingly preferred for their flexibility in both urban and rural applications. Their compact size and multi-functionality make them ideal for a wide range of tasks, driving portfolio growth among OEMs.

Adoption of Onboard Diagnostics (OBD)

Stricter emission norms are prompting wider integration of OBD systems. These technologies enable real-time performance tracking and fuel efficiency improvements, helping operators reduce costs and meet regulatory standards.

Momentum in Core Construction Equipment Sales

Backhoe loaders, crawler excavators, and motor graders continue to dominate sales, supported by steady demand from large infrastructure projects such as roadways, metro systems, and rail networks. OEMs are responding to this with new and upgraded models.

Growth in the Earthmoving and Road Equipment Segment

Earthmoving equipment remains the largest segment, with steady growth expected in the coming years. In addition, government infrastructure initiatives are boosting demand for road construction machinery like compactors, excavators, and graders.

GLOBAL BACKHOE LOADER MARKET

The global backhoe loader industry is experiencing steady growth driven by increasing infrastructure development and urbanisation worldwide. It plays a critical role in supporting diverse sectors such as construction, agriculture, and industrial projects due to its multifunctional capabilities and adaptability. Market expansion is fuelled by rising mechanisation, rapid urban growth, and increasing demand for efficient material handling. The industry is also evolving with innovations aimed at enhancing operational efficiency and environmental sustainability, positioning it as a key enabler of economic development and modernisation.

INDIAN BACKHOE LOADER MARKET

The backhoe loader segment continues to play a pivotal role in India's construction equipment landscape, driven by its versatility, compact design, and broad application across infrastructure, agriculture, and utility sectors. Combining the functions of a bulldozer, excavator, and loader, these machines offer an efficient, multi-functional solution for tasks such as loading, trenching, and digging, making them well-suited for both urban and rural projects.

India's backhoe loader market sales have reached 48,529 units in 2024-25 from 46,903 units in 2023-24. Growth is supported by a mix of government-led infrastructure initiatives, small-scale construction activities, and expanding natural gas pipeline projects, which collectively fuel the need for reliable and adaptable equipment.

In addition to their role in infrastructure development, backhoe loaders are also finding increasing use in agricultural mechanisation, offering utility in material handling and excavation on farms. The broader market momentum is further reinforced by manufacturers' efforts to integrate advanced features such as high-performance engines and load-sensing hydraulics, while also strengthening after-sales service networks to meet evolving customer expectations. These trends position the backhoe loader segment as an important part of India's equipment market, with steady demand expected in the years ahead.

(Source: ICEMA, Industry and Markets and Markets Analysis.)

Key Central Sector Schemes Launched by the Government of India

Scheme	Details
Smart Cities Mission	Launched in June 2015, the Smart Cities Mission is a central sector initiative aimed at developing citizen-friendly and sustainable urban centres across India. As of June 2024, 7,132 out of 7,997 tendered projects have been completed, with ₹ 1,43,025 Crore utilised from the total tendered amount of ₹ 1,64,119 Crore. An additional 865 projects, valued at ₹ 21,094 Crore, are currently in progress.
Pradhan Mantri Awas Yojana (PMAY)	The Pradhan Mantri Awas Yojana (PMAY), introduced in June 2015, focusses on ensuring affordable housing for low and middle-income groups across India. By June 2024, a total of 118.64 Lakh houses had been sanctioned, with 83.67 Lakh completed, and ₹1,63,926 Crore in central assistance disbursed.

Scheme	Details
Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	The Atal Mission for Rejuvenation and Urban Transformation (AMRUT), launched in June 2015, aims to provide every household with a reliable water supply and sewerage connection. The Ministry of Housing and Urban Affairs has approved State Annual Action Plans (SAAPs) totalling ₹ 77,640 Crore for the entire mission period. Under AMRUT 2.0, the total indicative outlay stands at ₹ 2,99,000 Crore, including a central share of ₹ 76,760 Crore for the five-year period.
Pradhan Mantri Gram Sadak Yojana (PMGSY)	The Pradhan Mantri Gram Sadak Yojana (PMGSY) is a key government initiative focussed on enhancing rural connectivity by constructing all-weather roads. As of March 2023, the scheme's total investment surpassed ₹ 2.36 Lakh Crore.
National Infrastructure Pipeline (NIP)	The National Infrastructure Pipeline (NIP) aims to drive economic growth by investing over ₹ 100 Lakh Crore in infrastructure projects from 2018-19 to 2024-25, supporting India's goal of achieving a USD 5 Trillion GDP by 2024-25. Key sectors such as energy, roads, railways, and urban development account for approximately 70% of the total projects. As of June 2023, the NIP had a total capital outlay of USD 1,826 Billion, covering 9,742 projects.

(Source: Ministry of Finance, ministry of Housing and Urban Affairs and Public Domain)

COMPANY OVERVIEW

Carraro India Limited (hereafter referred to as 'Carraro India' or 'The Company'), a subsidiary of the Italy-based Carraro Group, stands as a global leader in driveline systems. The Company designs and manufactures axles, transmission systems, and gears for off-highway vehicles. Recognised among India's top independent Tier 1 suppliers, the Company caters to major Original Equipment Manufacturers (OEMs) in the agricultural and construction vehicle sectors.

Rooted in the Carraro Group's legacy of innovation since 1932, the Company has emerged as a key contributor to India's dynamic agricultural and industrial sectors. Carraro India operates two state-of-the-art manufacturing facilities in Pune: an 84,000-square-metre assembly plant and a 78,000-square-metre gear plant, situated on a total land bank of 200,000 square metres. These facilities specialise in the production of axles, transaxles, and gearboxes for tractors and construction equipment, and are equipped with advanced capabilities in cast machining, gear manufacturing with in-house heat treatment, assembly, prototyping, testing, and painting—ensuring high-quality and technologically advanced products.

Carraro India draws on its research and development capabilities, developed through its subsidiary, Carraro Technologies India Private Limited, to expand beyond its core focus on axles and transmissions. The Company also manufactures gears, shafts, and ring gears for industrial, automotive, and material handling applications. Backed by advanced technology and deep expertise in driveline systems, Carraro India continues to drive innovation and reinforce its leadership in the market.

SEGMENT-WISE PERFORMANCE

Agricultural Equipment

Carraro India's agricultural segment continued to be the leading revenue contributor in 2024–25, accounting for approximately 47.4% of the Company's operational revenue. This segment encompasses axles and transmission systems for tractors, with a primary focus on the above 40 HP category and product offerings extending up to 150 HP. The Indian market is witnessing a clear shift towards higher horsepower and four-wheel drive (4WD) tractors, with 4WD penetration expected to grow from an estimated 20% in 2024 to 38% by 2029, at a CAGR of 23%. With a strong track record of in-house R&D, deep engineering expertise, and long-standing OEM partnerships, the Company is well-positioned to address this transition through advanced platforms such as the AG Evo transmission—specifically engineered for 100–150 HP tractors with wet PTO clutch configurations.

Market Leadership in 4WD Drivelines (Non-Captive Segment)

Segment	Estimated Market Share
Domestic Tractors 4WD Axles above 40 HP (Non-captive)	55–60%
Domestic Construction Vehicles Transmission Systems (Non-captive)	60–65%

(Source: Industry and Markets and Markets Analysis)

Construction Equipment

Construction Equipment contributed approximately 41.4% of the total operational revenue in 2024–25, comprising transmission systems and axles for backhoe loaders (BHLs) and a diversified range of off-highway vehicles, including tele-boom handlers (TBHs), compact loaders, cranes, graders, and soil compactors. BHL demand remained steady across both domestic and export markets, mitigating broader softness in global exports. A key highlight for the year was the launch of the TBH axle platform, developed for a leading global OEM, with initial exports commencing in 2024-25. The Company has also secured additional TBH axle projects from two domestic OEMs, signalling future volume visibility. Carraro maintains a 60–65% market share in the non-captive construction vehicle driveline market, reinforcing its leadership position and ability to scale niche product offerings in both standard and emerging off-highway categories.

Others

The remaining 11.2% of operational revenue in 2024–25 came from loose gear supplies, aftermarket parts, and engineering services. During the last two quarters of the year, the Gears business recorded a slight decline in sales and is expected to remain stable in the near term. This segment continues to play an integral role in supporting OEM customers through the full product lifecycle. The engineering services vertical, though currently a small contributor, is expected to gain traction as new development contracts mature over the near future.

OPPORTUNITIES

Rising 4WD Tractor Penetration

India's tractor market is witnessing a rapid transition towards four-wheel-drive technology, with penetration expected to nearly double over the next few years. With a dominant market share in the 41 HP+ non-captive 4WD axle segment, Carraro India is ideally positioned to benefit from this structural trend.

Scaling High-HP and Premium Driveline Platforms

The Company continues to strengthen its leadership in high-horsepower transmission systems through platforms like AG Evo and new projects in the >105 HP category. These initiatives cater to the evolving needs of OEMs and enhance Carraro's technology-driven value proposition.

Entry into the TBH Market: Supplying Axles to Global and Domestic OEMs

Carraro's foray into telescopic boom handler axles opens a new growth vertical within construction equipment. With domestic and international contracts in place, this segment offers multi-year volume visibility and supports product mix improvement.

Momentum in Engineering Services and Electrification

Growing OEM interest in advanced engineering and electrified solutions has created early traction for Carraro's new business lines, including its entry into electric tractor transmissions. These segments are expected to scale in the medium term.

Localisation and Operational Efficiency

With localisation reaching 77% in 2024-25 from 73.2% in 2023-24 and set to increase, the Company is reducing cost volatility and boosting margin resilience. Enhanced labour productivity and process automation further strengthen operational leverage.

THREATS

Prolonged Export Market Weakness

Export demand, particularly in agricultural tractors, remained subdued through 2024-25 due to macroeconomic softness. Any delay in recovery across key markets like Europe and the U.S. could continue to weigh on international business momentum.

Global geopolitical scenario remains uncertain and the broad-based tariffs imposed by the U.S. contribute to the overall instability and unpredictable evolution of the markets. Nevertheless, with particular focus to the latter, Carraro India appears to be sufficiently insulated, benefitting from (I) limited exposure to the US market, (II) commercial arrangements that put the duty burden and risk on the customers and (iii) a product portfolio which is by nature not replaceable in the short term and which is characterized by a high switching cost at Customer's end.

Cost and Supply Chain Pressures

Inflation in input materials, logistics, and energy remains a potential threat. While partly offset by localisation, continued volatility may impact cost structures and supplier margins.

Seasonal and Regulatory Dependence in Agri Segment

The agricultural equipment business is cyclical and dependent on monsoon patterns and rural sentiment. Regulatory changes in Agricultural policies for promotion of farm mechanisation could also necessitate rapid adaptation.

OUTLOOK

Carraro India enters 2025–26 on a strong footing, backed by diversified customer relationships, a balanced portfolio,

and continued innovation. Domestic demand remains encouraging, driven by rising 4WD adoption in agriculture and steady infrastructure-led construction activity.

While export markets remain uncertain in the near term, a recovery is expected in the second half, supported by the ramp-up of the newly acquired tele-boom handler business and ongoing project conversions. The engineering services vertical is gaining traction, with active negotiations underway for advanced, higher-horsepower configurations that are expected to contribute during the year.

The Company is working closely with OEMs on future-ready driveline solutions, supported by its strong R&D and product development capabilities. Efforts to localise the supply chain and optimise costs will support margin expansion.

Topline growth is projected in the range of 8% to 12% in 2025–26, with a continued focus on profitability. Carraro India remains committed to achieving mid-teen EBITDA margins and strengthening its position as a trusted technology partner to OEMs in India and globally.

PERFORMANCE REVIEW (₹ MILLION)

Particulars	2024-25	2023-24
Total Income	18,233.79	18,065.47
EBITDA	1,864.42	1,499.95
EBITDA Margins (%)	10.23	8.30
PAT	881.36	625.63
EPS (₹)	15.50	11.00

KEY RATIOS

Particulars	As of 31st March, 2025	As of 31st March, 2024	Variance (In %)	Explanation if Variance is More than 25%
(a) Current Ratio (in Times)	1.52	1.26	20.63	NA
(b) Debt-to-Equity Ratio (in Times)	0.42	0.58	28.69	Decrease in ratio primarily due decrease in debt and increase in shareholders fund owing to profit for the year.
(c) Debt Service Coverage Ratio (in Times)	2.53	1.96	28.96	Increase in ratio primarily due to increase in profit for the year and reduction in short term borrowings.
(d) Return on Equity Ratio (in %)	21.29	17.69	20.37	NA
(e) Inventory Turnover Ratio (No. of Days)	81.29	75.29	(7.97)	NA
(f) Trade Receivables Turnover Ratio (No. of Days)	53.91	55.71	3.23	NA
(g) Trade Payables Turnover Ratio (No. of Days)	96.71	106.45	9.15	NA
(h) Net Profit Ratio (in %)	4.88	3.50	39.43	Increase in ratio due to increase in profit for the year primarily due to rationalisation of direct and indirect costs.

Particulars	As of 31st March, 2025	As of 31st March, 2024	Variance (In %)	Explanation if Variance is More than 25%
(j) Return on Capital Employed (in %)	22.78	19.31	17.95	NA
(k) Return of Net Worth (in %)	19.24	16.91	13.76	NA
Debtors Turnover Ratio (In times)	6.77	6.55	3.33	NA
Operating Profit Margin (%)	27.32	26.60	2.73	NA
Interest Coverage Ratio (In times)	13.74	18.27	24.81	NA

RISKS AND MITIGATION

Carraro India follows a structured risk management framework to identify, assess, and mitigate risks associated with its operations.

Risk	Impact on the Company	Mitigation Measures
Customer Concentration Risk	A large share of revenue depends on a few key customers. Any reduction in orders from them may adversely impact performance.	Focus on expanding the customer base across geographies and applications while deepening strategic OEM partnerships.
Group Dependency Risk	Reliance on Carraro Group entities for technology and procurement could limit operational independence.	Enhancing self-reliance through localised R&D, independent sourcing, and manufacturing autonomy.
Related Party Transactions Risk	High volume of intercompany transactions may raise governance and compliance concerns.	Ensuring all related party transactions comply with arm's length principles and are subject to regulatory oversight.
Seasonality Risk	Agricultural sector-linked seasonality can cause uneven revenue recognition.	Broadening the product portfolio and market presence to reduce reliance on seasonal demand cycles.
Internal Market Overlap Risk	Competitive dynamics within the broader industry and potential overlaps with related entities may impact market positioning.	Differentiating through technological innovation, enhancing product quality, and adopting customer-centric strategies to strengthen market leadership.
Industry Exposure Risk	Business performance is linked to specific industries, which may be impacted by macroeconomic and sectoral trends.	Diversifying end-user applications, expanding into adjacent markets, and using innovation to cater to evolving industry needs.
Margin Pressure Risk	Rising input costs and pricing pressure may impact margins and overall profitability.	Improving efficiency, maximising resource utilisation, and delivering value-led products to strengthen financial performance.
Manufacturing Location Risk	Production is concentrated in a single location, which could pose risks in case of disruptions.	Strengthening business continuity planning, investing in risk mitigation measures, and exploring expansion or alternative manufacturing capabilities.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Carraro India maintains a well-structured internal control system that ensures operational efficiency, accurate financial reporting, asset protection, fraud prevention, and compliance with applicable laws and regulations. The internal control framework is tailored to the Company's scale and operational complexity, with clearly defined policies and procedures guiding daily operations. Unit and functional heads are accountable for enforcing these controls, assuring transparency and accountability across all levels.

The internal audit function follows a risk-based annual audit plan approved by the Audit Committee, prioritising key risk areas across business operations. Regular internal audits and management reviews are conducted, and findings are periodically reviewed by the Audit and Risk Management Committees. These assessments help strengthen governance practices, mitigate

risks, and improve overall operational effectiveness, ensuring the Company continues to function efficiently and remains compliant with regulatory standards.

HUMAN RESOURCES

Carraro India places strong emphasis on developing a skilled and motivated workforce. The Company invests in training programmes, technical upskilling, and leadership development to enhance employee capabilities and boost efficiency. Additionally, a well-defined talent management strategy ensures employees have ample opportunities for growth and career progression.

Employee engagement, workplace safety, and inclusivity remain key priorities, promoting a collaborative and productive work environment. Further, through training and development programmes, we ensure that employees have opportunities for learning and growth.

As of 31st March, 2025 Carraro India employed around 1,600 employees, each playing a vital role in the Company's operations and long-term success in the driveline systems industry.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report contains statements regarding the Company's objectives, projections, estimates, expectations or predictions, which may be considered as 'forward-looking statements' according to the applicable laws and regulations. It should be noted that actual results may differ significantly from those expressed or implied in these statements. The Company is under no obligation to publicly amend, modify, or revise any 'forward-looking statements,' whether due to subsequent developments, new information, events or any other reason.

BOARD'S REPORT

Dear Shareholders,

Your Directors present herewith the Twenty Eighth Annual Report (first as a listed company) on the business and operations of the Company together with financial statements for the financial year ended 31st March, 2025.

SUMMARISED STATEMENT OF PROFIT AND LOSS:

₹ in Million

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from operations	17,921.53	17,704.54	18,075.54	17,889.65
Other income	157.64	171.79	158.25	175.82
Total income	**18,079.17**	**17,876.33**	**18,233.79**	**18,065.47**
Cost of material consumed	13,136.72	13,131.48	13,136.72	13,131.48
Employee benefit expenses	1,411.60	1,315.48	1,541.37	1,434.72
Finance Cost	224.21	222.29	225.83	224.85
Depreciation and amortisation	434.68	413.99	451.96	431.38
Other expenses	1,711.75	1975.88	1,691.28	1,999.32
Total expenditure	**16,918.96**	**17,059.12**	**17,047.16**	**17,221.75**
Profit before exception items and tax	1,160.21	817.21	1,186.63	843.72
Exceptional items	-	-	-	-
Profit before tax	**1,160.21**	**817.21**	**1,186.63**	**843.72**
Net tax expense	298.34	211.40	305.27	218.09
Net profit for the year	**861.87**	**605.81**	**881.36**	**635.63**

INDUSTRY OVERVIEW AND COMPANY'S PERFORMANCE:

Financial year 2024-25 has been an eventful year that observed almost one-half global population occupied in electoral activity amidst adverse geopolitical scenarios and global financial markets conditionally augmented volatility, driven by regional instability and geopolitical risks.

However, worldwide economic growth remained moderate with 2024 growth projected at 3.2% by the International Monetary Fund ("IMF"). Easing of inflationary elements and grown service sector contributed in this stable performance. Growth has been varied across different economies and the ongoing geopolitical conflicts and trade policy risks are likely to pose challenges to economic stability and growth in near term.

India's economy constitutes a diverse and dynamic industry landscape, with the presence of diverse sectors. Key sectors include automotive, agriculture, construction, infrastructure, manufacturing, and services.

In this pretext, India's economic growth has remained robust with first advance estimates of national accounts projecting 6.5% real GDP growth in the financial year 2024-25. Strong agricultural output and a resilient services sector have been key contributors to India's growth. PFCE (Private Final Consumption Expenditure) is expected to grow at 8.3% in the financial year 2024-25 and thereby account for 61.8% of the financial year 2024-25 GDP. This has been driven by rural demand supported by a good Kharif harvest and favourable agricultural conditions. Nearly 80% of rural households reported an increase in their consumption expenditure. Robust sales of tractors are further indicators of a rise in rural consumption. Retail inflation watered-down from 5.4% in the financial year 2023-24 to 3.35% at end of the financial year 2024-25. Food inflation also narrowed down sharply in 2nd half of the year from ~10% in October 2024 to 2.69% in March 2025. With inflation now at its lowest since 2018–19, India has been able to reinforce macroeconomic stability and create an enabling environment for sustainable growth.

Agriculture remains a critical sector in India, supporting a large portion of the population and contributing significantly to GDP. The sector holds 18% share of GDP. While the sector has shown resilience, challenges such as fragmented landholdings, water scarcity, low productivity, and farmer indebtedness persist.

India's manufacturing sector encompasses various industries such as automobiles, textiles, chemicals, and electronics. The manufacturing sector is expected to account for a 14.1% share of GDP in the financial year 2023-24. However, with an expected growth rate of 7.5%, the sector's share of GDP could potentially increase to 20% by the financial year 2030-31.

[1] *This includes purchases of stock-in trade (traded goods) and changes in inventories of finished goods, stock-in trade and work-in-progress.*

The construction and infrastructure sectors play a vital role in India's economic development, with projects across transportation, housing, energy, and urban development. Despite government efforts to boost infrastructure spending through initiatives such as the National Infrastructure Pipeline, the sector has faced challenges such as delays in project implementation, financing constraints, and regulatory hurdles.

The India off-highway vehicles comprise construction vehicles and agricultural equipment (agricultural equipment includes tractors and harvesting equipment). According to the publications by Tractor Manufacturer's Association ("TMA") and Indian Construction Equipment Manufacturer's Association ("ICEMA"), the agricultural tractors sales are expected to increase by 5.2% whereas construction vehicle sales are expected to increase by 6.0% from CY2023 to CY2024. The sales of agricultural tractors and construction vehicle in India is estimated to increase by 5.3% from CY2023 to CY2024.

The factors influencing the sales of tractors include demand for farm mechanisation, supporting government policies, technological advancements, better financing options, and others and for construction vehicles include increased infrastructure development, urbanisation and real estate growth, growing rental and leasing market, technological advancements and others. Government policies impacting the agricultural tractors and construction vehicles industry, including those related to agricultural infrastructure and supply chain, self-reliant manufacturing, foreign direct investment, tax and environment policies also have a direct impact on vehicle supply and demand.

The Indian off-highway industry has undergone significant changes, with emerging technologies, climate change concerns leading to stringent emission regulations driving shifts in end-customer preferences. As a result, OEMs are now compelled to look beyond traditional purchasing factors like price, design, performance, brand image, and features and focus on new priorities such as fuel efficiency, environmental impact, and innovative features to meet evolving consumer demands.

The off-highway vehicles market comprising of agricultural equipment (tractors and harvesting equipment) and construction vehicles registered almost 17% y-o-y growth in CY2021. The industry had shown a prominent decline in CY2019 and CY2020 due to the general elections and the Covid-19 pandemic. The market continued to grow in CY2022 and CY2023, driven by infrastructure investment. The market is expected to grow in CY2024 and continue to grow steadily until CY2029.

Given the global and domestic scenarios, the Company achieved consolidated revenue of ₹ 18,076 Million in the financial year 2024-25, depicting a flattish growth of 0.9% as compared to consolidated revenue of ₹ 17,890 Million in the previous fiscal. The revenue slit for the financial year 2024-25 comprised of:

₹ in Million

Sr. No.	Particulars	2024-25	2023-24	% Change
1.	Agricultural Vehicles	8,565	8,369	↑ 2%
2.	Construction Vehicles	7,491	7,282	↑ 3%
3.	Others (Gears & tools etc.)	2,019	2,239	↓ 10%

During the financial year 2024-25, the consolidated revenue from operations of the Company, spanned over its application market, saw a growth of 2% in Agricultural Vehicles applications, 3% in Construction vehicles applications and saturation of 10% was seen in other segment (gears & tools etc.), as compared with previous financial year.

Domestic viz-a-viz Export split of consolidated revenue:

₹ in Million

Sr. No.	Particulars	2024-25	2023-24	% Change
1.	Domestic	12,155	11,507	↑ 6%
2.	Export	5,921	6,382	↓ 7%

During the financial year 2024-25, domestic sales was ₹ 12,155 Million, contributing 67% to the total top line and export sales was ₹ 5,921 Million, contributed 32.8% to top line. Out of the consolidated domestic revenue, 50% was from Agricultural Vehicles applications, 42% from Construction vehicles applications and 7% from Others.

Profitability of the Company on consolidated basis stood at:

₹ in Million

Sr. No.	Particulars	2024-25	2023-24	% Change
1.	Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	1,864	1,500	↑ 24%
2.	Profit After Tax (PAT)	881	626	↑ 41%

The Consolidated Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of the Company jumped by 24% & stood at ₹ 1,864 Million as compared to ₹ 1500 Million in the previous fiscal. Profit after tax increased by 41% at ₹ 881 Million as compared to ₹ 626 Million in the previous fiscal. This achievement underscored the strength of Company's business model, operational efficiencies and the ongoing benefit of product mix optimisation. The margin expansion was driven by a stronger contribution from Company's high-value four-wheel drive product portfolio, increased localisation which clocked 77% in fiscal 24-25 from 67% 4~5 years back, tight control on costs and supplier collaboration, early traction from high margin segments like engineering services. The domestic business, excluding indirect exports, continued to gain momentum driven by consistent demand in the agriculture and construction equipment sectors.

The Standalone basic and diluted EPS of the Company stood at ₹ 15.16 for the Financial Year ended 31st March, 2025 as against ₹ 10.66 for the Financial Year ended 31st March, 2024.

DIVIDEND:

The Board of Directors, at its meeting held on 27th May, 2025, has recommended dividend of ₹ 4.55 per equity share of ₹ 10 each (@ 45.50%) (previous year ₹ Nil per equity share), for the financial year 2024-25, for consideration of the Members at the ensuing Twenty Eighth Annual General Meeting ("AGM").

The dividend, if approved by the Members, will result in an outgo of ₹ 258.56 Million. The dividend pay-out is in accordance with the Company's Dividend Distribution Policy.

Dividend Distribution Policy

This policy has been framed and adopted in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The policy, inter alia, lays down various parameters relating to declaration / recommendation of dividend. The Dividend Distribution Policy of the Company was adopted by the Board at its meeting held on 16th December, 2024 and there has been no change to the policy during the financial year 2024-25. The policy is placed on the Company's website at

https://www.carraroindia.com/storage/app/uploads/public/676/08b/cb8/cil_dividend_distribution_policy__67608bcb870c0008893296.pdf

Transfer to reserves

The Company has not transferred any amount of profits to reserves.

Business of the Company and its subsidiary including commencement of any new business lines:

The Company is a technology driven integrated supplier that develops complex engineering products and solutions for its original equipment manufacturer ("OEM") customers. The Company is an independent tier 11 solution provider of axles, transmission systems and gears for the agricultural tractor and construction vehicle industries in India. The Company support's the full value chain of services as a solution provider for axles, transmission systems, gears and other related components with in-house product design manufacturing capabilities.

The Company primarily manufacture axles and transmission systems for agricultural tractors and construction vehicles such as backhoe loaders, soil compactors, cranes, self-loading concrete mixers and small motor graders. Company's products are mission critical for its customers, as the products constitute important components of its customers' final products. The Company provides a diverse range of products including axles and transmission systems of different HP ranges for off-highway vehicles in the agricultural tractor and construction vehicle sectors, as well as gears, shafts and ring gears for industrial and automotive vehicles.

The following graph sets out our offering of axles and transmission systems:

	Agricultural tractor			Construction vehicle		
Axles	 30-50 HP	 49-135 HP	 50-75 HP	 Steering Axles 1–9.5 T UVW	 Rigid Axles 1 - 9.5 T UVW	 Rigid Hypoid Axles 5–17 T UVW
Transmission Systems	 T40 & T50	 50-90 HP	 Upto 150 HP	 TCB80	 TCB80SPS	 Hydrostatic Infinitely Variable

The following graph sets out the application of our transmission systems and axles:

Agricultural Equipment


Tractor


Harvester

Construction Equipment


Back-hoe Loaders (BHL)


Compact Wheel Loaders (CWL)


Soil Compactor (SCOM)


Self-Loading Concrete Mixers (SLCM)


Telescopic Boom Handlers (TBH)


Forklift trucks (MH)

Notes:
1. *Axles*
2. *Transmissions*

The Company also supply gears mainly used in industrial and automotive markets, spare parts which are primarily loose components of agricultural tractors and construction vehicles and other products which are non-core parts of agricultural tractors and construction vehicles.

Established in 1997, the Company started manufacturing transmission systems and axles in 1999 and 2000, respectively. The Company started to manufacture products for the Indian market by understanding its customer needs, leveraging the Carraro Group's research and development ("R&D") capability and knowhow to design and produce our products based on market trends, procuring materials at optimal costs from its supplier base and manufacturing the products in its own plants.

On 1st October, 2023, the Company acquired all the intellectual property rights, title and interest of certain items pertaining to axles and transmissions assembly ("IP") from its ultimate holding company, Carraro S.p.A, at a consideration of ₹ 271.08 Million (€ 3 Million). By this acquisition of IP, the Company gained worldwide exclusive rights, title and interest in the IP, solely and exclusively for manufacture and marketing of the relevant products (or any other products that may utilise the IP) in India or any other countries or jurisdictions, as the Company may decide to manufacture or market such products.

In June 2024, the Company completed acquisition of Carraro Technologies India Private Limited ("CTIPL") at a consideration of ₹ 239.82 Million, after which CTIPL has become subsidiary of the Company. As a result of the acquisition, the Company acquired the R&D centre in Pune, Maharashtra, India and the R&D team of CTIPL. The transfer of the foregoing IP rights and acquisition of CTIPL, together with the engagement of Carraro S.p.A. to support Company's development needs, enabled the Company to further strengthen its R&D offering and to integrate the design, R&D and manufacturing capabilities of its products, which is pivotal in enhancing its competitive position in India.

The Company continues to carry on the business operation of the manufacture and supply of Axels, Transmission Systems and allied equipments for Agricultural Tractors and Construction Equipment vehicles. The Company also intends to introduce new product and Product application to increase its market penetration and drive growth in advanced agricultural tractor drivelines (80-150 HP) and a family of telehandler axles and transmission systems for the construction vehicle sector (with respect to backhoe loaders, telehandlers, soil compactors and wheel loaders). The Company is also aiming to leverage future-ready technologies developed by the Carraro Group, including THE (Transmission-Hydrostatic-Electric) transmission which is a new agricultural and off-road vehicle transmission which is compatible with both hydrostatic and full electric versions, higher HP transmission for tractors, independent front axle systems, specialised tractor capabilities, and axles for off-road 4x4 grenadier which has key application to Electric Off-Highway Vehicles and Higher HP Transmission Systems for Tractors.

CONSOLIDATED FINANCIAL STATEMENTS:

As per Regulation 33 of the Listing Regulations and Section 129 of the Companies Act, 2013 ("Act") read with the rules made thereunder, consolidated financial statements of the Company for the financial year 2024-25 have been prepared in compliance with applicable accounting standards. The audited financial statements of the Company and its subsidiary have been approved by the board of directors of respective entities.

During the year under review, the Board of Directors reviewed the affairs of the subsidiary company in accordance with Section 129(3) of the Act. Consolidated financial statements together with the statutory auditor's report thereon form part of this Annual Report.

SUBSIDIARY:

The Company has one subsidiary as on 31st March, 2025 and as on the date of this report. The Company on 28th June 2024 by way of a Share Purchase Agreement, had acquired 1,782,000 equity shares of face value of ₹ 10 per share of CTIPL for cash consideration of ₹ 239.82 Million. By this acquisition, the Company acquired 99% stake in CTIPL.

The details regarding performance of CTIPL are provided in the Management Discussion and Analysis Report, forming part of this Annual Report.

In terms of Section 129(3) of the Act, a statement in Form AOC-1, containing salient features of the financial statements of the Company's subsidiary, forms part of the Annual Report. A copy of the audited financial statements of CTIPL will be available for inspection by any shareholder of the Company at its registered office during business hours. These financial statements are also placed on the Company's website at www.carraroindia.com/investors/investor-information/subsidiary-financial-statements.

CONVERSION OF COMPANY TO PUBLIC LIMITED COMPANY:

During the year under review, the shareholders of the Company, at their Extra-ordinary General Meeting ("EoGM") held on 4th July, 2024 approved conversion of the Company into public limited by deleting the word 'Private' and corresponding amendments in its Memorandum and Articles of Association as applicable to a public limited company.

The Company received a fresh certificate of incorporation dated 12th August, 2024 from the Registrar of Companies, Maharashtra at Pune effecting conversion of the Company into public limited. Consequently, the name of the Company changed to "Carraro India Limited"

SHARE CAPITAL:

The paid-up equity share capital of the Company as on 31st March, 2025, was ₹ 568,515,380. During the year under review, there has been no change in authorised, issued, subscribed and paid up share capital, including any reclassification or sub-division thereto. The Company has not issued shares with differential voting rights, sweat equity shares, neither has it granted any employee stock options nor has issued any convertible securities.

Transfer of Shares

During the period under review, Carraro International S.E., parent company of the Company, had requested the Board of Director for transfer of their holdings in order to meet the criteria of minimum 7 shareholders of public limited company.

The Board of Director at their meeting held on 3rd July, 2024 had approved the transfer of five (5) equity shares of face value of ₹ 10 per share held by Carraro International S.E. to below shareholders:

Sr. No.	Name of the Transferor	Name of the Transferee	No. of equity shares transferred
1.	Carraro International S.E., Italy	Carraro S.p.A., Italy	1
2.		Carraro International S.E. jointly with Tomaso Carraro	1
3.		Carraro International S.E. jointly with Enrico Carraro	1
4.		Carraro International S.E. jointly with Enrico Gomiero	1
5.		Carraro International S.E. jointly with Davide Grossi	1

Initial Public Offering

During the year under review, the Company offered its equity shares of ₹ 10 each ("Equity Shares") for subscription by the public, by way of Initial Public Offer ("IPO"). The IPO was by way of an Offer for Sale of 1,77,55,681 Equity Shares by Carraro International S.E., Promoter of the Company.

The Equity Shares in the IPO were offered at a price of ₹ 704 per share. The Company listed its Equity Shares on National Stock Exchange of India Limited and BSE Ltd. and on 30th December, 2024.

Post IPO, 31.23% of the shareholding is held by public and balance 68.77% is held by the Promoter and Promoter group.

Utilisation of IPO Proceeds:

As the Company's IPO was by way of an Offer for Sale by the Promoter Selling Shareholder, the Company did not receive any proceeds from the IPO and the Proceeds were paid to the Promoter Selling Shareholder, net of IPO expenses.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Changes in Directors and Key Managerial Personnel

Re-designation of Mr. Tomaso Carraro as the Vice-Chairman of the Company

During the year under review, Mr. Tomaso Carraro, (DIN: 00592312), who was serving on the Board of Directors as the Non-Executive Director, was re-designated as the Vice-Chairman of the Company by the Board of Directors in its meeting held on 9th August, 2024.

Appointment of Mr. Andrea Conchetto as the Non-executive Director

During the year under review, Mr. Andrea Conchetto, (DIN: 10669692), was appointed as an Additional Director by the Board on 3rd July, 2024 to hold office up to the date of Twenty Seventh AGM. The Members of the Company at their Twenty Seventh AGM held on 20th August, 2024 had regularised the appointment of Mr. Andrea Conchetto as the Non-executive Director of the Company.

Appointment of Mr. Matteo Bonino as the Interim-Chief Financial Officer

During the year under review, Mr. Matteo Bonino was appointed as the Interim-Chief Financial Officer in terms of Section 2(51) and Section 203 of the Act, with effect from 3rd July, 2024. Post identification of a full time CFO of the Company, Mr. Matteo Bonino stepped down from the position of Interim-Chief Financial Officer of the Company effective from 2nd August, 2024.

Appointment of Mr. Davide Grossi as the Whole-time Director and Chief Financial Officer

During the year under review, Mr. Davide Grossi, (DIN: 10252992), was appointed as the Chief Financial Officer of the Company effective from 2nd August, 2024 by the Board of Directors at its meeting held on 9th August, 2024. Further, the Board of Directors at the same meeting appointed Mr. Davide Grossi as the Additional Director (Whole-time Director) to hold office up to the date of Twenty Seventh AGM and subject to the approval of the members at the said AGM, to hold office as a whole-time director for a term of five (5) consecutive years effective from 9th August, 2024. The members of the Company at their Twenty Seventh AGM held on 20th August, 2024 had regularised Mr. Davide Grossi's appointment as the Whole-time Director.

Appointment of independent directors including woman director

During the year under review, in terms of Sections 149 and 152 of the Act, the Board of Directors, at its meeting held on 3rd July, 2024 appointed Mrs. Uma Manoj Mandavgane (DIN: 03156224) and Mr. Kishore Mukund Saletore (DIN: 01705850) as Additional Directors to hold office up to the date of Twenty Seventh AGM.

The Board of Directors at its meeting held on 9th August, 2024, had appointed Mr. Ettore Francesco Sequi (DIN: 10734894) as an Additional Directors from that date to hold office up to the date of Twenty Seventh AGM.

The appointment of Mrs. Uma Manoj Mandavgane and Mr. Kishore Mukund Saletore as Non-Executive Independent Directors, for a period of five (5) consecutive years from 3rd July, 2024 to 2nd July 2029 was approved by the shareholders in the Twenty Seventh AGM held on 20th August, 2024.

The shareholders approved the appointment of Mr. Ettore Francesco Sequi as the Chairman of the Board and Non-Executive Independent Director, for a period of five (5) consecutive years from 9th August, 2024 to 8th August, 2029, in their Twenty Seventh AGM held on 20th August, 2024.

Changes in the Company Secretary and Compliance Officer of the Company

During the year under review, following changes took place in the office of the Company Secretary and the Compliance Officer of the Company:

- **Ms. Jui Anil Bhargave**, who was the Company Secretary of the Company was appointed as the Compliance Officer by the Board of Directors at its meeting held on 19th August, 2024, for the purpose of compliance with the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Ms. Jui Anil Bhargave, resigned from the position of Company Secretary and Compliance Officer of the Company which was accepted by the Board effective from the closing business hours of 17th October, 2024.
- **Mr. Nakul Shivaji Patil**, a qualified Company Secretary and an Associate Member of the Institute of Company Secretaries of India (Membership No. A39990) was appointed as the Company Secretary and Compliance Officer of the Company, in terms of Section 2(51) and Section 203 of the Act, SEBI ICDR Regulations and SEBI Listing Regulations, by the Board of Directors at its meeting held on 2nd December, 2024.

Brief profile of the directors and key managerial personnel of the Company, is given below:

Mr. Ettore Francesco Sequi, *(DIN: 10734894),* is the Chairman and Independent Director of the Company. He holds a pre-reform degree in political science from the University of Cagliari. He also serves as the national representative of Italy within the Board of Government Representatives of the Einstein Telescope Infrastructure. He has over 37 years of experience in the field of foreign affairs. He was previously associated with the Ministry of Foreign Affairs and International Cooperation, Italy in various capacities from year 1985 to 2023.

Mr. Tomaso Carraro, *(DIN: 00592312)*, is the Vice-Chairman and Non-Executive Director of the Company. He is also one of the Promoters of the Company. He has been associated with the Company since April 21, 2015. He holds a master's degree in business administration from the Graduate School of Business, University of Chicago. He has over 26 years of experience in the manufacturing sector.

Dr. Balaji Gopalan, *(DIN: 07108093),* is the Managing Director of the Company. His association with the Company dates back to 01st September, 1998 when he joined the Company as an employee and over the years of his employment was successfully elevated to the leadership role. He was appointed as the Managing Director in his current tenure on 4th February, 2021 for a period of five (5) consecutive years. He holds a degree of doctor of philosophy in human resource management from the University of Pune. He has over 25 years of experience in the manufacturing sector.

Mr. Sudhendra Mannikar, *(DIN: 07483321)*, is the Whole-time Director and Chief Operating Officer of the Company. His association with the Company dates back to 02nd August, 1999 as an employee and over the years of his employment was successfully elevated to the leadership role. He was appointed as the Whole-time Director and Chief Operating Officer in his current tenure on 15th March, 2021 for a period of five (5) consecutive years. He holds a bachelor's degree in engineering (production) from University of Pune and a masters' degree in business administration from Savitribai Phule Pune University. He has over 25 years of experience in the field of supply chain, purchase and operations.

Mr. Davide Grossi, *(DIN: 10252992),* is the Whole-time Director and Chief Financial Officer of the Company. He holds an undergraduate degree in business administration from Bocconi University, Italy and a masters' degree of science in accounting, corporate finance, and control from Bocconi University. He has 13 years of experience in the field of finance.

Mr. Enrico Gomiero, *(DIN: 00588074),* is a Non-Executive Director of the Company. He holds a diploma of accountant and commercial expert from the Technical Institute for Commercials and Surveyors of Padua, Italy. He has over 29 years of experience in the manufacturing sector. He was also previously associated with Carraro S.p.A. (ultimate holding company) in his capacity as a manager.

Mr. Andrea Conchetto, *(DIN: 10669692)*, is a Non-Executive Director of the Company. He holds a diploma in electrotechnical engineering from the University of Padua, Italy. He is currently associated with the Carraro Group, including Carraro S.p.A., Carraro Drive Tech Italia S.p.A.,

Carraro China Drive Systems Co. Ltd, and Siap S.p.A. He has over 23 years of experience in the manufacturing sector. He was previously associated with AEG Electric Motors as a commercial-technical engineer and with Carraro S.p.A. (ultimate holding company) as a manager.

Mrs. Uma Mandavgane, *(DIN: 03156224),* is an Independent Director of the Company. She holds a bachelor's degree in commerce from the University of Mumbai. She is a member of the Institute of Chartered Accountants of India and a certified information systems auditor. She has over 14 years of experience in the field of advisory and consulting. She was previously associated with Deloitte Touche Tohmatsu India Private Limited in the capacity of a manager in the enterprise risk services department.

