

**11<sup>th</sup> August, 2025**

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

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

BSE Scrip Code: 544320

NSE Symbol: CARRARO

**Sub.: Transcript of the Earnings Conference Call held on Wednesday, 06<sup>th</sup> August, 2025 in respect of the Company's Unaudited Financial Results for quarter ended 30<sup>th</sup> June, 2025.**

**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 16<sup>th</sup> July, 2025 (Earnings Call Intimation"); and**  
**3. Intimation of Audio recording of Earnings Conference Call held on Wednesday, 06<sup>th</sup> August, 2025 dated 06<sup>th</sup> August, 2025 ("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 Wednesday, 06<sup>th</sup> August, 2025 in respect of the Company's Unaudited Financial Results for the quarter ended 30<sup>th</sup> June, 2025.

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**

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

Encl.: As above.



“Carraro India Limited  
Q1 FY26 Earnings Conference Call”  
August 06, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the Stock Exchanges on 6<sup>th</sup> August, 2025 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  
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INDIA LIMITED  
MR. ASHOK RAI – DIRECTOR SALES & MARKETING –  
CARRARO INDIA LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Carraro India Limited Q1 FY26 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Dr. Balaji Gopalan, Managing Director of Carraro India Limited. Thank you, and over to you, Balaji sir.

**Balaji Gopalan:** Thank you very much. A very good morning to all of you, and thank you for joining us today for Carraro India Limited Q1 FY26 earnings call. I am joined by Mr. Davide Grossi, our Whole-Time Director and CFO, Mr. Mannikar, Whole-Time Director and COO, Mr. Ashok Rai, Director of Sales and Marketing, along with other members of our leadership team and our Investor Relations partner, Strategic Growth Advisors.

Let me start by giving you an overview of the quarter gone by. FY26 has begun on a very positive note. In Q1, our revenues from operations grew by 4% year-on-year, largely driven by volume growth across both domestic and export markets. On the domestic side, we saw a 3% increase led by strong demand in our four-wheel drive axle segment.

Exports also grew 5% year-on-year, showing early signs of recovery after two relatively weak quarters. Even though indirect exports of agriculture drivelines continued to remain soft, overall volumes were supported by strong demand from domestic market. I am pleased to report that we maintained an EBITDA margin of 11% during the quarter, and this reflects our continued focus on cost efficiency and operational discipline.

Let me touch upon some segmental insights and trends. Both the agriculture equipment and construction vehicle segments showed stable performance this quarter. In the construction equipment segment, we continued the export ramp-up of our new teleboom handler or TBH axles, which we introduced in Q4 of FY25 for a major international OEM. That's progressing well and has helped drive export sales.

On the domestic front, we have secured a new teleboom handler axle project, which is expected to be completed by Q3 of FY26. In backhoe loaders, we witnessed a softening trend in domestic demand compared to last year. However, this was partly set off by increased traction from a couple of Indian OEMs who are gaining market share in exports. The agriculture segment continued to benefit from increased adoption of four-wheel-drive axles.

In fact, we hit a new milestone in May 2025, where nearly 4,000 units of four-wheel-drive axles were produced, our highest ever in a single month. A key highlight for us was the successful completion of a prototype for our high transmissions for an export customer. Series production of this high horsepower transmission is set to begin in Q2 of this year.

In addition, we have secured two new projects in the high horsepower category, one with an export OEM and another with a domestic tractor manufacturer. Both of these are for transmissions of vehicles above 105 horsepower, with production starting in FY26-27 and FY27-28, respectively. Coming to gears and spares business, this saw a marginal decline, and we expect that part of the portfolio to remain stable with limited upside in the near term.

On the engineering services front, we have seen growing demand, especially for high horsepower and more tech-enabled platforms. A significant development this quarter was the conclusion of a commercial agreement to design an electric tractor transmission. The formal contract is being worked out and expected to be signed shortly.

This opens up the possibility for Carraro India to eventually supply the electric transmission to all the markets, creating a new and consistent revenue stream from this segment. On the operational enhancement side, we achieved several milestones. We successfully completed the pilot batch of CVT or what we call Continuously Variable Transmission Gearboxes, which marks an important step towards potential commercialization.

