14th November, 2026

The Manager,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

BSE Scrip Code: 544320

The Manager,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051

NSE Symbol: CARRARO

Sub.: Transcript of the Earnings Conference Call held on Friday, 06th November, 2026 in respect of the Company's Unaudited Financial Results for the quarter and half-year ended 30th September, 2026.

Ref.:
1. **Regulation 30 and Regulation 46(2) (oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");**
2. **Intimation of Earnings Conference Call dated 16th October, 2026 (Earnings Call Intimation"); and**
3. **Intimation of Audio recording of Earnings Conference Call held on Friday, 06th November, 2026 dated 06th November, 2026 ("Audio Recording Submission").**

Dear Sir/Madam,

Pursuant to above-referred Listing Regulations and in continuation to Earnings Call Intimation and Audio Recording submission, we are pleased to submit transcript of the Earnings Conference Call held on Friday, 06th November, 2026 in respect of the Company's Unaudited Financial Results for the quarter and half-year ended 30th September, 2026.

The transcript has been hosted on the Company's website at:
https://www.carraroindia.com/investors/investor-information/announcements-and-notices

You are requested to take this intimation on record.

Thanking you,

Yours faithfully,
For Carraro India Limited

MOHITH KUMAR KHANDELWAL

Mr. Mohith Kumar Khandelwal
Company Secretary and Compliance Officer
Membership No.: F11243

Encl.: As above.

“Carraro India Limited

Q2 FY27 Earnings Conference Call”

November 06, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the Stock Exchanges on 6th November, 2026 shall prevail.

MANAGEMENT: DR. BALAJI GOPALAN – MANAGING DIRECTOR – CARRARO INDIA LIMITED
MR. DAVIDE GROSSI – WHOLE-TIME DIRECTOR & CHIEF FINANCIAL OFFICER – CARRARO INDIA LIMITED
MR. SUDHENDRA MANNIKAR – WHOLE-TIME DIRECTOR & CHIEF OPERATING OFFICER – CARRARO INDIA LIMITED
MR. ASHOK RAI – DIRECTOR - SALES AND BUSINESS DEVELOPMENT – CARRARO INDIA LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Carraro India Limited Q2 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not a guarantee of future performance of the company, and it may involve risks and uncertainties that are difficult to predict.

I will now hand the conference over to Dr. Balaji Gopalan, Managing Director. Thank you, and over to you, sir.

Balaji Gopalan: Thank you very much, and a very good evening to everyone. Thank you for joining Carraro India Limited's Q2 and H1 FY27 Earnings Conference Call. I'm joined today by Mr. Davide Grossi, Whole-Time Director and CFO; Mr. Sudhendra Mannikar, Whole-Time Director and COO; Mr. Ashok Rai, Director, Sales and Business Development; other members of our leadership team and Strategic Growth Advisors, our Investor Relations Advisors.

Before we begin, I extend my warm wishes to you and your families for a very happy Diwali. May the festive season bring in prosperity, happiness and good health to all of us. The first half of FY27 was marked by a challenging global environment, but also by encouraging signs of resilience. The ongoing conflict in West Asia, now in its eighth month, has kept energy and fuel prices elevated, while also increasing freight, insurance and input costs, particularly for steel and castings across our supply chain.

The global economy has remained more resilient than initially expected, although growth has moderated. Across our export markets, conditions remain mixed. European agriculture continues to be subdued. Turkey remains volatile. And in the U.S., greater clarity on trade arrangements is a positive development even as customers remain measured in their volume commitments. Closer to home, the Indian market has been relatively stronger.

Tractor retail demand has remained healthy, reflecting encouraging underlying demand. Wholesale volumes have moderated in recent months, influenced by a high base, an uneven monsoon and the timing of the festive season.

Overall, the domestic market continues to offer a more supportive demand environment. Against this backdrop, Carraro India delivered healthy growth in both revenue and absolute earnings. In Q2 FY27, revenue from operations grew 19% year-on-year and 28% sequentially to INR6,965 million.

For the first half, revenue increased 15% to INR12,411 million. Q2 FY27 EBITDA grew 10% year-on-year and 13% over Q1 FY27 to INR652 million. This is an important outcome, particularly in a quarter when input costs increased faster than their recovery. It reflects the continued focus of our teams on execution, operational efficiency and delivering consistently for our customers. At the same time, margins reflected the impact of these cost pressures.

Q2 FY27 EBITDA margins stood at 9.2% compared with 10% a year ago, while gross margin for the first half was also lower than the last year. This was largely driven by the combined increase in steel and casting prices, energy, logistics and supplier labor costs.

Our customer contracts provide for recovery of raw material price movements, typically with a lag. Other cost increases, including energy, freight and supplier labor are only partly covered by these mechanisms and require separate customer negotiations. Davide will take you through the financial details of these.

Throughout this period, our priorities have remained clear: maintain reliable customer delivery, pursue cost recoveries and continue strengthening productivity and localization. These efforts have enabled us to grow EBITDA in absolute terms despite margin pressures, demonstrating the resilience of our operations and providing a solid foundation as we move into the second half of the year.

Domestic revenue grew 30% in the first half and now accounts for about 70% of our revenue. Agricultural revenue grew 23%, well ahead of domestic tractor industry wholesales, which grew by high single digits over the same period. The driver is the shift from 2-wheel drive to 4-wheel drive tractors. GST rationalization had brought 4-wheel drive prices much closer to pre-GST reform announcements, 2-wheel drive levels and farmers responded very well.