Mr. Kishore Saletore, *(DIN: 01705850),* is an Independent Director of the Company. He is a member of the Institute of Chartered Accountants of India. He has over 11 years of experience in the field of finance. He was previously associated with Bharat Forge Ltd. as the group chief financial officer and TATA Realty and Infrastructure Limited as the chief financial officer.

Mr. Nakul Shivaji Patil is the Company Secretary, Compliance Officer and Assistant General Manager – CS, Legal & Compliance of the Company. He has a bachelor's degree in computer applications from Dr. Babasaheb Ambedkar Marathwada University, Chhatrapati Sambhaji Nagar. He is an associate member of the Institute of Company Secretaries of India. He has over 10 years of post-qualification experience in Secretarial, Compliance, Legal, M&A and Finance functions.

Retirement of directors by rotation

In terms of Section 152(6) of the Act, Mr. Enrico Gomiero and Mr. Tomaso Carraro, Non-executive Directors, who retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, has offered themselves for re-appointment. Information as required under Regulation 36(3) of the Listing Regulations is provided in the Notice convening the AGM.

KEY MANAGERIAL PERSONNEL:

The following officials are the 'Key Managerial Personnel' of the Company in terms of the provisions of Sections 2(51) and 203 of the Act, as on the date of this Report:

i. Dr. Balaji Gopalan, Managing Director;

ii. Mr. Sudhendra Mannikar, Whole-time Director and Chief Operating Officer;

iii. Mr. Davide Grossi, Whole-time Director and Chief Financial Officer; and

iv. Mr. Nakul Patil, Company Secretary & Compliance Officer and Assistant General Manager – CS, Legal and Compliance.

Board of Directors and its Committees

During the financial year under review, the Board met eleven times. A detailed update on the Board, its composition and attendance of the Directors at each meeting is provided in the Corporate Governance report, forming part of this Annual Report.

The Board has constituted six Committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Risk Management Committee and IPO Committee (a non-statutory committee). All recommendations made during the year under review, by the Committees including the Audit Committee were accepted by the Board.

A detailed charter including terms of reference of various Board constituted committees, number of committee meetings held during the financial year 2024-25 and attendance of members at each meeting, also forms part of the Corporate Governance report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Act, the Directors, based on the representation received from the management, confirm that:

i. in the preparation of the annual accounts for the year ended 31st March, 2025, the applicable accounting standards have been followed;

ii. the directors have 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 and of the profit and loss of the Company for that period;

iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the directors have prepared the annual accounts on a going concern basis;

v. the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS:

In terms of Section 149(7) of the Act and Regulation 16(1)(b) of the Listing Regulations, the Independent Directors of the Company have submitted their declarations confirming compliance with the criteria of independence as stipulated thereunder.

All Independent Directors of the Company have affirmed compliance with the Company's Code of Conduct for Directors and Senior Management Personnel for the financial year 2024-25.

The Board took on record declarations and confirmations submitted by the Independent Directors regarding their fulfilment of the prescribed criteria of independence as required under Regulation 25 of the Listing Regulations.

In terms of the amended Rules, an independent director is required to apply online to the Indian Institute of Corporate Affairs ("IICA") for inclusion of his / her name in the data bank for such period till he / she continues to hold office of an independent director in any company.

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by IICA. Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption. Two of the independent directors of the Company are exempt from the requirement to undertake online professions self-assessment test and one of the independent directors has undertaken to complete the online proficiency self-assessment test within the aforesaid time period.

Opinion of the Board with regard to integrity, expertise and experience (including proficiency) of the Independent Directors:

The Board is of the opinion that the Independent Directors of the Company are professionally qualified and well experienced in their respective domains and meet the criteria regarding integrity, expertise, experience and proficiency. Their qualifications and experience in varied fields help in strengthening the Company's systems and processes to align the same with good industry practices and beliefs of corporate governance.

DIRECTORS' REMUNERATION POLICY AND CRITERIA FOR MATTERS UNDER SECTION 178 OF THE ACT:

In terms of Section 178 of the Act, the Nomination and Remuneration Policy covers Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The policy, inter alia, lays down the principles relating to appointment, cessation, remuneration and evaluation of Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

Details of the Company's policy on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters as stipulated under Section 178(3) of the Act, forms part of the Corporate Governance report.

The policy was adopted by the Board at its meeting held on 19th August, 2024 and pursuant to the Act and Listing Regulations is also placed on the Company's website at https://www.carraroindia.com/storage/app/uploads/public/66b/213/d32/nomination_and_renumeration_policy__66b213d32e3ad427839307.pdf

PERFORMANCE EVALUATION:

In compliance with the provisions of Section 178 of the Act, the Nomination and Remuneration Policy ("NR Policy") of the Company, inter alia, specifies that the Board will conduct annual evaluation of its own performance, its Committees and the directors individually. Performance evaluation of Directors shall be done by the entire Board (excluding the director being evaluated). The Nomination and Remuneration Committee is responsible for implementation of the methodology followed by the Company, in this regard. The NR Policy of the Company is placed on the Company's website at https://www.carraroindia.com/storage/app/uploads/public/66b/213/d32/nomination_and_renumeration_policy__66b213d32e3ad427839307.pdf

Performance of the Board is evaluated based on inputs from all the directors on a structured questionnaire covering various aspects such as criteria of board composition and structure, effectiveness of board processes, information and functioning, orientation towards corporate governance and its contribution in effective management of the Company. Assessment and observations on the performance of the Board are discussed and key action areas for the Board, Committees and Directors are noted for implementation.

Information and other details on annual performance assessment are given in the Corporate Governance report.

SECRETARIAL STANDARDS:

The Company is compliant with the Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2).

INFORMATION ON BOARD MEETING PROCEDURE AND ATTENDANCE DURING THE FINANCIAL YEAR 2024-25:

Board meetings of the Company are conducted as per the provisions of the Act, the Listing Regulations and Secretarial Standard-1.

Based on the dates of meetings decided by the Board, adequate notice is given to all directors and Committee members; an agenda with detailed notes thereon is sent at least seven days before the respective meeting. If any board meeting is to be held at a shorter notice, permission of at least one independent director is ensured. The notes to agenda contain relevant information and supporting documents along with recommendation from the management, for meaningful deliberation and / or decision on the agenda items.

A gist of Board and Committee meetings held during the year along with attendance record of each Director forms part of the Corporate Governance report.

AUDIT COMMITTEE:

The Audit Committee of the Company was first constituted in terms of Section 177 of the Act and Regulation 18 of the Listing Regulations by the Board on 3rd July 2024 comprising of the following directors as its members:

i. Mrs. Uma Mandavgane, Independent Director and Chairperson;

ii. Mr. Kishore Saletore, Independent Director; and

iii. Mr. Enrico Gomiero, Non-Executive Director.

The Board at its meeting held on 9th August, 2024, unanimously re-constituted, the Audit Committee and as on 31st March, 2025, the Committee comprised the following directors as its members:

i. Mrs. Uma Mandavgane, Independent Director and Chairperson;

ii. Mr. Kishore Saletore, Independent Director; and

iii. Mr. Davide Grossi, Whole-time Director and Chief Financial Officer.

All the Committee members are financially literate as required under Regulation 18(1)(c) of the Listing Regulations.

The Committee invites the senior officials from Finance, Account and Taxation function to attend meetings of the Committee on "need to do basis". The Statutory Auditors and the independent Internal Auditors are also invited for specific agenda matters.

Mr. Nakul Patil, Company Secretary & Compliance Officer and Assistant General Manager – CS, Legal and Compliance acts as the Secretary to the Committee.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee ("NRC") of the Company was first constituted in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations by the Board on 3rd July 2024 comprising the following directors as its members:

i. Mr. Kishore Saletore, Independent Director and Chairman;

ii. Mrs. Uma Mandavgane, Independent Director;

iii. Mr. Tomaso Carraro, Non-Executive Director; and

iv. Mr. Andrea Conchetto, Non-Executive Director.

The Board at its meeting held on 9th August, 2024, unanimously re-constituted, the NRC by appointing Ettore Francesco Sequi, Independent Director and Chairman of the Company as the members of NRC in place of Mrs. Uma Mandavgane

Mr. Tomaso Carraro, Non-Executive Director and member of the NRC resigned from NRC on 24th December, 2024 to ensure compliance with Regulation 19 (1) (c) of the Listing Regulations.

As on 31st March, 2025, NRC comprised following directors as its members:

i. Mr. Kishore Saletore, Independent Director and Chairman;

ii. Mr. Ettore Francesco Sequi, Independent Director; and

iii. Mr. Andrea Conchetto, Non-Executive Director.

Two-thirds the NRC members are Independent Directors and all of them are Non-Executive Directors.

Mr. Nakul Patil, Company Secretary & Compliance Officer and Assistant General Manager – CS, Legal and Compliance acts as the Secretary to the NRC.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility ("CSR") Committee was constituted in compliance with Section 135 of the Act.

During the year under review, the CSR Committee underwent re-constitution on below two occasions:

A. on 3rd July, 2024, the Board of Directors first time re-constituted the CSR Committee owing the additions of new independent directors on the Board. Post this re-constitution, the CSR Committee comprised of the following directors as its members:

i. Mr. Tomaso Carraro, Non-Executive Director and Chairman;

ii. Mrs. Uma Mandavgane, Independent Director;

iii. Dr. Balaji Gopalan, Managing Director; and

iv. Mr. Sudhendra Mannikar, Whole-time Director and COO.

B. on 9th August, 2024, the Board of Directors re-constituted the CSR Committee again owing to the fact of additions of new independent director on the Board. Post this re-constitution and as on 31st March, 2025, the CSR Committee comprised of the following directors as its members:

i. Mr. Tomaso Carraro, Non-Executive Director and Chairman;

ii. Mr. Ettore Francesco Sequi, Independent Director;

iii. Dr. Balaji Gopalan, Managing Director;

iv. Mr. Sudhendra Mannikar, Whole-time Director and Chief Operating Office; and

v. Mr. Davide Grossi, Whole-time Director and Chief Financial Officer.

Mr. Nakul Patil, Company Secretary & Compliance Officer and Assistant General Manager – CS, Legal and Compliance acts as the Secretary to the CSR Committee.

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee ("SRC") was constituted by the Board on 19th August, 2024 in compliance with the provisions of Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

As on 31st March, 2025, the SRC comprised of the following directors as its members:

i. Mr. Kishore Saletore, Independent Director, Chairman;

ii. Mrs. Uma Mandavgane, Independent Director; and

iii. Mr. Enrico Gomiero, Non-Executive Director.

Mr. Nakul Patil, Company Secretary & Compliance Officer and Assistant General Manager – CS, Legal and Compliance acts as Secretary to the SRC.

There was no change in the composition of the SRC during the year under review.

RISK MANAGEMENT COMMITTEE:

The Risk Management Committee ("RMC") was constituted by the Board on 19th August, 2024 in compliance with Regulation 21 of the Listing Regulations.

As on 31st March, 2025, the RMC comprised of the following directors as its members:

i. Mrs. Uma Mandavgane, Independent Director and Chairperson;

ii. Mr. Andrea Conchetto, Non-Executive Director;

iii. Dr. Balaji Gopalan, Managing Director; and

iv. Mr. Davide Grossi, Whole-time Director and Chief Financial Officer.

The Risk Management Policy of the Company was adopted by the Board of Directors on 19th August, 2024 and the policy is placed on the Company's website at https://www.carraroindia.com/storage/app/uploads/public/66b/213/8c7/risk_management_policy__66b2138c7e1c6942389796.pdf

The policy lays down a procedure for risk management and mitigation commensurate with the scale and nature of the Company's business. The policy also identifies the risk categories in line with the Company's growth strategy, continually changing business environment and legislative requirements. As per the terms of reference of RMC, it is entrusted with the responsibility to periodically review the risk management process.

CREDIT RATING:

On 16th January, 2024 India Ratings and Research Pvt Ltd, a Fitch Group company ("India Ratings"), a credit rating agency registered with the SEBI, has revised the Outlook on Company's debt instruments to Positive from Stable while affirming the rating at 'IND A' on the long-term and short-term bank credit facilities.

Post closure of financial year and between the date of this report, India Ratings, on 16th April, 2025, upgraded, affirmed and assigned the following rating to Company's bank credit facilities, as under:

₹ in Million

Credit Facility rated	Aggregate amount of Credit facility	Rating in 2024-25	Rating for 2025-26	Rating Action
Long Term Credit Facilities:				
Long term facility	1,292.10 (reduced from 1,804.43)	IND A/Positive	IND A+/ Stable	Upgraded
Proposed Term facility (Unallocated)	447.90	-	IND A+/ Stable	Assigned
Short Term Credit Facilities:				
Fund based WCL	1,490.00	IND A/Positive	IND A+/ Stable	Upgraded
Non-fund based WCL	580.00	IND A1	IND A1	Affirmed

INTERNAL FINANCIAL CONTROLS:

In terms of Section 134(5)(e) of the Act, the term Internal Financial Control means the policies and procedures adopted by a company for ensuring orderly and efficient conduct of its business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The Company has adequate Internal Financial Control systems in the form of policies and procedures. It follows a structured mechanism of function-specific reviews and risk reporting by senior management of the Company. Further, internal Standard Operating Procedures ("SOPs") and Schedule of Authority ("SOA") are well defined and documented to provide clear guidance to ensure that all financial transactions are authorised, recorded and reported correctly.

In order to record day-to-day financial transactions and ensure accuracy in reporting thereof, the Company uses an established Enterprise Resource Planning ("ERP") system, which is equipped with 'maker and checker' mechanism and has an audit trail of all transactions. Adequate controls and checks are built in the ERP system to integrate the underlying books of accounts and prevent any kind of control failure. Mapping of policies and procedures including SOPs and SOA is done through ERP and audit of these processes forms part of the work scope of both internal and statutory auditors of the Company.

The Company has appointed an independent and external Internal Auditor ("IA"). The IA, carries out the internal audit of the management records. The IA administratively reports to the Managing Director / Whole-time Director & Chief Financial Officer and functionally reports to the Audit Committee. The scope of work, accountability, responsibility and reporting of the IA is annually reviewed by the Audit Committee.

The IA draws up an IA plan at the start of a financial year, which is approved by the Audit Committee and progress thereof is reviewed by the Committee at its quarterly meetings. The IA conducts audits of plants and corporate functions, specifically emphasising on systems, processes, procedures, guidelines and controls as also statutory compliances, adherence to policies / SOPs, and internal guidelines issued by the management. Implementation of the audit recommendations are monitored by the Finance and Accounts Team.

Report on audit findings and corrective measures taken by the respective process owners, is reviewed periodically by the senior management team of the Company comprising the Managing Director, the whole-time Director & Chief Financial Officer, the Whole-time Director and Chief Operating Officer. Significant observations and status of implementation of recommendations of the IA are presented to the Audit Committee. The Committee reviews the report and advises on improving the systems and processes, where necessary.

The Company's internal control mechanism is commensurate with the scale of its operations thereby ensuring compliance with the Act and the Listing Regulations.

CORPORATE GOVERNANCE:

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the statutory auditors towards compliance with the provisions of Corporate Governance, forms an integral part of this Annual Report.

The Managing Director and the Whole-time Director and Chief Financial Officer have certified to the Board with regard to financial statements and other matters as required under Regulation 17(8) read with Schedule II to the Listing Regulations.

MANAGEMENT DISCUSSION AND ANALYSIS:

Report on Management Discussion and Analysis as stipulated under the Listing Regulations and any other applicable laws for the time being in force for the financial year 2024-25 forms an integral part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

The provision relating to compliance with the requirements of Regulation 34(2) of the Listing Regulations, pertaining to Business Responsibility and Sustainability Report ("BRSR") shall be applicable to Company for the financial year 2025-26. Accordingly, the Company shall comply with requirement of reporting BRSR in the Annual Report for the financial year 2025-26.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

The Company has adopted a "Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and their Immediate Relatives" ("PIT Code") in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, ("PIT Regulations"). Further, the Company has also adopted a 'Code or Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ("UPSI Code"). The PIT Code and UPSI Code were adopted by the Board of Directors at its meeting held on 19th August, 2024.

The PIT Code and the UPSI Code are drawn up on the principle that the Company's directors and employees owe a fiduciary duty, inter alia, to the shareholders of the Company to place the interest of shareholders above their own and conduct their personal securities transactions in a manner that does not give rise to any conflict of interest.

The PIT Code lays down guidelines for 'designated persons' on the procedures to be followed and disclosures to be made while dealing in securities of the Company and also stipulates the consequences of non-compliances or leak of confidential price sensitive information.

The UPSI Code documents the manner of disseminating Unpublished Price Sensitive Information ("UPSI") for making it accessible to the public on non-discriminatory basis. Any information is determined to be UPSI, based on the principles enumerated in the Company's Policy on Determination of Materiality of Event / Information.

In addition to the above, the Company also maintains a Structured Digital Database in terms of Regulation 3(5) of the PIT Regulations containing the nature of UPSI and the names of persons sharing the information, names of persons with whom information is shared, along with the Permanent Account Number or any other identifier authorised by law. The PIT Code placed on the Company's website at https://www.carraroindia.com/storage/app/uploads/public/66b/213/c73/code_of_conduct_to_regulate_monitor_and_report_trading_by_designated_persons_and_their_immediate_relatives__66b213c73d392275197169.pdf.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as **Annexure I**.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

In terms of Section 135 of the Act read with Schedule VII to the Act and Company's Corporate Social Responsibility ("CSR") Policy, the CSR projects and programmes undertaken are recommended by the CSR Committee and approved by the Board. These are primarily aimed towards enhancing employability by imparting skill-building training to unemployed youth, providing community facilities, etc.

Salient features of the CSR Policy are available on the Company's website at www.carraroindia.com. The Annual Report on CSR activities is attached as **Annexure II** to this Report.

In terms of Section 135 of the Act read with Rule 4(5) of the Companies (Corporate Social Responsibility Policy) Rules, 2015, the Whole-time Director and Chief Financial Officer of the Company has provided requisite certificate that the funds disbursed by the Company during the financial year 2024-25 have been utilised for the respective purposes and in the manner as approved by the Board.

Expenditure towards CSR activities

As per the requirements under the Act, the Company earmarked an amount of ₹ 113.56 Lakh towards CSR activities for the financial year 2024-25, based on the average net profit, calculated in terms of Section 198 of the Act of the immediately preceding three financial years. The Board of Directors approved the following projects / programmes to be undertaken as CSR activities during the financial year 2024-25, and all of these activities were as per Schedule VII to the Act and the CSR Policy of the Company:

i. Tech Skill Development Programme; and

ii. Installation of water coolers at the Police Station, Ranjangaon MIDC, Pune.

The total amount spent by the Company, during the financial year 2024-25 towards approved CSR projects and programmes was ₹ 115.32 Lakh towards CSR in terms of Section 135 of the Act.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

During the year under review, no instances of fraud have been reported under Section 143(12) of the Act.

AUDITORS:

Statutory Auditors

Based on the recommendation of the Board, the Members of the Company at their Twenty Fourth AGM held on 25th November, 2021 had approved appointment of M/s. Deloitte Haskins & Sells LLP (ICAI Registration No. 117366W/W-100018 and Peer review number: 017468) ("Deloitte") as the Statutory Auditors of the Company for a second term of five consecutive years. This appointment is valid from the conclusion of the Twenty Fourth AGM till the conclusion of the Twenty Ninth AGM of the Company. The Statutory Auditors of the Company have issued an unmodified opinion on the financial statements, both standalone and consolidated, for the financial year ended 31st March, 2025.

The Auditor's Report for the financial year ended 31st March, 2025 on the financial statements of the Company forms part of this Annual Report.

Cost Auditor

As per the provisions of Section 148 of the Act and Rule 3 of the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records with respect to the manufacturing activities, viz. manufacturing of engine components, manufacturing of dies and moulds, and generation of electricity through windmills, and get the same audited.

The Board has appointed M/s Adawadkar Deshmukh & Associates, Cost Accountant (FRN: 000421) as Cost Auditor of the Company for the financial year 2024-25. The remuneration proposed was ₹ 310,000 and which was ratified by the shareholders of the Company at their Twenty Seventh AGM held on 20th August, 2024.

Based on the recommendation of the Audit Committee, the Board has re-appointed M/s Adawarkar Deshmukh & Associates, Cost Accountant (FRN: 000421) as Cost Auditor of the Company for the financial year 2025-26. The remuneration proposed is ₹ 340,000 which is subject to ratification by the shareholders at the ensuing AGM. The said remuneration is excluding applicable taxes and out-of-pocket expenses, if any, payable at actuals.

Secretarial Auditor

In terms of the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. KANJ & Co. LLP Firm Registration Number AAM-2628, Peer review certificate number 6309/ 2024. a firm of Practicing Company Secretaries, to conduct an audit of the secretarial records for the financial year 2024-25. The Secretarial Audit report for the financial year 2024-25 is set out as **Annexure III** to this Report.

Remarks given by the Secretarial Auditor in the said report are self-explanatory and do not call for any further explanation.

In terms of the provisions of Regulation 24A of the Listing Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 which were notified and came into effect on 13th December, 2024, the Board of Directors at their meeting held on 27th May, 2025 has recommended to the shareholders for appointment of M/s. Mehta & Mehta, Practicing Company Secretaries, a firm registered under the Indian Partnership Act, 1932 having Firm Registration Number MU000019250, ICSI Firm Registration Number P1996MH007500 holding peer review certificate no. 3686/2023 valid up to 30th June 2028, as the Secretarial Auditor of the Company for a term of 5 (Five) consecutive years from 1st April, 2025 up to 31st March, 2030. M/s. Mehta & Mehta, Practicing Company Secretaries, comprise of 11 (Eleven) Partners, all whom are peer reviewed company secretary in practice. The appointment of M/s. Mehta & Mehta, Practicing Company Secretaries, as Secretarial Auditors of the Company is recommended on such remuneration as may be approved by the Board of Directors from time to time during their term.

DISCLOSURES:

The Act and the Listing Regulations mandate formulation of certain policies for listed companies. During the year, the Board has framed and approved policies as required under the Listing Regulations as well as under the Act.

Certain key policies framed by the Company include:

Sr. No.	Name of the Policy
1.	Nomination and Remuneration Policy
2.	Corporate Social Responsibility Policy
3.	Policy on familiarisation programme for independent directors
4.	Code of Conduct for all members of the Board and Senior Management
5.	Code or Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Sr. No.	Name of the Policy
6.	Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and their Immediate Relatives
7.	Code of Conduct for all members of the Board and Senior Management
8.	Risk Management Policy
9.	Whistle-blower Policy
10.	Policy on Board Diversity
11.	Policy on Preservation of Documents
12.	Archival Policy
13.	Policy on succession planning for the Board of Directors and Senior Management
14.	Policy for determination of materiality of events or information
15.	Policy for determining material subsidiary
16.	Dividend Distribution Policy
17.	Policy for Prevention of Sexual Harassment at Work Place
18.	Board Evaluation Policy
19.	Materiality Policy for disclosure in Offer Documents
20.	Policy on Related Party Transaction

The above-mentioned policies are available on the Company's website at the link www.carraroindia.com/investors/corporate-governance/policies.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Disclosure of remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as **Annexure IV**.

A statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate annexure forming part of this Report. In terms of Section 136 of the Act, the Annual Report and financial statements are being sent to the shareholders excluding the aforesaid annexure. The said annexure is available for inspection at the registered office of the Company during business hours and will be made available to any shareholder on request.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given any guarantees covered under the provisions of Section 186 of the Act. Particulars of loans, advanced and investments form part of the notes to standalone financial statements. Kindly refer note nos. 15, and 6.1 of the standalone financial statements for the details of investments made by the Company as on 31st March, 2025.

DEPOSITS:

During the year under review, the Company has neither accepted any deposits from the public nor any amount from its directors.

VIGIL MECHANISM-CUM-WHISTLE BLOWER POLICY:

In terms of the provisions of Section 177(9) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a vigil mechanism, which forms part of the Vigil Mechanism-Cum-Whistle Blower Policy in terms of Regulation 22 of the Listing Regulations for directors and employees. The objective of this policy is to provide a reporting mechanism for any person who observes any unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct for all members of the Board and Senior Management ("Codes of Conduct"). Such person can report the same to the Whistle Blower Officer ("WB Officer") appointed under the policy. The said policy also encompasses reporting of instances of leak of Unpublished Price Sensitive Information ("UPSI").

Protected disclosures can be made by a whistle blower to a dedicated e-mail ID and / or postal address of WB Officer, appointed under the policy. The policy has been hosted on the Company's website at https://www.carraroindia.com/storage/app/uploads/public/66b/213/b07/whistleblowing_vigil_mechanism_policy_carraro_india__66b213b07c99e706098897.pdf

A WB Officer has been appointed in terms of the provisions of the Act to independently investigate protected disclosures communicated under the policy and matters of violation to the Codes of Conduct.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY BETWEEN 31ST MARCH, 2025 AND DATE OF BOARD'S REPORT:

There have been no material changes and commitments

affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this Report.

RELATED PARTY TRANSACTIONS:

As per the Listing Regulations, all Related Party Transactions ("RPT") and any modifications thereto are placed before the Audit Committee for approval. Further, the Audit Committee accords specific / omnibus approval for RPTs, which are in ordinary course of business and satisfy the principles / conditions of being at arm's length basis. Details of the RPTs entered pursuant to the specific and omnibus approval granted are placed on quarterly basis before the Audit Committee for review and update.

Particulars of RPTs entered during the financial year 2024-25

During the financial year 2024-25, the Company did not enter into any contract / arrangement / transaction with related parties, which could be considered material for which shareholders' approval, was required in accordance with Section 188 of the Act and the Policy on Related Party Transaction ("RPT Policy").

Accordingly, there is no information to be disclosed in Form AOC-2, while the particulars of all RPTs in terms of Indian Accounting Standard ("Ind AS") – 24 are forming part of the financial statements.

Further, in terms of Regulation 23 of the Listing Regulations, no material related party transactions took place, from the date of listing of Company's equity shares on the stock exchanges i.e. 30th December, 2024 till 31st March, 2025.

The RPT Policy of the Company, as approved by the Board, can be accessed on the Company's website at https://www.carraroindia.com/storage/app/uploads/public/66c/44c/946/related_party_transactions_policy__66c44c946d248444192428.pdf

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

The Company has adopted a "Policy for Prevention of Sexual Harassment" ("POSH Policy") in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The POSH Policy aims to provide a safe, friendly, positive and productive working environment and promote an atmosphere in which employees can realise their maximum potential. The policy applies to all permanent and temporary employees and also to workforce engaged by the Company through contractors.

The Company observes zero tolerance towards any kind of violation of the POSH Policy. As per the POSH Policy, the Company has constituted Internal Committees ("IC") for all its locations. Such committees are chaired by a female employee and other senior management officials of the Company are its members along with an external member who has experience in dealing with cases relating to sexual harassment. The IC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the POSH Policy.

Pursuant to Rule 8 (5)(x) of the Companies (Accounts) Rules, 2014, the disclosure of the complaints is given below:

Sr. No.	Particulars	Details
1.	No. of complaints of sexual harassment outstanding at the beginning of the year	Nil
2.	No. of complaints of sexual harassment received in the year	Nil
3.	No. of complaints disposed of during the year	Nil
4.	No. of cases pending for more than ninety days	Nil

DISCLOSURE UNDER THE MATERNITY BENEFIT ACT, 1961:

During the year under review, the maternity benefit leave of 26 weeks with remuneration was granted to a total 5 women employees of the Company including one (1) woman employee of Company' subsidiary, CTIPL. The Company has observed compliance with the applicable requirements laid under the Maternity Benefit Act, 1961.

INDUSTRIAL RELATIONS:

During the year under review, the industrial relations remained cordial.

As on the date of this Report, the Company had entered into two agreements with labour unions for the Company's plants located at Ranjangaon (Dist. Pune, Maharashtra). In terms of the agreements, none of them was due for renewal during the financial year under review.

INVESTOR EDUCATION AND PROTECTION FUND:

In accordance with the provisions of Sections 124 and 125 of the Act and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends of a company that remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by such company to the Investor Education and Protection Fund ("IEPF").

In terms of the foregoing provisions of the Act, no dividend amount or shares were required to be transferred to the IEPF by the Company during the year ended 31st March, 2025.

During the seven years preceding the financial year ended 31st March, 2025, the Company has paid all the declared dividends to its shareholders and no amount of dividend was required to be transferred to the Unpaid Dividend Account.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS:

During the year under review, there were no significant material orders passed by Regulators / Courts /Tribunals which would impact the going concern status of the Company and its future operations.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 ("IBC Code"):

During the year under review, neither the Company made any application nor any proceedings were pending against the Company, under the IBC as at the ned of financial year 2024-25 and vice-a-versa.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS:

The Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions, and hence the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

ANNUAL RETURN:

In terms of Section 92(3) read with Section 134(3)(a) of the Act, the annual return of the Company for the financial year ended 31st March, 2025 shall be available on the Company's website at https://www.carraroindia.com/investors/financial-information/annual-returns.

ACKNOWLEDGMENTS:

Your Directors take this opportunity to express their sincere appreciation for the commitment, hard work and support of all its employees and workmen during the year

The Directors also express their gratitude to the shareholders, workmen unions, customers, vendors, dealers, bankers, government authorities of India and other countries where the Company operates and all other business associates for their continued support extended to the Company and for placing their confidence in the management. The management looks forward to their continued support in future.

For and on behalf of the Board

Balaji Gopalan
Managing Director
DIN: 07108093

Sudhendra Mannikar
Whole-time Director & COO
DIN: 07483321

Date: 5th August, 2025

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014:

A. CONSERVATION OF ENERGY:

During the year under review, following energy conservation measures were taken by the Company:

i. Plant 1:

- Installation of energy efficient chiller unit in January, 2025 to draw the electrical power savings of 10,417 KwH units and saved 8.6 tons of Carbon Emission;
- Installation of energy efficient compressor unit in February, 2025 to draw the electrical power savings of 12,500 KwH units and saved 10.3 tons of Carbon Emission;
- Energy savings projects were undertaken in M/C Shop (optimisation of power consumption during non-working hours), from April 2024 onwards to draw the electrical power savings of 96,826 KwH units and saved 80.1 tons of Carbon Emission;

ii. Plant 2:

- The AHU machine was kept shut during 10.00 pm in the night upto 8.00 am next day morning, beginning November 2024, to draw the electrical power savings of 63,075 KwH units and saved 52.2 tons of Carbon Emission;
- Beginning April, 2024 auto cut-off system was introduced, during idle time of M/C to draw the electrical power savings of 25,836 KwH units and saved 21.4 tons of Carbon Emission.

In aggregate, the Company achieved a 208,654 KwH Units of savings in electrical energy and saved 172.6 tons of Carbon Emission.

The capital investment made by the Company during the year under review on energy conservation equipment was ₹ 2.90 Million.

ROOFTOP SOLAR

The Company entered into a Power Purchasing Agreement in November 2023 ("PPA") to construct, operate, and maintain the solar power generation plant at the Company premises. The construction of the solar plant was completed in June 2024 and operationalised in July 2024. Under the PPA, the Company will purchase the electricity generated through solar power plant at a pre-determined discounted fixed rate per unit of electricity, over the period of 15 years from July 2024.

The combined installed capacity of solar power generation is 3.1 MW at Plant 1 & Plant 2. The electricity generated resulted in electrical power savings of 1,924,328 KwH Units at Plant 1 & 1,050,305 KwH Units at Plant 2. This have saved 1591.4 tons of Carbon Emission in Plant 1 & 868.6 tons of Carbon Emission in Plant 2.

B. TECHNOLOGY ABSORPTION:

Research & Development

The Company's foray into the Indian market began in 1997 when it established a manufacturing centre in Pune, India, through a joint venture with one of India's industrial groups. The Company was among the first to enter the agricultural tractor and construction vehicle component market with its dedicated R&D team and centre. Establishing an R&D centre has helped the Company cater its tailored products to its Indian clients – tractors, construction vehicle, and other off-highway vehicle manufacturers. The Company commenced production of transmission systems in 1999, followed by the manufacturing of axles in 2000, marking its entry into the Indian automotive components industry.

Post-acquisition of CTIL in June 2024, as disclosed in this Report, the R&D centre came under the control of the Company. 54 Professionals are directly involved in R&D activities, supported by resources focused on innovating new products and enhancing existing offerings to provide technologically-advanced solutions.

As a strategic hub for the Carraro Group, Company's R&D arm CTIL, plays a critical role in the design, development, and validation of axles and transmission systems tailored for agricultural and construction equipment. With robust engineering capabilities and a growing focus on application-specific innovations, the Company continues to strengthen its position as a future-ready, solutions-oriented technology partner for OEMs.

The Company is focusing on development of the future-ready solutions for emerging technologies ("THE" transmission for electric off-highway vehicles, higher HP tractor transmissions) and to internalise and develop specific technical competences on electric projects.

As a result of efforts, 20 new prototypes were developed in previous fiscal, of which 9 have moved to production and 5 new prototypes were developed during financial year 2024-25.

Intellectual Property

As disclosed in this report, post-acquisition of IP rights of certain items pertaining to axles and transmissions assembly from Carraro S.p.A, the ultimate holding company, back in October 2023, the payment on account of royalty, on above IP, was discontinued.

Specific areas in which R&D was carried out

- Optimisation in 26 series of steering axles for construction equipment market
- 90° Gear box for Telehandlers as a low-cost alternative
- Portal axles for 75 HP for TLB application

Benefits derived as a result of above R&D activities:

- Entry into India Telehandler market for hydrodynamic as well as hydrostatic drivelines
- Low-cost driveline solution for low boom TBH
- Portal axles for 75 HP TLB applications in India

Information regarding imported technology (imported during the last three years):

Year	Details of technology imported	Status
2023	Acquisition of all the intellectual property rights, title and interest of certain items pertaining to axles and transmissions assembly from holding company, Carraro S.p.A, Italy	Fully absorbed

Expenditure incurred on R&D:

₹ in Million

Sr. No.	Particulars of expenditure	2024-25	2023-24
i.	Capital	-	271.08
ii.	Recurring	60.175	81.042
Total		**60.175**	**352.122**
Total research and development expenditure as a percentage of net revenue (without taxes) on a standalone basis.		0.34%	1.99%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company exported agricultural tractor transmissions systems, axles etc to Carraro Group and few OEMs in European countries, United States of America, Latin America and Middle East.

Total foreign exchange earnings and outgo are given below:

₹ in Million

Sr. No.	Particulars of expenditure	2024-25	2023-24
i.	Earnings in foreign exchange	5,767	6,196
ii.	Foreign exchange outgo	3,396	4,139

For and on behalf of the Board

Balaji Gopalan
Managing Director
DIN: 07108093

Sudhendra Mannikar
Whole-time Director & COO
DIN: 07483321

Date: 5th August, 2025

Annexure – II

Annual Report on CSR Activities for the financial year 2024-25

[To be included in the Board's Report for financial year 2024-25]

1. Brief outline on CSR Policy of the Company:

The Company strongly believes that the environment does not adapt to human activity; rather, all actions in business must mould around the planet and there is an urgent need to share resources at a global level. A "sustainable growth" in the industry doesn't mean to talk merely about the production phase but rather about a comprehensive overview of all activities within the business, starting with product development which, from the outset, must take into account the scarcity of resources.

From the "social" standpoint the Company believes that CSR is not a simple programme but it has to be what people in a business organisation do every day maximising positive impact and minimising negative impact on Society. At Carraro India, CSR must evolve from being engaged in passive philanthropy to corporate community investments, which take the form of a social partnership initiative creating value for stakeholders. The Company's CSR activities aim to build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals, and strategy.

2. Composition of CSR Committee as on 31st March 2025:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Mr. Tomaso Carraro	Chairperson (Non-Executive Director)	2	2
2.	Mr. Ettore Francesco Sequi	Member (Chairman of the Board and Independent Director)	2	2
3.	Dr. Balaji Gopalan	Member (Managing Director)	2	2
4.	Mr. Sudhendra Mannikar	Member (Whole-Time Director & Chief Operating Officer)	2	2
5.	Mr. Davide Grossi	Member (Whole-Time Director & Chief Financial Officer)	2	2

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.	**i. CSR Committee Composition:** https://www.carraroindia.com/investors/corporate-governance/bod-commitees#board-committees **ii. CSR Policy:** https://www.carraroindia.com/investors/corporate-governance/policies **iii. CSR Projects:** https://www.carraroindia.com/investors/investor-information/corporate-social-responsibility

4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable for the financial year under review.
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	Nil

Sr. No.	Financial Year	Amount Available for set-off from preceding financial years (in ₹ Lakh)	Amount required to-be set-off for the financial year, if any (in ₹ Lakh)
1.	2023-24	Nil	NA
2.	2022-23	Nil	NA
3.	2021-22	Nil	NA

6.	Average net profit of the Company as per section 135(5).		₹ 5,765.76 Lakh
7.	a.	Two percent of average net profit of the Company as per section 135(5)	₹ 115.32 Lakh
	b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	c.	Amount required to be set off for the financial year,	Nil
	d.	Total CSR obligation for the financial year (7a+7b+7c)	₹ 115.32 Lakh

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ Lakh)	Amount Unspent (in ₹ Lakh)				
	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 section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
115.32	Nil				

8.(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project		Project duration.	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency
				State	District						
Not Applicable											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹ Lakh)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
1	Tech Skill Development Programme	*ii-Promoting education and Employment enhancing vocation skills*	Yes	Maharashtra	Pune	113.58	Yes	-	-
2	Donation of Water Coolers	*i -making available safe drinking water*	Yes	Maharashtra	Pune	1.74	Yes	-	-

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 115.32 Lakh

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹ Lakh)
i.	Two percent of average net profit of the Company as per section 135(5)	115.32
ii.	Total amount spent for the Financial Year	115.32
iii.	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Lakh)	Balance amount in Unspent CSR account under section 135 (6) (in ₹ Lakh)	Amount spent in the reporting Financial Year (in ₹ Lakh).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹).	Date of transfer.		
1	2023-24	Not Applicable	Not Applicable	62.44	Nil				Nil
3	2022-23	Not Applicable	Not Applicable	30.02	Nil				Nil
3	2021-22	Not Applicable	Not Applicable	25.58	Nil				Nil

9. (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

a.	Date of creation or acquisition of the capital asset(s).	Not Applicable
b.	Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
c.	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
d.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

Tomaso Carraro
(Chairperson of CSR Committee)
DIN: 00592312

Balaji Gopalan
(Managing Director)
DIN: 07108093

Annexure – III

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2025

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

To,
Members,
Carraro India Limited
(Formerly known Carraro India Private Limited)
B2/ 2 MIDC, Ranjangaon, Pune, Maharashtra, India, 412220

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Carraro India Limited (hereinafter referred to as "the Company"). The Company became Public limited on 12th August, 2024. Formerly the name of the Company was 'Carraro India Private Limited'. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / 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 authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 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, 2025 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 Byelaws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings (Overseas Direct Investment not applicable to the Company during the financial year under review);

(v) We report that, the Company was a Private Limited Company for part of the year under report and was converted into Public Limited Company w.e.f. 12th August, 2024 and got listed on the BSE & NSE on 30th December, 2024 and as such following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') Acts were not applicable to the Company till 30th December,2024 & became applicable to the Company w.e.f. 30th December, 2024:

a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021 – Not applicable to the Company during the audit period;

f. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 – Not applicable to the Company during the audit period;

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – Not applicable to the Company during the audit period;

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable to the Company during the audit period;

(vi) As informed to us, the following laws and regulations are specifically applicable to the Company during the year under report:

1. National Auto Policy and Automotive Mission Plan 2016-2026
2. Notification number 477(E) dated July 25, 1991, and Press Note 9 dated August 2, 1991, of the Ministry of Commerce and Industry, Government of India
3. Export Promotion Capital Goods Scheme, 2020 ("EPCG Scheme")
4. Public Liability Insurance Act, 1991 ("Public Liability Act")
5. Electricity Act, 2003 ("Electricity Act")
6. Central Electricity Authority Regulations, 2010 ("CEA Regulations")
7. Maharashtra Electricity Duty Act, 2016 ("Maharashtra Electricity Act")
8. Fire prevention laws
9. Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")
10. Maharashtra Legal Metrology (Enforcement) Rules, 2011 ("Maharashtra LM Rules")
11. Bureau of Indian Standards Act, 2016 ("BIS Act")
12. Standards of Weights and Measures Act, 1976 ("Standards of Weights and Measures Act")
13. The Explosives Act, 1884 ("Explosives Act") and the Explosives Rules, 2008
14. The Consumer Protection Act, 2019 ("COPRA 2019")
15. Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 ("Maharashtra Tax Act")
16. The Environment (Protection) Act, 1986 ("EPA") and the Environment (Protection) Rules, 1986
17. The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")
18. Maharashtra Ground Water Act, 2014 ("Maharashtra Ground Water Act")
19. The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")
20. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended (the "Hazardous Waste Rules")
21. The Occupational Safety, Health and Working Conditions Code, 2020 ("Occupational Conditions Code")
22. The Industrial Relations Code, 2020.

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

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

(ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) w.e.f. 30th December, 2024

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. However, the Company needs to strengthen compliance with the applicable Secretarial Standards (SS) issued by the ICSI in respect of minutes of the meetings of the Board of Directors and its committees.