CVT transmissions basically are related to automatic gearboxes. We also commissioned a new 800 mm pallet Mazak Machining Center in June this year. This will significantly improve both throughput and flexibility in machining, supporting our ongoing capacity enhancement. During the quarter, we also secured new orders from major OEMs in both construction and agriculture segments, further strengthening our forward pipeline.

Coming to capex and investments. During Q1, we deployed INR101 million in capital expenditure. This was mainly to support three areas. Number one, new telescopic handlers axle production. Number two, high performance new transmission range for agriculture applications. And three, grant incremental capacity for FY26 sales. This capex is aligned with our strategy to support the expected growth in FY26 and beyond.

Customer trust and recognition. Our relationships with OEMs continue to strengthen. I want to highlight that despite short-term weakness in some markets, we haven't lost a single customer or contract. That speaks to the trust our clients have in us. We also received several recognitions during the year. In April, Bull Machine awarded us the Best Supplier Award for Strategic Excellence, which is a testament to our customer-centric approach and consistent performance.

Coming to FY26 outlook. Looking ahead for FY26, we are confident about delivering results as guided in our Q4 FY26 (Errata: Actual word to be read as Q4 FY25) earnings call. We expect FY26 revenue growth in the range of 8% to 12%. On margins, our goals remain to move towards adding incremental 1% EBITDA, that is 100 bps, every year for the next two to three years.

While quarterly margins may fluctuate due to product mix, we urge stakeholders to focus on full year delivery. Our growth drivers for the year include strengthening domestic demand in both agriculture and construction sectors. Number two, ramp-up of teleboom handler axle volumes. Three, revenue from engineering services. Four, recovery in gears and spare parts. And finally, higher localization where we are targeting 86% to 88% localization over the next three years.

In short, Carraro India is well positioned for sustained profitable growth. Our foundation is solid, our pipeline is strong, and our focus is clear to deliver innovative, value-added solutions while growing in close alignment with our OEM partners.

With that, I now hand over the call to Mr. Davide Grossi, our CFO, to walk you through the financials. Davide Grossi, please.

**Davide Grossi:**

Thank you, Balaji, and good morning, everyone. I will now take you very quickly to the highlights of the quarter, and then we will leave some space for Q&A, of course. So, when we look at Q1 of FY26, our total income is INR4,999 million, almost INR500 crores, with a growth of 5% year-on-year.

Our income from operations grew by 4% year-on-year to INR4,929 million. This was driven by domestic volume growth, by a partial early recovery in export, and by the progressive ramp-up of the new telecommander (Errata: Actual word to be read as Tele-boom Handler) business, as already mentioned. Our other income primarily doubled on back of increased export incentive for INR42 million, and INR19 million of a one-off effect for a reversal of all the provision that was previously made in the past years.

EBITDA came at INR548 million, almost INR55 crores, translating to an EBITDA margin of 11%. We also recorded a profit after tax for the quarter at INR299 (Errata: Actual number to be read as INR 291) million, INR29 crores. In addition, we continue to maintain a strong balance sheet, and this allows us to fund our operations, support our strategic investment, and to remain agile in responding to opportunities in the market.

Looking ahead, we remain optimistic. Our financial outlook for FY26 is supported by growth in high-value product lines, increasing contribution from engineering services, and continued gains from localization.

That's all for the moment, and I'll give it back to you, Balaji.

**Balaji Gopalan:**

Yes. Thank you, Davide. Now, to summarize, FY26 has started well and is aligned with our full-year growth guidance. Strategic bets in teleboom handler axles, high-horsepower transmissions, and engineering services are beginning to yield results. We thank all our investors, partners, and customers for your continued support. We deeply value your trust and are excited about what lies ahead. We now welcome your questions.

**Moderator:**

Thank you very much, sir. We will now begin the question and answer session. We have our first question from line of Sriram, an individual investor. Please go ahead.

**Sriram:**

Thank you for the opportunity. So, what is the contribution of 4WD to our numbers? And if you can give some colour on the market size, because in the last call, I think you mentioned that you'll be able to give the numbers. So, if it's possible, please do that.