Our domestic 4-wheel drive axle volumes continue to grow faster than the overall tractor market. Tractor demand moves in cycles and the softer wholesale numbers in September and October are a reminder of that. But 4-wheel drive adoption is structural rather than cyclical.

We remain confident that penetration will keep rising towards the 35% to 40% range over the coming years, and we are adding axle capacity to serve it. Export revenue in Q2 was INR2,106 million, 4% below last year, but 27% higher than Q1 FY27. Last quarter, we said the Q1 FY27 dip was largely a one-off linked to logistics disruption. Recovery has begun as we expected, but it is not yet complete and overseas demand remains uneven.

Coming to construction equipment, Tele-boom Handlers remain a bright spot. The ramp-up of our new TBH axle range for a major international OEM is progressing as planned, along with other export programs as well. In India, the Tele-boom Handler market in the first half grew to about 800 machines, opening opportunities with Indian manufacturers and the Indian operations of global OEMs.

We now have a couple of Tele-boom Handler programs in series production and 4 to 5 more at the prototype or field validation stage. This is how we are building our next phase of growth; programs in production today and a pipeline that converts over time.

In Backhoe Loaders, domestic demand has shown encouraging growth in the first half with further activity at the start of the festive season. Backhoe Loader driveline exports through Indian OEMs continue to perform well. Higher-horsepower transmission, R&D and engineering services. Series production of our customer in Turkey commenced in Q1 FY27. However, the ramp-up is yet to gain momentum, temporarily impacting offtake.

A similar trend is being observed in Europe. Higher-horsepower programs for domestic OEMs are in field validation. Our teams developed 7 prototypes in the first half and 1 has moved into production already. Our focus is on converting development work into products our OEMs, partners can commercialize, not simply on adding to the count.

In engineering services, the e-transmission program with Montra Electric has received a prototype order for field validation. We secured further assignments in July from a customer in Western India and discussions with another customers are progressing well.

Coming to gears, the gears business showed positive traction in H1 FY27, although performance is expected to remain flat for the full year. The secured bull-gear nomination with a large global OEM and ongoing customer development programs are expected to support business improvement over the coming periods. Coming to capacity, localization and aftermarket. Our capex is on plan. During H1 FY27, the company incurred capital expenditure of INR204 million.

Construction of the new paint shop building commenced, while a side-drive sub-assembly line and a backlash machine were commissioned to enhance portal axle capacity and increase differential support capacity on the 4-wheel drive line. Localization is one of our most direct levers on cost. Raw material localization recovered to about 80% in Q2 FY27 from 74% in Q1 FY27 as supply from local partners normalized. Our target remains 86% to 88%.

The spare parts business recorded strong growth in H1 FY27. We signed an agreement for our third authorized service center driven by increased penetration of Carraro drivelines, extending our aftermarket reach. I'm also pleased to share that Carraro India was recognized among India's Most Admired Export Enterprises 2026. It reflects the work of our teams and partners on quality, execution and customer service.

The outlook ahead, we remain cautiously optimistic about the rest of FY27. First half revenue growth of 15% sits within the target range of 10% to 15%, which we indicated, and we expect the full year to remain within that range. On profitability, we will be measured. Input costs are still rising into the third quarter and price recoveries trail them by a few months.

Our commitment for FY27 is continued growth in absolute EBITDA. We expect margins to improve progressively as recoveries catch up, localization moves towards target and new capacity lifts utilization. We are encouraged by what our teams achieved in a difficult half. We continue to execute carefully, invest selectively and stay close to our customers in India and overseas.

With that, I hand over to Mr. Davide Grossi to take you through our financial performance. Over to you, Davide.

Davide Grossi: Thank you, Balaji. Good evening, everyone, and my warm Diwali wishes to all of you. I will take you through our results for Q2 and H1 FY 2027. Starting with Q2. Revenue from operations was INR6,965 million, up 19% year-on-year and 28% over Q1.

Total income rose 19% to INR7,058 million. By segment, Agricultural revenue grew 29% to INR3,300 million. Construction Equipment grew 12% to INR2,979 million. Others, which

includes gear, spare parts and engineering services grew 9% to INR686 million. By geography, domestic revenue rose 33% to INR4,859 million. Export revenue was INR2,106 million, 4% below last year's INR2,201 million, but 27% higher than Q1.

Q2 EBITDA grew 10% year-on-year to INR652 million and was 13% higher than Q1. EBITDA margin was 9.2% against 10% a year ago. Gross margin for the quarter was 23.3% against 26.4% in Q2 FY26. Profit before tax grew 14% to INR485 million. Profit after tax grew 11% to INR351 million with a PAT margin of 5%.

While margins narrowed in the quarter, the margin pressure is mainly at gross level, and it has essentially 2 components. First, commodities, namely steel and casting. These are indexed in our customer contracts, but recovered with a lag of 3 to 6 months. Prices kept rising through the first half FY 2027, so recoveries have trailed cost every quarter. This is a temporary effect that we will be reabsorbed in the next month.

Second, inflation of transformational conversion costs such as energy, freight and so on, which rose sharply with the conflict in West Asia. These are not indexed, so we recovered them through separate commercial negotiations with each customer, which are in progress and have just started to be reflected in our P&L very recently. The positive impact of such negotiations will be more visible in second half FY 2027 and beyond.