We further report that the Company being a Private Limited Company during the audit period till 12th August, 2024, provisions regarding the appointment of Independent Directors were not applicable. Post becoming a public company, it has complied with the same. 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. Further there was resignation & appointment of the Company Secretary and Chief Finance Officer (CFO) during the audit period.

As informed to us 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 except where shorter notice consent was obtained from the Directors. 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.

All the decisions in the board meetings were carried through and it was informed to us that there were no dissenting views of the members and hence were not 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 the following were the major events in the Company having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.:

1. The Company invested ₹ 23,98,21,560/- in its group company – Carraro Technologies India Private Limited on 28th June, 2024 by purchasing 17,82,000 equity shares thereof. With this, Carraro Technologies India Private Limited became Subsidiary of the Company. Form DI in respect of this Downstream Investment was filed by the Company with the Reserve Bank of India which is yet to be taken on record by RBI.
2. The Company was converted into Public Limited Company w.e.f. 12th August, 2024. The Memorandum of Association & Articles of Association were amended for the purpose of conversion at the Extra ordinary General meeting held on 4th July, 2024.
3. The Company came up with an Initial Public Offer by way of an Offer for Sale of 1,77,55,681 equity shares of ₹ 10/- each of the Company held by the Promoters Selling Shareholders as disclosed in the Prospectus dated 26th December, 2024 at a price of ₹ 704/- per equity share;
4. The Company got its entire equity share capital listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and the w.e.f. 30th December, 2024;
5. The Company has passed the resolutions at its Annual General meeting held on 20th August, 2024 for enhancing the borrowing powers of the Company under section 180(1)(c) up to ₹ 1000 Crore & consequential charge creation under section 180(1)(a) of the Companies Act 2013.

For KANJ & CO. LLP
Company Secretaries

Firm Unique Code: P2000MH005900
Peer Review Number: 6309/2024
Date: 26th May, 2025
Place: Pune

CS Mahesh A. Athavale
Designated Partner
FCS No.: 2412 **C P No.:** 1488
UDIN: F002412G000434162

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

Annexure – III(A)

To,
Members,
Carraro India Limited
(Formerly known Carraro India Private Limited)

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. Wherever 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 has conducted the affairs of the Company.

For KANJ & CO. LLP
Company Secretaries

Firm Unique Code: P2000MH005900
Peer Review Number: 6309/2024
Date: 26th May, 2025
Place: Pune

CS Mahesh A. Athavale
Designated Partner
FCS No.: 2412 **C P No.:** 1488
UDIN: F002412G000434162

INFORMATION PURSUANT TO SECTION 197(12) OF THE ACT READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

a) The ratio of remuneration of each Director / Key Managerial Personnel ("KMP") to the median remuneration of the employees of the Company for the financial year 2024-25:

Sr. No.	Name of the Director/ KMP and Designation	Ratio of remuneration to the median employee's remuneration	% increase / (decrease) in remuneration
Executive Directors and KMP			
1.	Dr. Balaji Gopalan, Managing Director	49.25	+14.4%
2.	Mr. Sudhendra Mannikar, WTD & COO	35.29	+18.2%
3.	Mr. Davide Grossi, WTD & CFO	19.83 (prorated)	NA
Non-Executive (Non-Independent) Directors*			
4.	Mr. Tomaso Carraro, Vice-Chairman	6.09	NA
5.	Mr. Enrico Gomiero	4.44	NA
6.	Mr. Andrea Conchetto	3.73	NA
Non-Executive (Independent) Directors$			
7.	Mr. Ettore Francesco Sequi, Chairman	4.57	NA
8.	Mrs. Uma Mandavgane	4.57	NA
9.	Mr. Kishore Saletore	4.05	NA
KMP			
10.	Mr. Nakul Patil, Company Secretary and Compliance Officer	1.04*(prorated)	NA

**Only Management Fees paid to Non-executive (Non-Independent) Directors was considered while making computation of ratio of remuneration to the median remuneration.*

$Only profit-linked commission paid to Non-executive (Independent) Directors was considered while making computation of ratio of remuneration to the median remuneration.

b) The median remuneration of the employees of the Company during the financial year 2024-25 was ₹ 0.77 Million.

c) Percentage increase in the median remuneration of employees in the financial year 2024-25 was 10.6 % as compared to the previous financial year.

d) Number of permanent employees as on 31st March, 2025 are 909.

e) Average percentile increases in the salaries of employees other than the managerial personnel in the financial year 2024-25 and its comparison with the percentile increase in the managerial remuneration and justification thereof (and point out if there are any exceptional circumstances for increase in the managerial remuneration):

Average percentile increase in the salaries of employees other than managerial personnel in the financial year 2024-25 was 9.17%, whereas the increase in the managerial remuneration in the financial year 2024-25 was 8.35%. The increase in compensation of employees is guided by factors such as, market trends, internal parity and is in line with the normal pay revisions, which is linked to individual performance and the Company's performance.

f) It is hereby affirmed that remuneration to the KMPs and employees of the Company are in line with the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board

Balaji Gopalan
Managing Director
DIN: 07108093

Sudhendra Mannikar
Whole-time Director & COO
DIN: 07483321

Date: 5th August, 2025

INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED.

TO THE BOARD OF DIRCTORS OF

CARRARO INDIA LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated January 24, 2025.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Carraro India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2025, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "LODR Regulations").

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in LODR Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the LODR Regulations during the year ended March 31, 2025.

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sachanand C Mohnani
Partner
(Membership No. 407265)
UDIN: 25407265BMOVAR8715

Place: Pune
Date: July 29, 2025

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the financial year 2024-25. This report elucidates the systems and processes followed by the Company to ensure compliance of corporate governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the Companies Act, 2013 ("Act").

1. PHILOSOPHY:

Carraro India Limited remains steadfast in its commitment to evolving and responsible corporate governance practices, striving to exceed statutory compliance. The Company upholds the highest standards of integrity, transparency, fairness, accountability, ethical conduct, and robust disclosures in all its interactions with stakeholders.

We believe that a strong governance framework forms the foundation for long-term value creation and reinforces stakeholder trust. Our corporate culture is anchored in core values — Driving Market-Focused Innovation, Taking the Lead, Empowering Sustainable Solutions, Embracing Diverse Perspectives and Embodying Passion for Performance — which guide the conduct of all employees and are embedded in our culture.

These principles are not only fundamental to our governance ethos and reinforcing our unwavering dedication to ethical and transparent business practices. The governance framework is evolving in new listing paradigm and will be strengthened to meet the evolving needs of the business and its stakeholders.

2. BOARD OF DIRECTORS:

a) Composition:

As on 31st March, 2025, the Board comprised Nine (9) Directors, three (3) of which are Executive Directors, three (3) are Non-Executive & Independent Directors and the remaining three (3) are Non-Executive and Non-Independent Directors out of which one (1) is a promoter. The Company has a Non-Executive and Independent Chairman.

None of the Directors on the Board is a member of more than 10 (ten) Committees or Chairperson of more than 5 (five) Committees across all companies in which he/ she is a Director. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than 7 (seven) listed companies. Necessary disclosures regarding Committee positions have been made by all the Directors.

None of the directors are related to each other.

The Board is of the opinion that the Independent Directors fulfill conditions specified under the Act and the Listing Regulations and are independent of the management of the Company. There were no instances with respect to resignation of an independent director before the expiry of his/her tenure.

There is no institutional nominee director on the Board of the Company.

The composition of the Board of directors, during the year and attendance during last Annual General Meeting was as under:

Sr. No.	Name of the Director	Category	Date of Appointment	Attendance in last AGM
1.	Mr. Ettore Francesco Sequi	Chairman and Non-Executive, Independent Director	9th August, 2024	No
2.	Mr. Tomaso Carraro	Vice Chairman and Non-Executive, Non-Independent Director, Promoter	21st April, 2015	No
3.	Dr. Balaji Gopalan	Managing Director	21st April, 2015 (appointed at current designation on 4th February, 2021)	Yes
4	Mr. Sudhendra Mannikar	Whole-time Director and Chief Operating Officer	5th April, 2016 (appointed at current designation on 21st March, 2021)	Yes
5	Mr. Davide Grossi	Whole-time Director and Chief Financial Officer	9th August, 2024	Yes
6	Mrs. Uma Mandavgane	Non-executive, Independent Director	3rd July, 2024	No
7	Mr. Kishore Saletore	Non-executive, Independent Director	3rd July, 2024	No
8	Mr. Enrico Gomiero	Non-executive, Non-Independent Director	6th June, 1997	No
9	Mr. Andrea Conchetto	Non-executive, Non-Independent Director	3rd July, 2024	No

b) Directorship and Memberships of Board Committees:

Number of directorship/committee positions of directors as on 31st March, 2025 (including the Company):

Sr. No.	Name of Director	Directorships			Committee position in listed and unlisted public companies[1]	
		Listed companies	Unlisted Public companies	Private companies	As a member (including as Chairperson)	As Chairperson
1	Mr. Ettore Francesco Sequi	1	-	-	-	-
2	Mr. Tomaso Carraro	1	-	1	-	-
3	Dr. Balaji Gopalan	1	-	1	-	-
4	Mr. Sudhendra Mannikar	1	-	-	-	-
5	Mr. Davide Grossi	1	-	1	1	-
6	Mrs. Uma Mandavgane	2	1[2]	2	3	1
7	Mr. Kishore Saletore	1	2	-[3]	2	1
8	Mr. Enrico Gomiero	1	-	1	1	-
9	Mr. Andrea Conchetto	1	-	-	-	-

[1]For the purpose of considering the limit of committees in which a director can serve, all public limited companies, whether listed or not, have been included; whereas all other companies including private limited companies, foreign companies and companies under Section 8 of the Act have been excluded. Only the Audit Committee and the Stakeholders' Relationship Committee, are considered for the purpose of reckoning committee positions.

[2]During the financial year under review, Mrs. Uma Mandavgane was appointed as Independent Director in Aegis Vopak Terminals Limited ("AVTL") which is a Public Limited company. The equity shares of AVTL were subsequently listed on National Stock Exchange of India Limited ("NSE") and BSE Ltd. ("BSE") on 2nd June, 2025.

[3]Mr. Kishore Saletore was holding directorship in a private company, which was a company limited by guarantee and had resigned from the post of director in that private company with effect from 17th October, 2024.

c) Names of the other listed entities where the Directors are holding directorship, as on 31st March, 2025:

As at the end of financial year 2024-25, Mrs. Uma Mandavgane, Independent Director of the Company was also holding directorship in Aeroflex Enterprises Limited (formerly known as SAT Industries Limited) in her capacity as Non-executive Independent Director. Further, on 2nd June, 2025, AVTL was listed on NSE & BSE, where she holds the position as Non-executive Independent Director.

Except Mrs. Uma Mandavgane, no other director of the Company had held directorship in any other listed companies.

d) Number of Board meetings:

During the Financial Year 2024-25, the Board of Directors met Eleven (11) times on following dates, viz. (1) 29th May, 2024, (2) 26th June, 2024, (3) 3rd July, 2024, (4) 9th August, 2024, (5) 19th August, 2024, (6) 23rd August, 2024, (7) 2nd December, 2024, (8) 16th December, 2024, (9) 24th December, 2024, (10) 26th December, 2024 and (11) 6th February, 2025. The statement below tabulates the attendance of each of the director at the aforesaid Board meetings:

Sr. No.	Date of the Meeting ▶	Category	29th May, 2024	26th June, 2024	3rd July, 2024	9th August, 2024	19th August, 2024	23rd August, 2024	2nd December, 2024	16th December, 2024	24th December, 2024	26th December, 2024	6th February, 2025
	No. of the Meeting ▶		01/ 2024-25	02/ 2024-25	03/ 2024-25	04/ 2024-25	05/ 2024-25	06/ 2024-25	07/ 2024-25	08/ 2024-25	09/ 2024-25	10/ 2024-25	11/ 2024-25
	Name of Directors ▼												
1	Mr. Ettore Francesco Sequi	Chairman and ID	NA	NA	NA	NA	√	√	√	LOA	√	√	√
2	Mr. Tomaso Carraro	VC, NED and Promoter	LOA	LOA	LOA	√	√	√	√	√	√	√	√
3	Dr. Balaji Gopalan	MD	√	√	√	√	√	√	√	√	√	√	√
4	Mr. Sudhendra Mannikar	WTD and COO	√	√	√	√	√	√	√	√	√	√	√
5	Mr. Davide Grossi	WTD and CFO	NA	NA	NA	NA	√	√	√	√	√	√	√
6	Mrs. Uma Mandavgane	ID	NA	NA	NA	√	√	√	√	√	LOA	√	√
7	Mr. Kishore Saletore	ID	NA	NA	NA	√	√	√	√	√	√	√	√
8	Mr. Enrico Gomiero	NED	LOA	LOA	LOA	√	√	√	√	√	√	√	√
9	Mr. Andrea Conchetto	NED	NA	NA	NA	√	√	√	√	√	LOA	√	√

- *VC: Vice-Chairman || ID: Independent Director || NED: Non-executive Director || MD: Managing Director ||WTD: Whole-time Director || COO: Chief Operating Officer || CFO: Chief Financial Officer||*
- *NA: Not Applicable, as he/she was not holding the office of the Director.*
- *LOA: Leave of Absence || √: Present.*

e) Shareholding of Non-executive directors:

Details of shares held by the non-executive directors of the Company are as under:

Sr. No.	Name of the non-executive director	No. of Equity shares held in the Company	No. of convertible instruments held in the Company
1.	Mr. Ettore Francesco Sequi	Nil	There are no convertible instruments issued by the Company.
2.	Mr. Tomaso Carraro*	1	
3.	Mrs. Uma Mandavgane	Nil	
4.	Mr. Kishore Saletore	Nil	
5.	Mr. Enrico Gomiero*	1	
6.	Mr. Andrea Conchetto	Nil	

**Mr. Tomaso Carraro and Mr. Enrico Gomiero each jointly holds one (1) equity share with Carraro International S.E. ("CISE"), where CISE is the first-holder.*

f) Skills / expertise / competence of Directors:

The Directors of the Company collectively bring with them a wide range of skills, expertise and competence gained their rich experience, which enhances quality of the Board's decision-making process. The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board is able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced growth of an organisation.

Sr. No.	Skills / expertise / competence	Details
1.	Domain knowledge in Agricultural Tractors and Construction Vehicles and equipment industry	In depth knowledge and experience of agricultural tractors, construction vehicles and equipment industry including its aftermarket business for parts including spares in India and abroad.
2.	Strategy and Planning	Experience in long-term sustainable business strategy formulation, considering business trends and evolving environment.
3.	Business Management	Experience of managing business in a leadership role covering various facets of business such as operations, sales & marketing and supply chain management, etc.
4.	Financial knowledge and expertise	Experience of financial management encompassing understanding of financial statements, financial controls, risk management, treasury operations, mergers and acquisitions, investor relations, etc.
5.	Law and Governance	Expertise in laws and governance practices applicable to the business.
6.	Human Resources and Industrial Relations	Expertise & experience in human resources and industrial relations management along with knowledge of current practices.
7.	Technology and Research & Development	Knowledge in current technology trends and products. Expertise in technology tie.

Mapping of skills / expertise / competence actually available with the Board along with the names of Directors, is given below:

Name of Director	Skills / expertise / competence						
	Domain knowledge in auto / auto Agricultural Tractors and Construction Vehicles and equipment components industry	Strategy and Planning	Business Management	Financial knowledge and expertise	Law and Governance	Human Resources and Industrial Relations	Technology and Research and Development
Mr. Ettore Francesco Sequi	×	√	√	√	√	×	×
Mr. Tomaso Carraro	√	√	√	√	√	×	√
Dr. Balaji Gopalan	√	√	√	√	√	√	×
Mr. Sudhendra Mannikar	√	√	√	×	×	√	√
Mr. Davide Grossi	√	√	√	√	√	×	×
Mrs. Uma Mandavgane	×	√	×	√	√	×	×
Mr. Kishore Saletore	×	√	√	√	√	×	×
Mr. Enrico Gomiero	√	√	√	√	√	×	×
Mr. Andrea Conchetto	√	√	√	√	√	√	√

g) Familiarisation Programme for Independent Directors:

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") applicable effective from 30th December, 2024 (i.e. the date of listing of the equity shares of the Company on stock exchanges), the Company was required to conduct the Familiarisation Programme for Independent Directors (IDs) to familiarise them about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and any other relevant information. The details provided below are for period from 30th December, 2024 to 31st March, 2025 ("Reporting period").

Independent Directors inducted on the Board were given a formal introduction about the Company and its operations. The objective was to provide them an insight about the industry in which the Company operates and comprehensive information about the Company's business, its operations and management.

The familiarisation initiatives were carried out during the reporting period which include comprehensive update at the Board and Committee meetings on the Company's performance and industry scenario, Company's Financial performance for reporting quarter, information on specific functions / departments through presentations by the senior executives.

Details of familiarisation initiatives undertaken by the Company are made available on the website of the Company at https://www.carraroindia.com/investors.

The aim of the familiarisation programmes was to give the Independent Directors an update on:

i. the industry in which the Company operates;

ii. business model and strategic plans of the Company;

iii. roles, rights, responsibilities of independent directors; and

iv. other relevant / significant information pertaining to or affecting the Company to enable them take informed decisions.

Independent Directors on the Board have diverse background with rich experience and expertise in their respective domains. They have an aptitude to keep themselves abreast with changes in the industry and applicable regulations.

The Company undertakes following initiatives to apprise them with relevant information, which helps in effective discharge of their duties and responsibilities as independent directors of the Company:

a. Appointment of the Director(s):

A formal letter of appointment is issued to a director, inter alia, giving details of the Committee(s) where he / she is also appointed as member along with the terms of reference, information about other Board constituted committees, roles and responsibilities as independent director.

b. Corporate overview:

i. Purpose, Philosophy, Vision, Mission and Goal of the Company;

ii. Company's values;

iii. Descriptive input on products manufactured by the Company.

c. Board and Management overview:

Constitution of the Board and various Committees of the Board along with their terms of reference and names of the members, profile of the Board members and the members of the management team.

d. Reference documents:

i. Code of Conduct for the Directors and Senior Management Personnel;

ii. Code of Conduct to regulate monitor and report trading by Designated Persons and their Immediate Relatives;

iii. Corporate policies of the Company approved by the Board which, inter-alia, include Vigil Mechanism-Cum-Whistle Blower Policy, Corporate Social Responsibility Policy, Nomination & Remuneration Policy, Risk Management Policy; and

iv. Powers of the Board, liabilities of the Directors, their duties and responsibilities, etc. as enumerated in the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

e. Updates at the Board Meetings:

Frequency: At periodic intervals (annual / bi-annual / quarterly)

Presentations are made by the head of functions of the Company to the Board. These are with an aim to keep the Non-Executive Directors apprised and updated on various matters, inter alia, encompassing:

i. Company's performance vis-a-vis industry performance, business trends, update on plant operations, initiatives on Research & Development and other significant matters;

ii. Adequacy of internal controls systems including internal financial controls;

iii. Any significant information relating to the subsidiary;

iv. Significant internal audit findings / observations;

v. Corporate Social Responsibility initiatives undertaken;

vi. Litigations and compliance; and

vii. Performance evaluation of the Board as a whole, its committees and individual Directors.

f. Event based updates:

In terms of the Listing Regulations, events stipulated as material or those assessed to be material based on the criteria laid down in the 'Policy for Determination of Materiality of Event / Information' ("Policy") is shared with the independent directors and uploading on the Company's website.

The updated Policy is placed on the Company's website at https://www.carraroindia.com/investors/corporate-governance/policies.

Quarterly updates on the performance of the Company and auto industry is also shared with the Independent Directors.

g. Interactions with the Senior Management team of the Company:

The Directors have access to information and are free to interact with the senior management officials of the Company. The views of the Independent Directors are invited on key strategic deliberations relating to the business plans of the Company. The interaction of Independent Directors with other Board members and functional team, gives an insight from business perspective and provides a platform for the Management to receive strategic inputs.

Details of familiarisation programmes undertaken during the reporting period:

Sr. No.	Date	Particulars of Familiarisation	No. of Man hours spent
1.	22nd November, 2024	The discussion/update in meeting of Audit Committee with respect to: • Books of accounts and its back on servers; • Status on Tax Litigations; • Business model of the Company; • Implementation of 2 types of payment systems for MSME and Non-MSME vendors; • Update on implementation of internal financial controls; • Update on internal audit; and • D&O Liability insurance.	2
2.	23rd January, 2025	Training Session on Insider Trading by Link Intime, regarding the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Company's Code of Conduct to regulate, monitor and report trading by Designated Persons and their immediate relative (the "Code").	2
3.	6th February, 2025	The discussion/update in meeting of Board of Directors with respect to: • Details with respect to recruitment of senior officials just below the level of board of directors, update on Show cause, demand, prosecution notices and penalty notices, Fatal or serious accidents, dangerous occurrences, any effluent or pollution problem etc; • Details with respect to Foreign currency exposure; • Risks and risk reporting of the Company; • Corporate Social Responsibility expenditure made by the Company; • Presentation on financial performance of the Company by Whole-time Director and Chief Financial Officer of the Company.	3

3. AUDIT COMMITTEE:

The Audit committee of the Company is constituted in compliance with provisions of Section 177 of the Act and Regulation 18 of Listing Regulations.

As on 31st March, 2025, the Committee comprised following directors as its members:

i. Mrs. Uma Mandavgane, Chairperson (Non-Executive and Independent);

ii. Mr. Kishore Saletore, Member (Non-Executive and Independent); and

iii. Mr. Davide Grossi Member (Whole-time Director and Chief Financial Officer).

All the Audit Committee members are financially literate as required under Regulation 18(1)(c) of the Listing Regulations.

Mr. Nakul Patil, Company Secretary and Compliance Officer acts as the Secretary to the Committee.

The terms of reference of the Audit Committee are as under:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;

(2) to seek information from any employee;

(3) to obtain outside legal or other professional advice;

(4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(5) such other powers as may be prescribed under the Companies Act and the SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation to the board of directors of the Company (the "Board" or "Board of Directors") for appointment, re-appointment, replacement, remuneration and other terms of appointment of statutory auditors of the Company;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(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 judgement by management;

d. significant adjustments made in the financial statements arising out of audit findings;

e. compliance with listing and other legal requirements relating to financial statements;

f. disclosure of any related party transactions; and

g. modified opinion(s) in the draft audit report.

(5) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed:

i. Recommend criteria for omnibus approval or any changes to the criteria for approval of the Board;

ii. Make omnibus approval for related party transactions proposed to be entered into by the Company for every financial year as per the criteria approved;

iii. Review of transactions pursuant to omnibus approval;

iv. Make recommendation to the Board, where Audit Committee does not approve transactions other than the transactions falling under Section 188 of the Companies Act, 2013.

Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/ or the applicable Accounting Standards and/or the Companies Act, 2013.*

(9) scrutiny of inter-corporate loans and investments;

(10) valuation of undertakings or assets of the Company, wherever it is necessary;

(11) evaluation of internal financial controls and risk management systems;

(12) reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

(13) 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;

(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) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) recommending to the Board the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(19) reviewing the functioning of the whistle blower mechanism;

(20) monitoring the end use of funds raised through public offers and related matters;

(21) overseeing the vigil mechanism established by the Company, with the chairperson of the Audit Committee directly hearing grievances of victimisation of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(22) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(23) reviewing the utilisation of loans and/or advances from/investment by the Company in its subsidiary(/ies) exceeding 1,000,000,000 or 10% of the asset size of the subsidiary(/ies), whichever is lower including existing loans/ advances/ investments;

(24) review the financial statements, in particular, the investments made by any unlisted subsidiary;

(25) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(26) approving the key performance indicators ("KPIs") for disclosure in the offer documents, and approval of KPIs once every year, or as may be required under applicable law; and

(27) carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Information to be reviewed by Audit Committee:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;

- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor; and
- Statement of deviations in terms of the SEBI Listing Regulations:
  a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations;
  b. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI Listing Regulations.

During the financial year 2024-25, the Audit Committee met Seven (7) times viz.: (1) 16th August, 2024 adjourned to 19th August, 2024, (2) 21st August, 2024, (3) 22nd November, 2024, (4) 2nd December, 2024, (5) 5th December, 2024, (6) 16th December, 2024 and (7) 6th February, 2025.

The details of attendance at the Audit Committee meeting are tabulated below:

Sr. No.	Date of the Meeting ▶	Designation & Category	16th August, 2024	19th August, 2024	21st August, 2024	22nd November, 2024	2nd December, 2024	5th December, 2024	16th December, 2024	6th February, 2025
	No. of the Meeting ▶		ACM/01/2024-25	ACM/01/2024-25(Adj)	ACM/02/2024-25	ACM/03/2024-25	ACM/04/2024-25	ACM/05/2024-25	ACM/06/2024-25	ACM/07/2024-25
	Name of Directors ▼									
1.	Mrs. Uma Mandavgane	Chairperson (ID)	√	√	√	√	√	√	√	√
2.	Mr. Kishore Saletore	Member (ID)	√	√	√	√	√	√	√	√
3.	Mr. Davide Grossi	Member (WTD-CFO)	√	√	√	√	√	√	√	√

- ***WTD:*** *Whole-time Director ||* ***CFO:*** *Chief Financial Officer||* ***ID:*** *Independent Director ||*
- ***√:*** *Present ||* ***Adj:*** *Adjourned*

Compliance Officer:

Mr. Nakul Patil, Company Secretary and Compliance Officer of the Company acts as the Secretary to the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee ("NRC") of the Company is constituted in compliance with provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

As on 31st March, 2025, the Committee comprised following directors as its members:

i. Mr. Kishore Saletore, Chairperson (Non-Executive and Independent);

ii. Mr. Ettore Francesco Sequi, Member (Non-Executive and Independent); and

iii. Mr. Andrea Conchetto, Member (Non-Executive and Non-Independent).

All the Committee members are non-executive directors as required under Section 178 of the Act and Regulation 19 of the Listing Regulations. Further, the Chairman of the NRC is distinct from the Chairman of the Company.

The terms of reference of the NRC are:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy");

(2) For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(a) use the services of external agencies, if required;

(b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(c) consider the time commitments of the candidates.

(3) Formulation of criteria for evaluation of performance of independent directors and the Board;

(4) Devising a policy on Board diversity;

(5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

(6) Engaging the services of any consultant/ professional or other agency for the purpose of recommending compensation structure/policy;

(7) Analysing, monitoring and reviewing various human resource and compensation matters;

(8) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(9) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(10) Recommending to the Board, all remuneration, in whatever form, payable to senior management;

(11) The NRC, while formulating the Remuneration Policy, should ensure that:

(a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(12) Performing such functions as are required to be performed under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

(a) administering any existing and proposed employee stock option schemes formulated by the Company from time to time (the "Plan");

(b) determining the eligibility of employees to participate under the Plan;

(c) granting options to eligible employees and determining the date of grant;

(d) determining the number of options to be granted to an employee;

(e) determining the exercise price under the Plan; and

(f) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.

(13) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

(14) Carrying out any other activities as may be delegated by the Board, functions required to be carried out by the NRC as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

During the financial year 2024-25, the NRC met three (3) times on following dates. viz. (1) 16th August, 2024, (2) 22nd November, 2024, (3) 13th March, 2025 and 18th March, 2025 (Adjourned meeting).

The details of attendance at the NRC meeting are tabulated below:

Sr. No.	Date of the Meeting ▶	Designation & Category	16th August, 2024	22nd November, 2024	13th March, 2025	18th March, 2025
	No. of the Meeting ▶		NRCM /01/2024-25	NRCM /02/2024-25	NRCM /03/2024-25	NRCM /03/2024-25 (Adj.)
	Name of Directors ▼					
1.	Mr. Kishore Saletore	Chairperson (ID)	√	√	√	√
2.	Mr. Ettore Francesco Sequi	Member (ID)	√	√	√	√
3.	Mr. Tomaso Carraro*	Member (NED)	√	√	NA	NA
4.	Mr. Andrea Conchetto	Member (NED)	√	√	√	√

• ***NED:*** *Non-executive Non-Independent Director* || ***ID:*** *Independent Director* || ***√:*** *Present* || ***NA:*** *Not Applicable.*

**Mr. Tomaso Carraro voluntarily resigned from the post of the member of NRC with effect from 24th December, 2024, prior to approval of the Prospectus dated 26th December, 2024 to ensure compliance with the composition requirement of the NRC in terms of Regulation 19 of the Listing Regulations.*

Compliance Officer:

Mr. Nakul Patil, Company Secretary and Compliance Officer of the Company acts as Secretary to the NRC.

Performance evaluation criteria for Independent Directors:

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 read with Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the NRC has laid down the criteria for performance evaluation of the Board as a whole, its Committees and individual directors. Based thereon, the evaluation is carried out by NRC and the Board.

The performance evaluation of individual directors and the assessment of Committees' and Board's effectiveness was initiated by NRC in its meeting held on 13th March, 2025 and concluded in its adjourned meeting held on 18th March, 2025. Based thereon, the Board at its meeting held on 15th April, 2025 reviewed the performance assessment of the Board and its Committees. Feedback on performance of individual directors was given separately.

The criteria for performance evaluation forms part of the Nomination and Remuneration Policy of the Company which is placed on the Company's website at https://www.carraroindia.com/investors/corporate-governance/policies.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility ("CSR") Committee is constituted in compliance with Section 135 of the Act.

As on 31st March, 2025, the CSR Committee comprised following directors as its members:

i. Mr. Tomaso Carraro, Chairperson (Non-Executive Director and Promoter);

ii. Mr. Ettore Francesco Sequi, Member (Independent Director);

iii. Dr. Balaji Gopalan, Member (Managing Director);

iv. Mr. Sudhendra Mannikar, Member (Whole-time Director and Chief Operating Officer); and

v. Mr. Davide Grossi, Member (Whole-time Director and Chief Financial Officer).

The terms of reference of the Committee include the following:

(1) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, and the rules made thereunder, each as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

(2) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(3) monitor the Corporate Social Responsibility Policy of the Company and its implementation from time to time;

(4) identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

(5) the Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:

i. the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;

ii. the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act, 2013;

iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;

iv. monitoring and reporting mechanism for the projects or programmes; and

v. details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its Corporate Social Responsibility Committee, based on the reasonable justification to that effect; and

(6) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

During the financial year 2024-25, the CSR Committee met twice (2) on the following dates viz. (1) 2nd December, 2024 and (2) 6th February, 2025.

The details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of the Meeting ▶	Designation & Category	2nd December, 2024	6th February, 2025
	No. of the Meeting ▶		CSRM/01/2024-25	CSRM/02/2024-25
	Name of Directors ▼			
1.	Mr. Tomaso Carraro	Chairperson (NED)	√	√
2.	Mr. Ettore Francesco Sequi	Member (ID)	√	√
3.	Dr. Balaji Gopalan	Member (MD)	√	√
4.	Mr. Sudhendra Mannikar	Member (WTD-COO)	√	√
5.	Mr. Davide Grossi	Member (WTD-CFO)	√	√

• **√:** Present || **NED:** Non-executive Non-Independent Director || **ID:** Non-executive Independent Director || **MD:** Managing Director || **WTD:** Whole-time Director || **COO:** Chief Operating Officer || **CFO:** Chief Financial Officer.

Compliance Officer:

Mr. Nakul Patil, Company Secretary and Compliance Officer of the Company acts as the Secretary to the CSR Committee.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee ("SR Committee") is constituted in compliance with Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

As on 31st March, 2025, the SR Committee comprised following directors as its members:

i. Mr. Kishore Saletore, Chairperson (Independent Director);

ii. Mrs. Uma Mandavgane, Member (Independent Director); and

iii. Mr. Enrico Gomiero, Member (Non-Executive Non-Independent Director).

The terms of reference of the SR Committee are:

(1) considering and looking into various aspects of interest of shareholders, debenture holders and other security holders;

(2) resolving the grievances of the security holders of the Company including complaints related to allotment, transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

(3) giving effect to allotment of equity shares, approval of transfer or transmission of equity shares, debentures or any other securities;

(4) issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

(5) review of measures taken for effective exercise of voting rights by shareholders;

(6) review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;

(7) review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and

(8) carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the Companies Act, 2013 or the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

During the financial year 2024-25, the SR Committee met once (1) on 5th February, 2025.

The details of attendance at the SR Committee meeting are tabulated below:

Sr. No.	Date of the Meeting ▶ No. of the Meeting ▶ Name of Directors ▼	Designation & Category	5th February, 2025 SRC/01/2024-25
1.	Mr. Kishore Saletore	Chairperson (ID)	√
2.	Mrs. Uma Mandavgane	Member (ID)	√
3.	Mr. Enrico Gomiero	Member (NED)	LOA

*• **LOA:** Leave of Absence || **√:** Present || **NED:** Non-executive Non-Independent Director || **ID:** Non-executive Independent Director.*

Compliance Officer:

Mr. Nakul Patil, Company Secretary and Compliance Officer of the Company acts as the Secretary to the SR Committee.

Investor grievance and other communication

The communications and/ or correspondence received during the financial year 2024-25, were primarily pertained to the IPO of the Company such as:

a. Non-Receipt/ Non-allotment of Shares;

b. Non-receipt of application money ASBA/UPI; and

c. Non-receipt of shares credit of the Company.

As stated above, during this period, the Company received and disposed-off Five (5) investor queries/ complaints. All the grievances were resolved to the satisfaction of shareholders and other investors, and as on 31st March, 2025, there were no pending issues to be addressed or resolved.

7. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee ("RM Committee") is constituted in compliance with Regulation 21 of the Listing Regulations.

As on 31st March, 2025, the RM Committee comprised following directors as members:

i. Mrs. Uma Mandavgane, Chairperson (Independent Director);

ii. Dr. Balaji Gopalan, Member (Managing Director);

iii. Mr. Davide Grossi, Member (Whole-time Director and Chief Financial Officer);

iv. Mr. Andrea Conchetto, Member (Non-Executive Non-Independent Director).

The terms of reference of the RM Committee are:

(1) Review, assess and formulate the risk management system and policy of the Company from time to time and recommend for an amendment or modification thereof, which shall include:

(a) a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

(b) measures for risk mitigation including systems and processes for internal control of identified risks; and

(c) business continuity plan;

(2) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;

(5) Keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

(7) To implement and monitor policies and/or processes for ensuring cyber security;

(8) To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board; and

(9) Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

During the financial year 2024-25, the RM Committee met once (1) on 5th February, 2025.

The details of attendance at the RM Committee meetings are tabulated below:

Sr. No.	Date of the Meeting ▶ No. of the Meeting ▶ Name of Directors ▼	Designation & Category	5th February, 2025 RMC/01/2024-25
1.	Mrs. Uma Mandavgane	Chairperson (ID)	√
2.	Dr. Balaji Gopalan	Member (MD)	√
3.	Mr. Davide Grossi	Member (WTD-CFO)	√
4.	Mr. Andrea Conchetto	Member (NED)	√

*• **√:** Present || **NED:** Non-executive Non-Independent Director || **ID:** Non-executive Independent Director || **MD:** Managing Director|| **WTD:** Whole-time Director || **CFO:** Chief Financial Officer.*

8. OTHER COMMITTEES

A. IPO Committee

An IPO Committee was constituted by the Board of Directors in its meeting held on 19th August, 2024 to carry out on behalf of the Board such deeds and actions as may be required in connection with the IPO, including negotiating, finalising and executing all such documentation and agreements as may be necessary and appropriate which were required to be undertaken on urgent basis, to ensure completion of such activities in smooth and timely manner.

The IPO Committee comprised following directors as its members:

i. Dr. Balaji Gopalan, Chairperson (Managing Director);

ii. Mr. Davide Grossi, Member (Whole-time Director and Chief Financial Officer); and

iii. Mr. Enrico Gomiero, Member (Non-Executive Non-Independent Director).

The Company had concluded its IPO on 26th December, 2024 and the equity shares of the Company were listed on stock exchanges with effect from 30th December, 2024.

As the purpose of the IPO Committee was fulfilled, the Board dissolved the Committee on 15th April, 2025.

During the financial year 2024-25, the IPO Committee met four times (4) on the following dates viz. (1) 5th December, 2024, (2) 16th December, 2024, (3) 19th December, 2024 and (4) 26th December, 2024.

The details of attendance at the IPO Committee meetings are tabulated below:

Sr. No.	Date of the Meeting ▶ / No. of the Meeting ▶ / Name of Directors ▼	Designation & Category	5th Dec, 2024 IPOCM/01/2024-25	16th Dec, 2024 IPOCM/02/2024-25	19th Dec, 2024 IPOCM/03/2024-25	26th Dec, 2024 IPOCM/04/2024-25
1.	Dr. Balaji Gopalan	Chairperson (MD)	√	√	√	√
2.	Mr. Davide Grossi	Member (WTD-CFO)	√	√	√	√
3.	Mr. Enrico Gomiero	Member (NED)	√	√	√	√

• ***√:*** *Present ||* ***NED:*** *Non-executive Non-Independent Director ||* ***MD:*** *Managing Director||* ***WTD:*** *Whole-time Director ||* ***CFO:*** *Chief Financial Officer.*

B. Committee of Independent Directors

During the financial year 2024-25, pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 (the "Amendments") in connection with the Initial Public Offering ("IPO") of equity shares of the Company, the Committee of Independent Directors was constituted, which was comprised all the independent directors, to provide the recommendation for inclusion in the price band advertisement, issued by the Company in relation to its IPO, that the price band was justified based on quantitative factors/ key performance indicators disclosed in "Basis for Offer Price" chapter of the red herring prospectus (the "RHP") filed by the Company with the Registrar of Companies, Maharashtra at Pune vis-à-vis the weighted average cost of acquisition of primary issuance/ secondary transaction(s) disclosed in the "Basis for Offer Price" chapter of the RHP.

The Committee comprised following Independent directors, as its members:

i. Mr. Kishore Saletore – Chairperson;

ii. Mr. Ettore Francesco Sequi - Member; and

iii. Mrs. Uma Mandavgane – Member.

During the financial year 2024-25, the Committee of Independent Directors met once (1) on 16th Dec, 2024.

The details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of the Meeting ▶ / No. of the Meeting ▶ / Name of Directors ▼	Category	16th Dec, 2024 IDCM/01/2024-25
1.	Mr. Kishore Saletore	Chairperson	√
2.	Mr. Ettore Francesco Sequi	Member	LOA
3.	Mrs. Uma Mandavgane	Member	√

• ***LOA:*** *Leave of Absence ||* ***√:*** *Present.*

9. SENIOR MANAGEMENT:

Apart from Mr. Davide Grossi who was appointed as Whole-Time Director and Chief Financial Officer of the Company, below are the details pertaining to the senior management of the Company:

a. Ms. Mamta Bakshi- Director of HR, Leadership & Culture;

b. Mr. Ashok Kumar- Director of Sales & Business Development;

c. Mr. Vijay Raman- Director of Purchase & Supply Chain Management;

d. Mr. Sanjay Kumar- Director of Manufacturing;

e. Ms. Jui Bhargave- Company Secretary & Compliance Officer (Identified and designated Key Managerial Personnel) (Cessation w.e.f. 17th October, 2024);

f. Mr. Nakul Patil- Company Secretary & Compliance Officer (Identified and designated Key Managerial Personnel) (Appointment w.e.f. 2nd December, 2024.

Except as disclosed above, there were no changes in senior management since the close of the previous financial year.

10. REMUNERATION OF DIRECTORS:

a. All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:

Apart from the remuneration, there were no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company during the financial year.

b. Criteria of making payment to Non-executive directors:

The Company makes payment of remuneration to non-executive directors by way of management fees which is inclusive of the sitting fees for attending the meetings of the Board and its Committees. In case of the non-executive independent directors, they are paid profit linked commission which is inclusive of the sitting fees for attending the meetings of the Board and its Committees, for their contribution as members of the Board and Board Committees. However, the sitting fees paid to each of the non-executive as well as the independent directors, forming part of their remuneration, is well within the limits prescribed under the Companies Act, 2013.

The NR Policy of the Company, inter alia, contains the criteria for making payments to the directors (including the Non-executive Directors), key managerial personnel and senior management employees and the same is placed on the Company's website at https://www.carraroindia.com/investors/corporate-governance/policies.

c. Disclosures with respect to remuneration:

Executive Directors were paid remuneration in the form of Basic salary including allowances, Monthly incentive performance bonus, perquisites (including leave travel allowance, provident fund contribution, gratuity and vehicle), Variable pay/ Variable performance pay (in accordance with policies of the Company and Carraro Group), Deferred retention salary (if applicable) and Management fees, as approved by the Board and the shareholders of the Company. Accordingly, the Nomination and Remuneration ("NR") Committee had recommended and the Board had approved the remuneration payable to Executive Directors of the Company for the financial year 2024-25, which was subsequently approved by the shareholders in their 27th Annual General Meeting held on 20th August, 2024 ("AGM"). Subject to the applicable laws, they are entitled to superannuation benefits from an approved life insurance company, which forms part of their perquisites. Annual increment is decided by the Board within the limits stipulated under Section 197(1) of the Act as approved by the shareholders of the Company and is effective from 1st April of every year. No pension is paid to any Directors of the Company.