**Balaji Gopalan:**

Thank you for the question. I will request our Sales Director, Ashok Rai, to throw some light on the market and our four-wheel drive journey.

- Ashok Rai:** As we indicated in the last call also, that the market, the pie of the four-wheel drive tractor in the domestic market is increasing. Last year, in the financial year, it was in the range of 20% to 22% of the market was in the four-wheel drive segment. And the way the quarter has started in this financial year, we are expecting that this should be around 23% to 25% of the market will move to the four-wheel drive.
- Now, as a Carraro, we are maintaining the almost 60% to 65% market share in the non-captive segment. So, both the captive and the non-captive segments are growing. And our volumes are also growing in the similar range. That means almost 8% to 10% volume, we are growing it. And when it comes to the revenue contribution, we are talking about almost Carraro India's 20% to 25% of our turnover will be in the four-wheel drive segment.
- Sriram:** So, just one clarification. So, when you say 25%, it's 25% of overall numbers or 25% of domestic numbers?
- Ashok Rai:** It should be overall total number. But domestic will be almost 35%-40% of our turnover will be coming from the four-wheel drive. Because as you know, we operate in the construction as well as the agricultural segment.
- And agricultural and construction segment is 50%-50% of our total share of business between the agriculture and construction in the domestic market. And within the agricultural, out of that, total domestic would be around 35%-40% of our turnover is coming from four-wheel drive.
- Sriram:** Okay, that's helpful. So, just a follow-up. So, if I include the captive and non-captive, what will be the market size currently?
- Ashok Rai:** The tractor domestic market last year was almost 950,000 tractors. So, this year we are expecting that it should cross 1 million. So, if 1 million tractors are crossing with the way the monsoon is going well.
- So, I am expecting that, of course, I don't have the, there is no formal number available. It is only the trend we are seeing it. It should be around 240,000 to 260,000 tractors should be converted into the four-wheel drive. Which was almost, 7-8 years ago was hardly 2% or 3% of the market.
- Sriram:** Okay, and as a value, can you give some ballpark value?
- Ashok Rai:** Value is very difficult because we are talking about this market which is between 20 horsepower or 15 horsepower up to 75-80 horsepower. Putting a value would be very, very unjustified and not a right way to portray it. The numbers is there which is, which talks about the number of tractors which are getting converted into the 4WD.
- Sriram:** Okay, okay. Thank you. I'll join back in the queue. Thank you.
- Moderator:** Thank you. We have our next question from the line of Pranav Doshi from Ardeko Asset Management. Please go ahead.

- Pranav Doshi:** Yes, thank you for the opportunity. And so I have a couple of questions. The first is that we've observed quite a bit of volatility in our gross margins for the last three quarters. So, can we just break down the specific costs and the effects of the product mix and pricing factors behind the volatility? And more importantly, with our upcoming strategic SOPs as well as new product launches, how will they stabilize and potentially lift the gross margins over the next 6 to 12 months? So, yes, that is my first question.
- Davide Grossi:** On the gross margin, I would say volatility was probably seen in Q3 of last year. But if we enlarge a little bit the horizon, we will see that we do not have a major volatility. We are talking about over-variation in the range of 1 to 2 points quarter by quarter. And this is actually quite, let's say, common in our business.
- Consider that our gross margin is really much the effect of the different mix that we see quarter by quarter. And we have seen also in the past that this happens and it will keep happening also in the future. So, there is no specific reason that justifies this other than variation of the mix of sales from quarter to quarter.
- Having said that, of course, we are looking for a structural improvement of our gross margin that will happen and you will be able to appreciate it when you look at the full year results. And this will be the result of the increased level of localization that we are targeting, as we already mentioned.
- And in addition to that, the strategy of Carraro is, of course, to add products that will be gradually margin-accretive for the company. So, those are the two major ways in which we plan to structurally increase our gross margin over time.
- Pranav Doshi:** Okay, great. And the other question would be that, let's say, if you can help us understand the strategic importance of Indian units within our wider group portfolio. And what are the specific actions or frameworks that you put in place to ensure that any incremental business routed through India not only drives our top line but also sustains or possibly enhances the profitability of the Indian subsidiary?
- Balaji Gopalan:** Sorry, but your voice cracked in the beginning. So, we could not figure out the context and the question. Can you please repeat it, please?
- Pranav Doshi:** Yes, sir. Surely, I'll repeat my question. So, my question was that I wanted to understand the strategic importance of the Indian unit within the wider group portfolio. And so, what are the actions or the frameworks that are being put so that, whichever the incremental business that is routed through the Indian subsidiary not only drives our top line but also enhances the profitability of the Indian subsidiary?
- Balaji Gopalan:** Yes. See, Carraro India is one of the largest plants within Carraro Group in terms of the industrial footprint that we have. And it is a strategy driven by our group that we have created Carraro India as a center of excellence for agriculture transmission. So, any transmission product connected with agriculture, the possibilities are very, very high that it will be passed on to India.