Now focusing on first half FY 2027. Revenue from operations grew 15% to INR12,411 million from INR10,792 million in H1 FY2026. Total income grew 16% to INR12,644 million. Agricultural revenue grew 23% to INR5,859 million. Construction equipment grew 8% to INR5,243 million and Others grew 13% to INR1,309 million.

Domestic revenue grew 30% to INR8,654 million, about 70% of the total. Export revenue was INR3,758 million against INR4,113 million last year. Gross profit grew 7% to INR3,211 million. Gross margin was 25.4% against about 27.5% in H1 FY26. The decline of roughly 200 basis points is the clearest measure of the cost pressure that we have absorbed so far.

Better absorption of fixed costs on higher volumes offset part of it, and higher other income, including the one-time items, offset a further part. As a result, EBITDA grew 8% to INR1,232 million and EBITDA margin was 9.7% against 10.4% last year. Profit before tax grew 12% to INR905 million and profit after tax grew 9% to INR665 million. PAT margin for the half was 5.3%. Our balance sheet remains strong.

Debt to equity was 0.34x and cash and cash equivalents were about INR955 million. Net working capital was about 40 days as we kept close control of inventory, collections and supplier terms while supporting higher volumes. On an annualized basis, return on capital employed was 26.3% and return on equity was 24.5%. With that, I hand the call back to Balaji for his closing remarks before we open the floor for questions. Thank you.

Balaji Gopalan: Thank you, Davide. Let me summarize before we take your questions. The first half was shaped by a difficult global environment and rising costs and our margins reflect that. But our domestic business grew strongly, exports began to recover in Q2. Our priorities for the second half are very clear.

We will recover the cost increases we have absorbed, bring localization back towards target, add capacity where demand is proven and convert our development programs into production. We remain optimistic about the rest of FY27. We expect continued growth with profitability improving gradually as conditions allow.

Thank you very much. We would now be happy to take your questions.

Moderator: Thank you, sir. We will now begin with the question-and-answer session. First question comes from the line of Raghunandhan NL with Nuvama Research.

Raghunandhan NL: Sir, domestic revenue growth has been strong at 30% Y-o-Y in H1. Within this, approximately how much will be the cost inflation impact? I am trying to understand the volume growth and value growth.

Davide Grossi: Raghu, so out of the total growth that we have seen so far in the first half, we can say that roughly 2% is the, let's say, price increments that we could get so far, which is part of this. So clean it's a 12% to 13% growth year-on-year for the first half.

Raghunandhan NL: And the remaining price increase which are to be received from customers, can you give some color how is the customer negotiations progressing? Are they constructive? Will Carraro need to absorb some impact?

Balaji Gopalan: Yes. Raghu, this is Balaji here. When this issue started, it was something new for the industry. So there is no proper thumb rule or a process that was established. But all the customers had agreed in principle that these are pass-through and it will be absolved by them. But as things started extending beyond what they expected, it started affecting their margins as well.

So we have to go to the discussion table. It is not that they are denying it or they are refusing to give it. They are engaging us with a lot of discussions on what is the right amount. And there is no index or a reference point that we can put our finger and say this is the amount. So these discussions are going on.

We have been successful with many. There are, I would say, 30%, 40% still left where negotiations are going on. We would attempt to recover the entire gap that is there, purchase variation with sales variation. But we'll have to see practically how much we close because for an episode like this, we wouldn't want a bad feeling from either side.

We are being reasonable. We are sharing all the details with them. We are being transparent. And my team, Ashok and his people are engaging and they are confident of recovering most of it. I will let Ashok speak a few words on this to give you the real feeling.

Ashok Kumar: Raghu, Ashok here. See, the message is clear that as you ask one word, is it constructive? The answer is constructive. It's a matter of time that how much we recover, but the discussions are going in a very constructive direction.

Davide Grossi: I think -- just to add one element here. I think from Q3, we will already start seeing the initial result of this negotiation.

Raghunandhan NL: You indicated that the domestic TBH program, series production has started for 2 customers. Can you indicate how has been the start? Can you indicate how much is the revenue in H1? And how do you expect the ramp-up to happen both with the existing customers and the 5, 6 new customers you are looking at adding?

Ashok Kumar: Raghu, Ashok here. See, this program, when you say we have started giving the prototype mainly to couple of customers more around 2 months ago, 3 months ago. So basically, they will give us the results from the FY28 mid onward and '29 onwards, we expect that they will start giving us on the balance sheet. This is the overall picture. And the 1 or 2 customers, they are slowly gaining the traction.

Traction means the significant volume is quite low because, as you know, the market size itself is very low. We are talking about something like 800 machines, which were earlier around 300 or 400 machines in the first half. This first half, they have sold almost 800 machines as an overall market. And the OEMs whom we have started supplying, they are entering into this segment. Earlier, this market has grown by 1 or 2 OEMs.

Raghunandhan NL: Noted, sir. Exports has witnessed a recovery in Q2 versus Q1, a significant recovery of 27%. On a Y-o-Y basis, how do you see H2? Can it be flattish?

Ashok Kumar: Raghu, Ashok here again. See, in case of export, there are many, many variables there on the table. One is the logistics, which still has not improved. Second is the markets are -- across the world are changing very dynamically. For example, Turkey, which we were expecting in the first quarter that it should go up and it started showing positive signs.

