

18th August, 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.: Notice of the Twenty Ninth Annual General Meeting (“29th AGM”) and the Annual Report for the financial year 2025-26.

Ref.:

- 1. Regulation 34(1) read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”); and**
- 2. Outcome of the Board Meeting dated 06th August, 2026, *inter-alia*, informing the date of 29th AGM and related information (“Outcome”).**

Dear Sir/Madam,

This has reference to Listing Regulations and Outcome dated 06th August, 2026, *inter-alia*, informing that the Twenty Ninth (29th) Annual General Meeting (“AGM”) of the Company is scheduled to be held on Thursday, the 10th day of September, 2026 at 11.30 A.M. (IST) through Video Conferencing/Other Audio-Visual Means (VC/OAVM)

Pursuant to Listing Regulations, we are enclosing the Notice convening the 29th AGM of the Company and the Annual Report for the financial year 2025-26, which is being sent through electronic mode to the Members, who have registered their e-mail addresses with the Company/ Registrar and Transfer Agent/ Depository Participants/ Depositories. Further, pursuant to Regulation 36(1)(b) of the SEBI Listing Regulations, a letter is also being sent to the Members, whose email addresses are not registered, providing the web-link where the Annual Report for FY 2025-26 is made available on the Company’s website.

The Notice of the AGM and the Annual Report for FY 2025-26 are available on the website of the Company at <https://www.carraroindia.com/investors/investor-information/general-meeting-postal-ballot> and <https://www.carraroindia.com/investors/financial-information/annual-reports> respectively.

The Company is pleased to provide its members the facility to exercise their right to vote on the resolutions proposed to be passed at the AGM by electronic means. The date and time of remote e-voting facility are as under:

Cut-off date for e-voting	Thursday, 03 rd September, 2026
E-voting start date and time	Monday, 07 th September, 2026 at 9:00 a.m. (IST)
E-voting end date and time	Wednesday, 09 th September, 2026 till 5:00 p.m. (IST)

You are requested to take this intimation on record.

Thanking you,

Yours faithfully,

For Carraro India Limited

MOHITH KUMAR KHANDELWAL
Digitally signed by MOHITH KUMAR KHANDELWAL
DN: cn=MOHITH KUMAR KHANDELWAL, o=CARRARO INDIA LIMITED, ou=SECRETERIAL, email=secretarial_india@carraro.com, c=IN
Reason: I am the author of this document
Date: 2026.08.18 20:42:05+05'30'
File: PDF.Render.Version: 12.1.1

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

Encl.: As above



(Formerly Known as Carraro India Private Limited)

CIN: L52609PN1997PLC132629

Registered Office: B2/2 MIDC, Ranjangaon, Pune 412 220, Maharashtra, India

Email: company_secretary@carraroindia.com || Website: <https://www.carraroindia.com/>

Tel: +91 2138 662666

NOTICE

Notice is hereby given that the **Twenty Ninth (29th) Annual General Meeting ("AGM")** of the Members of the Company will be held on **Thursday, the 10th day of September, 2026 at 11.30 A.M. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2026, together with the report 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, 2026, 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 ₹ 6.75/- per equity share of face value of ₹ 10 each (67.50%) fully paid up, for the financial year ended 31st March, 2026.
4. To appoint a director in place of Mr. Davide Grossi (DIN:10252992), Whole-Time Director and Chief Financial Officer, 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. Andrea Conchetto (DIN: 10669692), Non-Executive Director, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.
6. **To consider appointment of M/s. MSKC & Associates LLP (formerly known as MSKC & Associates) as the Statutory Auditors of the Company**
To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, Section 141, Section 142 of the Companies Act,

2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and all other applicable provisions, if any, and upon the recommendation of the Audit Committee, the Board of Directors recommends the appointment of M/s. MSKC & Associates LLP (formerly known as MSKC & Associates), Chartered Accountants (Firm Registration No.001595S/S000168) as the Statutory Auditors of the Company for a term of 5 (five) consecutive years i.e., 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company to be held in the year 2031, at such remuneration as may be recommended by the Audit Committee and approved by the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT the Audit Committee/ Board of Directors of the Company be and are hereby authorized to revise/alter/modify/amend the terms and conditions and/or remuneration, from time to time, as may be mutually agreed with the Auditors, during the tenure of their appointment.