That is because we have the supplier network, we have done the vendor development, we have the infrastructure, we have the test benches. So, the whole infrastructure, the industrial layout has been made favorable for agriculture transmissions within our group. So, there is a natural choice to send it to India. This is number one.

Having said this, in the last two and a half decades, we have established ourselves as a reliable and credible manufacturing base within Carraro Group. And we have lot of laurels to our credit to the extent that we have the Caterpillar Global Excellence Award, which is given only to the top 1% suppliers of the Caterpillar Global Supplier Network.

So, this is not even present in many of our other facilities. So, these kind of recognitions from the customer, because the customer also is now very, very proudly, I can say, that they are opting for products to be rolled out from the India plant, considering the infrastructure and competencies that we have. So, looking at the Carraro perspective, we are contributing close to about 20% to 25% of the global revenue. And we have become very, very important in the business strategy of Carraro Group. So, there is no doubt about it.

Secondly, we are already in receipt of IPs, which very rarely you will find headquarters passing it on. And around 154 IPs for all products that are being sold in India has been passed on to Carraro India, because we have the technical competence in our R&D center to manage all the design and the product lifecycle of those IP products. So, this further strengthens the resolve that Carraro Group is focusing on India.

Now, we are even looking at expanding our R&D and engineering services to make it a global competence center. And to that effect, we have already shifted the PLM platform of product lifecycle management under Windchill for the Carraro Group to be operated from Carraro Technologies in India.

Now, all these things are feelers and indications that India is the pivotal point. It is a point of focus where everything in future, we will get an opportunity and we can ask for the business to come into India. So, this is where the importance of the Indian operations is there with respect to the group. Have I answered your question or you want any specific clarification?

**Pranav Doshi:** Yes, sir. You answered my question. So, just one part on the royalty part. So, royalties, I think given that the IPs have been transferred, they would be staying minimal, right?

**Balaji Gopalan:** They will be zero. We will only pay for the brand royalty. That is in a decimal. So, 0.3, 0.2, 0.4, it is in that range. But earlier, the royalty that we were paying, that has become zero.

**Pranav Doshi:** Okay, perfect. And just one question that, let's say for the FY26, we are guiding for 8% to 12% growth despite a weak, let's say domestic growth. And like even the export recovery has been at a nascent stage. So, let's say beyond FY26, what are the levers which could realistically lift our growth into mid-teens? And like how is our capacity and the capex aligned to manage the incremental growth that we are seeing in the future?

**Balaji Gopalan:** Yes. See, we have a target which we will call it the business journey. And in the business journey, we are very clear in a very realistic way. We are looking at touching EUR350 million by FY28-



29, which translates to roughly INR3,300 crores to INR3,400 crores. This is the business we are having a clear visibility for. And as I have explained in the past, we are estimating not based on how the market is moving.

That is one element in our projection. But we are driven more by projects that we are working on and prototypes that we are building for the future projects of our customers. Now, that is the bellwether. If I am submitting a prototype, because we don't make prototypes without proper orders from our customers.

So, it's not a catalog kind of an item that we are developing products and waiting for customers. It is a co-designing activity. And for that reason, a prototype becomes a very, very important indicator for our future revenue stream. So, considering the prototypes and the projects that we are working on, realistically, these numbers have been arrived at.