Service of the Executive Directors may be terminated by either party giving the other party notice as per the notice period mentioned in their Agreement or the Company paying salary for the said notice period in lieu thereof. There is no separate provision for payment of severance fees.

The NR Committee had further recommended and Board had approved remuneration payable to Non-Executive Directors and the Independent Directors of the Company for the financial year 2024-25, which was subsequently approved by the shareholders in their 27th AGM. The Non-executive directors were paid remuneration in the form of management fees and Independent Directors in the form of profit-linked commission. In addition to the management fees/ profit-linked commission, they were also paid sitting fees for the Board and Board Committee meetings attended by them.

The said management fee and profit linked commission, as applicable, for the financial year 2024-25 was decided by the Board which was subsequently approved by the shareholders at their 27th AGM and paid to the Non-executive as well as Independent Directors. The management fee and profit linked commission was paid in two tranches during the financial year 2024-25.

The Company has not granted any stock options to the Directors and hence, it does not form part of the remuneration package payable to any Director. During the year under review, the Company did not advance any loan to any Director or firm(s) / company(ies) in which Directors are interested.

The details of remuneration and sitting fees paid to the Board members, as applicable, to each of them, during the financial year 2024-25, is given below:

Amount in ₹ million

Sr. No	Name of Director	Category	Salary	Profit linked Commission (FY 2024-25)	Sitting fees	Management fees	Total
1.	Mr. Ettore Francesco Sequi	Chairman and Non-Executive, Independent Director	NA	3.52	1.3	NA	4.82
2.	Mr. Tomaso Carraro	Vice Chairman and Non-Executive, Non-Independent Director, Promoter	NA	NA	1.2	4.69	5.89
3.	Dr. Balaji Gopalan	Managing Director	39.40	NA	NA	NA	39.40
4.	Mr. Sudhendra Mannikar	Whole-time Director and Chief Operating Officer	27.10	NA	NA	NA	27.10
5.	Mr. Davide Grossi	Whole-time Director and Chief Financial Officer	14.38	NA	NA	NA	14.38
6.	Mrs. Uma Mandavgane	Non-executive, Independent Director	NA	3.52	1.9	NA	5.42
7.	Mr. Kishore Saletore	Non-executive, Independent Director	NA	3.12	2.3	NA	5.42
8.	Mr. Enrico Gomiero	Non-executive, Non-Independent Director	NA	NA	1.2	3.42	4.62
9.	Mr. Andrea Conchetto	Non-executive, Non-Independent Director	NA	NA	1.2	2.87	4.07

i. Remuneration was paid to the directors from the date of their appointment on the board on pro-rata basis, as applicable.

ii. Remuneration paid to Managing Director and Whole-time Directors, includes management fee, in the nature of an allowance, as a part of the Salary.

iii. Remuneration of the Non-executive Independent Directors and Non-executive Non-Independent Directors was approved by the members of the Company at their 27th Annual General Meeting held on 20th August, 2024 and also disclosed in Company's Prospectus dated 26th December, 2024.

iv. Remuneration paid /payable to Non-executive Non-Independent Directors comprise both Management fee and sitting fee. The sitting fees are paid basis the meetings of the Board and Committees attended @ ₹ 0.1 Million per such meeting and the management fees is paid net of sitting fees from the approved remuneration.

v. Remuneration paid /payable to Non-executive Independent Directors comprise both profit linked commission and sitting fee. The sitting fees are paid basis the meetings of the Board and Committees attended @ ₹ 0.1 Million per such meeting and the profit linked commission is paid net of sitting fees from the approved remuneration.

vi. The remuneration paid to all the directors, except Mr. Enrico Gomiero, was remitted/ paid post deduction of applicable withholding taxes and payment of Goods and Service Taxes, as applicable.

vii. The remuneration of Mr. Enrico Gomiero is outstanding and shall be paid to him on or after the ensuing 28th Annual General Meeting of the Company.

11. GENERAL BODY MEETINGS:

a. Details of the Annual General Meetings (AGMs) of the Company held during the previous three years and the details of the special resolutions(s) passed therein, are tabulated below:

AGM	Date and time of AGM	Location	Details of special resolutions(s) passed at the AGMs, if any
Twenty-Seventh AGM	20th August, 2024 at 12:00 P.M. (IST)	Regd. Office: B2/2 MIDC, Ranjangaon, Pune - 412220	• Increase in investment limits for Non-Resident Indians and Overseas Citizens of India. • Creation of charge on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013. • Enhancement in the borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013. • Increase in overall limit of remuneration payable to Directors of the Company. • Increase in overall limit of remuneration payable to Directors (who are neither Managing Directors or Whole-Time Directors) of the Company. • Approval of remuneration payable to the Managing Director of the Company, Dr. Balaji Gopalan. • Approval of remuneration payable to the whole-time director and Chief Financial Officer of the Company, Mr. Davide Grossi. • Approval of remuneration payable to the Whole-Time Director of the Company, Mr. Sudhendra Mannikar. • Approval of remuneration payable to the Non-Executive (Non-Independent) Directors of the Company. • Approval of fees and commission payable to the Independent Directors of the Company.
Twenty-Sixth AGM	29th September, 2023 at 02:00 P.M. (IST)		• Approval of the Related Party Transaction between Carraro SPA and Carraro India Pvt Ltd for the purchase of the Intellectual Property.
Twenty-Fifth AGM	30th September,2022 at 11:00 A.M. (IST)		No special resolution was passed

In addition to the above, below are the details of the Extra-ordinary General Meetings ('EOGM") held during the preceding three years and the details of special resolution(s) passed therein, are tabulated below:

Date and time of EOGM	Location	Details of special resolutions(s) passed at the Extra-ordinary General Meetings, if any
4th July, 2024 at 12:00 P.M. (IST).	Regd. Office: B2/2 MIDC, Ranjangaon, Pune - 412220	• Alteration of Articles of Association of the Company. • Conversion of the status of the Company from Private Company to Public Company.

No resolution of shareholders was passed through postal ballot in the last year. Further, as on date, no special resolution is proposed to be passed through postal ballot.

12. MEANS OF COMMUNICATION:

During the year under review, the Company had published its financial results in the following manner:

Particulars of Financial Results	Name of the publication(s)
Unaudited Financial Results for the quarter and nine months ended 31st December, 2024.	Financial Express and Loksatta

In addition to the dissemination of financial results in newspaper publications, the senior management team of the Company also conducts earnings conference call with analysts, institutional investors and general public after the financial results are published, to give update on the operations and the financial performance of the Company.

The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and such other matters which, in its opinion, are material and relevant for the shareholders.

The Company's website link, https://www.carraroindia.com/investors, contains information as prescribed under the Act and the Listing Regulations, including details of the contact persons and Registrar & Transfer Agent of the Company, shareholding pattern, etc.

Along with the intimation to stock exchanges as required pursuant to the listing regulations, the information as published by the Company with respect to financial results, press release/ news releases, transcripts of conference calls, presentations made to institutional investors or to the analysts and other communications, is also uploaded on the website of the Company.

13. GENERAL SHAREHOLDER INFORMATION:

a) Twenty-Eighth Annual General Meeting:

The date, time and venue of the Twenty-Eighth Annual General Meeting of the Company is provided hereunder:

Date:	11th September, 2025
Day:	Thursday
Time:	11:00 A.M.
Venue:	The Edge, Second Floor, Hyatt Pune, Kalyani Nagar, 88 Nagar Road (Adj. Aga Khan Palace), Pune - 411006, Maharashtra, India

b) Financial Year:

Commencing from 1st April and ends on 31st March next year.

Particulars	Date
Financial reporting for the:	
1st quarter ending on 30th June, 2025	On or before 14th August, 2025
2nd quarter ending on 30th September, 2025	On or before 14th November, 2025
3rd quarter ending on 31st December, 2025	On or before 14th February, 2026
Financial year ending on 31st March, 2026	On or before 30th May, 2026

c) Date of Dividend Payment:

Dividend on equity shares, if declared at the ensuing AGM, will be credited/dispatched on or after 16th September, 2025 but before 10th October, 2025 as under:

to all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on 3rd September, 2025.

d) Listing on Stock Exchanges:

The Company has entered into the Listing Agreement with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 24th December, 2024. Further, the equity shares of the Company were listed on NSE and BSE on 30th December, 2024.

The Company had paid initial listing fees and annual listing fees for the financial year 2024-25 to both the stock exchanges i.e. NSE and BSE on 24th December, 2024.

Further, the Company has paid annual listing fees for the financial year 2025-26 to NSE and BSE on 18th April, 2025 and 7th May, 2025 respectively.

Equity Shares of face value of ₹ 10/- each of the Company are currently listed on the following stock exchanges:

Sr. No.	Name	Address	Symbol/ Stock Code
1.	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	CARRARO
2.	BSE Limited (BSE)	1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	544320

The securities of the Company have never been suspended from trading on any of the Stock Exchanges.

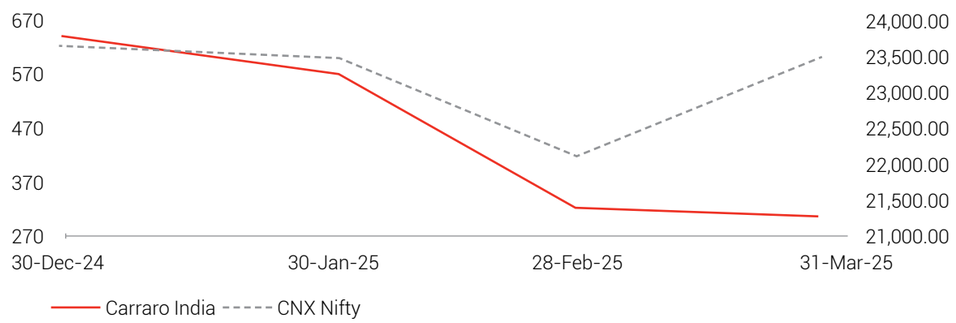
e) Market Price Data:

Monthly highs and lows of Company's shares during 2024-25 (₹ vis-à-vis CNX Nifty & BSE Sensex):

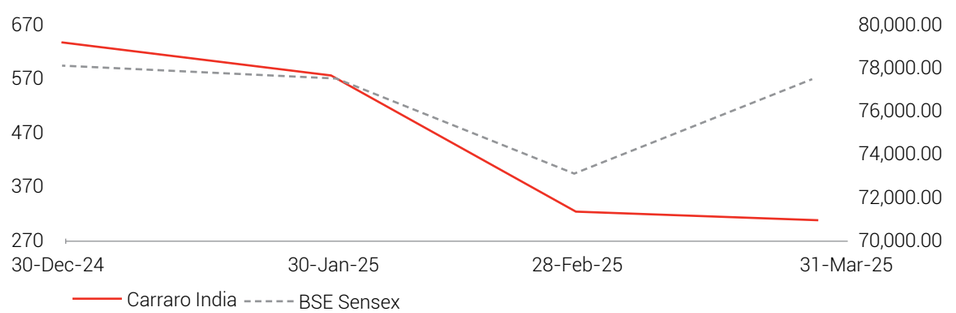
Particulars	Carraro India Limited		BSE Sensex		CNX Nifty		BSE Sensex Closing	CNX Nifty Closing
	High	Low	High	Low	High	Low		
December	682	631	79,092.70	77,560.79	23,915.35	23,460.45	78,139.01	23,644.80
January	692.4	495	80,072.99	75,267.59	24,226.70	22,786.90	77,500.57	23,508.40
February	586	320.95	78,735.41	73,141.27	23,807.30	22,104.85	73,198.10	22,124.70
March	366.9	302.1	78,741.69	72,633.54	23,869.60	21,964.60	77,414.92	23,519.35

The charts below show the comparison of the Company's share price (monthly high) movement vis-à-vis the movement of the BSE Sensex and CNX Nifty for the financial year 2024-25 (based on month end closing).

Carraro India Limited Vs CNX Nifty:



Carraro India Limited Vs BSE Sensex:



f) Share Transfer Agent:

The Company vide Agreement dated 30th December, 2024 had appointed following agency to act as its Registrar and Share Transfer Agent ("RTA"). The RTA is, inter alia, responsible for processing of requests pertaining to share transfers/ transmission/ dematerialisation/ rematerialisation and other activities related thereto for both electronic and physical shareholdings. Further, RTA also handles corporate actions such as data requirements for conduct of AGMs, dividends etc. The RTA corresponds with the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in this regard.

MUFG Intime India Private Limited

(Formerly known as Link Intime India Private Limited)

SEBI Registration no. INR000004058

C 101, 247 Park, L B S Marg,

Vikhroli West,

Mumbai 400 083

Email: rnt.helpdesk@in.mpms.mufg.com

Tel No: +91 8108118484

Fax: +91 22 4918 6060

g) Share Transfer System:

In terms of Regulation 40(1) of the Listing Regulations, transfer of securities held in physical mode has been discontinued w.e.f. 1st April, 2019. Accordingly, the transfer of securities would be carried out only in dematerialised form. As on 31st March, 2025 entire shareholding of the Company is in dematerialised form.

h) Distribution of Shareholding:

The below two tables provide details about the pattern of shareholding among various categories and number of shares held, as on 31st March, 2025.

Category Distribution:

Categories	31st March, 2025	
	No. of shares	Percentage
Promoter	3,90,95,857	68.77%
Promoter Group	Nil	Nil
Foreign Portfolio Investors (Corporate)	22,85,365	04.02%
Mutual Funds	71,11,484	12.51%
Other Bodies Corporate	3,34,505	0.59%
Public	80,24,327	14.11%
Total	5,68,51,538	100.00%

Distribution of Shareholding as on 31st March, 2025:

No. of shares held	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	1,11,168	98.9647	40,03,263	7.0416
501 to 1000	567	0.5048	4,17,908	0.7351
1001 to 2000	362	0.3223	5,17,274	0.9099
2001 to 3000	71	0.0632	1,75,848	0.3093
3001 to 4000	43	0.0383	1,54,183	0.2712
4001 to 5000	13	0.0116	59,667	0.1050
5001 to 10000	40	0.0356	2,98,966	0.5259
10001 and above	67	0.0596	5,12,24,429	90.1021
Total	**1,12,331**	**100**	**5,68,51,538**	**100**

i) Dematerialisation/Rematerialisation of Shares and liquidity:

The Company's shares are compulsorily tradable in dematerialised form on NSE and BSE, which provide sufficient liquidity to the investors. The Company has established connectivity with both the depositories i.e. NSDL and CDSL.

Shares held in physical and electronic mode as on 31st March, 2025 are given in the table below:

Particulars	Position as on 31st March, 2025	
	No. of shares	% to total shareholding
Physical	Nil	Nil
Dematerialised		
NSDL	5,25,51,628	92.44%
CDSL	42,99,910	07.56%
Sub-total	**5,68,51,538**	**100.00**
Total	**5,68,51,538**	**100.00**

j) Outstanding Convertible Instruments/ADRs/GDRs/Warrants:

The Company has not issued any convertible instruments/ ADRs/ GDRs/ Warrants.

k) Plant Locations:

The Company has plants located at the following places:

Sr. No.		Plant Address
1.	Driveline Manufacturing Plant	B2/2, MIDC, Ranjangaon, Pune 412 220, Maharashtra, India
2.	Gears Manufacturing Plant	B2/3, MIDC, Ranjangaon, Pune 412 220, Maharashtra, India

l) Address for correspondence:

Investors and shareholders can correspond with the RTA or at registered office of the Company at the following address:

Registrar and transfer agent	Company
MUFG Intime India Private Limited *(formerly known as Link Intime India Private Limited)* SEBI Registration no. INR000004058 Address: C-101, 1st Floor, 247 Park, Lal Bahadur Shashtri Marg, Vikhroli (W), Mumbai – 400 083 Email: rnt.helpdesk@in.mpms.mufg.com Link to raise an email query: https://web.in.mpms.mufg.com/helpdesk/Service_Request.html Website: www.in.mpms.mufg.com Telephone: +91 8108118484 Fax: +91 22 4918 6060	Registered Office: B2/2 MIDC, Ranjangaon, Pune 412 220, Maharashtra, India Contact person: Nakul S. Patil, Company Secretary and Compliance Officer Telephone: +91 2138 662666 E-mail: company_secretary@carraroindia.com

m) Credit Rating:

On 16th January, 2024 India Ratings and Research Pvt Ltd, a Fitch Group company ("India Ratings"), a credit rating agency registered with the SEBI, has revised the Outlook on Company's debt instruments to Positive from Stable while affirming the rating at 'IND A' on the long-term and short-term bank credit facilities.

Post closure of financial year and between the date of this report, India Ratings, on 16th April, 2025, upgraded, affirmed and assigned the following rating to Company's bank credit facilities, as under:

₹ in Million

Credit Facility rated	Aggregate amount of Credit facility	Rating in 2024-25	Rating for 2025-26	Rating Action
Long Term Credit Facilities:				
Long term facility	1,292.10 (reduced from 1,804.43)	IND A/Positive	IND A+/ Stable	Upgraded
Proposed Term facility (Unallocated)	447.90	-	IND A+/ Stable	Assigned
Short Term Credit Facilities:				
Fund based WCL	1,490.00	IND A/Positive	IND A+/ Stable	Upgraded
Non-fund based WCL	580.00	IND A1	IND A1	Affirmed

14. OTHER DISCLOSURES:

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

There were no related party transactions ("RPTs") entered into by the Company, during the year under review, which attracted the provisions of Section 188 of the Act. There is no material RPT to be reported in terms of Regulation 23 of the Listing Regulations, from the date of listing of Company's equity shares on the stock exchanges till 31st March, 2025, and hence there are no details to be disclosed in Form AOC-2. During the year under review, there were no material transactions entered into with related parties, which may have had any potential conflict with the interests of the Company.

During the year under review, as required under Section 177 of the Act and Regulation 23 of the Listing Regulations, all RPTs were placed before the Audit Committee for approval. A statement tabulating the value and nature of transactions with related parties as required under Indian Accounting Standard (Ind AS) 24 is set out separately under Note no. 35 to the standalone financial statements in this Annual Report.

The 'Policy on Determining Materiality of and Dealing with Related Party Transactions' is placed on the Company's website at -https://www.carraroindia.com/investors/corporate-governance/policies

b) Details of non-compliance by the Company or penalties, strictures imposed by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

There has been no non-compliance by the Company of any legal requirements; nor has there been any penalty/stricture imposed on the Company by any stock exchange, SEBI or any other statutory authority on any matter related to capital markets.

c) Details of Whistle Blower Policy/Vigil mechanism:

The Company believes in fair and transparent conduct of the affairs of its business by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Section 177(9) of the Act and Regulation 22 read with Regulation 4(2)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") provide for the establishment of the Vigil Mechanism/ Whistle Blower Policy for reporting to the Management instances of actual or suspected unethical behaviour, fraud or violation of the Company's Code of Ethics principles, which are in turn to be monitored by the Audit Committee.

Accordingly, the Company has a Board adopted Whistleblowing / Vigil Mechanism policy. The Whistle Blower Policy includes vigil mechanism as mandated under the Listing Regulations and provides a mechanism for director/employee to report violations, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct etc. which could be detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

The said Policy is placed on the Company's website at https://www.carraroindia.com/investors/corporate-governance/policies.

d) Disclosure of material transactions:

In terms of Regulation 26(5) of Listing Regulations, Senior Management has made disclosure to the Board relating to all material financial and commercial transactions, if any, where they had personal interest that might have been in potential conflict with the interest of the Company. Based on disclosures received none of the officials in senior management team of the Company have personal interest in any financial or commercial transactions that may have potential conflict with the interest of the Company.

e) Compliance of Mandatory and Non-Mandatory including Discretionary Requirements:

Mandatory requirements:

The Company has complied with the mandatory requirements of Listing Regulations.

Non-mandatory including Discretionary requirements:

The Company was identified amongst the top 1000 listed entities as on 31st December, 2024 and some of the disclosures made hereunder are discretionary in nature for the period ended on 31st March, 2025 and the disclosure of which would become mandatory beginning in the financial year 2025-26.

I. The Board:

The Company has a Non-executive Independent Director as Chairman.

The Company has appointed one woman independent director on its Board who also chairs the audit committee.

II. Shareholders' rights:

To ensure dissemination of Company's financial results to its shareholders, the Company publishes the quarterly and half-yearly results in newspapers having wide circulation in India and particularly in Pune, where the registered office of the Company is located, after the financial results are approved by the Board. These results are also filed with stock exchanges and uploaded on Company's website immediately after the Board meeting. Company also conducts conference call to respond to any investor queries with regard to the financial results or operations of the Company.

III. Modified opinion(s) in audit report:

The Company confirms that its financial statements are with unmodified audit opinion.

IV. Separate posts of Chairperson and Managing Director:

The Company has in place separate persons to the post of Chairperson and Managing Director.

The Chairperson of the Board is a non-executive independent director and he is not related to the Managing Director.

V. Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

VI. Risk Management:

The Company has constituted risk management committee and has complied with the provisions of composition, roles and responsibilities as specified in regulation 21 of listing regulations.

f) Subsidiary company(ies):

Carraro Technologies India Private Limited became a subsidiary of our Company, with effect from 28th June, 2024.

A Policy for Determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations is placed on the Company's website at https://www.carraroindia.com/investors/corporate-governance/policies.

In terms of the Listing Regulations and above-mentioned policy, the Company does not have any material subsidiary.

Provisions to the extent applicable under the Listing Regulations with reference to subsidiary companies were duly complied.

During the year under review, there were no investments made or any significant transactions and arrangements entered into by the subsidiary companies. Minutes of the Board meetings of subsidiary companies were regularly placed before the Board.

g) Policy on dealing with related party transactions:

A Policy on Determining Materiality of and Dealing

with Related Party Transactions is placed on the Company's website at https://www.carraroindia.com/investors/corporate-governance/policies.

h) Commodity price risks and commodity hedging activities:

The Company is exposed to risks in fluctuation of prices of certain raw materials, which are used as key inputs in the production process, especially forging steel metals. Historically, as a practice, and as per our understanding with customers, the Company has passed on an increase in the cost of metals to its customers and does not foresee a significant risk to its statement of profit and loss on account of fluctuations in the material prices. Since the Company is not directly dealing with the steel manufacturers, hence hedging is not applicable.

i) Utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

There were no funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A), during the financial year under review.

j) Certificate of Non-Debarment:

In terms of the Listing Regulations, M/s. KANJ & Co. LLP, Company Secretaries, Pune has issued a certificate, which forms part of this Annual Report, stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of company(ies) by SEBI / Ministry of Corporate Affairs or any other statutory authority.

k) Recommendations made by the Committees, which were not accepted by the Board:

During the year under review, there were no instances where the Board had not accepted any recommendation(s) made by the Committees of the Board. All the recommendations of the Committees were accepted by the Board.

l) Fee paid to the Statutory Auditors:

Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) has been appointed as the Statutory Auditors of the Company. The payment of Statutory Auditors' fees, on consolidated basis for the financial year 2024-25 as follows:

Particulars	Amount in ₹ (Millions)
- Statutory audit	10.71
- Tax audit	0.70
- Other services	0.50
- Reimbursement of Expenses	0.46
Total	**12.37**

Note: The above remuneration excludes ₹ 41.16 Million charged as fee in respect of IPO services which were recovered from holding company and promoter selling shareholder i.e. Carraro International S.E.

m) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

n) Details of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount' by the Company and its subsidiary:

There were no such Loans and advance in the nature of loans to firms/companies in which directors are interested by name and amount' made by the Company and its subsidiary.

15. During the period under review, there were Nil instances to disclose in terms of sub-paras (2) to (10) of PARA C of Schedule V of Listing Regulations.

16. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN:

A. Regulations 17 to 27 of the Listing Regulations except those which are already disclosed elsewhere in this report:

i. Orderly succession to Board and Senior Management:

In terms of Regulation 17(4) of the Listing Regulations, the Board of Directors in its meeting held 16th December, 2024 has adopted the policy for succession planning for the Board of Directors and Senior Management.

The policy includes succession plan for the Board which provides for Nomination and Remuneration Committee ("NRC") to periodically review the leadership and management needs of the Company. The NRC shall apply due-diligence process and assess that whether the person meet 'fit and proper' criteria as stipulate by the Company from time to time for appointment or re-appointment as a Director of the Company. The recommendations to this effect shall be made to the Board of Directors for its approval. The policy also provides that the senior management team shall always strive to develop a strong leadership pipeline by enriching work exposure to in-house talent.

The policy further includes succession plan for senior managerial personnel which provides human resource ("HR") department of the Company to periodically review and consider the list of senior managerial personnel due for retirement/ attrition within the year and shall also consider the new vacancies that may arise because of business needs/ up-gradation of the department(s)/ regional office(s). It requires HR to assess the availability, internally and/ or externally and to identify the competency requirements of the key positions, assess potential candidates, and develop required competency through planned development and learning initiatives. Further every member of Senior Management also endeavour to develop capability in-house.

ii. Information supplied to the Board:

Ahead of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those which are critical and require deliberation for arriving at a decision. Presentations are also made to the Board by function heads concerned on important matters from time to time. In addition to items which are required to be placed before the Board for its noting and / or approval, information is provided in terms of the Listing Regulations on various other significant matters.

In terms of quality and importance, the information supplied by the management to the Board, is precise and crisp with relevant details that are necessary for the directors to enable them fulfil their duties. The Independent Directors of the Company, at their meeting held on 13th March, 2025 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company's management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

iii. Compliance Certificate:

The Managing Director and the Whole-Time Director & Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8), read with Part B of Schedule II to the Listing Regulations.

iv. Performance evaluation of independent directors:

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, for the financial year 2024-25, the Board has carried out annual performance evaluation of Independent Directors, at its meeting held on 15th April, 2025. The Board acknowledged that each of the Independent Directors had effectively contributed in strengthening the performance of the Board and its respective Committees.

In terms of Section 149 read with Schedule IV to the Act, on the basis of the report of performance evaluation, the Board has to determine whether to extend or continue the term of appointment of Independent Director(s). During the year under review, there was no such occasion to decide on the extension or continuance of the term of appointment of any of the Independent Directors and hence, the question of taking a decision, in this regard, did not arise.

v. Independent Directors' Meeting:

In compliance with Schedule IV to the Act and Regulation 25(3) of Listing Regulations, the independent directors held a separate meeting on 13th March, 2025, without the attendance of non-independent directors and management. Agenda of the said meeting was to:

a. review the performance of Non-Independent Directors and the Board as a whole;

b. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and

c. assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The independent directors' present, elected Mr. Kishore Saletore as Lead Director of the meeting. All independent directors were present at the meeting. The independent directors present, deliberated on the aforementioned matters and expressed overall satisfaction on performance of directors evaluated and mechanism of flow of information.

vi. Report on Corporate Governance:

This section, read together with the information given in the Board's Report, Management Discussion and Analysis section and General Shareholder Information, constitute the compliance report on Corporate Governance during the year under review. The Company has been regularly submitting the quarterly compliance report to the stock exchanges as required under Regulation 27 of the Listing Regulations.

B. Clauses (b) to (i) of Regulation 46(2) of the Listing Regulations:

i. Terms and Conditions of appointment of Independent Directors:

The Board had incorporated the terms and conditions of appointment independent directors in the manner as provided in the Act in a formal letter of appointment to independent directors.

As per regulation, the Company has uploaded the terms and conditions of appointment on the Company's website at https://www.carraroindia.com/investors/corporate-governance/policies.

ii. Composition of various committees:

The Board had constituted following committees pursuant to the provisions of the Act, the Listing Regulations and other applicable laws:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Risk Management Committee; and
- Corporate Social Responsibility Committee.

The details of the compositions of the aforesaid committees are given earlier in this report and also placed on the Company's website at https://www.carraroindia.com/investors/corporate-governance/bod-commitees#board-committees.

iii. Code of Conduct of Board of Directors and Senior Management Personnel:

Regulation 17(5) of the Listing Regulations requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Act.

Accordingly, the Board of Directors, at its meeting held on 19th August, 2024, had adopted a Code of Conduct for Directors and Senior Management Personnel of the Company.

The same has been placed on the website of the Company at: https://www.carraroindia.com/investors/corporate-governance/policies.

All the Board members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for 2024-25. A declaration to this effect signed by the Managing Director is given in this Annual Report.

iv. Whistle Blower Policy/Vigil mechanism:

Refer item no. "14 (c)" of this report.

v. Criteria of making payments to Non-executive Directors:

Refer item no. "10 (b)" of this report.

vi. Policy on dealing with related party transactions:

Refer item no. "14(g)" of this report.

vii. Policy for determining 'material' subsidiaries:

Refer item no. "14(f)" of this report.

viii. Details of familiarisation programmes imparted to independent directors:

Refer item no. "2 (g)" of this report.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LISTING REGULATIONS").

The Company has obtained Report on compliance with the conditions of Corporate Governance from the Statutory Auditors as per the provisions of Chapter IV of the Listing Regulations. This report is annexed to the Board's Report and will be sent to the stock exchanges, along with the Annual Report to be filed by the Company.

DECLARATION BY THE MANAGING DIRECTOR

27th May, 2025

The Members,
Carraro India Limited
(Formerly Carraro India Private Limited)
B 2/2, MIDC, Ranjangaon, Pune – 412220, Maharashtra

Sub.: Declaration regarding compliance with the Company's Code of Conduct for Directors and Senior Management.

Ref.: Regulation 34(3) read with part D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, Balaji Gopalan, Managing Director of Carraro India Limited [formerly known as Carraro India Private Limited] ("the Company") confirm that the Company has adopted a Code of Conduct for Directors and Senior Management ("Code of Conduct") for its Board members and senior management personnel and the Code of Conduct is available on the Company's website at https://www.carraroindia.com/investors/corporate-governance/policies .

I, hereby declare that all the members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel of the Company.

For **Carraro India Limited**

Balaji Gopalan
Managing Director
DIN: 07108093

Date: 27th May, 2025
Place: Pune

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) READ WITH PART B OF SCHEDULE II TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Board of Directors
Carraro India Limited
[formerly known as Carraro India Private Limited]
Regd. Office: B 2/2, MIDC, Ranjangaon, Pune – 412220

Sub.: Compliance Certificate under Regulation 17(8) read with Part B of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear members of the Board,

This is to certify that for the financial year ended 31st March, 2025:

1. We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st March, 2025 and to the best of our knowledge and belief –
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2025 which are fraudulent, illegal or violative of the Company's code of conduct.
3. 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 Company 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.
4. We have indicated to the auditors and the Audit Committee:
   (i) that there are no significant changes in internal control over financial reporting during the year;
   (ii) that there are no significant changes in accounting policies during the year; and
   (iii) that there are no instances of significant fraud of which we have become aware and that there is no involvement of the management or employee having a significant role in the Company's internal control system over financial reporting.

Balaji Gopalan
Managing Director
DIN: 07108093

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN: 10252992

Date: 27th May, 2025
Place: Pune.

CORPORATE GOVERNANCE REPORT (CONTD.)

CERTIFICATE

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

To,
The Members of
Carraro India Limited
(Formerly known as Carraro India Private Limited)
B2/ 2 MIDC, Ranjangaon, Pune, Maharashtra, India, 412220

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Carraro India Limited having CIN L52609PN1997PLC132629 and having registered office at B2/ 2 MIDC, Ranjangaon, Pune, Maharashtra, India, 412220 (hereinafter referred to as 'the Company' or 'CIL'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, 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, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA), or any such other Statutory Authority.

Following is a list of directors as on 31st March, 2025:

Sr. No.	Name of Director	DIN	Date of appointment in CIL
1.	Mr. Ettore Francesco Sequi	10734894	9th August, 2024
2.	Mr. Tomaso Mario Carraro	00592312	21st April, 2015
3.	Dr. Balaji Gopalan	07108093	21st April, 2015
4.	Mr. Sudhendra Sharad Mannikar	07483321	5th April, 2016
5.	Mr. Davide Grossi	10252992	9th August, 2024
6.	Mr. Kishore Mukund Saletore	01705850	3rd July, 2024
7.	Mrs. Uma Manoj Mandavgane	03156224	3rd July, 2024
8.	Mr. Enrico Elio Gomiero	00588074	6th June, 1997
9.	Mr. Andrea Conchetto	10669692	3rd July, 2024

Ensuring the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. 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.

For **KANJ & CO. LLP**
Company Secretaries

Firm Unique Code: P2000MH005900
Peer Review Number: 6309/2024
Date: 26th May, 2025
Place: Pune

CS Mahesh A. Athavale
Designated Partner
FCS No.: 2412 **C P No.:** 1488
UDIN: F002412G000434195

INDEPENDENT AUDITOR'S REPORT

To
The Members of Carraro India Limited
(Formerly known as Carraro India Private Limited)
Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Carraro India Limited (Formerly known as Carraro India Private Limited) (the "Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements 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 Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Evaluation of Provisions, disclosures and analysis with respect to direct tax litigations** The Company has various disputes/litigations related to direct taxes at various levels of appellate authorities. The evaluation of the Company's position and determination of possible outcome of these disputes and provisions and related disclosures, if any, required to be made in the books involves significant management judgment. Considering the materiality of the amounts and degree of judgement and estimation involved to determine financial impact and the possible outcome of such disputes/litigations, we have considered this matter as a key audit matter. Refer Note 3(f) and note 32 to the standalone financial statements.	**Principal Audit Procedures Performed:** • We assessed management's processes and tested the internal controls implemented for the identification, recognition and measurement of tax positions and its assessment of the potential impact on the Company. • We received a statement of all ongoing disputes/ litigations along with the necessary documentation and - We evaluated management's assessments including advice/opinion obtained from external consultants/legal advisors with respect to prospects of success of appeals and tax proceedings. - We involved our internal experts to challenge the management's position on the select litigations and to consider legal precedence and other rulings in evaluating management's position on these tax positions. - We also assessed the adequacy and appropriateness of the disclosures made by the management in the notes to the standalone financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the Board's report including its annexures but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE STANDALONE FINANCIAL STATEMENTS

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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal financial controls 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 with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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.
- 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.

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.

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 financial controls that we identify during our audit.

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.

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

1. As required by Section 143(3) of the Act, based on our audit 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, except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India (Refer Note 41 to the standalone financial statements) and not complying with the requirement of audit trail as stated in (i)(vi) below.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

i) 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 32 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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 share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of 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 person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year. As stated in note 43 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

Additionally, the audit trail has not been preserved as per the statutory requirements for record retention, as mentioned in Note 41 to the standalone financial statements.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sachanand C Mohnani
Partner
Membership No. 407265
UDIN: 25407265BMOUZE7014

Place: Pune
Date: May 27, 2025

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements 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 standalone financial statements of Carraro India Limited (Formerly known as Carraro India Private Limited) (the "Company") as at March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to 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. 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, 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company 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 Institute of Chartered Accountants of India 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 with reference to standalone financial statements. 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 with reference to standalone financial statements 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to 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 judgement, including the assessment of the risks of material misstatement of the 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 standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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

ANNEXURE "A" (Contd.)

evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sachanand C Mohnani
Partner
Membership No. 407265
UDIN: 25407265BMOUZE7014

Place: Pune
Date: May 27, 2025

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) In respect of Company's Property Plant and Equipment and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work-in-progress.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) Some of the Property, Plant and Equipment, capital work-in-progress and right of use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, capital work- in-progress and right of use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) With respect to immovable properties disclosed in the standalone financial statements included in property, plant and equipment and capital work-in progress, according to the information and explanations given to us and based on the examination of the registered transfer deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2020) and rules made thereunder.

(ii) a. The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of accounts.

b. According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising book debt statements and other stipulated financial information filed by the Company with such banks till the date of this report are in agreement with the unaudited books of account of the Company of the respective quarters (June 30, 2024, September 30, 2024 and December 31, 2024). The Company is yet to submit the return/ statement for the quarter ended March 31, 2025 with the banks or financial institutions.

(iii) The Company has not provided any guarantee or security and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ANNEXURE "B" (Contd.)

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

(Amount in ₹ million)

Name of Statute	Financial Year	Forum where dispute is pending	Amount involved	Interest	Amount payable	Amount unpaid
Income-Tax Act, 1961	2009-10, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2019-20, 2020-21, 2021-22	Commissioner of Income Taxes (Appeals)	1,155.87	1,067.70	2,223.57	2,078.64
	2011-12, 2012-13	Income Tax Appellate Tribunal	273.38	411.08	684.46	611.48
	2016-17	High Court of Bombay	118.35	99.42	217.77	217.77
Custom Act. 1962	2016-17, 2017-18	Commissioner of Customs (Appeals)	9.20	-	9.20	9.20

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-Tax Act, 1961 (43 of 1961) during the year.

(ix) a. In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which it was obtained.

d. On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.

e. On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

f. The Company has not raised loans during the year on the pledge of securities held in its subsidiary.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order 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 to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, 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) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) (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) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) 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. The Group does not have any Core Investment Company (CIC) as part of the group 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 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 realisation 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. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

b. There are no ongoing projects towards Corporate Social Responsibility, thus reporting under this clause is not applicable.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sachanand C Mohnani
Partner
Membership No. 407265
UDIN: 25407265BMOUZE7014

Place: Pune
Date: May 27, 2025

STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2025

Amounts in ₹ million except otherwise stated

Particulars	Note no.	As at 31st March, 2025	As at 31st March, 2024
ASSETS			
1) Non-current assets			
a) Property, plant and equipment			
b) Right-of-use assets	4	3,263.03	3,105.21
c) Intangible assets	4	252.14	117.50
d) Financial assets	5	257.86	285.30
i) Investments	6.1	239.82	-
ii) Other non-current financial assets	6.2	44.18	40.45
e) Deferred tax assets (net)	7	15.09	20.15
f) Non-current tax assets	8	314.41	316.85
g) Other non-current assets	9	17.31	73.35
Total non-current assets		**4,403.84**	**3,958.81**
2) Current assets			
a) Inventories	10	2,987.24	2,864.48
b) Financial assets			
i) Trade receivables	11	2,869.09	2,373.63
ii) Cash and cash equivalents	12	607.25	1,004.25
iii) Other financial Assets	6.2	12.17	-
c) Other current assets	9	252.95	362.69
Total current assets		**6,728.70**	**6,605.05**
TOTAL ASSETS		**11,132.54**	**10,563.86**
EQUITY & LIABILITIES			
Equity			
a) Equity share capital	13	568.52	568.52
b) Other equity	14	4,145.68	3,283.33
Total equity		**4,714.20**	**3,851.85**
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	15	1,310.24	1,223.20
ii) Lease liabilities	16	134.34	0.60
b) Provisions	17	486.81	448.56
Total non-current liabilities		**1,931.39**	**1,672.36**
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	15	444.01	911.91
ii) Lease liabilities	16	6.00	0.40
iii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		564.92	492.99
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,938.73	3,159.79
iv) Other financial liabilities	19	28.96	54.10
b) Other current liabilities	20	183.54	131.35
c) Provisions	17	304.75	289.11
d) Current tax liabilities (net)	21	16.04	-
Total current liabilities		**4,486.95**	**5,039.65**
TOTAL EQUITY AND LIABILITIES		**11,132.54**	**10,563.86**
The accompanying material accounting policies and notes form an integral part of the financial statements.	**1-45**		

In terms of our report attached of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Sachanand C Mohnani
Partner
Membership No.: 407265

Place: Pune
Date: 27th May, 2025

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

Balaji Gopalan
Managing Director
DIN - 07108093

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Nakul Patil
Company Secretary
Membership Number - A39990

Place: Pune
Date: 27th May, 2025

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2025

Amounts in ₹ million except otherwise stated

Particulars	Note no.	For the year ended 31st March, 2025	For the year ended 31st March, 2024
INCOME			
I. Revenue from operations	22	17,921.53	17,704.54
II. Other income	23	157.64	171.79
III. Total income (I+II)		**18,079.17**	**17,876.33**
IV. Expenses			
(a) Cost of materials consumed	24	13,072.39	13,372.42
(b) Changes in inventory of finished goods and work-in-progress	25	64.33	(240.94)
(c) Employee benefits expense	26	1,411.60	1,315.48
(d) Finance costs	27	224.21	222.29
(e) Depreciation and amortisation expenses	28	434.68	413.99
(f) Other expenses	29	1,711.75	1,975.88
Total expenses		**16,918.96**	**17,059.12**
V. Profit before tax (III-IV)		**1,160.21**	**817.21**
VI. Tax expense	30		
(a) Current tax		293.43	230.88
(b) Deferred tax (credit)		4.91	(19.48)
Total tax expense		**298.34**	**211.40**
VII. Profit for the year (V-VI)		**861.87**	**605.81**
VIII. Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
i) Remeasurement of net defined benefit liability		0.64	9.77
ii) Income tax relating to other comprehensive income	30.2	(0.16)	(2.46)
Other comprehensive income, net of tax		**0.48**	**7.31**
Total comprehensive income (VII+VIII)		**862.35**	**613.12**
IX. Earning per share of face value of ₹ 10/- each	31		
Basic (in ₹)		15.16	10.66
Diluted (in ₹)		15.16	10.66
The accompanying material accounting policies and notes form an integral part of the financial statements.	**1-45**		

In terms of our report attached of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Sachanand C Mohnani
Partner
Membership No.: 407265

Place: Pune
Date: 27th May, 2025

For and on behalf of Board of Directors of
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Balaji Gopalan
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DIN - 07483321

Nakul Patil
Company Secretary
Membership Number - A39990

Place: Pune
Date: 27th May, 2025

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2025

Amounts in ₹ million except otherwise stated

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cash flows from operating activities		
Profit before tax	1,160.21	817.21
Adjustments for:		
Depreciation and amortisation expenses	434.68	413.99
Allowance for doubtful debts	5.29	0.38
Sundry balance written back	-	(8.78)
Finance costs	210.71	199.25
(Gain) on sale of Property Plant and Equipment	(2.52)	(3.07)
Fair value gain on investments	(6.37)	(1.09)
Unrealised Exchange loss/(gain)	13.24	(37.32)
Interest income	(1.52)	(0.19)
Operating cashflows before working capital changes	**1,813.72**	**1,380.38**
Movements in working capital:		
(Increase)/Decrease in Trade Receivables	(500.50)	616.16
(Increase)/Decrease in Inventories	(122.76)	(311.48)
(Increase)/Decrease in Other Non Current Assets	3.15	8.16
(Increase)/Decrease in Other Non Current Financials Assets	(3.73)	(8.56)
Decrease/ (Increase) in Other Current Financials Assets and loans	(24.30)	-
(Increase)/Decrease in Other Current Assets	109.74	136.76
Increase/(Decrease) in Trade Payables	(135.42)	(587.65)
Increase/(Decrease) in financial liabilities	(26.30)	13.08
Increase/(Decrease) in Other Liabilities	52.19	(25.43)
Increase/(Decrease) in Long Term Provisions	38.89	27.79
Increase/(Decrease) in Short Term Provisions	15.64	78.33
Cash generated from operations	**1,220.32**	**1,327.52**
Income taxes paid	(274.94)	(260.28)
Net cash generated from operating activities (A)	**945.38**	**1,067.24**
Cash flows from investing activities		
(Purchase) of Property, plant and equipment	(514.77)	(586.32)
(Purchase) of Intangible assets	(1.31)	(273.24)
Sale of property, plant and equipment	4.23	9.22
Purchase of mutual fund investment	(1,814.91)	(1,142.44)
Sale of mutual fund investment	1,821.28	1,143.53
Interest received	1.52	0.19
Investment in Subsidiaries	(239.82)	-
(Investment) in bank deposits - Net	(0.09)	(0.09)
Net cash used in investing activities (B)	**(743.87)**	**(849.15)**

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

Amounts in ₹ million except otherwise stated

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cash flows from financing activities		
Payment of lease liabilities	(15.48)	(0.60)
Finance costs paid	(200.03)	(199.15)
Dividend paid	-	(220.00)
Proceeds from Long term borrowings	507.40	323.07
Repayment of Long term borrowings	(387.61)	(417.09)
Short-term borrowings availed/(repaid)	(490.49)	336.18
Net cash used in financing activities (C)	**(586.21)**	**(177.59)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(384.70)**	**40.52**
Cash and cash equivalents at the beginning of the year	1,004.25	950.88
Effect of exchange rate changes on cash and cash equivalents	(12.30)	12.85
Cash and cash equivalents at the end of the year	**607.25**	**1,004.25**
Reconciliation of cash and cash equivalents as per the cash flow Statement		
Cash and cash equivalents (Refer note 12)	607.25	1,004.25
Balance as per statement of cash flows	**607.25**	**1,004.25**

Disclosure is pursuant to Indian Accounting Standard (Ind AS) - 7: Statement of Cash Flows

Refer note 29.3 for details on cash outflow on account of Corporate Social Responsibility(CSR) contribution

The accompanying material accounting policies and notes form an integral part of the financial statements.