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 & 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."

SPECIAL BUSINESS:

7. **To consider Ratification of remuneration payable to Cost Auditors of the Company for financial year 2026-27.**
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

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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 and Forty Thousand only) plus taxes, payable to M/s Adawadkar Deshmukh & Associates (FRN: 000421), Cost Auditors of the Company financial year 2026-27, as recommended by Audit Committee and approved by the Board of Directors, be and is hereby ratified."

8. To consider and approve modification to the material related party transaction

To consider and if, thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act"), Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, (including any statutory modification and/or re-enactment thereof, as amended, from time to time) read along with the Company's Policy on Related Party Transactions, and pursuant to the recommendation of the Audit Committee and approval of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to enter into and/or continue to enter into material Related Party Transactions with **Carraro Drive Tech Italia S.p.A. ('CDTI')** a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations for an aggregate amount not exceeding ₹ **10,300 Million** during the financial year **2026-27** (which is a material modification to the already approved material related party transaction(s) up to an amount of ₹ **10,129.49 Million** by way of Postal Ballot on 29th March, 2026) on such terms and conditions as may be mutually agreed between the parties and as detailed in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the aforesaid transactions shall include, inter alia:

- Sale of goods including agricultural transmissions, construction equipment transmissions, axles, gears and allied components.
- Purchase of goods including certain components required for its manufacturing activity (such as ECUs, brakes, clutches, Double-U joints, switches, various consumables, prototype etc.)
- Corporate service charges paid to CDTI for availing corporate services (such as Sales & Marketing support, Global Sourcing, Supply Chain, etc.); and
- Payment of warranty charges in relation to products sold to CDTI.

RESOLVED FURTHER THAT the said transactions shall be undertaken in the ordinary course of business and on an arm's length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes any Committee of the Board including Audit Committee) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard."

By Order of the Board of Directors

Mohith Kumar Khandelwal

Company Secretary & Compliance Officer

Date: 06th August, 2026

Place: Pune

Membership No.: F-11243

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NOTES

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") read with and Secretarial Standards on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India as applicable, setting out material facts concerning the special business, is annexed hereto. Further, additional information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") is also annexed to this notice.
2. Pursuant to general circular No. 03/2025 dated September 22, 2025, issued by the Ministry of Corporate Affairs ("MCA Circulars") the Company is convening its AGM through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM"), on Thursday, 10th September, 2026, at 11:30 a.m. (IST). Hence, the Members can attend and participate in the ensuing AGM through VC/OAVM only. The deemed venue for the AGM shall be the registered office of the Company. Since the AGM will be held through VC/OAVM, the Route Map, proxy form and attendance slip are not attached to this Notice.
3. Pursuant to the Circulars dated April 8, 2020 and May 13, 2022, issued by MCA and SEBI respectively, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM being held through VC/OAVM. However, the Body Corporates are entitled to appoint authorized representatives to participate and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in this notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. 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.
7. Pursuant to the provisions of Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Thursday, the 03rd day of September, 2026 has been fixed as Record Date for determining the Members entitled for dividend.
8. **Dividend and related information:**
The Board of Directors of the Company, at its meeting held on 26th May, 2026, had recommended a final dividend of ₹ 6.75/- per equity share of face value of ₹ 10 each (67.50%) fully paid up, for the financial year 2025-26. 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 Thursday, the 03rd day of September, 2026 ("Record Date").

As per the Income-tax Act, 2025 ("IT Act") and the Income Tax Rules, 2026, as amended from time to time, 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 393(1), Sl. No. 7, 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 397(2) 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 121 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 121, 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:

- 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.
- 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 11 Schedule VII (20 and 21) of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.
- Alternative Investment Fund (AIF):** The Shareholder furnishes a self-declaration that its income is exempt under Section 11 Schedule V(1) 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.
- 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 11 Schedule VII(41) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
- 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/FII/FPI Shareholders in accordance with the provisions of Section 393(2), Sl. No. 15 and 17 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.