To give you an example, I explained to you that we are signing a contract for the electric tractor engineering services, for which the work has already started. It is already ongoing. And if you remember, in the past, we had even done their feasibility study. And then we had said next year we will get the agreement for the final configuration and supply of transmission, which we have got it.

So, we are consistent in what we are saying. But the volumes of this electric transmission is not considered in my projection of EUR350 million. So, we are very, very realistic in the numbers that we project. What is there in my pocket is what we are projecting. And to that reason, INR3,300 crore is very clear, number one.

Number two, we were looking at some capacity enhancement in this year itself, probably towards end of this year. We are very, very cautious. We put one foot in the water to ensure we are stable and we are not making any mistakes. So, there is a slight deferment, I would say, of the expansion, which now we will be doing in a step-by-step way, instead of going in for a major expansion in one shot and putting all our money in capex.

So, we are doing a very, very cautious, studied and reliable expansion of our activities, so that we are able to absorb our fixed costs and have some benefit of economy of scale also. If my top line is growing and my capex also is growing, my other fixed costs are growing, then that's not a real efficient way of doing business.

So, Carraro is very conscious of these things. We are ensuring that every penny has a payback period. And we are ensuring our margins should improve as we are growing. And to that reason, we are looking at a 1% enhancement in EBITDA year on year. We have a clear visibility. We have a clear plan based on localization and cost efficiency measures in operations that will lead us for sure for the next two to three years.

We don't want to commit something beyond. It is very easy for me to say we will continue similar actions beyond also. But unless we are sure of delivering, Carraro does not believe in making an announcement. So, that is the reason EBITDA, plus 1% guaranteed from our side. We are looking at it as a target which we will achieve. And we have the motivation and the plan

and strategy to do it. So, 1% for the next two to three years is what we are optimistic and confident of achieving.

**Pranav Doshi:** Great, sir. So, just one clarification here that...

**Moderator:** Sorry to interrupt you, Mr. Pranav. May I please request you to rejoin the queue?

**Pranav Doshi:** Sure, sure, sure.

**Moderator:** Thank you. We have the next question from the line of Sonal Gupta from HSBC Mutual Fund. Please go ahead.

**Sonal Gupta:** Yes, hi. Good morning, sir. And thanks for taking my question. So, just on the growth this quarter, right, like this quarter domestic, if I look at domestic tractor production has grown about 10%. And so, I am just trying to understand in that context and like we are saying that the share of four-wheel drive is sort of going up as well.

So, I would have thought that, I mean like given that a strong tractor quarter should ideally be good for us. So, if you could just sort of tell us a little more on how the seasonality works for you so that we can better understand on that side.

**Balaji Gopalan:** Yes, sure. Ashok, would you like to...

**Ashok Rai:** Sonal, see, as you rightly mentioned that there is a seasonality of the tractor market. So, right now we are entering into the peak season. So, normally December, January, those are the period which is a lean period. And this quarter, because of the monsoon, good monsoon, and because of the positive environment around the rural economy, it's pulling more tractors today. And we are expecting that this market is expected to touch at least 7% to 9%. It will grow this year. This is one.

When it comes to four-wheel drive traction, within the same basket, the pie of the four-wheel drive is increasing. When it is increasing, so we are expecting that this volume will grow moving forward in the next quarter also. But at the same time, our OEMs do the indirect export also. So, this increase, the indirect export, especially to the U.S. market or to the European market, is not that great. It is not in the same level as it used to be around three years ago.

We are still at the bottom level. So, that is affecting the growth in the total revenue which is given by the four-wheel drive domestic market vis-a-vis the drop in the export market. So, that is where the total revenue growth in the agricultural market is not the same as what is happening in the tractor industry, 9% to 10%.

However, with the way the four-wheel drive is growing, and we are expecting at least the export should be stable. So, that is where we are seeing a conservative kind of estimate that we will grow around 7% to 10% this year in overall revenue. So, it is a mix of decline and increase.

**Sonal Gupta:** No, no. I was basically, I was just trying to understand for this quarter itself. So, what sort of agri-domestic growth would you have seen? Like your overall agriculture is down 3%, but I

guess that is because exports have declined. But the domestic agri-revenues would have grown how much?