In terms of our report attached of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Sachanand C Mohnani
Partner
Membership No.: 407265

Place: Pune
Date: 27th May, 2025

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

Balaji Gopalan
Managing Director
DIN - 07108093

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992

Nakul Patil
Company Secretary
Membership Number - A39990

Place: Pune
Date: 27th May, 2025

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2025

Amounts in ₹ million except otherwise stated

A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2025

Balance as at 1st April, 2024	Changes in equity share capital during the year	Balance as at 31st March, 2025
568.52	-	568.52

For the year ended 31st March, 2024

Balance as at 1st April, 2023	Changes in equity share capital during the year	Balance as at 31st March, 2024
568.52	-	568.52

B) OTHER EQUITY

Particulars	Retained earnings	Capital reserve	Capital Redemption reserve	Total
Balance as at 1st April, 2023	**1,930.47**	**902.40**	**57.34**	**2,890.21**
Profit for the year	605.81	-	-	605.81
Other comprehensive income for the year	7.31	-	-	7.31
Total comprehensive income for the year	**613.12**	**-**	**-**	**613.12**
Dividend paid	(220.00)	-	-	(220.00)
Balance as at 31st March, 2024	**2,323.59**	**902.40**	**57.34**	**3,283.33**
Profit for the year	861.87	-	-	861.87
Other comprehensive income for the year	0.48	-	-	0.48
Total comprehensive income for the year	**862.35**	**-**	**-**	**862.35**
Dividend paid	-	-	-	-
Balance as at 31st March, 2025	**3,185.94**	**902.40**	**57.34**	**4,145.68**

The accompanying material accounting policies and notes form an integral part of the financial statements.
In terms of our report attached of even date

In terms of our report attached of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Sachanand C Mohnani
Partner
Membership No.: 407265

Place: Pune
Date: 27th May, 2025

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

Balaji Gopalan
Managing Director
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Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Nakul Patil
Company Secretary
Membership Number - A39990

Place: Pune
Date: 27th May, 2025

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Amounts in ₹ million except otherwise stated

1 CORPORATE INFORMATION

Carraro India Limited (Formerly known as Carraro India Private Limited) ('the Parent' or 'the Company' or 'Holding Company') was incorporated as a private company on 11th April, 1997 as a subsidiary of Carraro Drive Tech SpA, Italy and it is converted into a public company on 12th August, 2024. The Company became a subsidiary of Carraro International S.E., Italy from 1st August, 2020. The Company is engaged in the manufacture of mechanical transmissions, clutches, hydraulic lifts and planetary drives, axles for agricultural tractors and construction equipment including components, parts and spares thereof. The Company has its manufacturing facilities located in Ranjangaon at Pune. The Company having its registered office at B2/2, MIDC, Ranjangaon, Pune 412 220, Maharashtra, India. Pursuant to scheme of Amalgamation approved by the High Court at Judicature at Bombay vide its order dated 28th August, 2014, Turbo Gears India Private Limited ("TGIPL") , the fellow subsidiary had merged with the Company w.e.f. 1st April, 2013. TGIPL was incorporated on 19th June, 1998 and was engaged in the manufacture and trade of gears and related components for the automotive industry. The Equity shares of the Company were listed on Bombay Stock Exchange ("BSE") and National Stock Exchanges ("NSE") on 30th December, 2024

2 MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation and statement of compliance

The basis of preparation and the accounting policies have been applied consistently to all the periods presented in the financial statements, unless otherwise stated. The accounting policies adopted are the same as those which were applied for the previous financial year.

The financial statements comply in all material aspects with the Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act 2013 ("the Act"), other relevant provisions of the Act as notified under the Companies (Indian Accounting Standards) Rules, 2015, (including subsequent amendments) and other accounting principles generally accepted in India.

The Company has prepared the standalone financial statement on going concern basis. The accounting policies are applied consistently to all period presented in financial statements except where explicitly mentioned.

The financial statements are presented in Indian Rupees "INR" or "Rs." or "₹" and all values are stated as INR or Rs. or ₹ Million, except when otherwise indicated. These Financial statements have been approved by the Board of Directors of the Company on 27th May, 2025.

(b) Basis of measurement

Fair value is the price that would be received to sell 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 liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The financial statements have been prepared under the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items Basis	Measurement
Non derivative financial instruments at FVTPL	Fair value
Net defined benefit liability	Present value of the defined benefit obligation, limited as explained in note 3(j)

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs are not based on observable market data (unobservable inputs).

Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

(c) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

(d) Use of estimates and judgements

In preparing the financial statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company's financial position and/ or results of operations. Such assumptions and estimates mainly relate to the useful life of Property, Plant and Equipment's, Intangible Assets and the recognition of provisions, including those for litigation, employee benefits, Income tax and deferred tax assets, fair value measurement of financial instrument and allowance for credit losses on receivables.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known. Key source of estimation of uncertainty at the date of financial statements, that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are given below:

i) Income tax and deferred tax assets

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realise the benefits of those deductible differences.

ii) Useful lives of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iii) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates. The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

iv) Measurement of defined benefit obligation, key actuarial assumptions

Information about assumptions and estimation uncertainties in respect of defined benefit obligation are given in note 35 respectively

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

v) Fair value measurement of Financial Instruments

The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

vi) Allowance for credit losses on receivables

Loss allowances on trade receivables are measured using simplified approach. The Company recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its specific analysis and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(e) Current–non-current classification

All assets and liabilities are classified into current and non-current

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria

a. it is expected to be settled in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, generally twelve month is considered as operating cycle.

3 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Property, plant and equipment:

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives, than they are accounted for as separate items (major components) of property, plant and equipment. Assets under construction are disclosed as capital work-in-progress.

Capital work-in-progress includes the cost of property, plant and equipment that are not ready to use at the Balance Sheet date.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Subsequent Expenditure:

Subsequent Expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Depreciation/Amortisation:

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013.

Type of asset	Estimated useful life
Dies, Pattern, Fixtures and Tools	4-12 years
Plant and Machinery	8-25 years
Factory Buildings	25-50 years
Vehicles	1-4 years
Computers	5-8 years
Furniture and Fixture	14-16 years

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss in the year the asset is derecognised.

(b) Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible assets is carried at its cost less any accumulated amortisation and any accumulated loss. Subsequent expenditure is capitalised only when it increases the future economic benefit from the specific asset to which it relates.

Type of asset	Estimated useful life
Computer Software	5-10 years
Intellectual Property Rights	20 years

Other Intangible assets are amortised on the straight line method over a period of 3 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment Testing of Property, Plant and Equipment, and other Intangible Assets

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 recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes.

(c) Leases

The Company's lease asset classes primarily consist of leases for vehicles. At the inception of contract the Company assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract involves use of an identified asset and conveys the right to control the use of asset for period of time in exchange for consideration i.e. customer has right to:

- obtain substantially all the economic benefits from using the asset and
- direct the use of asset

Company as a lessee

Recognition and measurement

The Company recognises the right of use asset and lease liability at the lease commencement date of lease. The right of use asset is initially measured at cost, which comprises of the initial amount of lease liability adjusted for any payment made at or before commencement date, any initial direct cost incurred and an estimate of cost to dismantle or remove an underlying asset or to restore an asset less any lease incentive received. The lease liability is initially measured at present value of lease payments that is not paid at commencement date discounted at implicit rate mentioned in lease or incremental borrowing rate.

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

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Lease payments include fixed payments, including in-substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the Company under the residual value guarantee; the exercise price of a purchase option; if the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term considered reflects that the Company shall exercise a termination option. The Company generally uses its incremental borrowing rate as discount rate.

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of lease term or over the useful life of right-of-use asset.

The lease liability is subsequently measured at amortised cost using effective interest method. It is remeasured when there is a change in future lease payments.

Extension and termination of lease

The Company determines the lease term as the noncancelable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Short term leases and low value assets

The Company has elected not to recognise right of use of assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term in the Statement of Profit and Loss.

Impairment testing for right of use of assets

Right of use assets are tested for impairment whenever there is any indication that their carrying amount is not recoverable. Impairment loss, if any, is recognised in Statement of Profit and Loss.

(d) Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined on weighted average cost. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(e) Financial Instruments

a) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments, except trade receivables that are initially recognised when they are originated.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, Trade receivables that do not contain a significant financing component are measured at transaction price.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as – measured at:

- Amortised cost; or
- FVOCI - Debt Investment; or

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- FVOCI – equity investment;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

A financial asset which is not classified in any of the above categories are measured at FVTPL. However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at FVTPL the subsequent changes in fair value are recognised in Other Comprehensive Income.

c) Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortised cost. All changes in fair value of financial liabilities classified as FVTPL are recognised in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables.

After initial recognition the financial liabilities are measured at amortised cost using the Effective Interest Rate method.

d) Derecognition of financial assets & liabilities

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

Derecognition of financial liabilities

A financial liability is derecognised when the contractual obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) Impairment

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and financial assets that are debt instruments and are measured at amortised cost, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financials assets measured at FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The impairment losses and reversals are recognised in Statement of Profit and Loss.

g) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

h) Derivative Financial Instruments:

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates on its long-term borrowings. The use of these foreign exchange forward contracts reduces the risk to the Company. The Company does not use the foreign exchange forward contracts for trading or speculation purpose.

These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. No hedge accounting is applied to these derivatives, which are carried at fair value with changes being recognised in the statement of profit and loss.

(f) Provisions, contingent liabilities and contingent asset

Provisions

A provision is recognised if, as a result of past event, the Company has a present obligation that can be estimated reliably, and it is probable that

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

- **Warranty provisions**

  The estimated liability for product warranties is recognised when products are sold or when new warranty programmes are initiated. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future warranty claims, customer goodwill and recall complaints. The timing of outflows will vary depending on when warranty claim will arise, being typically up to four years. The Company also has back-to-back contractual arrangement with its suppliers in the event that a vehicle fault is proven to be a supplier's fault. Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, adjusted for inflation and applied to the population of vehicles under warranty as on Balance Sheet date.

Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation arising from the past event, that may, but probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed in the financial statements unless the possibility of outflow of resources is remote.

Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(g) Dividends

The Company recognises a liability for any dividend declared but not distributed at the end of reporting year, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting year.

(h) Revenue recognition

According to Ind AS 115, revenue is measured at the amount of consideration the Company expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers

Step 2: Identify performance obligations contained in the contracts

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognise revenue when the performance obligation is satisfied.

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

(i) Other income

Interest income is recognised using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is

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the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

(j) Employee benefits

Defined benefit plans

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows.

The discount rates used for determining the present value of the obligation under defined benefit plans, are based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognised in other comprehensive income, net of taxes, for the period in which they occur. All the expenses that relate to the defined benefit plan are recognised in Statement of Profit and Loss. The Company recognises gains and losses on curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs, in the Statement of Profit and Loss. The obligation under the defined benefit plan is measured after taking into account changes in legislation as have been enacted up to the Balance Sheet date.

Defined contribution plans

The Company's contribution towards employee's provident fund and employee state insurance scheme are defined contribution plans. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme. The Company's contribution paid/payable under the schemes is recognised as employee benefits expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Compensated absences

The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Other benefits

The Company has other long-term employee benefit plan in the form of retention bonus for those employees, who are identified to ensure continuity of special projects / tasks / activities. This amount will be payable on completion of their three years of service payable in 37th and 40th month salary equally. Liability for the same is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits expense. Benefits such as salaries and performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

(k) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

All other borrowing costs are recognised as expense in the period in which they are incurred.

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

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(l) Foreign currency

Indian Rupee is the Company's functional as well as presentation currency.

- **Initial recognition**

  Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction.

- **Measurement of monetary items denominated in foreign currency at the Balance Sheet date**

  Monetary items denominated in foreign currency (other than those related to acquisition of property plant and equipment) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

  Non monetary foreign currency items that are measured based on historical cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

- **Treatment of exchange differences**

  Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss.

  The translation differences on monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

(m) Income tax

Income tax expense comprises current and deferred tax.

Current tax

Provision for current tax is recognised in accordance with the provisions of Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amount considered for tax purpose. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Such reductions are reversed when it becomes probable that sufficient taxable profits will be available.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; an
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Current and deferred tax for the reporting period

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the taxes are also recognised in other comprehensive income or directly in equity respectively.

(n) Earnings per share

Basic earnings per share are computed by dividing the net profit or loss for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year after tax for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

(o) Segment reporting

The Company is primarily engaged in the business of manufacturing automotive equipments, parts and components. Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue/ expenses/assets/liabilities."

(p) Recent pronouncements

Ministry of Corporate Affairs ('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 31st March, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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4 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Particulars		Own assets						Right-of-use assets				Total
		Factory Buildings	Plant and Machinery	Furniture and Fixture	Computers	Dies, Pattern, Fixtures and Tools	Total	Leasehold Land	Vehicle	Solar Power Plant	Total	
I.	**Gross carrying amount**											
	Balance as at 1st April, 2023	**465.48**	**2,338.68**	**32.69**	**24.77**	**360.78**	**3,222.42**	**137.66**	**2.27**	**-**	**139.93**	**3,362.35**
	Additions	89.45	402.37	8.97	17.32	120.66	638.77	-	-	-	-	638.77
	Disposals, transfers and adjustments	-	(3.38)	-	(0.02)	(6.03)	(9.43)	-	-	-	-	(9.43)
	Balance as at 31st March, 2024	**554.93**	**2,737.67**	**41.66**	**42.07**	**475.41**	**3,851.76**	**137.66**	**2.27**	**-**	**139.93**	**3,991.69**
	Additions	77.54	379.09	7.23	9.59	82.21	555.66	-	1.15	143.30	144.45	700.11
	Disposals, transfers and adjustments	-	(4.00)	-	(0.06)	(0.35)	(4.41)	-	-	-	-	(4.41)
	Balance as at 31st March, 2025	**632.47**	**3,112.76**	**48.89**	**51.60**	**557.27**	**4,403.01**	**137.66**	**3.42**	**143.30**	**284.38**	**4,687.39**
II.	**Accumulated depreciation**											
	Balance as at 1st April, 2023	**15.15**	**266.48**	**3.35**	**8.16**	**67.10**	**360.26**	**19.28**	**0.80**	**-**	**20.08**	**380.34**
	Depreciation expense for the year	17.53	286.85	3.83	8.93	72.43	389.57	1.83	0.52	-	2.35	391.92
	Disposals, transfers and adjustments	-	(2.16)	-	(0.02)	(1.10)	(3.28)	-	-	-	-	(3.28)
	Balance as at 31st March, 2024	**32.68**	**551.17**	**7.18**	**17.07**	**138.43**	**746.55**	**21.11**	**1.32**	**-**	**22.43**	**768.98**
	Depreciation expense for the year	17.61	287.96	4.26	9.90	76.41	396.13	1.82	0.45	7.54	9.81	405.94
	Disposals, transfers and adjustments	-	(2.55)	-	(0.06)	(0.09)	(2.70)	-	-	-	-	(2.70)
	Balance as at 31st March, 2025	**50.29**	**836.58**	**11.44**	**26.90**	**214.75**	**1,139.98**	**22.93**	**1.77**	**7.54**	**32.24**	**1,172.22**
III.	**Net carrying amount (I-II)**											
	Balance as at 31st March, 2025	**582.18**	**2,276.18**	**37.45**	**24.70**	**342.52**	**3,263.03**	**114.73**	**1.65**	**135.76**	**252.14**	**3,515.17**
	Balance as at 31st March, 2024	**522.25**	**2,186.50**	**34.48**	**25.00**	**336.98**	**3,105.21**	**116.55**	**0.95**	**-**	**117.50**	**3,222.71**

4.1 There are no impairment losses recognised during the years ended 31st March, 2025 and 31st March, 2024.

4.2 The Company has not revalued its property, plant and equipment as on each reporting year and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

4.3 The title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in the favour of the lessee) are held in the name of the Company.

4.4 The Company has created first pari passu charge on entire property, plant and equipments (except land & building) against borrowings. Refer Note 15.

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5 INTANGIBLE ASSETS

Particulars		Software	Intellectual property	Total
I.	**Gross carrying amount**			
	Balance as at 1st April, 2023	**48.81**	**-**	**48.81**
	Additions	2.16	271.08	273.24
	Balance as at 31st March, 2024	**50.97**	**271.08**	**322.05**
	Additions	1.30	-	1.30
	Balance as at 31st Marcwh, 2025	**52.27**	**271.08**	**323.35**
II.	**Accumulated amortisation**			
	Balance as at 1st April, 2023	**14.68**	**-**	**14.68**
	Amortisation expense for the year	15.28	6.79	22.07
	Balance as at 31st March, 2024	**29.96**	**6.79**	**36.75**
	Amortisation expense for the year	15.21	13.53	28.74
	Balance as at 31st March, 2025	**45.17**	**20.32**	**65.49**
III.	**Net carrying amount (I-II)**			
	Balance as at 31st March, 2025	**7.10**	**250.76**	**257.86**
	Balance as at 31st March, 2024	**21.01**	**264.29**	**285.30**

5.1 The Company has not revalued its intangible assets as on each reporting year and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

6 FINANCIAL ASSET

6.1 Investments

Particulars	As at 31st March, 2025	As at 31st March, 2024
Investments in equity instruments of subsidiaries at cost		
Unquoted investments		
Carraro Technologies India Private Limited 17,82,000 Equity shares of ₹ 10/- each (31st March, 2024: Nil)	239.82	-
Total	**239.82**	**-**

6.2 Other financial assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current - unsecured, considered good		
Deposits with banks		
- Long term deposits with Banks having remaining maturity period of more than 12 months (Refer Note 6.3)	1.93	1.84
Security deposits	42.25	38.61
Total	**44.18**	**40.45**
Current - unsecured, considered good unless otherwise stated		
Measured at amortised cost		
Interest accrued on deposits	0.04	-
Measured at fair value through profit or loss		
Derivatives		
- Foreign-exchange forward contract	12.13	-
Total	**12.17**	**-**

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6.3 Long term deposits are held under lien by Bank against Bank Guarantees.

7 DEFERRED TAX ASSETS/(LIABILITIES) (NET)

7.1 Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2025

Particulars	Opening Balance as on 1st April, 2024	Recognised in Profit or loss (expense)/ credit	Recognised in Other comprehensive income	Closing balance as on 31st March, 2025
Property, plant and equipment & Intangible assets	(159.64)	11.87	-	(147.77)
Right-to-use assets and leases liabilities	0.01	(29.59)	-	(29.58)
Allowance for expected credit losses	1.70	1.23	-	2.93
Gratuity, Compensated absences & Retention Bonus	176.98	9.96	(0.16)	186.78
Others(Includes trade payable to MSME)	1.10	1.62	-	2.72
Total	**20.15**	**(4.91)**	**(0.16)**	**15.09**

Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2024

Particulars	Opening Balance as on 1st April, 2023	Recognised in Profit or loss (expense)/ credit	Recognised in Other comprehensive income	Closing balance as on 31st March, 2024
Property, plant and equipment & Intangible assets	(144.21)	(15.43)	-	(159.64)
Right-to-use assets and leases liabilities	0.01	-	-	0.01
Allowance for expected credit losses	3.42	(1.72)	-	1.70
Gratuity, Compensated absences & Retention Bonus	156.07	23.37	(2.46)	176.98
Inventories	(12.16)	12.16	-	-
Others(Includes trade payable to MSME)	-	1.10	-	1.10
Total	**3.13**	**19.48**	**(2.46)**	**20.15**

8 NON-CURRENT TAX ASSETS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current tax assets (Net of Provision for Income tax -31st March, 2025: ₹ 2,054.02 Million; 31st March, 2024: ₹ 2,049.46 Million)	314.41	316.85
Total	**314.41**	**316.85**

9 OTHER ASSETS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current - unsecured, considered good unless otherwise stated		
Balance with Government Authorities (other than income taxes)	1.42	8.76
Prepaid Expenses	4.18	-
Capital Advances	11.70	64.59
	17.31	**73.35**

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current - unsecured, considered good unless otherwise stated		
Balance with Government Authorities (other than income taxes)	169.82	244.22
Advances to suppliers	66.59	103.63
Advances to employees	0.07	0.15
Prepaid Expenses	16.47	14.69
Total	**252.95**	**362.69**

10 INVENTORIES

Particulars	As at 31st March, 2025	As at 31st March, 2024
At lower of cost and net realisable value		
Raw Materials and components (Refer note 10.2)	2,101.25	1,911.71
Consumable Tools	15.91	18.36
Work-in-progress	444.85	538.10
Finished goods (Refer note 10.2)	425.23	396.31
Total	**2,987.24**	**2,864.48**

10.1 During the year ended 31st March, 2025 and 2024, the Company recorded inventory write-down expenses of ₹ (5.23) Million and ₹ 32.28 Million respectively. These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in the statement of profit and loss.

10.2 Details of goods-in-transit included in inventories above

Particulars	As at 31st March, 2025	As at 31st March, 2024
Raw Materials and components	667.55	501.98
Finished goods	216.32	252.36
	883.87	**754.34**

10.3 The mode of valuation of inventories has been stated in note 3(d).

11 TRADE RECEIVABLES

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade receivables		
Unsecured, considered good	2,869.09	2,373.63
Unsecured, credit impaired	11.63	6.74
	2,880.72	2,380.37
Less: Expected credit loss allowance (Refer note 11.4)	(11.63)	(6.74)
Total	**2,869.09**	**2,373.63**

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

11.1 The average credit period on sales of goods is 30-60 days.

11.2 Details of trade receivables from directors or other officers of the Company or any of them either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner or a director or a member:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade receivables from		
Ultimate Holding Company	4.61	4.39
Subsidiary	0.76	0.68
Fellow subsidiaries	753.89	849.39

11.3 Loss allowances on trade receivables are measured using simplified approach. The Company recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its specific analysis and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

11.4 Movement in the expected credit loss allowance

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at beginning of the year	6.74	13.58
Add : Additional provision/(reversal)	5.29	0.38
Less: Provision utilised	(0.40)	(7.22)
Balance at end of the year	**11.63**	**6.74**

11.5 Trade receivables from related parties are disclosed separately under note 35.

11.6 Ageing of receivables

As on 31st March, 2025

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
- considered good	2,678.33	183.84	6.66	0.26	-	-	2,869.09
- credit impaired	-	0.22	2.07	3.32	1.58	4.44	11.63
Disputed							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
	2,678.33	**184.07**	**8.73**	**3.57**	**1.58**	**4.44**	**2,880.72**
Less: Expected credit loss allowance							(11.63)
Total							**2,869.09**

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

As on 31st March, 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
- considered good	2,101.32	250.07	2.63	3.31	12.62	3.68	2,373.63
- credit impaired	-	-	-	0.03	0.16	6.55	6.74
Disputed							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
	2,101.32	**250.07**	**2.63**	**3.34**	**12.78**	**10.23**	**2,380.37**
Less: Expected credit loss allowance							(6.74)
Total							**2,373.63**

12 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balances with banks		
- In current accounts	1.93	101.18
- In Cash credit accounts	100.59	171.73
- In Exchange earner's foreign currency accounts	394.61	531.14
- Bank deposits with original maturity of less than three months	110.00	200.06
Cash on hand	0.12	0.14
Total	**607.25**	**1,004.25**

13 EQUITY SHARE CAPITAL

A Equity share capital

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of ₹ 10/- each	176,001,000	17,600.10	176,001,000	17,600.10
	176,001,000	**17,600.10**	**176,001,000**	17,600.10
Issued, subscribed and fully paid up				
Equity Shares of ₹ 10/- each	56,851,538	568.52	56,851,538	568.52
	56,851,538	**568.52**	**56,851,538**	**568.52**

13.1 Rights, preferences and restrictions attached to equity shares

(a) Voting rights

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder of equity share is entitled for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

13.2 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the relevant year	56,851,538	568.52	56,851,538	568.52
Add: Shares issued and allotted during the year	-	-	-	-
At the end of the year	**56,851,538**	**568.52**	**56,851,538**	**568.52**

13.3 Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Carraro International S.E.	39,095,850	68.77%	56,851,532	99.99%
Total	**39,095,850**	**68.77%**	**56,851,532**	**99.99%**

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

13.4 Details of shareholding of the promoters*

Promoter name	2024-25				
	Number of shares held as at 1st April, 2024	Changes during the year	No. of shares as at 31st March, 2025	% of total Shares	% Changes during the year
Carraro International S.E.	56,851,532	(17,755,682)	39,095,850	68.77%	(31.23%)
Total	**56,851,532**	**(17,755,682)**	**39,095,850**	**68.77%**	**(31.23%)**

Promoter name	2023-24				
	Number of shares held as at 1st April, 2023	Changes during the year	No. of shares as at 31st March, 2024	% of total Shares	% Changes during the year
Carraro International S.E.	56,851,532	-	56,851,532	100%	-
Total	**56,851,532**	**-**	**56,851,532**	**100%**	**-**

*Promoter here means Promoter defined under Companies Act, 2013.

13.5 During the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

No shares have been allotted for consideration other than cash by the Company. The Company has not issued bonus shares for the last five years.

13.6 There are no calls unpaid.

13.7 There are no forfeited shares.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

14 OTHER EQUITY

Particulars	As at 31st March, 2025	As at 31st March, 2024
Retained earnings	3,185.94	2,323.59
Capital reserve	902.40	902.40
Capital Redemption reserve	57.34	57.34
Total	**4,145.68**	**3,283.33**

14.1 Retained earnings

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at beginning of the year	**2,323.59**	**1,930.47**
Add: Profit for the year	861.87	605.81
Add/(Less): Other Comprehensive income for the year	0.48	7.31
Less: Dividend	-	(220.00)
Balance at end of the year	**3,185.94**	**2,323.59**

Retained earnings are the profits that the Company has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders. Retained earnings is a free reserve available to the Company. Other Comprehensive income includes re-measurement (loss)/gain on defined benefit plans, net of taxes that will not be reclassified to the statement of profit and loss.

14.2 Capital reserve

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at beginning of the year	902.40	902.40
Add: Additions for the year	-	-
Balance at end of the year	**902.40**	**902.40**

Capital reserve is created on account of amalgamation of Turbo Gears India Private Limited with Carraro India Limited (Formerly known as Carraro India Private Limited).

14.3 Capital Redemption reserve

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at beginning of the year	57.34	57.34
Add: Additions for the year	-	-
Balance at end of the year	**57.34**	**57.34**

Capital Redemption reserve is created on account of buyback of equity shares in accordance with the provisions of section 68 of the Companies Act, 2013 and Companies (Share Capital and Debentures) Rules, 2014.

15 BORROWINGS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current borrowings		
Measured at amortised cost		
Secured		
Term Loans (Refer Note 15.1)		

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Particulars	As at 31st March, 2025	As at 31st March, 2024
- From Banks	848.64	772.15
Unsecured		
Loan from related parties (Refer note 35)	461.60	451.05
Total	**1,310.24**	**1,223.20**
Current borrowings		
Measured at amortised cost		
Secured		
Working capital loans repayable on demand from banks (Refer Note 15.2)	1.24	491.73
Current maturities of long term borrowings (Refer Note 15.1)		
- From banks #	434.48	410.53
Unsecured		
Loan from related parties (Refer note 35) (Interest accrued)	8.29	9.65
Total	**444.01**	**911.91**

15.1 Nature of Security and terms of repayment for secured and unsecured borrowings:

Nature of Facility	Repayment terms	As at 31st March, 2025	As at 31st March, 2024
Secured			
Rupee loan from Bank*	Repayable in 20 equal quarterly installments commencing from Mar 2020	-	27.24
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from July 2021	-	50.00
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Oct 2021	25.01	75.00
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Oct 2021	50.37	151.15
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Mar 2024	288.75	393.71
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from June 2025	322.55	320.33
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Sept 2025	220.10	-
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Sept 2025	287.40	-
Rupee loan from Bank##	Repayable in 48 equal monthly installments commencing from June 2022	88.93	165.25
Unsecured foreign currency loan from related party**	Bullet repayment after 5 years 1 month from date of disbursement i.e. June 2022	469.89	460.70
Total		**1,753.00**	**1,643.38**
Less: Current Maturities of Long term Borrowings		(442.76)	(420.18)
Net Long Term Borrowings		**1,310.24**	**1,223.20**

* First pari passu charge on entire property, plant and equipments (except land & building) and movable assets of the Company present and future. Interest rate on rupee loans varies in the range of 8.65% to 10.20%.

Includes accrued interest on long term borrowing of ₹ 3.57 Million (March 2024 : ₹ 2.51 Million)

Second charge on entire current assets of the Company present and future. Interest rate on Emergency Credit Line Guarantee Scheme rupee loan is 9.25%.

**Interest rate on Unsecured foreign currency loan from related party is EURIBOR + 4.5%.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

15.2 Working capital facilities from banks are secured by pari passu first charge on movable current assets, cash, inventory and book debts of the Company, both present and future. Interest rate on Rupee working capital facility from bank is linked to the respective bank base rate and agreed spread and on working capital in foreign currency.

16 LEASE LIABILITIES

16.1 Details of lease liabilities

Particulars	Amount
Balance as at 1st April, 2023	**1.50**
Recognised during the year	-
Finance cost accrued during the year	0.10
Payment of lease liabilities	(0.60)
Balance as at 31st March, 2024	**1.00**
Recognised during the year	144.45
Finance cost accrued during the year	10.37
Payment of lease liabilities	(15.48)
Balance as at 31st March, 2025	**140.34**

16.2 Classification of lease liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current	134.34	0.60
Current	6.00	0.40
Total	**140.34**	**1.00**

16.3 The Company has taken vehicles on lease for a lease term of 4 years (Remaining lease term as on 31st March, 2025: 1 years; 31st March, 2024: 2 years). In current year company has taken Solar power plant and Vehicles on lease term of 15 years and 5 years (Remaining lease term as on 31st March, 2025: 14 years and 4 years)

16.4 Amount recognised in statement of profit and loss

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
- Amortisation expenses on right-of-use assets	9.81	2.35
- Interest expenses on lease liability	10.37	0.10
- Expenses Related to short Term leases	-	0.07

16.5 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis.

Particulars	As at 31st March, 2025	As at 31st March, 2024
Less than one year	19.41	0.47
One to five years	74.56	0.63
More than five years	162.25	-

16.6 The total cash outflows for leases during the period amounts to ₹ 15.48 Million (31st March, 2024: ₹ 0.67 Million) (includes cash outflow for short term and long term leases).

16.7 The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

16.8 The incremental borrowing rate applied to lease liabilities is in the range of 7.83% per annum to 9.75% per annum based on the lease term.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

17 PROVISIONS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current		
Provision for employee benefits		
- Compensated absences	148.19	129.58
- Gratuity (Refer note 34)	231.05	201.54
- Retention bonus	5.37	12.62
Provision for warranty (Refer note 17.1, 17.2 and 17.3)	102.20	104.82
Total	**486.81**	**448.56**
Current		
Provision for employee benefits		
- Compensated absences	35.33	26.83
- Gratuity (Refer note 34)	18.09	18.74
- Retention bonus	43.97	11.76
- Short Term Incentive	-	49.21
Provision for warranty (Refer note 17.1, 17.2 and 17.3)	103.46	79.67
Provision for contingencies (Refer note 17.4)	103.90	102.90
Total	**304.75**	**289.11**

17.1 Provision is estimated for expected warranty claim in respect of products sold during the year based on past experience regarding defective claim of products and cost of rectification or replacement.

17.2 Movement in provision for warranty

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at the beginning of the year	**184.49**	**169.33**
Add: Provisions made during the year	63.43	69.42
Less: Provisions utilised during the year	(42.26)	(54.26)
Balance at the end of the year	**205.66**	**184.49**

17.3 Product warranties: The Company gives warranties on its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period and beyond the warranty period at the discretion of the Company. Provisions made as at 31st March, 2025 and 31st March, 2024 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The final determination of the amount will depend upon the receipt of claim and its settlement thereof. The classification of the provision reflects the expected timing of cash outflow.

17.4 Movement in provision for contingencies

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at the beginning of the year	**102.90**	**85.36**
Add: Provisions made during the year	1.00	17.54
Balance at the end of the year	**103.90**	**102.90**

17.5 Provision for contingencies are on account of certain legal matters where the Company anticipates probable outflow. The amount of provision is based on estimates made by the Company considering the facts and circumstances of each case. The timing and amount of cash flow that will arise from these matters will be determined by the relevant authorities only on settlement of these cases.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

18 TRADE PAYABLES

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Total outstanding dues of micro enterprises and small enterprises	564.92	492.99
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,938.73	3,159.79
Total	**3,503.65**	**3,652.78**

18.1 The average credit period on purchases is 60-75 days.

18.2 For explanations on the Company's liquidity risk management processes refer note 36.

18.3 Trade payables from related parties are disclosed separately under note 35.

18.4 Disclosures as required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

The amounts due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	474.19	409.76
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	90.73	83.23
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	910.65	2,291.59
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	7.50	14.54
(g) Further interest remaining due and payable for earlier periods	83.23	68.68
(h) Amount of interest accrued and remaining unpaid at the end of the year (Refer Note 1 below)	90.73	83.23

Note: The Company is required to pay interest to vendors which are MSME enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). As per the MSMED Act in case of non- payment to MSME Vendors for a period exceeding 45 days the Company is required to make interest payment at the rate of 3 times of the bank rate on the due amount.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

18.5 Ageing of trade payables as on 31st March, 2025

Particulars	Accruals	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed dues							
- MSME	90.73	361.76	112.43	-	-	-	**564.92**
- Others	696.92	1,344.31	893.97	2.58	0.75	0.20	**2,938.73**
Disputed dues							
- MSME	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	-	**-**
Total	**787.65**	**1,706.07**	**1,006.40**	**2.58**	**0.75**	**0.20**	**3,503.65**

As on 31st March, 2024

Particulars	Accruals	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed dues							
- MSME	83.23	279.73	130.03	-	-	-	**492.99**
- Others	485.25	1,684.85	975.62	6.66	1.54	5.87	**3,159.79**
Disputed dues							
- MSME	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	-	**-**
Total	**568.48**	**1,964.58**	**1,105.64**	**6.66**	**1.54**	**5.87**	**3,652.78**

19 OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current		
Creditors for capital supplies	28.96	40.95
Measured at fair value through profit or loss		
Derivatives		
- Foreign-exchange forward contract	-	13.15
Total	**28.96**	**54.10**

20 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance from customers	50.38	23.76
Statutory remittances	133.16	107.59
Total	**183.54**	**131.35**

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

21 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Income tax [Net of advance tax (31st March, 2025: ₹ 276.63 Million; 31st March, 2024: ₹ Nil)]	16.04	-
Total	**16.04**	**-**

22 REVENUE FROM OPERATIONS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Sales of products	17,844.50	17,611.93
Other operating income		
- Scrap sales	77.03	92.61
Total	**17,921.53**	**17,704.54**

22.1 Disaggregation of revenue

The tables below present disaggregated revenue from contracts with customers by business segment and nature of contract. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors. The revenue from contracts with customers are disaggregated based on geography to comply with Ind AS 115.

Revenue from contracts with customers disaggregated based on geography	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Within India	12,077.91	11,415.69
Outside India	5,766.59	6,196.24
Total revenue	**17,844.50**	**17,611.93**

22.2 The Company presently recognises its revenue from contract with customers for the transfer of goods at a point in time. This is consistent with the revenue information that is disclosed for reportable segment under Ind AS 108.

External revenue by timing of revenue	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Goods transferred at a point in time	17,844.50	17,611.93
Total	**17,844.50**	**17,611.93**

22.3 The Company receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional.

22.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Contracted price with the customers	17,895.10	17,641.46
Adjustments towards variables considerations (Discounts, rebates, refunds, credits, price concessions)	(50.60)	(29.53)
Revenue from contracts with customers (as per statement of profit and loss)	**17,844.50**	**17,611.93**

22.5 There are no performance obligations that are unsatisfied or partially unsatisfied during the year ended 31st March, 2025 and year ended 31st March, 2024.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

23 OTHER INCOME

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest income on financial assets measured at amortised cost		
Bank deposits	1.52	0.19
	1.52	**0.19**
Income on financial assets measured at FVTPL		
Gain on sale of mutual funds	6.37	1.09
	6.37	**1.09**
Other non-operating income		
Export incentives	126.49	145.75
Sundry balance written back	-	8.78
Net gain on disposal of property, plant & equipment	2.52	3.07
Miscellaneous income	20.74	12.91
	149.75	**170.51**
Total	**157.64**	**171.79**

24 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. Inventories at the beginning of the year		
Opening stock	1,911.71	1,836.60
B. Purchases		
Purchases	13,261.93	13,447.53
C. Inventories at the end of the year		
Closing stock	2,101.25	1,911.71
Total (A+B-C)	**13,072.39**	**13,372.42**

25 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. Opening balance		
Finished goods	396.31	175.04
Work-in-progress	538.10	518.43
	934.41	**693.47**
B. Closing balance		
Finished goods	425.23	396.31
Work-in-progress	444.85	538.10
	870.08	**934.41**
Total changes in inventories of finished goods and work-in-progress (A-B)	**64.33**	**(240.94)**

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

26 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Salaries, wages and bonus	1,189.89	1,104.11
Contributions to provident and other funds (Refer note 34)	46.25	44.63
Gratuity Expense (Refer note 34)	34.02	33.20
Staff welfare expenses	141.44	133.54
Total	**1,411.60**	**1,315.48**

27 FINANCE COSTS

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest and finance charges on financial liabilities carried at amortised cost		
- Borrowings	194.07	195.26
- Lease liabilities	10.37	0.10
- Dues of micro enterprises and small enterprises (Refer Note 18.4)	7.50	14.54
Other borrowing costs including loan processing fees	6.27	3.89
Interest on delayed payment of taxes/others	6.00	8.50
Total	**224.21**	**222.29**

28 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Depreciation of property, plant and equipment (Refer note 4)	396.13	389.57
Depreciation of right-of-use assets (Refer note 4)	9.81	2.35
Amortisation of intangible assets (Refer note 5)	28.74	22.07
Total	**434.68**	**413.99**

29 OTHER EXPENSES

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Commission on Sales	0.62	1.19
Communication costs	1.22	1.36
Consumption of stores and spares	317.86	358.65
Corporate service charges	200.84	185.78
Corporate Social Responsibility Expenditure (Refer Note 29.3)	11.53	6.24
Director fees (Refer Note 29.2)	30.24	-
Insurance	24.02	19.83
Legal and professional fees	99.31	127.51
Net loss on foreign currency transaction and translation	26.72	26.51
Packing, freight and forwarding charges	82.19	90.70
Payments to auditors (Refer Note 29.1)	10.12	9.12
Power and fuel	258.47	277.14
Printing and stationary	6.40	6.26
Allowance for doubtful debts (Refer note 11.4)	5.29	0.38
Rates and taxes	26.50	11.47

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Repairs and maintenance:		
Plant and machinery	108.44	115.46
Buildings	28.63	36.14
Others	22.86	26.05
Royalty	87.26	256.00
Security expenses	22.62	22.15
Subcontracting expenses	255.69	283.13
Travelling and conveyance	8.04	12.67
Warranty expenses (net) (Refer Note 17.2)	63.43	69.42
Miscellaneous expenses	13.45	32.72
Total	**1,711.75**	**1,975.88**

29.1 Auditors remuneration and out-of-pocket expenses*:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
As Auditor:		
- Statutory audit	8.73	8.23
- Tax audit	0.50	0.50
- Other services	0.43	0.12
- Reimbursement of Expenses	0.46	0.27
Total	**10.12**	**9.12**

* The above remuneration excludes fee charged in respect of IPO services amounting to ₹ 41.16 Million (Previous year ₹ Nil) which is recovered from holding company Carraro International SE (selling shareholder).