However, as per Section 159 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:

- 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.
- Self-attested copy of Tax Residency Certificate (TRC) (For FY 01st April, 2026 to 31st March, 2027) obtained from the tax authorities of the country of which the Shareholder is a resident.
- E-filed Form 41 (filed electronically on the Indian Income Tax web portal pursuant to Notification no. 03/2022 dated 16th July, 2022) valid for the period - April 2026 to March 2027.
- Self-declaration by Shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (For FY 01st April, 2026 to 31st March, 2027).
- In case of FIIs and FPIs, a copy of SEBI registration certificate.
- 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

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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 28th August, 2026. 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 262 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 397 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 203 of the Income-tax Rules, 2026 ('the Rules'):** In terms of Rule 203 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 168, 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-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

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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. Davide Grossi (DIN:10252992), Whole-Time Director and Chief Financial Officer and Mr. Andrea Conchetto (DIN: 10669692), Non-Executive Director 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. Davide Grossi and Mr. Andrea Conchetto, 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.

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. In compliance with the aforesaid MCA and SEBI Circulars notice of the AGM along with the Annual Report for FY 2025-26 is being sent through electronic mode to those members whose email addresses are registered with the Company/Depositories. Further, in compliance with Regulation 36(1)(b) of the SEBI Listing Regulations, a letter providing the web-link, including the exact path, where Annual Report for the financial year 2025-26 is available, is being sent to those members whose e-mail address is not registered with the Company/Registrar and Transfer Agent/Depository Participants/Depositories. Members may note that the Notice of AGM and Annual Report for the financial year 2025-26 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 website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com

16. Documents referred in the Notice of AGM and the Statement are available electronically for inspection, without any fee, on request through email at company_secretary@carraroindia.com 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, 10th September, 2026.

17. Following statutory registers will be available electronically for inspection by the Members of the Company, on request through email at company_secretary@carraroindia.com, 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 available electronically for inspection during the AGM.

18. Members, who would like to express their views or ask questions during the AGM will have to register themselves as speaker by sending a mail mentioning their name, client ID, DP ID to company.Secretary@carraroindia.com during the period starting from Wednesday, 2nd September, 2026, 9.00 AM (IST) to Friday, 4th September, 2026, 5.00 PM (IST). Only those members who have registered themselves as speaker shareholders will be given an opportunity to speak at the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
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 Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), MCA Circulars and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements)

Regulations 2015 (as amended), 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 entered into an agreement with National Securities Depository Limited (NSDL) to facilitate voting through electronic means, as an authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting during the AGM will be provided by NSDL.

- 20.2. The remote e-voting period begins on Monday, 07th September, 2026, at 9:00 a.m. (IST) and ends on Wednesday, 09th September, 2026, at 5:00 p.m. (IST). The remote e-voting module shall be disabled/blocked by NSDL 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) Thursday, the 03rd day of September, 2026, shall only be entitled to avail remote e-voting 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 evoting@nsdl.com and marking a copy to the Company at company_secretary@carraroindia.com.
- 20.4. A Member may participate in the 29th AGM even after exercising his/her right to vote through remote e-voting but shall not be entitled to vote again at the 29th AGM.

21. **Instructions for voting electronically:**

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, 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 in their demat accounts in order to access e-Voting facility.

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Login method for Individual shareholders holding securities in demat mode is given below:

Type of Members	Login method
Individual Shareholders holding securities in demat mode with NSDL	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. 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 and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	- Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. - After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

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Type of Members	Login method
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with Depository Participant	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ashwini.i@mehta-mehta.com with a copy marked to

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evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to (Name of NSDL Official) at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to company_Secretary@carraroindia.com.
- In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to company_Secretary@carraroindia.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The instructions for Members for E-Voting on the day of the AGM are as under:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for members for attending the AGM through VC/OVAM are as under:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

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2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience

Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ASK questions may send their questions in advance mentioning their name, Client Id DP ID to company_Secretary@carraroindia.com. The same will be replied by the Company suitably.