**Ashok Rai:** If you talk about our growth, we would have, because see quarter on quarter what happens, I will tell you. It is a very short term.

**Sonal Gupta:** No, I am looking at year on year. Year, yes.

**Ashok Rai:** If you talk about the year, our guidance remains the same, what Dr. Balaji said.

**Sonal Gupta:** I am talking about Q1, this quarter. I mean your agri-equipment revenues are down 3% year on year. If you could split that into export and domestic, right?

**Balaji Gopalan:** Yes, I will ask Davide to come in over here.

**Davide Grossi:** Okay. So, you want to understand the split by application market of our first quarter? Yes. So, if you look Q1 versus Q1, my agri was actually increasing by 5% (Errata: Actual % to be read as 5.48%). I think we gave this data. Yes. We have INR83 million of increment on the agri segment on the domestic market, which includes the pure domestic as well as what we call indirect exports.

When we look at the construction equipment, we are flat. We lost INR10 million, but substantially we are flat. So, as Ashok was mentioning, when you read this agriculture segment for the domestic business, you ideally should try to split it in pure domestic and indirect export. This is an exercise which is a bit complicated.

We try also ourselves to do it, but we do not have any official number. That's why we do not give a lot of disclosure on this. But the concept, the logic that Ashok has mentioned is also what we see in our unofficial data. The pure domestic business is actually growing with the percentages that you have pretty much mentioned, but this growth is partially offset by the cooling down that we see on the indirect export front.

We see that our customers, which are typically exporting, are suffering a little bit here, and the overall growth gets diluted on the domestic market. When we talk about the construction business, as we said, we are flattish. With the backhoe loader segment, which has slowed down during this quarter, at the same time, axles sales went quite well, with a bit of, let's say, reshuffling of the mix of volumes, because again, in this case, we have the opposite dynamic.

We have seen that the pure domestic sales in construction have degrowed a little bit, mostly due to the introduction of the TREM V regulation. And what the OEMs have done, they have tried to push more the export side at their end. So overall, it's pretty much even, but the internal mix of those volumes have changed a little bit in this quarter.

**Sonal Gupta:** Got it. Thank you, Davide. And just on the point around non-captive, what would be the share of non-captive in the four-wheel drive segment for tractors domestically?

**Ashok Rai:** I'm expecting almost, in the total market, it should be around 35%. 35% to 40% would be non-captive, from 41 horsepower and above. But in case of below 41 horsepower and all, it's normally

100% captive. So that is like overall market. But in our segment in which we operate, 35% to 40% should be captive.

**Sonal Gupta:** Okay, so we're not operating in that 20 HP to 30 HP range?

**Balaji Gopalan:** Below 40 HP, we don't operate. Those are very small tractors, 15 horsepower, 20 HP, 25 HP, in that range. And technology is also very basic.

**Sonal Gupta:** Right, but I thought that some players like Mahindra OJA, and all are also playing in those segments, which are sort of a little...

**Balaji Gopalan:** Carraro doesn't have the legacy to work on small tractors. Our strength is 40 HP and above, because the challenge of technology, durability, and the reliability, from an engineering point of view, increases as the horsepower goes higher. So lower horsepower, the duty cycles are much easier. The technology is much simpler. So that is the reason Carraro focuses on higher horsepower. So we start with minimum 40 horsepower, and we can go up to 150, 170 horsepower.

**Sonal Gupta:** Got it, sir. And just last question from my side, on the order wins that you've got, especially on the high horsepower transmission systems, and one you mentioned that you will see your order starting Q2 as well. So just trying to get a magnitude or size of these orders, I mean, is this something that can really contribute a few percentage points of growth for us? Will that be the right way to look at the order sizes here?

**Balaji Gopalan:** We haven't actually bifurcated exactly between higher horsepower versus the other products that we have, because these are all product mix. And that is why we have been struggling with convincing investors not to look at it from a quarter basis. It has to be at an annual basis. So these fluctuations are also very, very situational, and it is not really seasonal.