But in Q2, it started showing a decline. Then some market like Algeria or African market, we saw a traction in the agriculture. Then we saw some traction in Latin America that has also gone down in the agricultural segment. And Europe also started showing some negative on the agriculture. So in this changing scenario, different regions are giving different kind of indication, and it is changing quarter-on-quarter.

But on a broader side, it should be flattish, plus slightly up on the export side. We are not expecting a dramatic increase on the export side. We are trying to protect the order book based on the customer orders and the regional inflow of the orders from our customers.

Davide Grossi: Maybe also here, I would like to add, if you remember, when we commented last quarter results, we wanted to stress that the bad performance of export was a one-off, strictly related to the disruption that was there in the supply chain globally. And the result of the Q2 is a proof of the fact that we are pretty much back on track. I think we can assume and hope that Q2 will be replicated in Q3 and Q4. So overall, we will have a minor growth or overall flat for the year.

Moderator: The next question comes from the line of Lakshminarayanan with Tunga Investments.

Lakshminarayanan: Just want to understand within the agri growth, how much is -- if you can just split it by domestic and international? And within domestic, how much is indexed towards 4-wheel drive, that will be helpful. And second, on the international market there has been a mild decline. And on a constant currency basis, what has been the decline?

And also, in the international, we were getting certain orders for I think, TBH or some of the other products where we got some orders, I believe. So I want to understand -- I mean, what is the total scope and did we get a few more orders subsequently? These are my questions related to the agri space as well as on the CV space, especially for the international markets.

Ashok Kumar: Your first question was with respect to the domestic market. The growth is, in terms of -- majority growth is coming from the 4-wheel drive axles actually, because that is what the structure...

Lakshminarayanan: No, if you look at the agri market, agri sales for the first half, how much is domestic and how much is international?

Davide Grossi: So I'll tell you the total amount of revenues in H1 for agri domestic is INR4,800 million, INR480 crores, which is a 34% increment versus previous year. If we look at export agriculture first half, we have INR105 crores against the INR120 crores of previous year, that's a minus 12% year-on-year.

Lakshminarayanan: And if you just look at the Indian domestic business, which is around INR480 (Errata: Actual number to be read as 4,800) million, I think that it is a mix of both 4-wheel drive and the non-4-wheel. Can you just give that mix?

Balaji Gopalan: No. As we have always said, Carraro is not into 2-wheel drive. There is a legacy 20 years back, we had started through one customer, and that is still continuing, but that is in decimal. It will not even get captured in our revenue. We are focusing only on 4-wheel drive.

Lakshminarayanan: Okay. And I think this is very impressive growth. And any idea what has been the 4-wheeler growth for India in per se? I mean, is it growing at 10%, 20%. So the tractor market I believe has grown 11%, I think tractor market has actually grown in the first half...

Balaji Gopalan: See, in the market research data that comes and what is released by OEMs also, there is still not a very defined separate category where they define the 4-wheel drive, yes. But we use our intelligence based on what the customers are doing. And I would say unofficial sources that the industry is roughly at around 23%, 24%. It is in that range, but seems like it will move to, say, 27%, 28% in the coming months. So there is an offtake.

Capacities are an issue today for all the OEMs. They are not able to feed the dealers with 4-wheel drive tractors. And for that reason, you will also see hardly or no reference of 4-wheel drive advertisement or marketing that is happening because they would not be able to meet the demand if it opens up.

So they are waiting for the suppliers to gear up and meet the requirements, and that is when the acceleration will be much faster. But now, to answer your question, the trend the market is moving towards 4-wheel drive from the earlier 2-wheel drive. So we are still at around 25% of the market share, yes.

Lakshminarayanan: Sir, and just double-click on that, if you look at the 4-wheel drive, so how much of that is actually fed by captive, if you just blow up that 23%, 25% how much of that is driven by captive and how much is done by non-captives?

Ashok Kumar: As I stated now that we don't have at the moment the real research data. But since we speak to many of the OEMs, we have collected those data. So when we say that we have almost 60% in the non-captive -- 58%, 55%, 59% as a market share of Carraro. So we believe that 30% would be with the captive, but it's just a guess it's a calculated guess, we can say that. It is not something which is scientifically researched and calculated one.

Lakshminarayanan: Right. Sir, and there is a movement towards better safety standards or better emission standards in tractors. So what kind of potential it would have because there would be some changes in -- or there may be some up capture in terms of the revenue you can actually get. How far are we in that journey as a country? And how you can actually capture that? And I think another follow-up question I had was on the international order book. So I mean these 2 things.

Ashok Kumar: Answering on your emission norm question, in this case, see, there are emission norms which are going to change somewhere in October. This is supposed to do for 75 horsepower and below 30 horsepower. We are not present in those 25, 30 horsepower. But in 75 horsepower and above, which are mainly in the export market, it is going to add the exposure of the Indian OEMs in a positive way to the export market because they can export it to the developed countries with the emission norm, which is Stage 5, which they are building up from 75 horsepower and above.

For Carraro, it is good for the Indian industry that the capability to export will go up. And for all the other non-emission countries, we already have the engines and the scope of the Indian OEMs to export is going to go up for the higher horsepower.

Lakshminarayanan: There is another question which I had, which wasn't answered is on the international order book, part of the 2 questions I had.