NOTE:

Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk:

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.

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.com 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

22. Voting during AGM

Members attending the AGM who have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to cast their votes through e-voting during the AGM. The members who have casted their votes prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their votes again.

23. Scrutinizer's & their Report:

- a) The Company has appointed Ms. Ashwini Mohit Inamdar (M No: F9409), Senior Partner, failing her, Ms. Alifya Sapatwala (M No: F24091), Partner 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. 7281/2025, to act as the Scrutinizer, to review that the process of remote e-voting and e-voting during the AGM is conducted in a fair and transparent manner and issue a report on the votes through remote e-voting and those cast during the AGM.

- b) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through e-Voting (votes cast during the AGM and votes cast through remote e-Voting) in presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall make not later than two working days of conclusion of the AGM, a consolidated Scrutinizer'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 Scrutinizer'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. NSDL, who has provided the platform for

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facilitating remote e-voting, will also display these results on its website at www.evoting.nsdl.com.

24. 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

25. 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.
26. 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.
27. 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 Ninth 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. Davide Grossi
DIN	10252992
Date of appointment	09 th August 2024
Date of birth/age	08 th February, 1987/39 years
Qualification(s)	Undergraduate degree in business administration from Bocconi University and a masters' degree of science in accounting, corporate finance, and control from Bocconi University.
Experience and nature of expertise	He has more than a decade of experience in the field of finance.
Expertise in specific functional area	• 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
Relationship with other Directors, and Key Managerial Personnel of the Company	None
Directorship(s) in other Indian listed companies as on 31st March, 2026	None
Memberships/Chairmanship of Committees of other Indian companies as on 31st March, 2026	None
Shareholding in the Company	1 Equity Share held jointly with Carraro International S.E.
Attendance at the Board meetings held during the financial year 2025-26	5 meetings of the Board were held and Mr. Davide Grossi attended 5 (all) Board meetings.
Remuneration drawn in the financial year 2025-26	• Salary of Euro 143,000 gross salary per annum • Deferred retention salary of Euro 20,000 per annum (for a period of continuous three years) • Perquisites of ₹ 2.80 Million gross per annum • Management allowance paid monthly of Euro 70,000 per annum • One-time good work reward of ₹ 8.75 Million for delivering operational initiatives.
Terms and conditions of re-appointment	Mr. Davide Grossi is a Whole-Time Director and Chief Financial Officer (CFO) and liable to retire by rotation.
Listed entities from which Mr. Davide Grossi has resigned as director in the past three years	None

Mr. Davide Grossi 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. Davide Grossi, 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. There is not retirement by rotation applicable for his designation as Chief Financial Officer (CFO) of the Company.

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ITEM NO. 5

Information about the director retiring by rotation -

Name of the director	Mr. Andrea Conchetto
DIN	10669692
Date of appointment	03 rd July 2024
Date of birth/age	02 nd August, 1970/56 years
Qualification(s)	Degree in Electrotechnical Engineering from the University of Padua
Experience and nature of expertise	He has more than two decades of experience in the manufacturing sector and 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.
Expertise in specific functional area	• 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
Relationship with other Directors, and Key Managerial Personnel of the Company	None
Directorship(s) in other Indian listed companies as on 31st March, 2026	None
Memberships/Chairmanship of Committees of other Indian companies as on 31st March, 2026	None
Shareholding in the Company	None
Attendance at the Board meetings held during the financial year 2025-26	5 meetings of the Board were held out of which Mr. Andrea Conchetto attended 4 Board meetings.
Remuneration drawn in the financial year 2025-26	Remuneration of Euro 60,000 per annum including Sitting Fees of not exceeding ₹ 0.1 million for attending each meeting of the Board and committees as the Non-executive director;
Terms and conditions of re-appointment	Mr. Andrea Conchetto is a Non-Executive, Non-Independent Director of the Company and is liable to retire by rotation. He is entitled 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. Andrea Conchetto has resigned as director in the past three years	None

Mr. Andrea Conchetto 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. Andrea Conchetto, 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.