We call it seasonal as a vocabulary, but it fluctuates based on the situation and the context. So what is a good quarter in '25 may not necessarily be a good quarter in '26. So we have to look at it in totality. And when we look at the entire basket, we know that at the end of the year where we will reach and what will be the numbers during that period, because the order book changes based on what the customer needs, what is the season, what is their pipeline, what is the inventory level.

So there are many things that get into it, even in terms of holidays, in terms of working days. So there is a spillover that happens. But within the 12-month period, we are able to fill the order book, the commitment that OEMs have booked the capacities with us. So that is the reason we look at it in totality.

Revenue growth, like we said, 8% to 12% is a very realistic number we are looking at. We are not doubtful about it unless there is a major disaster during the year. That is a different thing out of our control. Otherwise, we should be crossing EUR215 million to EUR220 million in terms of revenue for this financial year. So we are confident on that. Davide?

**Davide Grossi:** I just wanted to add one point here. When we talk about higher horsepower transmission, usually we are not talking about gigantic numbers. We are not talking about a boost in terms of size of the turnover or a game-changer product in that sense.

But whenever we talk about higher horsepower transmission, we usually talk about products which can help us to improve our overall profitability. So that is the point that we want to highlight. Introducing more complex products, introducing more advanced products shows that we are moving in the direction of improving the overall profitability of our sales.

**Balaji Gopalan:** As we said, when we started the business 27 years back, the technology that the market wanted was below what Carraro was having its strengths on. In the last five years, there is an uptick in that technology because everybody is looking at food security, efficiency, contract farming. So these things are kicking in, and the cream for Carraro lies in higher technology products and higher horsepower products.

So these are kind of an indication. The moment higher horsepower is picking up, these are positive signs for us. Similarly, electrification and hybrid. In off-highway, probably five years back, everybody said it is a distant possibility to come into the off-highway market. But in the last one year, one and a half years, we have seen a lot of interest globally and locally for hybrid and electrification, even in the off-highway market. And that reason is we are working on a couple of projects globally also for a big French OEM for electric vehicles.

We are working with an Indian OEM for launching the commercial electric tractor. So these are places where Carraro will improve its margin, and that is the way forward for Carraro. So these are numbers, like Davide said, not very big numbers, but they are having good margins, and that is the way forward for us. So in about five years, six years, we should have a portfolio wherein all these high-horsepower, high-tech products are part of the portfolio that we will be deploying at that point in time.

**Sonal Gupta:** Thank you.

**Moderator:** Thank you. We have our next question from line of Mahesh Bendre from LIC Mutual Fund. Please go ahead.

**Mahesh Bendre:** Good morning, sir. Thank you for the opportunity. Sir, exports have grown in this quarter. So what is the outlook for next year? I mean, we have indicated that export has not picked up and might remain soft during the current year. But is there any possibility we see a turnaround in next year?

**Ashok Rai:** See, when we talk, as you rightly mentioned, that the exports are softening, but you have to understand when something is softening and we are also giving new products in the market, especially when we talk about Teleboom Handler, where we have introduced the new product in the last quarter and some high horsepower.

So collectively, we should be more or less, even though in dropping market, we should be stable or slightly higher in the export side in the next three to four quarters. And assuming that the situation remains the same, if the situation goes best, probably it will increase depending on how

the global market performs. And that's all on this. It's a mix of market drop and new product launches and increase in our market share in TBH in the export market.

**Balaji Gopalan:** So the net effect will be we will have higher exports.

**Mahesh Bendre:** Okay. And, sir, given the new orders and the new products we are planning to launch, FY27 will also be like a double-digit growth feasible in terms of sales growth?

**Ashok Rai:** It's very, very difficult to predict because, you know, both geopolitical environment and how the monsoon fairs in the next year. So there are many, many variables, it's very difficult to predict beyond one year or beyond three, four quarters. But as Dr. Balaji said, as the next three to four years, we have a project in hand, which will take us to the growth which we are projecting as a medium to long term.

**Mahesh Bendre:** Sure. Thank you so much, sir.

**Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

**Balaji Gopalan:** So thank you all for your active participation and interest in Carraro India. We hope we have addressed your queries satisfactorily. For any further questions, please feel free to reach out to Strategic Growth Advisors, our investor relations team. So thank you very much and have a good day. Thank you.

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