Balaji Gopalan: The order book for the next 6 months?

Lakshminarayanan: No, sir, there is a -- I think there is an outlook for new model or I think a Tele-boom Handler or something I remember, which we had for a longer-term. I just want to understand that part.

Balaji Gopalan: Yes. See, Tele-boom Handlers with the global customer, it is going as per plan. We had estimated in the beginning INR300 crores in 3 years. We are in the second year now. And it is well as per their plan. We are not having any problems. There is a good pull for it.

And whatever numbers are being asked, it is challenging for us to supply considering the disruption in supply chain. But to answer your question, the plan of the Tele-boom Handler with that global OEM to reach INR300 crores in 3 years, we are well aligned with that. There is no change in the Tele-boom industrial market.

Moderator: The next question comes from the line of Priyash Kothari with Sorticude Fund Management.

Priyash Kothari: I had 2 questions. Just wanted to understand that how complex are our products and how difficult would it be for the OEMs to develop and manufacture these in-house?

Balaji Gopalan: Okay. Only 1 question?

Priyash Kothari: Yes. The second one is...

Balaji Gopalan: Okay. Let me finish. Yes, it suits us also. See, it's not a matter of product complexity. Surely, it is an engineered product, a lot of R&D hours go into it, a lot of testing, field validation and the market fit. These things are very important. What matters here is you are basically looking at make by division by customers.

What supports the buy decision is the fact that your time to market is very shortened when you go with a solution provider, technology company like Carraro because their R&D has to develop it, test it, validate it and then you are still not sure when you place it in the field, if there is a small glitch and it fails, you have enough competitors to blow it out of proportion.

So they carry that risk. But when they come to a company like Carraro, that already has that experience and it's already probably supplying somewhere else in the world. So we are aware of soil conditions. We know our product. The products are well tested and validated. So it's a quick fix solution for them to launch it.

Now having said that, usually for any vehicle, you cannot have 2 different sources of gearbox or transmission because when it goes for servicing, it's going to be a nightmare, which gearbox, which spare parts is involved. So it is always desirable that when they take us into a project, it continues till the end of that model. So it is many, many years.

However, when the volumes increase, they could get into this temptation of getting into their own in-house captive, but they need a complete supply chain development. They need a big team, they need to invest, they need to have space. And in any case, we also innovate the product technology. So it's not really a product that we are offering them. These are differentiated products suiting to what the customer needs.

Otherwise, we will have one gearbox being sold to Mahindra, one to Escorts, one to Sonalika and TAFE. These are not identical gearboxes. It looks the same, but the inside gear ratios, the torque, everything is different. So differentiated product is what we offer to the customer. And that is why there is a tendency to buy and not make it in-house.

Reaching a point where after 6, 7 years, they may parallelly do it and take it captive, but we are technology partners for all the OEMs. So by the time you take this product out from us, the technology patch up requires another higher technology that they would need. So they would remove this and give us a new project that is there.

All in all, in the last 30 years, we have only grown with any customer. We don't have a revenue drop with any customer. That itself shows that our business model of developing the product and codesigning with the customer has helped us till today, and that is how it will go for the future. Have I answered the question?

Priyash Kothari: Yes, sir, that was helpful. And my second question was that -- so Mahindra has cut its tractor industry growth guidance from 5% to flat. So how are we looking at this slowdown? And how do we plan to sustain growth? And what will like be the key drivers? If you can throw some color on that.

Balaji Gopalan: See for us, If we are looking at Mahindra, they are looking at the entire tractor market. They are looking at the entire tractor industry, 1.2 million. What Carraro focuses and I explained to the gentleman from Tunga, we are into 4-wheel drive only. So the growth and penetration in 4-wheel drive is the future for us. And in that 4-wheel drive growth, we have approximately 56%, 58% non-captive market share.

So the future is good. The industry is moving in the direction that Carraro has the product availability. The global market 4-wheel drive is about 95%, 98%. We are at 23%, 25%. So the runway is very clear. We have the right products and the industry needs the support and technology from Carraro. That is why we are very confident of the growth in the future.

Moderator: The next question comes from the line of Raghunandhan NL with Nuvama Research.

Raghunandhan NL: Going forward in terms of major orders which are likely to start production either this year or next year, any orders you would like to call out which will add to our performance?

Ashok Kumar: Raghu, Ashok here. See, there are many projects which are going on. Normally, any project before it comes to series production, we are not authorized to explain and inform to the market. This is first point. Second point is this prototype, whatever we have given based on certain projections from the customer, and we have to validate those assumptions before we announce.

But as we said originally from day 1 that we are targeting towards the EUR350 million to EUR 400 million or INR3,500 crores turnover for Carraro by 2030. By the projects what we had, we are still intact with that guidance.

Balaji Gopalan: Even for the immediate next year also, our indication, the data we are getting, there is going to be a growth in our top line. Hopefully, it will be double digit, but somewhere close to double digit for sure. So it's an interesting journey that we are having in front of us. The market is supporting, our product fit has been established, which is a very big challenge, particularly the 4-wheel drive on which we are banking. It's important that the technology we offer is appropriate for the final end customer.

Very often, there is a gap. And here, we are very lucky that there has been no requirement to redesign or modify any of our product solutions. What we have offered and tested in the field has been accepted by the market. So this is a positive way of looking at it.