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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, 7 and 8 in the Notice:

ITEM NO. 6**To consider appointment of M/s. MSKC & Associates LLP (formerly known as MSKC & Associates) as the Statutory Auditors of the Company**

M/s. Deloitte Haskins & Sells LLP (FRN: 117366W/W-100018) were re-appointed as the Statutory Auditors at the 24th Annual General Meeting of the Company held on 25th November, 2021 for a second term of five consecutive years to hold office till the conclusion of 29th Annual General Meeting of the Company.

Accordingly, M/s. Deloitte Haskins & Sells LLP would be completing their second term as the Statutory Auditors of the Company at ensuing Annual General Meeting. Upon the recommendation of the Audit Committee, the Board of Directors of the Company at their meeting held on 11th February, 2026, have recommended, the appointment of M/s. MSKC & Associates LLP (formerly known as MSKC & Associates), Chartered Accountants (Firm Registration No.001595S/S000168) as the Statutory Auditors of the Company. M/s. MSKC & Associates LLP have confirmed their eligibility for appointment under Section 139 read with Section 141 of the Companies Act, 2013. M/s. MSKC & Associates LLP will hold office for a term of 5(five) consecutive years, commencing from the conclusion of this Annual General Meeting till the conclusion of 34th Annual General Meeting of the Company to be held in the year 2031, subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.

Established in 1974, M/s. MSKC & Associates LLP is an Indian Partnership firm registered with the Institute of Chartered Accountants of India (ICAI) having offices across 7 cities in India at Chennai, Mumbai, Bengaluru, Hyderabad, Gurugram, Pune and Kolkata.

The Audit Firm holds peer review certificate. The Firm primarily provides audit and assurance services to its clients. The Firm's Audit and Assurance practice has significant experience across various industries, markets and geographies.

The remuneration proposed to be paid to M/s. MSKC & Associates LLP for audit services for the FY 2026-27 (payable on pro-rata basis) is ₹ 4.98 Million plus applicable taxes and out of pocket expenses (The remuneration paid to outgoing Statutory auditor i.e. M/s. Deloitte Haskins & Sells LLP for FY 2025-26 was ₹ 9.73 Million). The remuneration proposed to be paid to M/s. MSKC & Associates LLP is

commensurate with the size of this Firm and as per industry practice.

The Audit Committee and the Board of Directors shall consider approval of revisions to the remuneration of the Statutory Auditors for the remaining part of their tenure. The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors without any further necessity to seek the approval of the shareholders.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no.6.

In view of the foregoing, the Board recommends the **Ordinary Resolution** set out at item no. 6 of the Notice for approval of the Members.

ITEM NO. 7**To consider Ratification of remuneration payable to Cost Auditors of the Company for financial year 2026-27.**

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 26th May, 2026 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 2026-27. 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.

M/s Adawadkar Deshmukh & Associates, firm of practicing Cost Accountants based in Pune with two partners, serving clients across India and having over 14 years of experience in this field. The firm has strength of 15 associates including

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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. 7 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. 7 of the Notice for approval of the Members.

ITEM NO. 8**To consider and approve modification to the material related party transaction**

As required under Section 102 of the Companies Act, 2013, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this Explanatory Statement sets out all material facts relating to the Ordinary Resolution for approving a material modification to the material Related Party Transactions (RPTs) with Carraro Drive Tech Italia S.p.A. ('CDTI'). CDTI is an Italy-based company operating as a leader in the driveline business within the Carraro Group, engaging in the manufacturing and selling of axles, clutches, transmissions, drives, and related components. It is a wholly owned subsidiary of Carraro S.p.A., which is the ultimate parent company of the Company, and thus forms part of the Company's Promoter Group.