29.2 Directors' fees includes directors' sitting fees of ₹ 4.60 Million for the period ended 31st March, 2025 (31st March, 2024 : Nil).

29.3 Expenses on corporate social responsibility

No.	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
1	Amount required to be spent by the Company during the year (under Section 135 of the Companies Act, 2013)	11.53	6.24
2	**Amount of expenditure incurred**		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	11.53	6.24
3	**Amount not spent during the year**		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	-	-
4	Amount of shortfall for the year	-	-
5	Amount of cumulative shortfall at the end of the year	-	-
6	Reason for shortfall	-	-
7	Amount yet to be spent/paid	-	-
8	Details of Related party transactions	Not Applicable	Not Applicable
9	Liability incurred by entering into contractual obligations	-	-
10	Nature of CSR activities:	Training & Education	Training & Education
	NAPS Apprenticeship	11.36	6.07
	Jyotiriling	0.17	-
	Afiya Enterprises	-	0.17

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

30 CURRENT TAX AND DEFERRED TAX (CREDIT)

30.1 Income tax expense recognised in statement of profit and loss

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Current tax:		
In respect of current year	289.05	235.53
Short provision of tax relating to earlier years	4.38	(4.65)
	293.43	**230.88**
Deferred tax (credit):		
In respect of current year	4.91	(19.48)
	4.91	**(19.48)**
Total tax expense recognised in the reporting year	**298.34**	**211.40**

30.2 Income tax recognised in other comprehensive income

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
i) Deferred tax		
Remeasurement of defined benefit plans	0.16	(2.46)
Total	**0.16**	**(2.46)**

30.3 Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(Loss) / Profit before tax	1,160.21	817.21
Tax rate	**25.17%**	**25.17%**
Income Tax using the Company's domestic Tax rate #	292.00	205.68
Effect of items that are not deductible in determining taxable profit	1.23	9.66
Income tax related to earlier year	4.38	(4.65)
Others	0.73	0.71
Income tax expense recognised in Statement of Profit and Loss	**298.34**	**211.40**

The tax rate used for the reconciliations above is the corporate tax rate plus surcharge (as applicable) on corporate tax, education cess and secondary and higher education cess on corporate tax, payable by corporate entities in India on taxable profits under Income-Tax Act, 1961.

In pursuance of Section 115BAA of the Income-Tax Act, 1961 announced by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has opted for irrevocable option of shifting to lower tax rate w.e.f FY 2019-20.

30.4 The Company does not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during any of the above years in the tax assessments under the Income-Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-Tax Act, 1961).

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

31 EARNINGS PER EQUITY SHARE

Particulars		For the year ended 31st March, 2025	For the year ended 31st March, 2024
(a)	Profit for the year	861.87	605.81
(b)	Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share (numbers)	56,851,538	56,851,538
(c)	Effect of potential ordinary shares (numbers)	-	-
(d)	Weighted average number of ordinary shares in computing diluted earnings per share [(b) + (c)] (numbers)	56,851,538	56,851,538
(e)	Earnings per share on profit for the period (face value of ₹ 10/- each)		
	– Basic [(a)/(b)] (₹)	15.16	10.66
	– Diluted [(a)/(d)] (₹)	15.16	10.66

32 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars		As at 31st March, 2025	As at 31st March, 2024
(i)	**Contingent Liabilities (refer note a)**		
a)	Income tax matters (refer note b)	2,061.29	1,796.07
b)	Indirect tax matters	10.99	9.20
(ii)	**Capital commitments**		
	Estimated amount of contracts in capital account remaining to be executed [net of advances ₹ 11.70 Million (31st March, 2024 ₹ 64.6 Million)]	166.12	381.88

(a) Claims against the Company not acknowledged as debts

(b) The Company has ongoing disputes with Income Tax Authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Company as deductions and such similar matters. Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. The Company has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT(A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT(A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT(A) or DRP. The Company has a further right of appeal to the High Court of Bombay or Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal. The amounts involved are based on the demand notices received by the Company.

32.1 The Company does not expect any outflow of economic resources in respect of the above and therefore no provision was made in respect thereof.

33 SEGMENT INFORMATION

33.1 The Company is primarily engaged in the business of manufacturing automotive equipments, parts and components. In view of the same, the entire business has been considered as a single segment in terms of Ind AS 108 on Operating Segments. The Company has identified one operating segment which is consistent with the internal reporting provided to the Board of Directors, who has been identified as the chief operating decision maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segment of the Company.

33.2 Geographical information

The Company operates in two geographical environment i.e. in India and outside India.

The Company's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

Particulars	Revenue from External Customers	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Within India	12,077.91	11,415.69
Outside India	5,766.59	6,196.24
Total	**17,844.50**	**17,611.93**

All non-current assets of the Company are located within India.

33.3 Information about major customers

Included in revenue arising from sales of goods of ₹ 7,671.20 Million (year ended 31st March, 2024: ₹ 5,944.82 Million) which arose from sales to its major customers which accounts for 43.02% (year ended 31st March, 2024: 33.53%) of the total revenue from operations.

34 EMPLOYEE BENEFIT PLANS

34.1 Defined contribution plans:

The Company participates in Provident fund as defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to provident fund represents the value of contributions payable during the period by the Company at rates specified by the rules of provident fund. The only amounts included in the balance sheet are those relating to the prior months contributions that were not paid until after the end of the reporting period.

(a) Provident fund and Employee State Insurance Scheme

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of Profit and Loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Company.

Contribution to defined contribution plans, recognised in the statement of profit and loss under employee benefits expense, are as under:

Particulars		For the year ended 31st March, 2025	For the year ended 31st March, 2024
i)	Contribution to employees provident fund	46.22	44.47
ii)	Contribution to employee state insurance scheme	0.03	0.16
Total		**46.25**	**44.63**

34.2 Defined benefit plans:

(a) Gratuity

The Company has an obligation towards gratuity, a unfunded defined benefit retirement plan covering all employees. The plan provides for lump sum payment to vested employees at retirement or at death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company does not make contributions to any funds.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out for the period ended 31st March, 2025 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

(A) Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates : If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

(2) Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cashflows.

(3) Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount ratereflectsthetimevalue of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(4) Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

(B) Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at 31st March, 2025	As at 31st March, 2024
1. Discount rate	6.74% p.a	7.20% p.a
2. Salary escalation		
- Corporate	8.00% p.a	8.00% p.a
3. Expected return of Assets	Not Applicable	Not Applicable
4. Rate of employee turnover		
25 & Below	16.00%	16.00%
25 to 35	8.00%	8.00%
35 to 45	6.00%	6.00%
45 to 55	13.00%	13.00%
55 and above	7.00%	7.00%
5. Mortality rate	**Indian Assured Lives Mortality (2012-14) Table**	

(C) Expenses recognised in the statement of profit and loss

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Current service cost	18.84	18.54
Interest on net defined benefit liability / (asset)	15.19	14.66
Components of defined benefit cost recognised in profit or loss (Refer note 26)	**34.02**	**33.20**

The current service cost and the net interest expenses are included in the 'Employee benefits expenses' line item in the Statement of profit and loss.

(D) Expenses recognised in the Other Comprehensive Income (OCI)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Actuarial (gains)/losses on obligation		
- Due to changes in demographic assumptions	-	-
- Due to changes in financial assumptions	7.89	3.29
- Due to experience adjustment	(8.53)	(13.06)
Net (income)/expense for the year recognised in OCI	**(0.64)**	**(9.77)**

(E) Amount recognised in the statement of assets and liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Present value of unfunded defined benefit obligation	249.14	220.28
Net liability arising from defined benefit obligation	**249.14**	**220.28**

(F) Net liability recognised in the statement of assets and liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current provision	231.05	201.54
Current provision	18.09	18.74
Total	**249.14**	**220.28**

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

(G) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Opening defined benefit obligation	220.28	206.32
Current service cost	18.84	18.54
Interest cost	15.19	14.66
Actuarial losses	(0.64)	(9.77)
Benefits paid	(4.53)	(9.47)
Closing defined benefit obligation	**249.14**	**220.28**

(H) Maturity profile of defined benefit obligation:

Projected benefits payable in future years from the date of reporting	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Year 1 cashflow	19.03	18.74
Year 2 cashflow	36.46	17.16
Year 3 cashflow	21.38	33.75
Year 4 cashflow	31.64	19.12
Year 5 cashflow	20.49	28.20
Year 6 to year 10 cashflow	106.74	94.54

(I) Sensitivity analysis

A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

Projected benefits payable in future years from the date of reporting	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Projected benefit obligation on current assumptions		
Rate of discounting		
Impact of +0.5% change	240.58	212.59
(% change)	(3.43%)	(3.49%)
Impact of -0.5% change	258.24	228.46
(% change)	3.65%	3.71%
Rate of salary increase		
Impact of +0.5% change	258.08	228.36
(% change)	3.59%	3.67%
Impact of -0.5% change	240.64	212.62
(% change)	(3.41%)	(3.48%)

(J) Other disclosures

The weighted average duration of the obligations is 7.32 years (31st March, 2024 is 7.61 years).

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

35 RELATED PARTY DISCLOSURES

35.1 Details of related parties

Description of relationship	Name of the related party
Ultimate Holding Company	Carraro SpA (Holding Company of Carraro International S.E.)
Holding Company	Carraro International S.E. (Direct Holding Company, w.e.f.1st August 2020)
Subsidiary Company	Carraro Technologies India Private Limited (w.e.f. 28th June, 2024)
Fellow Subsidiaries (With whom there are transactions during the year)	Carraro Argentina S.A.
	Carraro Finance S.A.
	Carraro Drive Tech Italia SPA
	Carraro China Drive Systems Co. Ltd.
	Siap SpA
Entity in which KMP exercise significant influence	Bhavani Synchrotec Private Ltd (w.e.f. 29th October, 2024)
Key Management Personnel	Balaji Gopalan, Managing Director
	Sudhendra Mannikar, Whole-time Director and Chief Operating Officer
	Davide Grossi, Whole-time Director and Chief Financial Officer (Chief Financial Officer from 2nd August, 2024 and Whole-time Director - from 9th August, 2024)
	Tomaso Mario Carraro, Director
	Enrico Elio Gomiero, Non-executive Director
	Matteo Bonino, Interim CFO (from 3rd July, 2024 to 9th August, 2024)
	Jui Bhargave, Company Secretary (From 3rd April 2023 till 17th October, 2024)
	Nakul Shivaji Patil (From 2nd December, 2024)
	Ettore Francesco Sequi, Independent Director (from 9th August, 2024)
	Uma Mandavgane, Independent Director (from 3rd July, 2024)
	Kishore Saletore, Independent Director (from 3rd July, 2024)
	Andrea Conchetto, Non-executive Director (from 3rd July, 2024)

35.2 Transactions during the year with related parties

S. No.	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A	**Purchase of Raw Material**		
	Carraro SpA	8.86	17.18
	Siap SpA ,Italy	431.29	647.48
	Carraro Drive Tech Italia SpA	105.83	136.58
	Carraro China Drive Systems	29.57	43.91
	Bhavani Synchrotec Private Ltd	63.30	0.05
	Total	**638.85**	**845.20**
B	**Purchase of intangible assets**		
	Carraro SpA	-	271.08
	Total	**-**	**271.08**
C	**Royalty charged**		
	Carraro SpA	61.05	56.09
	Carraro Drive Tech Italia SpA	26.22	199.91
	Total	**87.27**	**256.00**
D	**Sale of Goods**		

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Amounts in ₹ million except otherwise stated

S. No.	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
	Carraro SpA	9.71	15.56
	Carraro Drive Tech Italia SpA	5,497.14	5,944.82
	Carraro China Drive Systems	157.42	95.78
	Carraro Argentina	28.16	4.92
	Siap SpA	1.63	6.05
	Total	**5,694.06**	**6,067.13**
E	**Sale of Fixed Assets**		
	Carraro Drive Tech Italia SpA	1.50	5.27
	Carraro China Drive Systems	-	0.58
	Total	**1.50**	**5.85**
F	**Other Services Rendered**		
	Carraro SpA	11.75	9.51
	Carraro Technologies India Private Limited	3.18	2.70
	Carraro China Drive Systems	2.77	-
	Total	**17.70**	**12.21**
G	**Professional Fees**		
	Carraro SpA	-	60.44
	Carraro Technologies India Private Limited	64.04	24.52
	Carraro Finance S.A.	13.84	16.15
	Total	**77.88**	**101.11**
H	**Corporate Service charge**		
	Carraro SpA	134.88	122.39
	Carraro Drive Tech Italia SpA	65.96	63.39
	Total	**200.84**	**185.78**
I	**Reimbursement of Expenses to**		
	Carraro SpA	-	1.44
	Carraro Technologies India Private Limited	0.32	-
	Total	**0.32**	**1.44**
J	**Expenses Reimbursement received**		
	Carraro China Drive Systems	2.31	-
	Carraro Drive Tech Italia SpA	-	1.19
	SIAP SPA	-	1.82
	Carraro International S.E.*	195.83	-
	Carraro SpA	0.48	-
	Total	**198.62**	**3.01**
K	**Warranty Claims Paid**		
	Carraro Drive Tech Italia SpA	18.79	35.89
	Total	**18.79**	**35.89**
L	**Remuneration paid**		
	Key managerial personnel		
	Balaji Gopalan	69.98	27.75
	Sudhendra Mannikar	47.50	17.94
	Davide Grossi	14.38	7.69
	Nakul Patil	0.82	-
	Tomaso Carraro	5.93	-
	Enrico Gomiero	4.56	-

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

S. No.	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
	Andrea Conchetto	4.09	-
	Uma Mandavgane	5.44	-
	Kishore Saletore	5.44	-
	Ettore Francesco Sequi	4.83	-
	Jui Bhargave	0.48	0.63
	Total	**163.45**	**54.01**
M	**Dividend Paid**		
	Carraro International S.E.	-	220.00
	Total	**-**	**220.00**
N	**Consideration paid for investment in Carraro Technologies India Private Limited**		
	Carraro International S.E.	239.82	-
	Total	**239.82**	**-**
O	**Interest on Loan availed**		
	Carraro Finance S.A.	36.52	37.27
	Total	**36.52**	**37.27**

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. All the related party transactions are reviewed and approved by Audit Committee. Further, Company has neither given nor availed any guarantee from related parties.

*includes expenses related to IPO which are reimbursed from Carraro International S.E.

35.3 Amounts outstanding with related parties

S. No.	Particulars	As at 31st March, 2025	As at 31st March, 2024
A	**Trade Payables**		
	Carraro SpA	42.93	160.91
	Carraro Technologies India Private Limited	16.53	18.99
	Carraro Drive Tech Italia SpA	70.44	134.89
	Siap SpA	85.56	205.18
	Carraro China Drive Systems	5.11	3.80
	Carraro Finance S.A.	3.61	2.99
	Bhavani Synchrotec Private Ltd	32.00	0.06
	Total	**256.17**	**526.82**
B	**Trade Receivables**		
	Carraro SpA	4.61	4.39
	Carraro Technologies India Private Limited	0.76	0.68
	Carraro Drive Tech Italia SpA	687.35	821.94
	Carraro Argentina	31.04	13.63
	Siap SpA	0.36	0.24
	Carraro China Drive Systems	35.14	13.58
	Total	**759.26**	**854.46**
C	**Loans Outstanding**		
	Carraro Finance S.A.	469.89	460.70
	Total	**469.89**	**460.70**

The amount outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of amounts owed by related parties. Further, the Company has neither given nor availed any guarantee from related parties.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Compensation of key managerial personnel

The remuneration of the key management personnel of the Company, is set out below in aggregate for each of the categories specified in Ind AS 24:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Short-term employee benefits	163.45	54.01
Post-employment benefits (Refer note (a) below)	-	-
Total	**163.45**	**54.01**

(a) The remuneration to the key managerial personnel does not include the provisions made for gratuity, as they are determined on an actuarial basis for the Company as a whole.

(b) All decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

36 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

36.1 Capital risk management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt offset by cash and bank balances and total equity of the Company.

Particulars	As at 31st March, 2025	As at 31st March, 2024
Long term debt*	1,444.58	1,223.80
Short term debt*	450.02	912.31
Less: Cash and cash equivalents	(607.25)	(1,004.25)
Net debt	**1,287.35**	**1,131.86**
Total Equity	**4,714.20**	**3,851.85**
Net debt to equity ratio	**0.27**	**0.29**
Debt to equity ratio	**0.40**	**0.55**

* Debt comprises of current and non-current borrowings and lease liabilities

The Company has not defaulted on any loans payable, and there has been no breach of any loan covenants.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2025 and 31st March, 2024.

36.2 Categories of financial instruments

The following table provides categorisation of all financial instruments

Particulars	As at 31st March, 2025	As at 31st March, 2024
Financial assets		
Measured at fair value through profit and loss (FVTPL)		
(a) Other financial assets - Derivatives	12.13	-
Measured at amortised cost		
(a) Trade receivable	2,869.09	2,373.63
(b) Cash and cash equivalent	607.25	1,004.25
(c) Investment	239.82	-
(d) Other financial assets	56.35	40.45
Total financial assets	**3,772.51**	**3,418.33**
Financial liabilities		
Measured at fair value through profit and loss (FVTPL)		
(a) Other financial liabilities - Derivatives	-	13.15

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Particulars	As at 31st March, 2025	As at 31st March, 2024
Measured at amortised cost		
(a) Borrowings	1,754.26	2,135.11
(b) Lease liabilities	140.35	1.00
(c) Trade payables	3,503.65	3,652.78
(d) Other financial liabilities	28.96	40.95
Total financial liabilities	**5,427.21**	**5,842.99**

36.3 Financial risk management objectives

The Company's principal financial liabilities comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise cash and bank balance, trade and other receivables that derive directly from its operations.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Company's senior management team oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

(i) Market risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2025 and 31st March, 2024.

a. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company's borrowings also includes a foreign currency loan from its related party which bear a floating interest rate.

The Company's borrowings comprise of loans from related parties which bear a floating rate of interest.

b. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities denominated in foreign currency and thus the risk of changes in foreign exchange rates relates primarily to trade payables and receivables. The year end unhedged foreign currency exposures are given below:

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Particulars of unhedged foreign currency exposure as at the reporting date (in respective currency):

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Trade receivables:		
In EURO	6.84	6.58
Equivalent in ₹ Million	631.06	593.58
In USD	0.71	1.15
Equivalent in ₹ Million	60.60	96.09
In CNY	2.01	1.44
Equivalent in ₹ Million	23.70	16.58
(b) Bank balances in EEFC accounts:		
In USD	0.37	0.30
Equivalent in ₹ Million	31.90	25.32
In EURO	3.93	5.61
Equivalent in ₹ Million	362.71	505.82
(c) Trade payables:		
In EURO	9.74	11.55
Equivalent in ₹ Million	899.53	1,042.31
In USD	0.50	1.06
Equivalent in ₹ Million	42.76	88.14
In JPY	-	45.60
Equivalent in ₹ Million	-	25.12
In CNY	5.04	3.62
Equivalent in ₹ Million	59.30	41.76

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonable possible change in exchange rate, 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 and liabilities is as follows:

Impact on Profit/(Loss) before tax for the year

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(a) Trade receivables:		
EURO currency:		
0.50% increase (%)	0.30	2.97
0.50% decrease (%)	(0.30)	(2.97)
USD currency:		
0.50% increase (%)	0.30	0.48
0.50% decrease (%)	(0.30)	(0.48)
CNY currency:		
0.50% increase (%)	0.12	0.08
0.50% decrease (%)	(0.12)	(0.08)
(b) Bank balances in EEFC accounts:		
USD currency:		
0.50% increase (%)	0.16	0.13
0.50% decrease (%)	(0.16)	(0.13)
EURO currency:		
0.50% increase (%)	1.81	2.53
0.50% decrease (%)	(1.81)	(2.53)

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(c) Trade payables:		
EURO currency:	(4.50)	(5.21)
0.50% increase (%)	4.50	5.21
0.50% decrease (%)		
USD currency:		
0.50% increase (%)	(0.21)	(0.44)
0.50% decrease (%)	0.21	0.44
JPY currency:		
0.50% increase (%)	-	(0.13)
0.50% decrease (%)	-	0.13
CNY currency:		
0.50% increase (%)	(0.30)	(0.21)
0.50% decrease (%)	0.30	0.21

c. Commodity price risk

The Company's operating activities require the ongoing purchase of various commodities for manufacture of automotive parts. However, the movement in commodity prices are substantially adjusted through price differences as per customer contracts and hence commodity price risk for the Company is also considered to be low.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

a. Trade receivables

The Company has adopted a policy of only dealing with counterparties that have sufficient credit rating. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company has applied a simplified approach under Expected Credit Loss (ECL) model for measurement and recognition of impairment losses on trade receivables.

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Liquidity risk table

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Upto1 year	1-5 years	Total
31st March, 2025			
Lease liabilities	19.41	74.56	93.95
Borrowings	444.01	1,310.24	1,754.26
Trade payables	3,503.65	-	3,503.65
Other financial liabilities	28.96	-	28.96
Total	**3,996.03**	**1,384.80**	**5,380.82**
31st March, 2024			
Lease liabilities	0.47	0.63	1.11
Borrowings	911.91	1,223.20	2,135.11
Trade payables	3,652.78	-	3,652.78
Other financial liabilities	54.10	-	54.10
Total	**4,619.26**	**1,223.83**	**5,843.10**

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

36.4 Disclosure relating to Derivatives and Forward Contracts

The Company enters into Derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Company's foreign currency contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments and highly probable forecast transactions. These contracts include contracts entered under Past Performance facility as well as under contracted exposures. Mark to market gain/(loss) of ₹ 25.28 Million and ₹ (13.08) milions is recognised in the statement of Profit and Loss for year then ended 31st March, 2025 and 31st March, 2024 respectively.

Following are the outstanding forward contracts entered into by the Company.

Particulars	As at 31st March, 2025	As at 31st March, 2024
To buy EURO (Hedge of foreign currency loan & other payables)		
Currency value	5,000,000	5,000,000
₹ In Million	461.6	451.05

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

37 FAIR VALUE MEASUREMENT

37.1 Fair value of the financial assets and liabilities that are measured at fair value on a recurring basis

Financial assets/ financial liabilities measured at fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31st March, 2025	As at 31st March, 2024		
A) Financial liabilities				
Derivatives - Foreign-exchange forward contract	-	13.15	Level 2	The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Since all significant inputs required to fair value for this instrument are observable, the instrument is included in level 2.
B) Financial Assets				
Derivatives - Foreign-exchange forward contract	12.13	-	Level 2	The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Since all significant inputs required to fair value for this instrument are observable, the instrument is included in level 2.

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short term nature.

37.2 Fair value of financial assets and financial liabilities that are measured at amortised cost:

The management believes the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

38 DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

No loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given by the Company.

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

39 RATIO ANALYSIS AND ITS ELEMENTS

a) Current Ratio = Current assets divided by Current liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current assets	6,728.70	6,605.05
Current liabilities	4,486.95	5,039.65
Ratio (In times)	**1.50**	**1.31**
% Change from previous year	**14.50%**	

Reason for change more than 25%:

Not Applicable

b) Return on Equity Ratio = Net profit after tax divided by average equity

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Net profit after tax	861.87	605.81
Average equity*	4,283.02	3,655.29
Ratio (In %)	**20.12%**	**16.57%**
% Change from previous year	**21.42%**	

*Average equity represents the average of opening and closing total equity.

Reason for change more than 25%:

Not Applicable

c) Inventory Turnover Ratio = Cost of goods sold divided by average inventory

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cost of goods sold *	13,136.72	13,131.48
Average Inventory #	2,925.86	2,708.74
Ratio (In times)	**4.49**	**4.85**
% Change from previous year	**(7.38%)**	

* Cost of goods sold comprises of purchases of materials and changes in inventories of stock-in-trade.

Average inventory represents the average of opening and closing total inventory.

Reason for change more than 25%:

Not Applicable

d) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Credit Sales*	17,921.53	17,704.54
Average Trade Receivables #	2,621.36	2,666.59
Ratio (In times)	**6.84**	**6.64**
% Change from previous year	**2.97%**	

* Credit sales includes sale of products and scrap sales.

Trade receivables is included gross of ECL and net of customer advances. Average Trade receivables represents the average of opening and closing trade receivables.

Reason for change more than 25%:

Not Applicable

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

e) Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Credit Purchases	13,261.93	13,447.53
Average Trade Payables #	3,520.78	3,912.67
Ratio (In times)	**3.77**	**3.44**
% Change from previous year	**8.76%**	

Trade payable included payables for purchases and excludes employee payables. Average Trade payable represents the average of opening and closing trade payables.

Reason for change more than 25%:

Not Applicable

f) Net Working Capital Turnover Ratio = Sales divided by Net Working capital

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Revenue from operations (A)	17,921.53	17,704.54
Current Assets (B)	6,728.70	6,605.05
Current Liabilities (C)	4,486.95	5,039.65
Net Working Capital (D = B - C)	2,241.75	1,565.40
Ratio (In times) (E = A / D)	**7.99**	**11.31**
% Change from previous year	**(29.31%)**	

Reason for change more than 25%:

Decrease in ratio is on account of increase in working capital

g) Net profit ratio = Net profit after tax divided by Sales

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit after tax	861.87	605.81
Sales	17,921.53	17,704.54
Ratio (In %)	**4.81%**	**3.42%**
% Change from previous year	**40.55%**	

Reason for change more than 25%:

Increase in ratio is on accounts of increase in profit

h) Return on Capital employed (pre -tax) = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit before tax (A)	1,160.21	817.21
Finance cost (B)	224.21	222.29
EBIT (C) = (A+B)	**1,384.42**	**1,039.50**
Tangible net worth *(D)	4,441.25	3,546.40
Total debt ** (E)	1,894.60	2,136.11
Deferred tax liability (F)	-	-
Capital Employed (G)=(D+E+F)	**6,335.86**	**5,682.51**
Ratio (In %)	**21.85%**	**18.29%**
% Change from previous year	**19.45%**	

*Tangible net worth = Net worth (Shareholder's fund) -Intangible assets -Deferred tax assets

** Debt comprises of current and non-current borrowings and lease liabilities

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Reason for change more than 25%:

Not Applicable

i) Debt Equity ratio = Total debt divided by Total Equity

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total debt *	1,894.60	2,136.11
Shareholder's funds	4,714.20	3,851.85
Ratio (In times)	**0.40**	**0.55**
% Change from previous year	**(37.99%)**	

* Debt comprises of current and non-current borrowings and lease liabilities

Reason for change more than 25%:

Decrease in ratio is on account of decrease in debt and increase in shareholders funds.

j) Debt service coverage ratio= Earnings available for debt services divided by total interest and principal repayments

Particulars	As at 31st March, 2025	As at 31st March, 2024
Profit after tax (A)	861.87	605.81
Add: Non cash operating expenses and finance cost		
- Depreciation and amortisation (B)	434.68	413.99
- Finance cost (C)	224.21	222.29
- Profit on disposal of property, plant & equipment (D)	(2.52)	(3.07)
Total Non-cash operating expenses and finance cost (Pre-tax) (E= B+C+D)	**656.37**	**633.21**
Earnings available for debt services (F = A + E)	**1,518.24**	**1,239.01**
Debt service		
Lease payments (G)	15.48	0.60
Principal and interest repayments (H)	587.64	616.24
Total interest and principal repayments (I =G + H)	**603.12**	**616.84**
Ratio (In times) (J = F / I)	**2.52**	**2.01**
% Change from previous year	**25.32%**	

Reason for change more than 25%:

Increase in ratio is on account of increase in profit

k) Return on Investment = Profit divided by cost of investment: NA

This ratio is not applicable since the Company does not have any projects/investments other than current operations.

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

40 ADDITIONAL REGULATORY INFORMATION AS REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

a. The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

b. The Company has not traded or invested in Crypto currency or Virtual Currency during each reporting period.

c. There were no Scheme of Arrangements entered by the Company during each reporting period, which required approval from the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

d. The Company does not have any transactions with struck off Companies.

e. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) 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 (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

g. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

h. The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

i. There are no loans or advances given to promoters, directors, KMPs and related parties.

j. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

k. The Company does not have any unpaid dividend and hence has not transferred any such account to the Investor Education Protection Fund during the year.

41 As per the MCA notification dated 5th August, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain back-up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create backup of accounts on servers physically located in India on a daily basis.

The books of account along with other relevant records and papers of the Company are maintained in electronic mode. These are readily accessible in India at all times and currently a backup is maintained on a server located outside India. Additionally, the audit trail has not been preserved as per the statutory requirements for record retention. The Company is in the process of complying with the requirement of maintaining servers physically located in India for back-up of books of account and other relevant books and papers, on a daily basis, pursuant to the amendment and for preservation of audit trail.

42 INITIAL PUBLIC OFFERING (IPO) -

The Company had completed its initial public offering (IPO) comprising an offer for sale of 1,77,55,681 Equity Shares bearing face value of ₹ 10 each for cash at a price of ₹ 704 per Equity Share aggregating ₹ 12,500.00 Million (the "Offer") by Carraro International S.E. (the "Promoter Selling Shareholder") which constituted 31.23% of the post-offer paid-up equity share capital of the Company. The entire issued and fully paid-up equity share capital of the Company comprising 56,851,538 Equity Shares bearing face value of ₹ 10 each was listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) effective from 30th December, 2024.

43 The Company has a comprehensive system of maintenance of information and document as required by the transfer pricing legislation under section 92-92F of the Income-Tax Act, 1961. Since the law requires the existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultant for conducting a Transfer Pricing Study to determine whether the transaction with Associated enterprises

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

are undertake, during the financial year, are on "arm's length basis". Adjustment, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed for the current financial year. However, the management is of the opinion that its international transaction are at arm's length so that aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

44 DIVIDEND

The Board of Directors have proposed a dividend of ₹ 4.55 per share on equity share of ₹ 10 each i.e. 45.50% subject to the approval of members of the Company at the forthcoming Annual general Meeting. When approved by the members of the Company, this will involve payout of ₹ 258.56 Million.

45 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company has no significant events after the balance sheet date.

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

Balaji Gopalan
Managing Director
DIN - 07108093

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992

Nakul Patil
Company Secretary
Membership Number - A39990

Place: Pune
Date: 27th May, 2025

INDEPENDENT AUDITOR'S REPORT

To

The Members of Carraro India Limited

(Formerly known as Carraro India Private Limited)

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Carraro India Limited (Formerly known as Carraro India Private Limited) (the "Parent") and its subsidiary, (the Parent and its subsidiary together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements 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 Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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 matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Evaluation of Provisions, disclosures and analysis with respect to direct tax litigations** The Parent has various disputes/litigations related to direct taxes at various levels of appellate authorities. The evaluation of the Parent's position and determination of possible outcome of these disputes and provisions and related disclosures, if any, required to be made in the books involves significant management judgment. Considering the materiality of the amounts and degree of judgement and estimation involved to determine financial impact and the possible outcome of such disputes/ litigations, we have considered this matter as a key audit matter. Refer Note 3(f) and note 33 to the consolidated financial statements.	**Principal Audit Procedures Performed:** • We assessed management's processes and tested the internal controls implemented for the identification, recognition and measurement of tax positions and its assessment of the potential impact on the Parent. • We received a statement of all ongoing disputes/litigations along with the necessary documentation and - We evaluated management's assessments including advice/opinion obtained from external consultants/ legal advisors with respect to prospects of success of appeals and tax proceedings. - We involved our internal experts to challenge the management's position on the select litigations and to consider legal precedence and other rulings in evaluating management's position on these tax positions. - We also assessed the adequacy and appropriateness of the disclosures made by the management in the notes to the consolidated financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Board's report including annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 the accounting records, relevant to the preparation and presentation of the 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 Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities 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 Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal financial controls 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 Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 ability of the Group 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 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 Group to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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.

We communicate with those charged with governance of the Parent and such other entity included in the consolidated financial statements 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 financial controls that we identify during our audit.

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.

From the matters communicated with those charged with governance, 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, 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 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 by the Group including relevant records so far as it appears from our examination of those books, except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India by the Parent and its subsidiary (refer Note 43 to the consolidated financial statements) and not complying with the requirements of audit trail as stated in (i)(vi) below.
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2025 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements.

h) 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 to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary incorporated in India, the remuneration paid by the Parent and such subsidiary to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

i) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 33 to the consolidated financial statements.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary incorporated in India.

iv) (a) The respective Managements of the Parent and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent and its subsidiary, or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent and its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Parent and its subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent and its subsidiary shall, 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.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Parent and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year. As stated in note 44 to the consolidated financial statements, the Board of Directors of Parent has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable

vi) Based on our examination which included test checks, the Parent and its subsidiary have used accounting software for maintaining their respective books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

Additionally, the audit trail has not been preserved by the Parent and above referred subsidiary as per the statutory requirements for record retention, as mentioned in Note 43 to the consolidated financial statements.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") 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 included in the consolidated financial statements, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)
Sachanand C Mohnani
Partner
Place: Pune (Membership No. 407265)
Date: May 27, 2025 UDIN:25407265BMOUZD1438

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Parent as at and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Carraro India Limited (Formerly known as Carraro India Private Limited) (hereinafter referred to as "Parent") and its subsidiary as of that date.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and Board of Directors of the Parent and its subsidiary, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary, 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 Institute of Chartered Accountants of India 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 with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to 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 judgement, including the assessment of the risks of material misstatement of the 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 internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Parent and its subsidiary have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Sachanand C Mohnani
Partner
Membership No. 407265
UDIN:25407265BMOUZD1438

Place: Pune
Date: May 27, 2025

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2025

Amounts in ₹ million except otherwise stated

Particulars	Note no.	As at 31st March, 2025	As at 31st March, 2024
ASSETS			
1) Non-current assets	4	3,274.11	3,117.20
a) Property, plant and equipment	4	262.08	137.37
b) Right-of-use assets	5	259.40	289.69
c) Intangible assets			
d) Financial assets			
i) Other non-current financial assets	6	44.18	47.72
e) Deferred tax assets (net)	7	26.35	34.45
f) Non-current tax assets	8	321.78	319.68
g) Other non-current assets	9	17.30	73.35
Total non-current assets		**4,205.20**	**4,019.46**
2) Current assets			
a) Inventories	10	2,987.24	2,864.48
b) Financial assets			
i) Trade receivables	11	2,912.66	2,427.16
ii) Cash and cash equivalents	12	683.04	1,035.96
iii) Other financial Assets	6	20.24	-
c) Other current assets	9	266.41	381.82
Total current assets		**6,869.59**	**6,709.42**
TOTAL ASSETS		**11,074.79**	**10,728.88**
EQUITY & LIABILITIES			
Equity			
a) Equity share capital	13	568.52	568.52
b) Other equity	14	4,011.12	3,129.66
Total equity attributable to the owners of the Company		**4,579.64**	**3,698.18**
Non controlling interest	15	1.07	0.88
Total equity		**4,580.71**	**3,699.06**
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	16	1,310.24	1,223.20
ii) Lease liabilities	17	134.34	12.96
b) Provisions	18	517.99	473.84
Total non-current liabilities		**1,962.57**	**1,710.00**
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	16	444.01	911.91
ii) Lease liabilities	17	18.37	11.28
iii) Trade payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		564.92	492.99
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,935.21	3,152.30
iv) Other financial liabilities	20	28.96	293.92
b) Other current liabilities	21	188.94	136.70
c) Provisions	18	335.06	320.45
d) Current tax liabilities (net)	22	16.04	0.27
Total current liabilities		**4,531.51**	**5,319.82**
TOTAL EQUITY AND LIABILITIES		**11,074.79**	**10,728.88**
The accompanying material accounting policies and notes form an integral part of the consolidated financial statements	**1-47**		

In terms of our report attached of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Sachanand C Mohnani
Partner
Membership No.: 407265

Place: Pune
Date: 27th May, 2025

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

Balaji Gopalan
Managing Director
DIN - 07108093

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992

Nakul Patil
Company Secretary
Membership Number - A39990

Place: Pune
Date: 27th May, 2025

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2025

Amounts in ₹ million except otherwise stated

Particulars	Note no.	For the year ended 31st March, 2025	For the year ended 31st March, 2024
INCOME			
I. Revenue from operations	23	18,075.54	17,889.65
II. Other income	24	158.25	175.82
III. Total income (I+II)		**18,233.79**	**18,065.47**
IV. Expenses			
(a) Cost of materials consumed	25	13,072.39	13,372.42
(b) Changes in inventory of finished goods and work-in-progress	26	64.33	(240.94)
(c) Employee benefits expense	27	1,541.37	1,434.72
(d) Finance costs	28	225.83	224.85
(e) Depreciation and amortisation expenses	29	451.96	431.38
(f) Other expenses	30	1,691.28	1,999.32
Total expenses		**17,047.16**	**17,221.75**
V. Profit before tax (III-IV)		**1,186.63**	**843.72**
VI. Tax expense	31		
(a) Current tax		297.28	243.57
(b) Deferred tax (credit)		7.99	(25.48)
Total tax expense		**305.27**	**218.09**
VII. Profit for the year (V-VI)		**881.36**	**625.63**
Attributable to			
- Owners of the Company		881.17	625.43
- Non controlling interest		0.19	0.20
VIII. Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
i) Remeasurement of net defined benefit liability		0.39	10.83
ii) Income tax relating to other comprehensive income	31.2	(0.10)	(2.73)
Other comprehensive income, net of tax		**0.29**	**8.10**
Attributable to			
- Owners of the Company		0.29	8.09
- Non controlling interest		(0.00)	0.01
Total comprehensive income (VII+VIII)		**881.65**	**633.73**
Attributable to			
- Owners of the Company		881.46	633.52
- Non controlling interest		0.19	0.21
IX. Earning per share of face value of ₹ 10/- each	32		
Basic (in ₹)		15.50	11.00
Diluted (in ₹)		15.50	11.00
The accompanying material accounting policies and notes form an integral part of the financial statements.	**1-47**		

In terms of our report attached of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Sachanand C Mohnani
Partner
Membership No.: 407265

Place: Pune
Date: 27th May, 2025

For and on behalf of Board of Directors of
Carraro India Limited
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Balaji Gopalan
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Whole-time Director and Chief Financial Officer
DIN - 10252992

Nakul Patil
Company Secretary
Membership Number - A39990

Place: Pune
Date: 27th May, 2025

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2025

Amounts in ₹ million except otherwise stated

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cash flows from operating activities		
Profit before tax	1,186.63	843.72
Adjustments for:		
Depreciation and amortisation expenses	451.96	431.38
Allowance for doubtful debts	5.29	0.38
Sundry balances written back	-	(8.78)
Finance costs	212.09	224.85
(Gain) on sale of Property, plant and equipment	(2.61)	(3.10)
Fair value gain on investments	(8.02)	(4.59)
Unrealised Exchange (gain)/ loss	13.73	(36.95)
Interest income	(3.19)	(3.28)
Operating cashflows before working capital changes	**1,855.88**	**1,443.63**
Movements in working capital:		
(Increase)/Decrease in Trade Receivables	(491.07)	636.49
(Increase)/Decrease in Inventories	(122.76)	(311.48)
(Increase)/Decrease in Other Non Current Assets	3.15	8.15
(Increase)/Decrease in Other Non Current Financials Assets	(3.73)	(8.56)
(Increase)/Decrease in Other Current Financials Assets and loans	(24.30)	-
(Increase)/Decrease in Other Current Assets	115.41	146.09
Increase/(Decrease) in Trade Payables	(131.44)	(623.71)
Increase/(Decrease) in financial liabilities	(266.12)	13.08
Increase/(Decrease) in Other Liabilities	52.31	(30.59)
Increase/(Decrease) in Long Term Provisions	44.54	21.68
Increase/(Decrease) in Short Term Provisions	14.59	104.60
Cash generated from operations	**1,046.46**	**1,399.38**
Income taxes paid	(283.59)	(277.50)
Net cash generated from operating activities (A)	**762.87**	**1,121.88**
Cash flows from investing activities		
(Purchase) of Property, plant and equipment (including capital advances and capital creditors)	(518.37)	(590.24)
(Purchase) of Intangible assets	(1.31)	(273.24)
Sale of property, plant and equipment	4.33	9.24
Purchase of mutual fund investment	(1,969.90)	(1,539.94)
Sale of mutual fund investment	1,977.92	1,544.53
Interest received	2.39	2.90
(Investment) in bank deposits - Net	(0.09)	(0.09)
Net cash used in investing activities (B)	**(505.03)**	**(846.84)**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2025 (Contd.)