Raghunandhan NL: And we maintain our guidance of the 12% to 15% CAGR that we maintain?

Balaji Gopalan: Yes, yes. Actually for us, Mr. Raghu, the top line is not really a matter of concern. We are not looking back. There has been this setback on our margins because of the war. We never expected that a war could have impact on my localization because I'm developing those products here.

But then you would have seen the localization drop by 4%, 5% in the last quarter because we were not able to fully develop here.

There was supply chain issues. So we had to import those products, air freight to ensure that customer is not losing out his market. So what I'm trying to say is Carraro India is very, very positive and optimistic on the top line and which is very important in the current condition of whether we are able to grow every year, 10% to 12%, 13% continuously. We have the pipeline of prototypes and productionizing, which are going exactly as per our forecast.

And we are sure of the top line, and we are confident that when things normalize, we will pull back all the ropes and ensure that the target or the forecast guidance we had given for EBITDA, that is also achieved. Yes, there will be a little time gap, but we are not losing anything. We will reach the target that we have planned. And the forces, the business environment is giving us that confidence that we are not targeting anything which is unreachable.

Raghunandhan NL: Two clarifications here for the comments which you made. Number one is like, for instance, last year, FY26, our growth was driven more by exports compared to domestic. And this year, domestic is driving the growth for us. Going forward to next year, would you still expect that domestic will outperform exports?

Balaji Gopalan: Yes. You'd have seen our pitch when we spoke about the stability of our business. We said we are into agriculture and construction, and we are also into export of agriculture and construction. Now when one goes down, we are able to offset it from the other. So in this case also, we lost on the export because the market was not very convenient to grow.

But at the same time, we didn't come with an excuse saying that our revenues have dropped because our export has been lost. No, because export also is not lost to anybody. It is just a supply chain issue and a demand issue. So no project or no customer has been lost. It is all safe over there. But our team took that additional effort and went to customers and made sure that we are more than covering the loss or, I would say, the setback that we have received in export.

Looking at next year, we are confident. That is why I said the top line growth of 10%, 12% still remains. However, the ratio of earlier 33-77, 65-35 that could change for the interim, which is good because we are still catching up on our top line with a setback in our export, which is not a lost opportunity. It will come back to us. So it will further enhance my top line when the export comes back to 32%, 33%.

But next year, we are anticipating, we are not very sure that my local market demand will go beyond what my export will pull. So it's a good thing, and we are very confident of handling this situation in this way.

Raghunandhan NL: Noted, sir. And on the engineering services side, last year, we had a INR10 crores revenue. This year, how much revenue would you expect to book there?

Balaji Gopalan: Okay. See, when we talk of engineering service, I would say it's like a sweetener that is there in the dish that is in front. We got a very good response last year because that was a project and it belong to electrification, and we were one of the most competent in India to support the

electrification of tractors because we have the global experience. Now having said that, we were expecting other OEMs also to kind of reach out and get into that area.

Looking at the current situation, I would say, it's not opening up to the extent that we were looking at. And now we are more working with our regular customers trying to co-design with them rather than set up an engineering center, which will be an independent revenue stream. That looked reasonable at that point in time. But if you call it a mid-course correction, yes, it could be a mid-course correction.

But we don't want to build big hopes on engineering services as a revenue stream as of now. When the market opens up and there is a demand, we are ready to provide those services. But as of now, we would like to get into co-designing, working with them, winning the projects, trying to get some toolings and some engineering expenses covered for the testing and everything, but not purely as a revenue stream. So there is a, I would say, a slight mid-course correction that we are doing to this vertical.

Moderator: The next question comes from the line of Het Shah with Quantum AMC.

Het Shah: A couple of questions. Firstly, on the Tele-boom Handler side. So early in FY27 or FY26 late, we had those numbers for TBH exports close to INR200 crores, INR250 crores and INR300 crores FY27, '28 and '29. So I mean, are we on track for that? And what is the H1 numbers for TBH export sales? That is one.

Second, on the margin guidance. So we had given close to 11%-odd EBITDA, including other income. So we're close to 9.8%, 9.9% for the half year. So what is it for H2 and the top line growth for FY27? Those are my questions.

Ashok Kumar: See, regarding the export of TBH what we've said that we'll be touching around INR300 crores in 3 years or something, we are on track at the moment. If you ask us regarding what kind of value we'll have in FY28, '29 for this one, we maintain that it will be around INR300 crores for the export of this customer. In addition, we'll have the other customers also coming on board. And that was the question on TBH. Am I right or anything I missed it?

Het Shah: Yes, so FY27, what is the number that you're looking at for TBH exports?

Ashok Kumar: When we talk about 3, 3.5 years about this one, so we have already reached almost 55%, 60% of this in this year itself.

Het Shah: So, close to INR180 crores?

Ashok Kumar: Yes, something like this. Not the exact one, but it is very near to it.

Het Shah: Okay. And FY28 would be INR300 crores and so would be '29 or some bit more than that, correct?

Ashok Kumar: We are expecting around it should touch INR300 crores with the kind of growth that it has.

Het Shah: Okay. Yes. So the margins and the top line growth, those questions.

Balaji Gopalan: See, margin is something we are also kind of puzzled, and it is a gray area. We will come to that. But as I said, our revenue growth is something that we are very, very confident about. And we are looking at from the current this year, if we touch around INR2,500 crores, next year, we would look at a double-digit growth as well, at least a 10% growth is what is the feeler that is coming to us. It's still a bit early.