In connection with the said resolution, and based on the recommendation of the Audit Committee, the Board of Directors of the Company, at its meeting held on 11th February, 2026 passed a board resolution subject to the approval of members seeking omnibus approval to enter into various transactions with CDTI as and when required, for a maximum period of one financial year, i.e. FY 2026-27. The proposed transactions involve the sale of goods such as agricultural and construction equipment transmissions, axles, gears, and allied components, along with the purchase of goods (including ECUs, brakes, clutches, Double-U joints, switches, and various consumables, Prototypes etc.). Additionally, the transactions cover corporate service charges for availing Sales & Marketing support, Global Sourcing and Supply Chain services as well as the payment of warranty charges in relation to products sold to CDTI. The

transaction was subsequently proposed to the members of the company by means of a Postal Ballot and was passed with requisite majority on the 29th of March, 2026 ("Initial approved limits").

In terms of the provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015 and the Company's policy on the Related Party Transaction, a material related party transaction including any material modification(s) thereof, require prior approval of the Shareholders.

There are some new projects in the pipeline owing to which the Company anticipates an increase in the procurement of raw material components & allied goods from CDTI and hence seeks an enhancement in the initial approved limits for purchase of goods and consequently increase in the overall limits as approved by the members through postal ballot. Basis the recommendation of Audit Committee and approval of the Board of Directors at their respective meetings held on 6th August, 2026, the resolution for modification of the existing limits is being placed for the approval from members of the Company.

Further, during the last FY 2025-26, total value of transactions undertaken by the Company with the CDTI was aggregating to ₹ 8,015.04 million and the transaction value in the current financial year up to the end of Q1 of FY 2026-27 is aggregating to ₹ 1,557.49 million. Furthermore, the total estimated value of these proposed transactions including the material modification to the transaction for purchase of goods being placed for approval is ₹ 10,300 million and this amount constitutes 45.67% of the Company's annual consolidated turnover for the immediately preceding financial year ended 31st March, 2026, and renders the proposed transaction for FY 2026-27, as material modification to the initial approved material RPT.

In accordance with the Para 5 (2) (c) of the RPT Industry Standards dated June 26, 2025 the Audit Committee of the Company has reviewed the certificate issued by the Managing Director and Whole-time Director & Chief Financial Officer confirming that the terms and conditions of the proposed material RPTs are in the interest of the Company and the elaboration provided under Sr. no. 6 of Table A(5) of the minimum information placed before the audit committee and part of this explanatory statement, renders the material RPTs including its terms and conditions, favourable to the Company.

The transaction under consideration is being undertaken in the **ordinary course of business** and on an **arm's length basis**. However, the total value of transaction exceeds the materiality threshold prescribed under Regulation 23(1) of the Listing Regulations. Further, the Company anticipates an increase in the transaction pertaining to the purchase of goods which will constitute material modification and

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therefore requires **prior approval of the Members by way of Ordinary Resolution in terms of Regulation 23 of the Listing Regulations.**

Mr. Tomaso Carraro, a Promoter and Non-Executive Director of the Company, is the Chairman and Ultimate Beneficial Owner of CDTI. Additionally, **Mr. Andrea Conchetto** and **Mr. Enrico Gomiero**, both Non-Executive Directors of the

Company serve as Chief Executives of the CDTI. Except for these specified individuals no other promoter, director, or key managerial personnel of the Company has any direct or indirect interest in the resolution.

In view of the foregoing, the Board recommends the **Ordinary Resolution** set out at item no. 8 of the Notice for approval of the Members.

The Minimum Information placed at the Audit Committee for approval (Including ratification) of RPTs is as following:

A(1). Basic details of the related party

S. No.	Particulars of the information	Information provided by the management
1	Name of the related party	Carraro Drive Tech Italia S.p.A. ('CDTI')
2	Country of incorporation of the related party	Italy
3	Nature of business of the related party	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.