Amounts in ₹ million except otherwise stated

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cash flows from financing activities		
Payment of lease liabilities	(27.66)	(12.21)
Finance costs paid	(200.10)	(222.67)
Dividend paid	-	(309.10)
Proceeds from Long term borrowings	507.40	323.07
Repayment of Long term borrowings	(387.61)	(417.09)
Short-term borrowings availed (net)	(490.49)	336.18
Net cash used in financing activities (C)	**(598.46)**	**(301.82)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(340.62)**	**(26.78)**
Cash and cash equivalents at the beginning of the year	1,035.96	1,049.89
Effect of exchange rate changes on cash and cash equivalents	(12.30)	12.85
Cash and cash equivalents at the end of the year	**683.04**	**1,035.96**
Reconciliation of cash and cash equivalents as per the cash flow Statement		
Cash and cash equivalents (Refer note 13)	683.04	1,035.96
Balance as per Statement of cash flows	**683.04**	**1,035.96**

Disclosure is pursuant to Indian Accounting Standard (Ind AS) - 7: Statement of Cash Flows

Refer note 30.3 for details on cash outflow on account of Corporate Social Responbility(CSR) contribution

The accompanying material accounting policies and notes form an integral part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Sachanand C Mohnani
Partner
Membership No.: 407265

Place: Pune
Date: 27th May, 2025

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

Balaji Gopalan
Managing Director
DIN - 07108093

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992

Place: Pune
Date: 27th May, 2025

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Nakul Patil
Company Secretary
Membership Number - A39990

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2025

Amounts in ₹ million except otherwise stated

A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2025

Balance as at 1st April, 2024	Changes in equity share capital during the period	Balance as at 31st March, 2025
568.52	-	568.52

For the year ended 31st March, 2024

Balance as at 1st April, 2023	Changes in equity share capital during the period	Balance as at 31st March, 2024
568.52	-	568.52

B) OTHER EQUITY

Particulars	Retained earnings	Capital reserve	Capital Redemption reserve	Total other equity attributable to owners of the group	Non-controlling interests	Total
Balance as at 1st April, 2023	**2,067.50**	**680.40**	**57.34**	**2,805.24**	**1.57**	**2,806.81**
Profit for the year	625.43	-	-	625.43	0.20	625.63
Other comphrehensive income for the year	8.09	-	-	8.09	0.01	8.10
Total comprehensive income for the year	**633.52**	**-**	**-**	**633.52**	**0.21**	**633.73**
Dividend paid	(309.10)	-	-	(309.10)	(0.90)	(310.00)
Balance as at 31st March, 2024	**2,391.92**	**680.40**	**57.34**	**3,129.66**	**0.88**	**3,130.54**
Profit for the year	881.17	-	-	881.17	0.19	881.36
Other comphrehensive income for the year	0.29	-	-	0.29	(0.00)	0.29
Total comprehensive income for the year	**881.46**	**-**	**-**	**881.46**	**0.19**	**881.65**
Dividend paid	-	-	-	-	-	-
Balance as at 31st March, 2025	**3,273.38**	**680.40**	**57.34**	**4,011.12**	**1.07**	**4,012.19**

The accompanying material accounting policies and notes form an integral part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Sachanand C Mohnani
Partner
Membership No.: 407265

Place: Pune
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NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Amounts in ₹ million except otherwise stated

1 GENERAL INFORMATION

Carraro India Limited (Formerly known as Carraro India Private Limited) ('the Parent' or 'the Company' or 'the Holding Company') was incorporated as a private company on 11th April, 1997 as a subsidiary of Carraro Drive Tech SpA, Italy and it is converted into a public company on 12th August, 2024. The Company became a subsidiary of Carraro International S.E., Italy from 1st August, 2020. The Company is engaged in the manufacture of mechanical transmissions, clutches, hydraulic lifts and planetary drives, axles for agricultural tractors and construction equipment including components, parts and spares thereof. The Company has its manufacturing facilities located in Ranjangaon at Pune. Pursuant to scheme of Amalgamation approved by the High Court at Judicature at Bombay vide its order dated 28th August, 2014, Turbo Gears India Private Limited ("TGIPL"), the fellow subsidiary had merged with the Company w.e.f. 1st April, 2013. TGIPL was incorporated on 19th June, 1998 and was engaged in the manufacture and trade of gears and related components for the automotive industry.

2 BASIS OF PREPARATION AND PRESENTATION

(a) Basis of preparation

The basis of preparation and the accounting policies have been applied consistently to all the periods presented in the financial statements, unless otherwise stated. The accounting policies adopted are the same as those which were applied for the previous financial year.

The financial statements comply in all material aspects with the Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act 2013 ("the Act"), other relevant provisions of the Act as notified under the Companies (Indian Accounting Standards) Rules, 2015, (including subsequent amendments) and other accounting principles generally accepted in India.

The Group has prepared the standalone financial statement on going concern basis. The accounting policies are applied consistently to all period presented in financial statements except where explicitly mentioned.

The financial statements are presented in Indian Rupees "INR" or "Rs." or "₹" and all values are stated as INR or Rs. or ₹ Million, except when otherwise indicated. These Financial statements have been approved by the Board of Directors of the Company on 27th May, 2025.

(b) Basis of measurement

Fair value is the price that would be received to sell 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 Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Consolidated Financial Statements have been prepared under the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items Basis	Measurement
Non derivative financial instruments at FVTPL	Fair value
Net defined benefit liability	Present value of the defined benefit obligation, limited as explained in note 3(j)

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs are not based on observable market data (unobservable inputs).

Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(c) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

(d) Use of estimates and judgements

In preparing the financial statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company's financial position and/ or results of operations. Such assumptions and estimates mainly relate to the useful life of Property, Plant and Equipment's, Intangible Assets and the recognition of provisions, including those for litigation, employee benefits, Income tax and deferred tax assets, fair value measurement of financial instrument and allowance for credit losses on receivables.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Group regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known. Key source of estimation of uncertainty at the date of financial statements, that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are given below:

i) Income tax and deferred tax assets

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realise the benefits of those deductible differences.

ii) Useful lives of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iii) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates. The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the Consolidated Financial Statements.

iv) Measurement of defined benefit obligation, key actuarial assumptions

Information about assumptions and estimation uncertainties in respect of defined benefit obligation are given in note 36 respectively.

v) Fair value measurement of Financial Instruments

The Group applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Group's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

vi) Allowance for credit losses on receivables

Loss allowances on trade receivables are measured using simplified approach. The Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its specific analysis and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(e) Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

b. it is held primarily for the Purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria

a. it is expected to be settled in the Group's normal operating cycle;

b. it is held primarily for the Purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, generally twelve month is considered as operating cycle.

3 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Property, plant and equipment:

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives , than they are accounted for as separate items (major components) of property, plant and equipment. Assets under construction are disclosed as capital work-in-progress.

Leasehold land is stated at historical cost less amounts amortised proportionate to expired lease period.

Capital work-in-progress includes the cost of property, plant and equipment that are not ready to use at the Balance Sheet date.

Subsequent Expenditure:

Subsequent Expenditure is capitalised only if it is probable that the future economic benefits

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation/Amortisation:

Depreciation is calculated on pro rata basis on straight-line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013.

Type of asset	Estimated useful life
Dies, Pattern, Fixtures and Tools	4-12 years
Plant and Machinery	8-25 years
Factory Buildings	25-50 years
Vehicles	1-4 years
Office equipments	8 years
Computers	5-8 years
Furniture and Fixture	14-16 years

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on prospective basis.

Derecognition:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of Profit and Loss in the year the asset is derecognised.

(b) Intangible assets

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible assets is carried at its cost less any accumulated amortisation and any accumulated loss. Subsequent expenditure is capitalised only when it increases the future economic benefit from the specific asset to which it relates.

Type of asset	Estimated useful life
Computer Software	5-10 years
Intellectual Property Rights	20 years

Other Intangible assets are amortised on the straight line method over a period of 3 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment Testing of Property, Plant and Equipment, and other Intangible Assets

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 recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes.

(c) Leases

The Group's lease asset classes primarily consist of leases for vehicles and office premise. At the inception of contract the Company assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract involves use of an identified asset and conveys the right to control the use of asset for period of time in exchange for consideration i.e. customer has right to:

- obtain substantially all the economic benefits from using the asset and
- direct the use of asset

Group as a lessee

Recognition and measurement

The Group recognises the right of use asset and lease liability at the lease commencement date of lease. The right of use asset is initially measured at cost, which comprises of the initial amount of lease liability adjusted for any payment made at or before commencement date, any initial direct cost incurred and an estimate of cost to dismantle or remove an underlying asset or to restore an asset less any lease incentive received. The lease liability is initially measured at present value of lease payments that is not paid at commencement date discounted at implicit rate mentioned in lease or incremental borrowing rate.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Lease payments include fixed payments, including in-substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the Group under the residual value guarantee; the exercise price of a purchase option; if the Group is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term considered reflects that the Group shall exercise a termination option. The Group generally uses its incremental borrowing rate as discount rate. The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of lease term or over the useful life of right-of-use asset.

The lease liability is subsequently measured at amortised cost using effective interest method. It is remeasured when there is a change in future lease payments.

Extension and termination of lease

The Group determines the lease term as the noncancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Short term leases and low value assets

The Group has elected not to recognise right of use of assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term in the statement of Profit and Loss.

Impairment testing for right of use of assets

Right of use assets are tested for impairment whenever there is any indication that their carrying amount is not recoverable. Impairment loss, if any, is recognised in statement of Profit and Loss.

(d) Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined on weighted average cost. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(e) Financial Instruments

a) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments, except trade receivables that are initially recognised when they are originated.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, Trade receivables that do not contain a significant financing component are measured at transaction price.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as – measured at:

- Amortised cost; or

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

- FVOCI - Debt Investment; or
- FVOCI – equity investment;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

A financial asset which is not classified in any of the above categories are measured at FVTPL. However, in cases where the Group has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at FVTPL the subsequent changes in fair value are recognised in Other Comprehensive Income.

c) Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortised cost. All changes in fair value of financial liabilities classified as FVTPL are recognised in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the Effective Interest Rate method.

d) Derecognition of financial assets & liabilities

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

Derecognition of financial liabilities

A financial liability is derecognised when the contractual obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) Impairment

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and financial assets that are debt instruments and are measured at amortised cost, the Group measures the loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financials assets measured at FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Group recognises expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The impairment losses and reversals are recognised in statement of Profit and Loss.

g) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

h) Derivative Financial Instruments:

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates on its long-term borrowings. The use of these foreign exchange forward contracts reduces the risk to the Group. The Group does not use the foreign exchange forward contracts for trading or speculation Purpose. These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. No hedge accounting is applied to these derivatives, which are carried at fair value with changes being recognised in the statement of profit and loss.

(f) Provisions, contingent liabilities and contingent asset

Provisions

A provision is recognised if, as a result of past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

- **Warranty provisions**

  The estimated liability for product warranties is recognised when products are sold or when new warranty programmes are initiated. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future warranty claims, customer goodwill and recall complaints. The timing

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

of outflows will vary depending on when warranty claim will arise, being typically up to four years. The Group also has back-to-back contractual arrangement with its suppliers in the event that a vehicle fault is proven to be a supplier's fault. Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, adjusted for inflation and applied to the population of vehicles under warranty as on Balance Sheet date.

Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation arising from the past event, that may, but probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed in the Consolidated Financial Statements unless the possibility of outflow of resources is remote.

Contingent assets

Contingent assets are neither recognised nor disclosed in the Consolidated Financial Statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(g) Dividends

The Group recognises a liability for any dividend declared but not distributed at the end of reporting year, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting year.

(h) Revenue recognition

"According to Ind AS 115, revenue is measured at the amount of consideration the Group expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers

Step 2: Identify performance obligations contained in the contracts

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognise revenue when the performance obligation is satisfied.

The Group has applied the guidance in Ind-AS 115, Revenue from Contract with Customer, by applying the revenue recognition criteria for each distinct performance obligation. The Group derives revenue primarily from technical engineering designs. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved in writing, by the parties to the contract, the parties have committed to perform their obligations under the contract and the contract is legally enforceable. Revenue is recognised upon transfer of control of promised products or services ('performance obligations') to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ('transaction price'). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The contract with customers are time and material based and its revenue is recognised for the amount to which the Group has the right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

that it is highly probable a significant reversal will not occur.

(i) Other income

Interest income is recognised using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

(j) Employee benefits

Defined benefit plans

The Group's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognised in other comprehensive income, net of taxes, for the period in which they occur. All the expenses that relate to the defined benefit plan are recognised in statement of Profit and Loss. The Company recognises gains and losses on curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs, in the statement of Profit and Loss. The obligation under the defined benefit plan is measured after taking into account changes in legislation as have been enacted up to the Balance Sheet date..

Defined contribution plans

The Group's contribution towards employee's provident fund and employee state insurance scheme are defined contribution plans. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme. The Company's contribution paid/payable under the schemes is recognised as employee benefits expense in the statement of Profit and Loss during the period in which the employee renders the related service.

Compensated absences

The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the statement of Profit and Loss in the year in which they arise.

Other benefits

The Group has other long-term employee benefit plan in the form of retention bonus for those employees, who are identified to ensure continuity of special projects / tasks / activities. This amount will be payable on completion of their three years of service payable in 37th and 40th month salary equally. Liability for the same is provided on the basis of valuation, as at the Balance Sheet date, carried out by independent actuary.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits expense. Benefits such as salaries and performance incentives, are charged to statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

(k) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction, or production of a

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qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

All other borrowing costs are recognised as expense in the period in which they are incurred.

(l) Foreign currency

Indian Rupee is the Group's functional as well as presentation currency.

- **Initial recognition**

  Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction.

- **Measurement of monetary items denominated in foreign currency at the Balance Sheet date**

  Monetary items denominated in foreign currency (other than those related to acquisition of property plant and equipment) of the Group outstanding at the Balance Sheet date are restated at the year-end rates.

  Non monetary foreign currency items that are measured based on historical cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

- **Treatment of exchange differences**

  Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement of Profit and Loss.

  The translation differences on monetary assets and liabilities denominated in foreign currencies are recognised in the statement of Profit and Loss.

(m) Income tax

Income tax expense comprises current and deferred tax.

Current tax

Provision for current tax is recognised in accordance with the provisions of Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting Purpose and the amount considered for tax Purpose. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Such reductions are reversed when it becomes probable that sufficient taxable profits will be available. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be recovered. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the end of the reporting year. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Current and deferred tax for the reporting period

Current and deferred tax are recognised in the statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the taxes are also recognised in other comprehensive income or directly in equity respectively.

(n) Earnings per share

Basic earnings per share are computed by dividing the net profit or loss for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year after tax for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

(o) Segment reporting

The Group is primarily engaged in the business of manufacturing automotive equipment's, parts and components and export of design engineering services. Operating segments are defined as components of an enterprise for which discrete Financial Statements is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The reporting of segment information is the same as provided to the management for the Purpose of the performance assessment and resource allocation to the segments. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue/ expenses/assets/liabilities."

(p) Recent pronouncements

Ministry of Corporate Affairs ('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 31st March, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

(q) Principles of consolidation

Parent company has acquired Carraro Technologies India Private Limited ('the Subsidiary') on 28th June, 2024. Refer notes 45 and 46 to the consolidated financial statement.

Subsidiary is the entity over which the Company has control. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Pursuant to the requirements of Appendix C of the Ind AS 103, these business combinations under common control are accounted for using the pooling of interest method. Consequently, the financial information of the Group, includes the financial information of the businesses transferred by the transferor to the transferee and has been restated from the earliest period presented in the consolidated financial statement of the Group.

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Following subsidiary has been considered in the preparation of consolidated financial statement:

Entity	Country of incorporation / Place of business	% of Holding as on 31st March, 2024
Carraro Technologies India Private Limited	India	99.99%

The Group combines the financial statements of the parent and its subsidiary using pooling of interest method which involves the following :

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

(iv) All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

(v) Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiary used in consolidation are drawn up to the same reporting date as that of the parent company i.e. year ended 31st March, 2024.

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Amounts in ₹ million except otherwise stated

4 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Particulars		Own assets						Total	Right-of-use assets					Total
		Factory Buildings	Plant and Machinery	Furniture and Fixture	Computers	Office equipment	Dies, Pattern, Fixtures and Tools		Leasehold Land	Vehicles	Solar Plant	Building	Total	
I.	**Gross carrying amount**													
	Balance as at 1st April, 2023	465.48	2,338.68	34.69	39.61	0.06	360.78	3,239.30	137.66	2.27	-	39.77	179.70	3,419.00
	Additions	89.45	402.37	8.97	21.24	-	120.66	642.69	-	-	-	-	-	642.69
	Disposals, transfers and adjustments	-	(3.38)	-	(0.02)	-	(6.03)	(9.43)	-	-	-	-	-	(9.43)
	Balance as at 31st March, 2024	**554.93**	**2,737.67**	**43.66**	**60.83**	**0.06**	**475.41**	**3,872.56**	**137.66**	**2.27**	**-**	**39.77**	**179.70**	**4,052.26**
	Additions	77.54	379.07	7.23	13.18	-	82.21	559.23	-	1.15	143.30	-	144.45	703.68
	Disposals, transfers and adjustments	-	(4.00)	-	(0.15)	-	(0.35)	(4.50)	-	-	-	-	-	(4.50)
	Balance as at 31st March, 2025	**632.47**	**3,112.74**	**50.89**	**73.86**	**0.06**	**557.27**	**4,427.29**	**137.66**	**3.42**	**143.30**	**39.77**	**324.15**	**4,751.44**
II.	**Accumulated depreciation**													
	Balance as at 1st April, 2023	**15.15**	**266.48**	**3.53**	**12.29**	**0.01**	**67.10**	**364.56**	**19.28**	**0.80**	**-**	**9.94**	**30.02**	**394.58**
	Depreciation expense for the year	17.53	286.85	4.02	13.23	0.01	72.43	394.07	1.83	0.52	-	9.96	12.31	406.38
	Disposals, transfers and adjustments	-	(2.16)	-	(0.02)	-	(1.10)	(3.28)	-	-	-	-	-	(3.28)
	Balance as at 31st March, 2024	**32.68**	**551.17**	**7.55**	**25.50**	**0.02**	**138.43**	**755.35**	**21.11**	**1.32**	**-**	**19.90**	**42.33**	**797.68**
	Depreciation expense for the year	17.61	287.96	4.43	14.21	0.01	76.41	400.63	1.82	0.45	7.52	9.95	19.74	420.37
	Disposals, transfers and adjustments	-	(2.55)	-	(0.15)	-	(0.09)	(2.79)	-	-	-	-	-	(2.79)
	Balance as at 31st March, 2025	**50.29**	**836.58**	**11.98**	**39.56**	**0.03**	**214.75**	**1,153.19**	**22.93**	**1.77**	**7.52**	**29.85**	**62.07**	**1,215.26**
III.	**Net carrying amount (I-II)**													
	Balance as at 31st March, 2025	**582.18**	**2,276.16**	**38.91**	**34.30**	**0.03**	**342.52**	**3,274.11**	**114.73**	**1.65**	**135.78**	**9.92**	**262.08**	**3,536.18**
	Balance as at 31st March, 2024	**522.25**	**2,186.50**	**36.11**	**35.32**	**0.04**	**336.98**	**3,117.20**	**116.55**	**0.95**	**-**	**19.87**	**137.37**	**3,254.56**

4.1 There are no impairment losses recognised during the years ended 31st March, 2025 and 31st March, 2024.

4.2 The Group has not revalued its property, plant and equipment as on each reporting year and therefore Schedule III disclosure Requirement with respect to fair value details is not applicable.

4.3 The title deeds of all immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in the favour of the lessee) are held in the name of the Group.

4.4 The Group has created first pari passu charge on entire property, plant and equipments (except land & building) against borrowings. Refer Note 16.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

5 INTANGIBLE ASSETS

Particulars	Software	Intellectual property	Total
I. Gross carrying amount			
Balance as at 1st April, 2023	**59.03**	**-**	**59.03**
Additions	2.16	271.08	273.24
Balance as at 31st March, 2024	**61.19**	**271.08**	**332.27**
Additions	1.30	-	1.30
Balance as at 31st March, 2025	**62.49**	**271.08**	**333.57**
II. Accumulated amortisation			
Balance as at 1st April, 2023	**17.58**	**-**	**17.58**
Amortisation expense for the year	18.21	6.79	25.00
Balance as at 31st March, 2024	**35.79**	**6.79**	**42.58**
Amortisation expense for the year	18.06	13.53	31.58
Balance as at 31st March, 2025	**53.85**	**20.32**	**74.16**
III. Net carrying amount (I-II)			
Balance as at 31st March, 2025	**8.64**	**250.76**	**259.40**
Balance as at 31st March, 2024	**25.40**	**264.29**	**289.69**

5.1 The Group has not revalued its intangible assets as on each reporting year and therefore Schedule III disclosure Requirement with respect to fair value details is not applicable.

6 OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current - unsecured, considered good		
Deposits with banks		
- Long term deposits with Banks having remaining maturity period of more than 12 months (Refer Note 6.1)	1.93	1.84
Security deposits	42.25	45.88
Total	**44.18**	**47.72**
Current - unsecured, considered good unless otherwise stated		
Security deposits	7.67	-
Interest accrued on deposits	0.44	-
Measured at fair value through profit or loss		
Derivatives		
- Foreign-exchange forward contract	12.13	-
Total	**20.24**	**-**

6.1 Long term deposits are held under lien by Bank against Bank Guarantee.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

7 DEFERRED TAX ASSETS/(LIABILITIES) (NET)

7.1 Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2025

Particulars	Opening Balance as on 1st April, 2024	Recognised in Profit or loss (expense)/ credit	Recognised in Other comprehensive income	Recognised directly in Equity	Closing balance as on 31st March, 2025
Property, plant and equipment & Intangible assets	(160.57)	12.34	-	-	(148.23)
Right-of-use assets and leases liabilities	0.86	(32.94)	-	-	(32.08)
Allowance for expected credit losses	1.70	1.23	-	-	2.93
Gratuity, Compensated absences & Retention Bonus	191.16	6.74	(0.10)	-	197.80
Others (Includes trade payable to MSME)	1.30	4.63	-	-	5.93
Total	**34.45**	**(7.99)**	**(0.10)**	**-**	**26.35**

Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2024

Particulars	Opening Balance as on 1st April, 2023	Recognised in Profit or loss (expense)/ credit	Recognised in Other comprehensive income	Recognised directly in Equity	Closing balance as on 31st March, 2024
Property, plant and equipment & Intangible assets	(145.64)	(14.93)	-	-	(160.57)
Right-of-use assets and leases liabilities	0.75	0.11	-	-	0.86
Allowance for expected credit losses	3.42	(1.72)	-	-	1.70
Gratuity, Compensated absences & Retention Bonus	165.02	28.87	(2.73)	-	191.16
Inventories	(12.16)	12.16	-	-	-
Others	0.31	0.99	-	-	1.30
Total	**11.70**	**25.48**	**(2.73)**	**-**	**34.45**

8 TAX ASSETS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current tax assets (Net of Provision for Income tax - 31st March, 2025: ₹ 2,090.43 Million and 31st March, 2024: ₹ 2,092.11)	321.78	319.68
Total	**321.78**	**319.68**

9 OTHER ASSETS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current - unsecured, considered good unless otherwise stated		
Balance with Government Authorities (other than income taxes)	1.42	8.76
Prepaid Expenses	4.18	-
Capital Advances	11.70	64.59
	17.30	**73.35**
Current - unsecured, considered good unless otherwise stated		
Balance with Government Authorities (other than income taxes)	179.63	259.40
Advances to suppliers	69.19	107.14

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Particulars	As at 31st March, 2025	As at 31st March, 2024
Advances to employees	0.07	0.15
Prepaid Expenses	17.52	15.13
Total	**266.41**	**381.82**

10 INVENTORIES

Particulars	As at 31st March, 2025	As at 31st March, 2024
At lower of cost and net realisable value		
Raw Materials and components (Refer note 10.2)	2,101.25	1,911.71
Consumable Tools	15.91	18.36
Work-in-progress	444.85	538.10
Finished goods (Refer note 10.2)	425.23	396.31
Total	**2,987.24**	**2,864.48**

10.1 During the year ended 31st March, 2025 and 2024, the Company recorded inventory write-down expenses of ₹ (5.23) Million and ₹ 32.28 Million respectively. These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in the statement of profit and loss.

10.2 Details of goods-in-transit included in inventories above

Particulars	As at 31st March, 2025	As at 31st March, 2024
Raw Materials and components	667.55	501.98
Finished goods	216.32	252.36
	883.87	**754.34**

10.3 The mode of valuation of inventories has been stated in note 3(d).

11 TRADE RECEIVABLES

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade receivables		
Unsecured, considered good	2,912.66	2,427.16
Unsecured, credit impaired	11.63	6.74
	2,924.29	2,433.90
Less: Expected credit loss allowance (Refer note 11.4)	(11.63)	(6.74)
Total	**2,912.66**	**2,427.16**

11.1 The average credit period on sales of goods is 30-60 days and on rendering of services is 60-90 days

11.2 Details of trade receivables from directors or other officers of the Group or any of them either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner or a director or a member:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade receivables from		
Ultimate Holding Company	45.37	46.19
Fellow subsidiaries	756.76	857.83

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11.3 Loss allowances on trade receivables are measured using simplified approach. The Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its specific analysis and historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

11.4 Movement in the expected credit loss allowance

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at beginning of the year	6.74	13.58
Add : Additional provision/(reversal)	5.29	0.38
Less: Provision utilised	(0.40)	(7.22)
Balance at end of the year	**11.63**	**6.74**

11.5 Trade receivables from related parties are disclosed separately under note 36.

11.6 Ageing of receivables

As on 31st March, 2025

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
- considered good	2,712.54	193.20	6.66	0.26	-	-	**2,912.66**
- credit impaired	-	0.21	2.07	3.33	1.58	4.44	**11.63**
Disputed							
- considered good	-	-	-	-	-	-	**-**
- credit impaired	-	-	-	-	-	-	**-**
	2,712.54	**193.41**	**8.73**	**3.59**	**1.58**	**4.44**	**2,924.29**
Less: Expected credit loss allowance							(11.63)
Total							**2,912.66**

As on 31st March, 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
- considered good	2,122.78	282.14	2.63	3.31	12.62	3.68	**2,427.16**
- credit impaired	-	-	0.00	0.03	0.16	6.55	**6.74**
Disputed							
- considered good	-	-	-	-	-	-	**-**
- credit impaired	-	-	-	-	-	-	**-**
	2,122.78	**282.14**	**2.63**	**3.34**	**12.78**	**10.24**	**2,433.89**
Less: Expected credit loss allowance							(6.74)
Total							**2,427.16**

12 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balances with banks		
- In current accounts	47.70	132.89
- In Cash credit accounts	100.59	171.73

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Particulars	As at 31st March, 2025	As at 31st March, 2024
- In Exchange earner's foreign currency accounts	394.61	531.14
- Bank deposits with original maturity of less than three months	140.00	200.06
Cash on hand	0.14	0.14
Total	**683.04**	**1,035.96**

13 EQUITY SHARE CAPITAL

A Equity share capital

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of ₹ 10/- each	176,001,000	17,600.10	176,001,000	17,600.10
	176,001,000	**17,600.10**	**176,001,000**	**17,600.10**
Issued, subscribed and fully paid up				
Equity Shares of ₹ 10/- each	56,851,538	568.52	56,851,538	568.52
	56,851,538	**568.52**	**56,851,538**	**568.52**

13.1 Rights, preferences and restrictions attached to equity shares

(a) Voting rights

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder of equity share is entitled for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

13.2 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the relevant year	56,851,538	568.52	56,851,538	568.52
Add: Shares issued and allotted during the year	-	-	-	-
At the end of the year	**56,851,538**	**568.52**	**56,851,538**	**568.52**

13.3 Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Carraro International S.E.	39,095,850	68.77%	56,851,532	99.99%
Total	**39,095,850**	**68.77%**	**56,851,532**	**99.99%**

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

13.4 Details of shareholding of the promoters*

Promoter name	2024-25				
	Number of shares held as at 1st April, 2024	Changes during the year	No. of shares as at 31st March, 2025	% of total Shares	% Changes during the year
Carraro International S.E.	56,851,532	(17,755,682)	39,095,850	0.00%	(31.23%)
Total	**56,851,532**	**(17,755,682)**	**39,095,850**	**0.00%**	**(31.23%)**

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Amounts in ₹ million except otherwise stated

Promoter name	2023-24				
	Number of shares held as at 1st April, 2023	Changes during the year	No. of shares as at 31st March, 2024	% of total Shares	% Changes during the year
Carraro International S.E.	56,851,532	-	56,851,532	100%	-
Total	**56,851,532**	**-**	**56,851,532**	**100%**	**-**

*Promoter here means Promoter defined under Companies Act, 2013.

13.5 During the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

No shares have been alloted for consideration other than cash by the Group. The Group has not issued bonus shares for the last five years.

13.6 There are no calls unpaid.

13.7 There are no forfeited shares.

14 OTHER EQUITY

Particulars	As at 31st March, 2025	As at 31st March, 2024
Retained earnings	3,273.38	2,391.92
Capital reserve	680.40	680.40
Capital Redemption reserve	57.34	57.34
Total	**4,011.12**	**3,129.66**

14.1 Retained earnings

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at beginning of the year	**2,391.92**	**2,067.50**
Add: Profit for the year	881.17	625.43
Add : Other Comprehensive income for the year	0.29	8.09
Less: Dividend	-	(309.10)
Balance at end of the year	**3,273.38**	**2,391.92**

Retained earnings are the profits that the Group has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders. Retained earnings is a free reserve available to the Company.

14.2 Capital reserve

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at beginning of the year	680.40	680.40
Add: Additions for the year	-	-
Balance at end of the year	**680.40**	**680.40**

Capital reserve is created on account of

1. Amalgamation of Turbo Gears India Private Limited with Carraro India Private Limited - ₹ 902.40 Million and
2. Common control business combination whereby Carraro India Limited (Formerly known as Carraro India Private Limited) acquired 99.99% shares of Carraro Technologies India Private Limited from Carraro International S.E. (Ultimate Holding company) - Debit to capital reserve of ₹ 222.00 Million.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

14.3 Capital Redemption reserve

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at beginning of the year	57.34	57.34
Add: Additions for the year	-	-
Balance at end of the year	**57.34**	**57.34**

Capital Redemption reserve is created on account of buyback of equity shares in accordance with the provisions of section 68 of the Companies Act, 2013 and Companies (Share Capital and Debentures) Rules, 2014.

15 NON CONTROLLING INTEREST

15.1 Entities that have non-controlling interest in subsidiary are listed below:

Particulars	As at 31st March, 2025	As at 31st March, 2024
Cararro SPA	1.00%	1.00%

15.2 Movement of Non-controlling interest

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at beginning of the year	0.88	1.57
Add: Profit for the year	0.19	0.20
Add: Remeasurement benefit during the year (net of tax)	-	0.01
Less: Dividend Paid	-	(0.90)
Balance at end of the year	**1.07**	**0.88**

16 BORROWINGS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current borrowings		
Measured at amortised cost		
Secured		
Term Loans (Refer Note 16.1)		
- From Banks	848.64	772.15
Unsecured		
Loan from related parties (Refer note 36)	461.60	451.05
Total	**1,310.24**	**1,223.20**
Current borrowings		
Measured at amortised cost		
Secured		
Working capital loans repayable on demand from banks (Refer Note 16.2)	1.24	491.73
Current maturities of long term borrowings (Refer Note 16.1)		
- From banks #	434.48	410.53
Unsecured		
Loan from related parties (Refer note 36) (Interest accrued)	8.29	9.65
Total	**444.01**	**911.91**

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Amounts in ₹ million except otherwise stated

16.1 Nature of Security and terms of repayment for secured and unsecured borrowings:

Nature of Facility	Repayment terms	As at 31st March, 2025	As at 31st March, 2024
Secured			
Rupee loan from Bank*	Repayable in 20 equal quarterly installments commencing from Mar 2020	-	27.24
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from July 2021	-	50.00
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Oct 2021	25.01	75.00
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Oct 2021	50.37	151.15
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Mar 2024	288.75	393.71
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from June 2025	322.55	320.33
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Sept 2025	220.10	-
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Sept 2025	287.40	-
Rupee loan from Bank##	Repayable in 48 equal monthly installments commencing from June 2022	88.93	165.25
Unsecured foreign currency loan from related party **	Bullet repayment after 5 years 1 month from date of disbursement i.e. June 2022	469.89	460.70
Total		**1,753.00**	**1,643.38**
Less: Current Maturities of Long term Borrowings (Refer Note 16.2)		(442.76)	(420.17)
Net Long Term Borrowings		**1,310.24**	**1,223.21**

* First pari passu charge on entire property, plant and equipments (except land & building) and movable assets of the Group present and future. Interest rate on rupee loans varies in the range of 8.65% to 10.20%.

Includes accrued interest on long term borrowing of ₹ 3.57 Million (March 2024 : ₹ 2.51 Million)

Second charge on entire current assets of the Company present and future. Interest rate on Emergency Credit Line Guarantee Scheme rupee loan is 9.25%.

**Interest rate on Unsecured foreign currency loan from related party is EURIBOR + 4.5%.

16.2 Working capital facilities from banks are secured by pari passu first charge on movable current assets, cash, inventory and book debts of the Group, both present and future. Interest rate on Rupee working capital facility from bank is linked to the respective bank base rate and agreed spread and on working capital in foreign currency.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

17 LEASE LIABILITIES

17.1 Details of lease liabilities

Particulars	Amount
Balance as at 1st April, 2023	**34.27**
Recognised during the year	-
Finance cost accrued during the year	2.18
Payment of lease liabilities	(12.21)
Balance as at 31st March, 2024	**24.24**
Recognised during the year	144.45
Finance cost accrued during the year	11.68
Payment of lease liabilities	(27.66)
Balance as at 31st March, 2025	**152.71**

17.2 Classification of lease liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current	134.34	12.96
Current	18.37	11.28
Total	**152.71**	**24.24**

17.3 The Group has taken vehicles on lease for a lease term of 4 years (Remaining lease term as on 31st March, 2025: 1 years; 31st March, 2024: 2 years) and Group has also taken premises on lease for a lease term of 5 years (Remaining lease term as on 31st March, 2025: 1 years; 31st March, 2024: 2 years)

In current year group has taken Solar power plant and Vehicles on lease term of 15 years and 5 years (Remaining lease term as on 31st March, 2025: 14 years and 4 years)

17.4 Amount recognised in consolidated Statement of profit and loss

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
- Amortisation expenses on right-of-use assets	19.74	12.31
- Interest expenses on lease liability	11.68	2.18
- Expenses Related to short Term leases	0.11	0.39

17.5 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis.

Particulars	As at 31st March, 2025	As at 31st March, 2024
Less than one year	32.21	12.08
One to five years	74.56	25.68
More than five years	162.25	-

17.6 The total cash outflows for leases during the period amounts to ₹ 27.77 Million (31st March, 2024: ₹ 12.60 Million) (includes cash outflow for short term and long term leases).

17.7 The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

17.8 The incremental borrowing rate applied to lease liabilities is in the range of 7.83% per annum to 9.75% per annum based on the lease term.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

18 PROVISIONS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current		
Provision for employee benefits		
- Compensated absences	159.83	137.59
- Gratuity (Refer note 35)	249.75	217.68
- Retention bonus	6.21	13.75
Provision for warranty (Refer note 18.1, 18.2 and 18.3)	102.20	104.82
Total	**517.99**	**473.84**
Current		
Provision for employee benefits		
- Compensated absences	37.83	29.35
- Gratuity (Refer note 35)	21.99	22.18
- Retention bonus	67.88	37.14
- Short Term Incentive	-	49.21
Provision for warranty (Refer note 18.1, 18.2 and 18.3)	103.46	79.67
Provision for contingencies (Refer note 18.4)	103.90	102.90
Total	**335.06**	**320.45**

18.1 Provision is estimated for expected warranty claim in respect of products sold during the year based on past experience regarding defective claim of products and cost of rectification or replacement.

18.2 Movement in provision for warranty

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at the beginning of the year	**184.49**	**169.33**
Add: Provisions made during the year	63.43	69.42
Less: Provisions utilised during the year	(42.26)	(54.26)
Balance at the end of the year	**205.66**	**184.49**

18.3 Product warranties: The Group gives warranties on its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period and beyond the warranty period at the discretion of the Group. Provisions made as at 31st March, 2025 and 31st March, 2024 represents the amount of the expected cost of meeting such obligations of rectification/replacement. The final determination of the amount will depend upon the receipt of claim and its settlement thereof. The classification of the provision reflects the expected timing of cash outflow.

18.4 Movement in provision for contingencies

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance at the beginning of the year	**102.90**	**85.36**
Add: Provisions made during the year	1.00	17.54
Balance at the end of the year	**103.90**	**102.90**

18.5 Provision for contingencies are on account of certain legal matters where the Company anticipates probable outflow. The amount of provision is based on estimates made by the Company considering the facts and circumstances of each case. The timing and amount of cash flow that will arise from these matters will be determined by the relevant authorities only on settlement of these cases.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

19 TRADE PAYABLES

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Total outstanding dues of micro enterprises and small enterprises	564.92	492.99
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,935.21	3,152.30
Total	**3,500.13**	**3,645.29**

19.1 The average credit period on purchases is 30-75 days.

19.2 For explanations on the Group's liquidity risk management processes refer note 37.

19.3 Trade payables from related parties are disclosed separately under note 36.

19.4 Disclosures as required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

No vendor has intimated to the Group about it's status as a Micro or Small Enterprise or it's registration with the appropriate authority under the Micro, Small & Medium Enterprises Development Act, 2006. The disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	474.19	409.76
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	90.73	83.23
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	910.65	2,291.59
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	7.50	14.54
(g) Further interest remaining due and payable for earlier periods	83.23	68.68
(h) Amount of interest accrued and remaining unpaid at the end of the year (Refer Note 1 below)	90.73	83.23

Note:

The Group is required to pay interest to vendors which are MSME enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). As per the MSMED Act in case of non- payment to MSME Vendors for a period exceeding 45 days the Group is required to make interest payment at the rate of 3 times of the bank rate on the due amount.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

19.5 Ageing of trade payables as on 31st March, 2025

Particulars	Accruals	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
- MSME	90.73	361.76	112.43	-	-	-	**564.92**
- Others	685.56	1,350.99	894.63	3.08	0.75	0.20	**2,935.21**
Disputed dues							
- MSME	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	-	**-**
Total	**776.29**	**1,712.75**	**1,007.06**	**3.08**	**0.75**	**0.20**	**3,500.13**

As on 31st March, 2024

Particulars	Accruals	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
- MSME	83.23	279.73	130.03	-	-	-	**492.99**
- Others	480.14	1,685.84	972.24	6.66	1.54	5.87	**3,152.30**
Disputed dues							
- MSME	-	-	-	-	-	-	**-**
- Others	-	-	-	-	-	-	**-**
Total	**563.36**	**1,965.58**	**1,102.27**	**6.66**	**1.54**	**5.87**	**3,645.29**

20 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current		
Measured at amortised cost		
Creditors for capital supplies	28.96	40.95
Purchase consideration payable to related parties towards Business acquisitions (Refer Note 45)	-	239.82
Measured at fair value through profit or loss		
Derivatives		
- Foreign-exchange forward contract	-	13.15
Total	**28.96**	**293.92**

21 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance from customers	50.38	23.76
Statutory remittances	138.56	112.94
Total	**188.94**	**136.70**

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

22 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Income tax [Net of advance tax (31st March, 2025: ₹ 276.63 Million; 31st March, 2024 ₹ 0.27 Million)]	16.04	0.27
Total	**16.04**	**0.27**

23 REVENUE FROM OPERATIONS

Particulars	As at 31st March, 2025	As at 31st March, 2024
Sales of products	17,844.50	17,611.93
Rendering of services	154.01	185.11
Other operating income		
- Scrap sales	77.03	92.61
Total	**18,075.54**	**17,889.65**

23.1 Disaggregation of revenue

The tables below present disaggregated revenue from contracts with customers by business segment and nature of contract. The Group believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors. The revenue from contracts with customers are disaggregated based on geography to comply with Ind AS 115.