There is still lot of uncertainty. But in spite of all that, the numbers that are coming to us from our customers takes us to a plus 10% over what we will close this year. And this year, we are intending to close, close to INR2,500 crores. So this is as far as our revenue is concerned, which we are very confident to speak, and that is why I spoke that first. Coming to EBITDA, it is a situation where it's anybody's guess.

I had given this forecast and the guidance in my last interactions where I said it could be anywhere between 11%, 11.1%, 11.2%, 11.3%. I remember this specific dialogue. And I said it depends on the runway that we have when the war ends and we are able to close our year. Now that was 3 months ago, and we were hoping that the war will be resolved soon. But it's November now and nothing has happened.

And that is why precisely why our EBITDAs are getting hit dramatically. Now once the situation eases, we'll lift our head and we will get back to what was the guidance given in the past. But having said all that, you shouldn't feel I'm going round and round and not coming at a number.

My realistic guidance will be, we will touch a double digit. So it will be 10% or 10% plus. I don't know when the war will end. It all depends on that. We are confident that we should achieve a double digit at least for this year closure. Have I answered your question?

Het Shah: Yes, yes, absolutely. And just one last question. You've mentioned already the H1 numbers for domestic agri and export agri. Could you give the same for construction vehicles?

Davide Grossi: Yes, sure. Just one second. I'll start from the export. So H1 FY2027 is INR198 crores versus INR228 crores of last year. And domestic construction first half FY2027 is INR327 crores versus the INR256 crores of last year.

Moderator: The next question comes from the line of Ashwani with 3P Investment.

Ashwani: I had 2 questions. One was, in the last year's annual report, if I go to the other expenses, there are 2 items basically. One is corporate services charges, which is close to INR27 crores. And then there are legal and professional fees, which are close to INR25-odd crores. So this total adds to around INR51 crores, INR52 crores.

So what exactly are these? And what does it contain? And that's one. And second, are any of your customers constrained by any particular, let's say, bottleneck to go to the 4-wheel drives basically? Is there any constraint with the customers which you have? And how do they come over it? These are the 2 questions.

Balaji Gopalan: Okay. Obviously, going to the easier question. As far as constraints on movement or transition to 4-wheel drive, that is really not a constraint because generically, the gearbox that we give is

compatible with 4-wheel drive. So it already has a built-in capability of 4-wheel drive. What changes is largely the front axle for which the drive has to be sent.

So there is a little bit of intervention from the OEM because they need to have the connecting shaft or the rod that is propeller or whatever we call it, which will connect it to the front axle. Other than that, there is no constraint that they have. The market picks up, they will immediately transition from 2-wheel drive to 4-wheel drive. From their end, there is no big change that is expected. Ashok, you can elaborate.

Ashok Kumar: Yes. And the second point is that as the 4-wheel drive conversion is happening from 2-wheel drive, we are also working on the new models. And when the new models, as soon as their testing and validation is done, so they are also giving us those numbers. And the good part is that the OEMs whom we are working, they are already projecting us the future numbers. And they are also blocking the capacity with us.

So that is not a constraint. Rather, they are giving us the future visibility for which we are already doing the expansion. So we are removing the future constraint by expanding it.

Balaji Gopalan: If I have to put it the other way, the constraint for the OEM could be the supply from suppliers like us. If we are able to supply, they are able to sell. And there was one more question on the corporate charges, legal fees, Davide?

Davide Grossi: So when we talk about corporate services, we mostly include certain central expenses that we have at corporate level initially that for some centralized functions, which are allocated to the different group entities. Typically, the main one is related to IT services, which are centralized at headquarters. And there are some other central functions which operate in the interest of the entire group, which are allocated certain drivers.

And when we talk about professional fees, we include all the typical consultancy fees and so on. One item which probably caught your attention, which is included in this head is our R&D expenditure, which is what has increased over the year. I'll give you a little bit of a background. You might know that Carraro India used to pay royalties to the headquarter against know-how, for exploitation of know-how of the IP that was sitting in headquarter.

Before the IPO, Carraro India had purchased this IP. And now Carraro India has to invest and spend money to maintain and develop new projects. So this is a cost that has gradually increased in the last 18 months. But I think we have reached pretty much the, let's say, natural level of this cost. So I do not expect this to grow any further in future.

Moderator: We have a follow-up from Lakshminarayanan.

Lakshminarayanan: Two questions. One is more academic in nature. When you look at the 4-wheel, in which we actually supply to the customer, does the customer actually use it only for 4-wheel or he can -- I mean the customer can also put it in a 2-wheel drive tractor. Is it possible that they may buy an equipment from you and they can actually fit it in a 2-wheel-drive, does it happen? That's my first question.

Second is that if you look at the various companies which are actually doing, on a capital way, the product, have you benchmarked your cost as well as -- their landed cost and your landed cost and have you kind of reengineered yourself to be cost competitive so that even the captive may find it lucrative and more efficient as well as more innovative? I mean there's more engineering that is going exclusively within your scheme of things. So is that also you have done and where do you stand in cost?

Balaji Gopalan: Okay. The first point, if I understood properly, you have asked can a customer buy a 4-wheel drive axle and use it in 2-wheel drive? Is it right?

Lakshminarayanan: Yes, sir.

Balaji Gopalan: No, that is a big no because logically or rationally, it doesn't make sense at all because you don't need such a heavy engineered axle. Usually, a 2-wheel drive axle is a fabricated axle. You use sheet metal, you form the sheet metal and you make a free hanging axle because there is no drive in it, there are no gears in it. The part numbers going into it would be no more than 15, 20, 25 part numbers.

But when you talk of a 4-wheel drive axle, it is a casting. It is the same material in which you make your gearbox. And in that casting, we would have at least 130 part numbers going into it. So imagine 2-wheel drive with 25 part numbers, that is with 125 part numbers. This is sheet metal that is casting.

So there are 2 different things altogether. Nobody would use it because even the cost will not justify for it because the cost of a 2-wheel drive and a 4-wheel drive is not a difference of 10% or 20%. It is significantly higher, and it is the technology in itself. So you wouldn't want to do anything like that. So I hope I have answered that part of it. Now -- yes, the second question was pertaining to...

Lakshminarayanan: The cost competitiveness.

Balaji Gopalan: Yes, cost competitiveness. Now we don't sell catalog products. When you sell a catalog product, that is when you have to benchmark and you have to be worried. We work on the co-designing principle. So they give their duty cycle and we work a solution around it.

We are not offering a product. We are offering a solution. And when we do that co-designing, obviously, the customer also knows what is the cost. It's not a Coca-Cola formula that we are selling. We are selling a normal, I would say, not even an automotive off-highway product, which is casting.

One can strip down, he can easily evaluate it. Process costs are known, raw material costs are known. So cost estimation becomes very, very elementary part of the entire exercise. And that is where we are competitive because we offer a technology solution which goes beyond the differential cost between internal and external.

It reaches a point where money is not the deciding factor. It is time to market, ability to capture the market before your competitor. When you launch your first models, there should be 0 field

failure. These drive it rather than a 10% cheaper if you build it in-house. So I hope you've got the perspective in which I have answered your question.

Lakshminarayanan: Yes, yes. So I think we have a great proposition. So is it difficult to convert the people who are doing captive to agree to buy from you because you are on the highest level of innovation, productivity and research, right? So...

Balaji Gopalan: So, that is our endeavor. I will ask Ashok because he is the one who's going and attempting all this. So he can share his experience. Ashok?

Ashok Kumar: Okay. As this question has been asked earlier also to us. So our answer has always been, if they want, they can. But will they do? The answer is at the moment, no, because we are providing, as Dr. Balaji said, that it is not only the current product, we are a technology partner to them, and we give the solution for the next step also. This is the first.

So -- and plus, once the product is tested, validated and it is already proven and it is very difficult to disturb. That is second point. Third point is we are providing based on the various regions, different type of axles to the customer. So we are able to provide the different duty cycle solution to the customer. So that flexibility they have. So, it's not about they can make it. It is all about what solution we provide and how proactively we work to serve the solution.

For example, the market is asking capacity today. So we are proactively working to build the capacity for the industry. So all these multiple actions and multiple what we call technical moat of Carraro is helping us to keep the business relationship and keep growing the business with them.

Balaji Gopalan: So at end of the day, it is not the 10% saving they will look at. They will look at the technology intervention that they will get by associating with a company like Carraro. So the technology is what defines make or buy, and quick time to market and reliability of that technology. These are 3 things that we have experienced as OEMs tendency to choose make or buy.

Moderator: A follow-up question from the line of Raghunandhan NL.

Raghunandhan NL: Just a last question from my end. On capex in first half of the year, it was INR20 crores. How do you see the capex for full year FY27 and '28?

Davide Grossi: Okay. So, the first half was actually lower than what we have budgeted for a number of reasons, which I will not list here. But we expect the second half to be more capital intensive, definitely more capital intensive than the first half.

There are a number of projects related to our expansion as we announced already that have kickstarted. And you will see an increment of capex in this half. Same for next year. I think we were talking about roughly INR100-plus crores of capex for FY27. We will have a similar amount for sure in FY 2028.

I'm not sure whether we will be able in FY27 to spend all this money, yes, maybe 70%, 80%. There might be a carryover to FY2028, but the bulk number should remain this one. Of course,

FY2028, we have not approved yet a plan. We have not approved yet a budget. So I'm giving you just an indication. But those are the numbers that we are considering.

Balaji Gopalan: We are thinking that anybody who has more than 4 questions should invite us to Bombay for a meal and have a face-to-face discussion. Otherwise, there is no fun in answering remotely. It will give us an opportunity to see each other and understand each other. So more than 4 questions, lunch in Mumbai. That is the condition for us.

Moderator: Yes, sir, we are done with questions. You can go ahead with the closing comments.

Balaji Gopalan: So thank you, everyone, for your participation and your questions. It was quite elaborate, and we hope we have answered all your questions to your satisfaction. We've been always trying to be transparent and share all the information. We appreciate your continued interest in Carraro India.

If we were unable to answer any of your questions today, please reach out to Strategic Growth Advisors, our Investor Relations Advisors, and we will be glad to respond. Once again, I wish you all and your families a very, very happy Diwali. Thank you, and have a great evening. Thank you.

Moderator: Thank you, sir. On behalf of Carraro India Limited, that concludes this conference. Thank you for joining us today, and you may now disconnect your lines. Thank you.