Revenue from contracts with customers disaggregated based on geography	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Within India	12,079.59	11,412.99
Outside India	5,918.92	6,384.05
Total revenue	**17,998.51**	**17,797.04**

23.2 The Group presently recognises its revenue from contract with customers for the transfer of goods and services at a point in time. This is consistent with the revenue information that is disclosed for reportable segment under Ind AS 108.

External revenue by timing of revenue	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Goods transferred at a point in time	17,844.50	17,611.93
Rendering of services	154.01	185.11
Total	**17,998.51**	**17,797.04**

23.3 The Group receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional.

23.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Contracted price with the customers	17,947.91	17,767.51
Adjustment towards variables considerations (Discounts, rebates, refunds, credits, price concessions)	50.60	29.53
Revenue from contracts with customers (as per statement of profit and loss)	**17,998.51**	**17,797.04**

23.5 There are no performance obligations that are unsatisfied or partially unsatisfied during the year ended 31st March, 2025 and 31st March, 2024.

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Amounts in ₹ million except otherwise stated

24 OTHER INCOME

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest income on financial assets measured at amortised cost		
Bank deposits	2.79	2.90
Security deposit	0.40	0.38
	3.19	**3.28**
Income on financial assets measured at FVTPL		
Gain on sale of mutual funds	8.02	4.59
	8.02	**4.59**
Other non-operating income		
Export incentives	126.49	145.75
Sundry balance written back	-	8.78
Net gain on disposal of property, plant & equipment	2.61	3.10
Miscellaneous income	17.94	10.32
	147.04	**167.95**
Total	**158.25**	**175.82**

25 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. Inventories at the beginning of the year		
Opening stock	1,911.71	1,836.60
B. Purchases		
Purchases	13,261.93	13,447.53
C. Inventories at the end of the year		
Closing stock	2,101.25	1,911.71
Total (A+B-C)	**13,072.39**	**13,372.42**

26 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. Opening balance		
Finished goods	396.31	175.04
Work-in-progress	538.10	518.43
	934.41	**693.47**
B. Closing balance		
Finished goods	425.23	396.31
Work-in-progress	444.85	538.10
	870.08	**934.41**
Total changes in inventories of finished goods and work-in-progress (A-B)	**64.33**	**(240.94)**

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

27 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Salaries, wages and bonus	1,302.07	1,207.84
Contributions to provident and other funds (Refer note 35)	51.30	49.52
Gratuity Expense (Refer note 35)	37.20	36.16
Staff welfare expenses	150.80	141.20
Total	**1,541.37**	**1,434.72**

28 FINANCE COSTS

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest and finance charges on financial liabilities carried at amortised cost		
- Borrowings	194.07	195.26
- Lease liabilities	11.68	2.18
- Dues of micro enterprises and small enterprises (Refer Note 19.4)	7.50	14.54
Other borrowing costs including loan processing fees	6.34	3.96
Interest on delayed payment of taxes/others	6.24	8.91
Total	**225.83**	**224.85**

29 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Depreciation of property, plant and equipment (Refer note 4)	400.63	394.07
Depreciation of right-of-use assets (Refer note 4)	19.74	12.31
Amortisation of intangible assets (Refer note 5)	31.59	25.00
Total	**451.96**	**431.38**

30 OTHER EXPENSES

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Commission on Sales	0.62	1.19
Communication costs	1.97	2.72
Consumption of stores and spares	317.86	358.65
Corporate service charges	227.09	219.53
CSR Expenditure (Refer Note 30.3)	11.53	6.24
Insurance	24.48	20.16
Legal and professional fees	37.59	101.03
Director fees (Refer note 30.2)	30.24	-
Net loss on foreign currency transaction and translation	27.34	27.42
Packing, freight and forwarding charges	82.19	90.70
Payments to auditors (Refer Note 30.1)	12.37	10.95
Power and fuel	262.56	280.85
Printing and stationary	6.54	6.30
Allowance for doubtful debts (Refer note 11.4)	5.29	0.38
Rates and taxes	27.11	11.63
Rent	0.11	0.39

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Amounts in ₹ million except otherwise stated

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Repairs and maintenance:		
Plant and machinery	108.44	116.00
Buildings	28.63	36.93
Others	25.33	27.85
Royalty	87.27	256.00
Security expenses	24.01	23.54
Subcontracting expenses	255.69	283.13
Travelling and conveyance	9.14	14.33
Warranty expenses (net) (Refer Note 18.2)	63.43	69.42
Miscellaneous expenses	14.45	33.98
Total	**1,691.28**	**1,999.32**

30.1 Auditors remuneration and out-of-pocket expenses*:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
As Auditor:		
- Statutory audit	10.71	9.81
- Tax audit	0.70	0.70
- Other services	0.50	0.17
- Reimbursement of Expenses	0.46	0.27
Total	**12.37**	**10.95**

* The above remuneration excludes fee charged in respect of IPO services amounting to ₹ 41.16 Million (Previous year ₹ Nil) which is recovered from holding company Carraro International SE (selling shareholder).

30.2 Directors' fees includes directors' sitting fees of ₹ 4.60 Million for the period ended 31st March, 2025 (31st March, 2024 : Nil).

30.3 Expenses on corporate social responsibility

No.	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
1	Amount required to be spent by the Group during the year (under Section 135 of the Companies Act, 2013)	11.53	6.24
2	**Amount of expenditure incurred**		
	(i) Construction/acquisition of any asset	-	-
	(ii) On Purposes other than (i) above	11.53	6.24
3	**Amount not spent during the year**		
	(i) Construction/acquisition of any asset	-	-
	(ii) On Purposes other than (i) above	-	-
4	Amount of shortfall for the year	-	-
5	Amount of cumulative shortfall at the end of the year	-	-
6	Reason for shortfall	-	-
7	Amount yet to be spent/paid	-	-
8	Details of Related party transactions	Not Applicable	Not Applicable
9	Liability incurred by entering into contractual obligations	-	-
10	Nature of CSR activities:	Training & Education	Training & Education
	NAPS Apprenticeship	11.36	6.07
	Jyotiriling	0.17	-
	Matoshree Seva Charitable Trust	-	0.17

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

31 CURRENT TAX AND DEFERRED TAX (CREDIT)

31.1 Income tax expense recognised in statement of profit and loss

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Current tax:		
In respect of current year	296.56	248.23
Short provision of tax relating to earlier years	0.72	(4.66)
	297.28	**243.57**
Deferred tax (credit):		
In respect of current year	7.99	(25.48)
	7.99	**(25.48)**
Total tax expense recognised in the reporting year	**305.27**	**218.09**

31.2 Income tax recognised in other comprehensive income

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
i) Deferred tax		
Remeasurement of defined benefit plans	0.22	(2.73)
Total	**0.22**	**(2.73)**

31.3 Reconciliation of income tax expense and the accounting profit multiplied by Group's domestic tax rate:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit / (Loss) before tax	1,186.63	843.72
Tax rate	**25.17%**	**25.17%**
Income Tax using the Group's domestic Tax rate #	298.65	212.35
Effect of items that are not deductible in determining taxable profit	5.05	9.73
Income tax related to earlier year	0.72	(4.66)
Others	0.85	0.67
Income tax expense recognised in Statement of Profit and Loss	**305.27**	**218.09**

The tax rate used for the reconciliations above is the corporate tax rate plus surcharge (as applicable) on corporate tax, education cess and secondary and higher education cess on corporate tax, payable by corporate entities in India on taxable profits under Income-Tax Act, 1961.

In pursuance of Section 115BAA of the Income-Tax Act, 1961 announced by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Group has opted for irrevocable option of shifting to lower tax rate w.e.f. FY 2019-20.

31.4 The Group does not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during any of the above years in the tax assessments under the Income-Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-Tax Act, 1961).

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Amounts in ₹ million except otherwise stated

32 EARNINGS PER EQUITY SHARE

Particulars		For the year ended 31st March, 2025	For the year ended 31st March, 2024
(a)	Profit for the year	881.36	625.63
(b)	Weighted average number of ordinary shares outstanding for the Purpose of basic earnings per share (numbers)	56,851,538	56,851,538
(c)	Effect of potential ordinary shares (numbers)	-	-
(d)	Weighted average number of ordinary shares in computing diluted earnings per share [(b) + (c)] (numbers)	56,851,538	56,851,538
(e)	Earnings per share on profit for the period (face value of ₹ 10/- each)		
	– Basic [(a)/(b)] (₹)	15.50	11.00
	– Diluted [(a)/(d)] (₹)	15.50	11.00

33 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars		As at 31st March, 2025	As at 31st March, 2024
(i)	**Contingent Liabilities (refer note a)**		
a)	Income tax matters (refer note b)	2,061.29	1,796.07
b)	Indirect tax matters	10.99	9.20
(ii)	**Capital commitments**		
	Estimated amount of contracts in capital account remaining to be executed [net of advances ₹ 11.70 Million (31st March, 2024 ₹ 64.6 Million)]	166.12	381.88

(a) Claims against the Group not acknowledged as debts

(b) The Group has ongoing disputes with Income Tax Authorities relating to tax treatment of certain items. These mainly include disallowed expenses, tax treatment of certain expenses claimed by the Group as deductions and such similar matters. Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. The Group has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT(A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT(A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT(A) or DRP. The Group has a further right of appeal to the High Court of Bombay or Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal. The amounts involved are based on the demand notices received by the Group.

33.1 The Group does not expect any outflow of economic resources in respect of the above and therefore no provision was made in respect thereof.

34 SEGMENT INFORMATION

34.1 The Group is primarily engaged in the business of manufacturing automotive equipments, parts and components development and export of design engineering services. In view of the same, the entire business has been considered as a single segment in terms of Ind AS 108 on Operating Segments. The Group has identified one operating segment which is consistent with the internal reporting provided to the Board of Directors, who has been identified as the chief operating decision maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segment of the Group.

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34.2 Geographical information

The Group operates in two geographical environment i.e. in India and outside India.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

Particulars	Revenue from External Customers	
	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Within India	12,079.59	11,412.99
Outside India	5,918.92	6,384.05
Total	**17,998.51**	**17,797.04**

All non-current assets of the Group are located within India.

34.3 Information about major customers

Included in revenue arising from sales of goods of ₹ 7,671.20 Million (year ended 31st March, 2024: ₹ 5,944.82 Million) and from rendering of services of ₹ 195.03 Million (year ended 31st March, 2024: ₹ 191.35 Million) which arose from sales to its major customers which accounts for 43.52 % (year ended 31st March, 2024: 34.30 %) of the total revenue from operations.

35 EMPLOYEE BENEFIT PLANS

35.1 Defined contribution plans:

The Group participates in Provident fund as defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to provident fund represents the value of contributions payable during the period by the Group at rates specified by the rules of provident fund. The only amounts included in the balance sheet are those relating to the prior months contributions that were not paid until after the end of the reporting period.

(a) Provident fund and Employee's State Insurance Scheme

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India (GOI). The Group has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of Profit and Loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Group.

Contribution to defined contribution plans, recognised in the statement of profit and loss under employee benefits expense, are as under:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
i) Contribution to employees provident fund	51.27	49.36
ii) Contribution to employee state insurance scheme	0.03	0.16
Total	**51.30**	**49.52**

35.2 Defined benefit plans:

(a) Gratuity

The Group has an obligation towards gratuity, an unfunded defined benefit retirement plan covering all employees. The plan provides for lump sum payment to vested employees at retirement or at death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Group does not make contributions to any funds.

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The most recent actuarial valuation of the present value of the defined benefit obligation was carried out for the period ended 31st March, 2025 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(A) Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

(1) Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

(2) Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Group there can be strain on the cashflows.

(3) Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(4) Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognised immediately in the year when any such amendment is effective.

(B) Principal actuarial assumptions used:

The principal assumptions used for the Purposes of the actuarial valuations were as follows.

Particulars	As at 31st March, 2025	As at 31st March, 2024
1. Discount rate	6.62% - 6.74% p.a	7.20% p.a
2. Salary escalation		
- Corporate	8.00% p.a	8.00% p.a
3. Expected return of Assets	Not Applicable	Not Applicable
4. Rate of employee turnover		
25 & Below	16% - 18%	16% - 18%
25 to 35	8% - 18%	8% - 18%
35 to 45	6% - 18%	6% - 18%
45 to 55	13% - 18%	13% - 18%
55 and above	7% - 18%	7% - 18%
5. Mortality rate	**Indian Assured Lives Mortality (2012-14) Table**	

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(C) Expenses recognised in the statement of profit and loss

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Current service cost	20.73	20.32
Interest on net defined benefit liability / (asset)	16.47	15.84
Components of defined benefit cost recognised in profit or loss (Refer note 27)	**37.20**	**36.16**

The current service cost and the net interest expenses are included in the 'Employee benefits expenses' line item in the statement of profit and loss.

(D) Expenses recognised in the Other Comprehensive Income (OCI)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Actuarial (gains)/losses on obligation		
- Due to changes in demographic assumptions	-	-
- Due to changes in financial assumptions	8.45	3.37
- Due to experience adjustment	(8.84)	(14.20)
Net (income)/expense for the year recognised in OCI	**(0.39)**	**(10.83)**

(E) Amount recognised in the statement of assets and liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Present value of unfunded defined benefit obligation	271.74	239.86
Net liability arising from defined benefit obligation	**271.74**	**239.86**

(F) Net liability recognised in the statement of assets and liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non-current provision	249.75	217.68
Current provision	21.99	22.18
Total	**271.74**	**239.86**

(G) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Opening defined benefit obligation	239.86	224.01
Current service cost	20.73	20.32
Interest cost	16.47	15.84
Actuarial losses	(0.39)	(10.83)
Benefits paid	(4.96)	(9.48)
Closing defined benefit obligation	**271.72**	**239.86**

(H) Maturity profile of defined benefit obligation:

Projected benefits payable in future years from the date of reporting	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Year 1 cashflow	22.93	22.19
Year 2 cashflow	40.95	20.28
Year 3 cashflow	24.25	37.37
Year 4 cashflow	34.25	21.40
Year 5 cashflow	22.80	30.24
Year 6 to year 10 cashflow	116.60	102.94

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(I) Sensitivity analysis

A description of methods used for sensitivity analysis and its Limitations:

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

Projected benefits payable in future years from the date of reporting	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Projected benefit obligation on current assumptions		
Rate of discounting		
Impact of +0.5% change	262.70	231.77
(% change)	(2.13%) to (3.43%)	(2.13%) to (3.49%)
Impact of -0.5% change	281.35	248.49
(% change)	2.22% to 3.65%	2.22% to 3.71%
Rate of salary increase		
Impact of +0.5% change	281.18	248.38
(% change)	2.18% to 3.59%	2.19% to 3.67%
Impact of -0.5% change	262.76	231.79
(% change)	(2.11%) to (3.41%)	(2.12%) to (3.48%)

(J) Other disclosures

The weighted average duration of the obligations is 4.68 years to 7.32 years (31st March, 2024 is 4.8 years to 7.61 years)

36 RELATED PARTY DISCLOSURES

36.1 Details of related parties

Description of relationship	Name of the related party
Ultimate Holding Company	Carraro SpA (Holding Company of Carraro International S.E.)
Holding Company	Carraro International S.E. (Direct Holding Company, w.e.f. 1st August, 2024)
Subsidiary Company	Carraro Technologies India Private Limited (from 28th June, 2024)
Fellow Subsidiaries (With whom there are transactions during the year)	Carraro Argentina S.A.
	Carraro Finance S.A.
	Carraro Drive Tech Italia SpA
	Carraro China Drive Systems Co. Ltd.
	Siap SpA
	Carraro Lux-Tech-R&D Centre
Entity in which KMP exercise significant influence	Bhavani Synchrotec Private Ltd (w.e.f. 29th October, 2024)
Key Management Personnel	Balaji Gopalan, Managing Director
	Sudhendra Mannikar, Whole-time Director and Chief Operating Officer
	Davide Grossi, Whole-time Director and Chief Financial Officer (Chief Financial Officer from 2nd August, 2024 and Whole-time Director - from 9th August, 2024)
	Tomaso Mario Carraro, Director
	Enrico Elio Gomiero, Non-executive Director
	Matteo Bonino, Interim CFO (from 3rd July, 2024 to 9th August, 2024)
	Jui Bhargave, Company Secretary (From 3rd April 2023 till 17th October, 2024)
	Mr. Nakul Shivaji Patil (From 2nd December, 2024)
	Mr. Ettore Francesco Sequi, Independent Director (from 9th August, 2024)
	Uma Mandavgane, Independent Director (from 3rd July, 2024)
	Mr. Kishore Saletore, Independent Director (from 3rd July, 2024)
	Mr. Andrea Conchetto, Non-executive Director (from 3rd July, 2024)

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36.2 Transactions during the year with related parties

S. No.	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A	**Purchase of Raw Material**		
	Carraro SpA	8.86	17.18
	Siap SpA	431.29	647.48
	Carraro Drive Tech Italia SpA	105.83	136.58
	Carraro China Drive Systems Co. Ltd.	29.57	43.91
	Bhavani Synchrotec Private Ltd	63.30	-
	Total	**638.85**	**845.15**
B	**Purchase of intangible assets**		
	Carraro SpA	-	271.08
	Total	**-**	**271.08**
C	**Royalty charged**		
	Carraro SpA	61.05	56.09
	Carraro Drive Tech Italia SpA	26.22	199.91
	Total	**87.27**	**256.00**
D	**Sale of Goods**		
	Carraro SpA	9.71	15.56
	Carraro Drive Tech Italia SpA	5,497.14	5,944.82
	Carraro China Drive Systems Co. Ltd.	157.42	95.78
	Carraro Argentina S.A.	28.16	4.92
	Siap SpA	1.63	6.05
	Total	**5,694.06**	**6,067.13**
E	**Sale of Fixed Assets**		
	Carraro Drive Tech Italia SpA	1.50	5.27
	Carraro China Drive Systems Co. Ltd.	-	0.58
	Total	**1.50**	**5.85**
F	**Other Services Rendered**		
	Carraro SpA	11.75	9.51
	Carraro China Drive Systems	2.77	-
	Total	**14.52**	**9.51**
G	**Professional Fees**		
	Carraro SpA	-	60.44
	Carraro Finance S.A.	13.84	16.15
	Total	**13.84**	**76.59**
H	**Corporate Service Charges**		
	Carraro SpA	161.13	156.14
	Carraro Drive Tech Italia SpA	65.96	63.39
	Total	**227.09**	**219.53**
I	**Reimbursement of Expenses to**		
	Carraro SpA	-	1.44
	Total	**-**	**1.44**
J	**Expenses Reimbursement received**		
	Carraro China Drive Systems Co. Ltd.	2.31	-
	Carraro Drive Tech Italia SpA	-	1.19
	SIAP SPA	-	1.82
	Carraro International SE	195.83	-

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S. No.	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
	Carraro SpA	0.48	-
	Total	**198.62**	**3.01**
K	**Warranty Claims Paid**		
	Carraro Drive Tech Italia SpA	18.79	35.89
	Carraro China Drive Systems	-	-
	Total	**18.79**	**35.89**
L	**Remuneration paid**		
	Balaji Gopalan	69.98	27.75
	Sudhendra Mannikar	47.50	17.94
	Davide Grossi	14.38	7.69
	Jui Bhargave	0.48	0.63
	Nakul Patil	0.82	-
	Nilesh Sarmalkar	7.08	6.62
	Uma Mandavgane	5.44	-
	Kishore Saletore	5.44	-
	Ettore Francesco Sequi	4.83	-
	Tomaso Carraro	5.93	-
	Enrico Gomiero	4.56	-
	Andrea Conchetto	4.09	-
	Total	**170.53**	**60.63**
M	**Dividend Paid**		
	Carraro International S.E.	-	220.00
	Total	**-**	**220.00**
N	**Interest on Loan availed**		
	Carraro Finance S.A.	36.52	37.27
	Total	**36.52**	**37.27**
O	**Sale of Design Services**		
	Carraro Lux-Tech-R&D Centre	17.47	14.35
	Carraro SpA	134.86	170.75
	Total	**152.33**	**185.10**

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the related party transactions are reviewed and approved by Audit Committee.

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36.3 Amounts outstanding with related parties

S. No.	Particulars	As at 31st March, 2025	As at 31st March, 2024
A	**Trade Payables**		
	Carraro SpA	48.48	166.69
	Carraro Drive Tech Italia SpA	70.44	134.89
	Siap SpA	85.56	205.18
	Carraro China Drive Systems Co. Ltd.	5.11	3.80
	Carraro Finance S.A.	3.61	2.99
	Bhavani Synchrotec Private Ltd	32.00	0.06
	Total	**245.20**	**513.61**
B	**Trade Receivables**		
	Carraro SpA	45.37	46.19
	Carraro Drive Tech Italia SpA	687.35	821.94
	Carraro Argentina S.A.	31.04	13.63
	Siap SpA	0.36	0.24
	Carraro China Drive Systems Co. Ltd.	35.14	13.58
	Carraro Lux-Tech-R&D Centre	2.87	8.44
	Total	**802.13**	**904.02**
C	**Loans Outstanding**		
	Carraro Finance S.A.	469.89	460.70
	Total	**469.89**	**460.70**

The amount outstanding are unsecured and will be settled in cash. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of amounts owed by related parties.

Further, the Group has neither given nor availed any guarantee from related parties.

Compensation of key managerial personnel

The remuneration of the key management personnel of the Group, is set out below in aggregate for each of the categories specified in Ind AS 24:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Short-term employee benefits	170.53	60.63
Post-employment benefits (Refer note (a) below)	-	-
Total	**170.53**	**60.63**

(a) The remuneration to the key managerial personnel does not include the provisions made for gratuity and compensated abscences, as they are determined on an actuarial basis for the Group as a whole.

(b) All decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Group, in accordance with shareholders' approval, wherever necessary.

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37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

37.1 Capital risk management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt offset by cash and bank balances and total equity of the Group.

Particulars	As at 31st March, 2025	As at 31st March, 2024
Long term debt*	1,444.58	1,236.16
Short term debt*	462.38	923.19
Less: Cash and cash equivalents	(683.04)	(1,035.96)
Net debt	**1,223.92**	**1,123.39**
Total Equity	**4,580.71**	**3,699.06**
Net debt to equity ratio	**0.27**	**0.30**
Debt to equity ratio	**0.42**	**0.58**

* Debt comprises of current and non-current borrowings and lease liabilities

The Group has not defaulted on any loans payable, and there has been no breach of any loan covenants.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2025 and 31st March, 2024.

37.2 Categories of financial instruments

The following table provides categorisation of all financial instruments

Particulars	As at 31st March, 2025	As at 31st March, 2024
Financial assets		
Measured at fair value through profit and loss (FVTPL)		
(a) Other financial assets - Derivatives	12.13	-
Measured at amortised cost		
(a) Trade receivable	2,912.66	2,427.16
(b) Cash and cash equivalent	683.04	1,035.96
(c) Other financial assets	64.42	47.72
Total financial assets	**3,672.25**	**3,510.84**
Financial liabilities		
Measured at fair value through profit and loss (FVTPL)		
(a) Other financial liabilities - Derivatives	-	13.15
Measured at amortised cost		
(a) Borrowings	1,754.25	2,135.11
(b) Lease liabilities	152.71	24.24
(c) Trade payables	3,500.13	3,645.29
(d) Other financial liabilities	28.96	280.77
Total financial liabilities	**5,436.05**	**6,098.56**

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37.3 Financial risk management objectives

The Group's principal financial liabilities comprise borrowings, lease liabilities, trade payables. The main Purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets comprise cash and bank balance, trade and other receivables that derive directly from its operations.

The Group is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Group's senior management team oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

(i) Market risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency receivables, payables and loans and borrowings.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2025, 31st March, 2024.

a. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group's borrowings also includes a foreign currency loan from its related party which bear a floating interest rate

The Group's borrowings comprise of loans from related parties which bear a floating rate of interest.

b. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group operating activities denominated in foreign currency and thus the risk of changes in foreign exchange rates relates primarily to trade payables and receivables. The year end unhedged foreign currency exposures are given below:

Particulars of unhedged foreign currency exposure as at the reporting date (in respective currency):

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Trade receivables:		
In EURO	7.31	7.14
Equivalent in ₹ Million	674.69	643.82
In USD	0.71	1.15
Equivalent in ₹ Million	60.60	96.09
In CNY	2.01	1.44
Equivalent in ₹ Million	23.70	16.58
(b) Bank balances in EEFC accounts:		
In USD	0.37	0.30
Equivalent in ₹ Million	31.90	25.32
In EURO	3.93	5.61
Equivalent in ₹ Million	362.71	505.82
(c) Trade payables:		
In EURO	9.82	11.62
Equivalent in ₹ Million	906.60	1,048.58
In USD	0.50	1.06
Equivalent in ₹ Million	42.76	88.14
In JPY	-	45.60
Equivalent in ₹ Million	-	25.12
In CNY	5.04	3.62
Equivalent in ₹ Million	59.30	41.76

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Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonable possible change in exchange rate, with all other variables held constant. The impact on the Group's profit before tax due to changes in the fair value of monetary assets and liabilities is as follows:

Impact on Profit/(Loss) before tax for the year

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(a) Trade receivables:		
EURO currency:		
0.50% increase (%)	3.37	3.22
0.50% decrease (%)	(3.37)	(3.22)
USD currency:		
0.50% increase (%)	0.30	0.48
0.50% decrease (%)	(0.30)	(0.48)
CNY currency:		
0.50% increase (%)	0.12	0.08
0.50% decrease (%)	(0.12)	(0.08)
(b) Bank balances in EEFC accounts:		
USD currency:		
0.50% increase (%)	0.16	0.13
0.50% decrease (%)	(0.16)	(0.13)
EURO currency:		
0.50% increase (%)	1.81	2.53
0.50% decrease (%)	(1.81)	(2.53)
(c) Trade payables:		
EURO currency:		
0.50% increase (%)	(4.53)	(5.24)
0.50% decrease (%)	4.53	5.24
USD currency:		
0.50% increase (%)	(0.21)	(0.44)
0.50% decrease (%)	0.21	0.44
JPY currency:		
0.50% increase (%)	-	(0.13)
0.50% decrease (%)	-	0.13
CNY currency:		
0.50% increase (%)	(0.30)	0.02
0.50% decrease (%)	0.30	(0.02)

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

c. Commodity price risk

The Group's operating activities require the ongoing purchase of various commodities for manufacture of automotive parts. However, the movement in commodity prices are substantially adjusted through price differences as per customer contracts and hence commodity price risk for the Group is also considered to be low.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

a. Trade receivables

The Group has adopted a policy of only dealing with counterparties that have sufficient credit rating. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group has applied a simplified approach under Expected Credit Loss (ECL) model for measurement and recognition of impairment losses on trade receivables.

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

Liquidity risk table

The table below summarises the maturity profile of the Group financial liabilities based on contractual undiscounted payments.

Particulars	Upto1 year	1-5 years	Total
31st March, 2025			
Lease liabilities	32.21	74.56	**106.77**
Borrowings	444.01	1,310.24	**1,754.25**
Trade payables	3,500.13	-	**3,500.13**
Other financial liabilities	28.96	-	**28.96**
Total	**4,005.31**	**1,384.80**	**5,390.11**
31st March, 2024			
Lease liabilities	12.08	25.66	**37.74**
Borrowings	911.91	1,223.20	**2,135.11**
Trade payables	3,645.29	-	**3,645.29**
Other financial liabilities	293.92	-	**293.92**
Total	**4,863.20**	**1,248.86**	**6,112.06**

The above table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

37.4 Disclosure relating to Derivatives and Forward Contracts

The Group enters into Derivative contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Group foreign currency contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments and highly probable forecast transactions. These contracts include contracts entered under contracted exposures. Mark to market gain/(loss) of ₹ 25.28 Million and ₹ (13.08) Million is recognised in the statement of Profit and Loss for year then ended 31st March, 2025 and 31st March, 2024 respectively.

Following are the outstanding forward contracts entered into by the Group.

Particulars	As at 31st March, 2025	As at 31st March, 2024
To buy EURO (Hedge of foreign currency loan & other payables)		
Currency value	5,000,000	5,000,000
₹ in million	461.60	451.05

38 FAIR VALUE MEASUREMENT

38.1 Fair value of the financial assets and liabilities that are measured at fair value on a recurring basis

Financial assets/ financial liabilities measured at fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31st March, 2025	As at 31st March, 2024		
A) Financial liabilities				
Derivatives				
- Foreign-exchange forward contract	-	13.15	Level 2	The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Since all significant inputs required to fair value for this instrument are observable, the instrument is included in level 2.
B) Financial Assets				
Derivatives				
- Foreign-exchange forward contract	12.13	-		The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Since all significant inputs required to fair value for this instrument are observable, the instrument is included in level 2.

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short term nature.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

38.2 Fair value of financial assets and financial liabilities that are measured at amortised cost:

The management believes the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

39 DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

No loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given by the Group.

40 RATIO ANALYSIS AND ITS ELEMENTS

a) Current Ratio = Current assets divided by Current liabilities

Particulars	As at 31st March, 2025	As at 31st March, 2024
Current assets	6,869.59	6,709.42
Current liabilities	4,531.51	5,319.82
Ratio (In times)	**1.52**	**1.26**
% Change from previous year	**20.63%**	

b) Return on Equity Ratio = Net profit after tax divided by average equity

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit after tax	881.36	625.63
Average equity*	4,139.88	3,537.20
Ratio (In %)	**21.29%**	**17.69%**
% Change from previous year	**20.37%**	

*Average equity represents the average of opening and closing total equity.

c) Inventory Turnover Ratio = Cost of goods sold divided by average inventory

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cost of goods sold *	13,136.72	13,131.48
Average Inventory #	2,925.86	2,708.74
Ratio (In times)	**4.49**	**4.85**
% Change from previous year	**(7.38%)**	

*Cost of goods sold comprises of purchases of materials and changes in inventories of Finished goods and Work-in-progress.

Average inventory represents the average of opening and closing total inventory.

d) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Credit Sales*	18,075.54	17,889.65
Average Trade Receivables #	2,669.91	2,730.53
Ratio (In times)	**6.77**	**6.55**
% Change from previous year	**3.33%**	

* Credit sales includes sale of products, rendering of services and scrap sales.

Trade receivables is included gross of ECL and net of customer advances. Average Trade receivables represents the average of opening and closing trade receivables.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

e) Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Credit Purchases	13,261.93	13,447.53
Average Trade Payables #	3,514.01	3,921.90
Ratio (In times)	**3.77**	**3.43**
% Change from previous year	**9.15%**	

Trade payable included payables for purchases and excludes employee payables. Average Trade payable represents the average of opening and closing trade payables.

f) Net Working Capital Turnover Ratio = Sales divided by Net Working capital

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Revenue from operations (A)	18,075.54	17,889.65
Current Assets (B)	6,869.59	6,709.42
Current Liabilities (C)	4,531.51	5,319.82
Net Working Capital (D = B - C)	2,338.08	1,389.60
Ratio (In times) (E = A / D)	**7.73**	**12.87**
% Change from previous year	**(39.95%)**	

Reason for change more than 25%:

Decrease in ratio is on account of increase in working capital

g) Net profit ratio = Profit after tax divided by Sales

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit after tax	881.36	625.63
Sales	18,075.54	17,889.65
Ratio (In %)	**4.88%**	**3.50%**
% Change from previous year	**39.43%**	

Reason for change more than 25%:

Increase in ratio due to increase in profit

h) Return on Capital employed (pre -tax) = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit before tax (A)	1,186.63	843.72
Finance cost (B)	225.83	224.85
EBIT (C) = (A+B)	**1,412.46**	**1,068.57**
Tangible net worth *(D)	4,293.88	3,374.04
Total debt ** (E)	1,906.96	2,159.35
Deferred tax liability (F)	-	-
Capital Employed (G)=(D+E+F)	**6,200.84**	**5,533.39**
Ratio (In %)	**22.78%**	**19.31%**
% Change from previous year	**17.95%**	

*Tangible net worth = Net worth (Shareholder's fund) -Intangible assets -Deferred tax assets

** Debt comprises of current and non-current borrowings and lease liabilities

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

i) Debt Equity ratio = Total debt divided by Total Equity

Particulars	As at 31st March, 2025	As at 31st March, 2024
Total debt *	1,906.96	2,159.35
Shareholder's funds	4,580.71	3,699.06
Ratio (In times)	**0.42**	**0.58**
% Change from previous year	**(40.22%)**	

* Debt comprises of current and non-current borrowings and lease liabilities

Reason for change more than 25%:

Decrease in ratio due decrease in debt and increase in shareholders fund.

j) Debt service coverage ratio= Earnings available for debt services dividend by total interest and principal repayments

Particulars	As at 31st March, 2025	As at 31st March, 2024
Profit after tax (A)	881.36	625.63
- Depreciation and amortisation (B)	451.96	431.38
- Finance cost (C)	225.83	224.85
- Profit on disposal of property, plant & equipment (D)	(2.61)	(3.10)
Total Non-cash operating expenses and finance cost (Pre-tax) (E= B+C-D)	**675.18**	**653.13**
Earnings available for debt services (F = A + E)	**1,556.54**	**1,278.76**
Debt service		
Lease payments (G)	27.66	12.21
Principal and interest repayments (H)	587.71	639.76
Total interest and principal repayments (I = G + H)	**615.37**	**651.97**
Ratio (In times) (J = F / I)	**2.53**	**1.96**
% Change from previous year	**28.96%**	

Reason for change more than 25%:

Increase in ratio due to increase in profits and reduction in short term borrowings.

k) Return on Investment = Profit divided by cost of investment: NA

This ratio is not applicable since the Group does not have any projects/investments other than current operations.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

41 ADDITIONAL REGULATORY INFORMATION AS REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

a. The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

b. The Group has not traded or invested in Crypto currency or Virtual Currency

c. There were no Scheme of Arrangements entered by the Group during each reporting period, which required approval from the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

d. The Group does not have any transactions with struck off Companies.

e. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:=

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. 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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

g. The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

h. The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

i. There are no loans or advances given to promoters, directors, KMPs and related parties.

j. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

k. The Group does not have any unpaid dividend and hence has not transferred any such account to the Investor Education Protection Fund during the year.

42 The Company has a comprehensive system of maintenance of information and document as required by the transfer pricing legislation under section 92-92F of the Income-Tax Act, 1961. Since the law requires the existance of such information and documentation to be contemporaneous in nature, the Company appoints independant consultant for conducting a Transfer Pricing Study to determine whether the transaction with Associated enterprises are undertake, during the financial year, are on "arm's length basis". Adjustment, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed for the current financial year. However, the management is of the opinion that its international transaction are at arm,s length so that aforsaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

43 The books of account along with other relevant records and papers of the Company and its subsidiaries are maintained in electronic mode. These are readily accessible in India at all times and currently a backup is maintained on a server located outside India. Additionally, the audit trail has not been preserved as per the statutory requirements for record retention. The Company and its subsidiaries is in the process of complying with the requirement of maintaining servers physically located in India for back-up of books of account and other relevant books and papers, on a daily basis, pursuant to the amendment and for preservation of audit trail.

44 DIVIDEND

The Board of Directors have proposed a dividend of ₹ 4.55 per share on equity share of ₹ 10 each i.e. 45.50 % subject to the approval of members of the Company at the forthcoming Annual general Meeting. When approved by the members of the Company, this will involve payout of ₹ 258.56 Million.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

45 BUSINESS COMBINATION

As on 28th June, 2024, Cararro India Limited, directly acquired subsidiary - Carraro Technologies India Private Limited from Carraro International S.E. who ultimately controls both entities, both before and after the business combination. These transactions were in the nature of acquisition of the assets and liabilities by acquisition of the equity stake from the existing shareholders.

Pursuant to the requirements of Appendix C of the Ind AS 103, these business combinations under common control are accounted for using the pooling of interest method. Consequently, the financial information of the Group, includes the financial information of the businesses transferred by the transferor to the transferee and has been restated from the earliest period presented in the consolidated financial information of the Group.

The details of the business combinations, the carrying value of the assets, liabilities and reserves acquired and harmonised as per the revised accounting policies, and the resultant capital reserve are given below.

Nature of business combination	Transferee	Transferor	Date
Acquisition of subsidiary through inter-se transfer from promoter group	Cararro India Limited	Carraro International S.E.	28th June, 2024

Identifiable assets acquired and liabilities assumed on acquisition of subsidiary

Particulars	Amount
As at 1st April, 2023	
ASSETS	
1) Non-current assets	
a) Property, plant and equipment	9.36
b) Right-of-use assets	49.71
c) Intangible assets	9.27
d) Financial assets	
i) Other financial assets	6.18
e) Deferred tax assets (net)	4.57
f) Income tax assets (net)	2.58
Total non-current assets	**81.67**
2) Current assets	
a) Financial assets	
i) Trade receivables	97.05
ii) Cash and cash equivalents	12.56
b) Other current assets	34.38
Total current assets	**143.99**
TOTAL ASSETS	**225.66**
EQUITY & LIABILITIES	
EQUITY	
b) Other equity	103.79
Total	**103.79**
LIABILITIES	
1) Non-current liabilities	
a) Financial liabilities	
i) Lease liabilities	41.09
b) Provisions	17.06
Total non-current liabilities	**58.15**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Particulars	Amount
2) Current liabilities	
a) Financial liabilities	
i) Lease liabilities	6.69
ii) Trade payables	
(a) Total outstanding dues of micro and small enterprises	-
(b) Total outstanding dues of creditors other than micro and small enterprises	28.71
b) Other current liabilities	4.03
c) Provisions	6.29
Total current liabilities	**45.72**
Total liabilities	**103.87**
Net assets and reserves transferred	**18.00**
Purchase consideration payable in Cash	(239.82)
Non controlling interest	(0.18)
Capital Reserve as on 31st March, 2025	**(222.00)**

Details of purchase consideration payable at the end of each reporting period:

Particulars	Amount
Purchase consideration payable as at 31st March, 2023	**239.82**
Paid during the year	-
Purchase consideration payable as at 31st March, 2024	**239.82**
Purchase consideration payable as at 1st April, 2024	**239.82**
Paid during the period	(239.82)
Purchase consideration payable as at 31st March, 2025	-

46 ADDITIONAL INFORMATION

Information as at and for the year ended 31st March, 2025

Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Carraro India Limited	103%	4,714.21	98%	861.88	163%	0.48	98%	862.36
Subsidiary								
Carraro Technologies India Private Limited	2%	105.25	2%	19.49	(64.48%)	(0.19)	2%	19.30
Non controlling interest								
Carraro SpA	0%	1.07	0%	0.19	(0.64%)	(0.00)	0%	0.19
Inter Company elimination and consolidation adjustments	(5.24%)	(239.82)	0%	(0.20)	2%	0.01	0%	(0.21)
Total	**100%**	**4,580.71**	**100%**	**881.36**	**100%**	**0.29**	**100%**	**881.65**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ million except otherwise stated

Information as at and for the year ended 31st March, 2024

Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Carraro India Limited	104%	3,851.86	97%	605.81	90%	7.31	97%	613.12
Subsidiary								
Carraro Technologies India Private Limited	2%	86.14	3%	19.83	10%	0.79	3%	20.62
Non controlling interest								
in Carraro Technologies India Private Limited	0%	0.88	0%	0.20	0%	0.01	0%	0.21
Intercompany elimination and consolidation adjustments	(6.51%)	(239.82)	0%	(0.21)	0%	(0.01)	0%	(0.22)
Total	**100%**	**3,699.06**	**100%**	**625.63**	**100%**	**8.10**	**100%**	**633.73**

47 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Group has no significant event after the balance sheet date.

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

Balaji Gopalan
Managing Director
DIN - 07108093

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992

Nakul Patil
Company Secretary
Membership Number - A39990

Place: Pune
Date: 27th May, 2025

FORM AOC – I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture.

Part "A": Subsidiary(ies)

(Amount in ₹ Million except % of shareholding)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Carraro Technologies India Private Limited *(subsidiary w.e.f. 28th June, 2024)*
2.	Financial period ended	31st March, 2025
3.	Reporting currency and Exchange rate	₹
4.	Share Capital	18.00
5.	Reserves & Surplus	88.29
6.	Total Assets	199.34
7.	Total Liabilities	93.05
8.	Investments	-
9.	Turnover	221.84
10.	Profit before taxation	26.42
11.	Profit after taxation	19.49
12.	Proposed dividend	Nil
13.	% of Shareholding	99.00%

Notes:

i. The figures are as per Indian Accounting Standards

ii. Turnover includes Other Income and Other Operating Revenue.

Part "B": Associates and Joint Ventures (JV):

During the year under review, the Company did not have any associates or JVs.

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

Balaji Gopalan
Managing Director
DIN - 07108093

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992

Nakul Patil
Company Secretary
Membership Number - A39990

NOTES

CARRARO India

Carraro India Limited
(Formerly Carraro India Private Limited)

Registered Office:
B2/2 MIDC, Ranjangaon, Pune 412 220,
Maharashtra, India

CIN: L52609PN1997PLC132629
GST: 27AAACC5292M1ZB