A(2). Relationship and ownership of the related party

S. No.	Particulars of the information	Information provided by the management
1	Relationship between the listed entity/ subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following: - Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party. - Shareholding of the related party, whether direct or indirect, in the listed entity/subsidiary (in case of transaction involving the subsidiary).	Carraro Drive Tech Italia S.p.A. ('CDTI') is a wholly owned subsidiary of Carraro S.p.A., which is the ultimate parent company of the Company and is a Related Party of the Company, forming part of Company's Promoter Group. Nil Nil

A(3). Details of previous transactions with the related party

S. No.	Particulars of the information	Information provided by the management																					
1	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.	The details are as under: <table> <tr> <th>S. No</th><th>Nature of Transactions</th><th>FY 2025-26 (₹ in Millions)</th></tr> <tr> <td>1</td><td>Sale of goods</td><td>7,740.28</td></tr> <tr> <td>2</td><td>Other transactions</td><td></td></tr> <tr> <td>a</td><td>Purchase of raw material</td><td>142.50</td></tr> <tr> <td>b</td><td>Corporate service charges</td><td>102.34</td></tr> <tr> <td>c</td><td>Payment of warranty charges</td><td>29.82</td></tr> <tr> <td>d</td><td>Purchase of fixed asset</td><td>0.10</td></tr> </table>	S. No	Nature of Transactions	FY 2025-26 (₹ in Millions)	1	Sale of goods	7,740.28	2	Other transactions		a	Purchase of raw material	142.50	b	Corporate service charges	102.34	c	Payment of warranty charges	29.82	d	Purchase of fixed asset	0.10
S. No	Nature of Transactions	FY 2025-26 (₹ in Millions)																					
1	Sale of goods	7,740.28																					
2	Other transactions																						
a	Purchase of raw material	142.50																					
b	Corporate service charges	102.34																					
c	Payment of warranty charges	29.82																					
d	Purchase of fixed asset	0.10																					
2	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	Basis the omnibus approved limits, the Company during the current FY 2026-27 (up to 30 th June, 2026) has entered into transactions to the tune of ₹ 1, 557.49 million with CDTI (except payment of royalty).																					

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S. No.	Particulars of the information	Information provided by the management
3	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	None

A(4). Amount of the proposed transaction(s)

S. No.	Particulars of the information	Information provided by the management									
1	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/shareholders.	₹ 10,300 million ¹ Out of the above-mentioned amount, the company has obtained omnibus approval from the members of the company for ₹ 10,129.49 million by way of Postal Ballot on 29 th March, 2026									
2	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes									
3	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	45.67%									
4	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	Not applicable									
5	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover for the immediately preceding financial year, if available.	30.07%									
6	Financial performance of the related party for the immediately preceding financial year:	Details are as under: <table><tr><th>Particular</th><th>Amount (₹ in Millions)</th></tr><tr><td>Turnover</td><td>34,249.81</td></tr><tr><td>Profit After Tax</td><td>1,959.64</td></tr><tr><td>Net worth</td><td>4,789.98</td></tr></table> - These particulars are provided based on the certified information obtained from CDTI for the year ended December 31, 2025, in EUR terms as CDTI follows January to December, as its financial year. - Conversion to ₹ has been done using conversion rate as of December 31, 2025.		Particular	Amount (₹ in Millions)	Turnover	34,249.81	Profit After Tax	1,959.64	Net worth	4,789.98
Particular	Amount (₹ in Millions)										
Turnover	34,249.81										
Profit After Tax	1,959.64										
Net worth	4,789.98										

¹In terms of provisions of Regulation 23(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transaction for payment of royalty, not exceeding five percent of the annual consolidated turnover (specific threshold provided as per regulation) of the listed entity is not considered as Material RPT.

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A(5). Basic details of the proposed transaction

S. No.	Particulars of the information	Information provided by the management																		
1	Specific type of the proposed transaction	Details are as under: <table> <tr> <th>S. No</th><th>Nature of Transactions</th><th>Amount Up to (₹ in Million)</th></tr> <tr> <td>1</td><td>Sale of goods</td><td>9,806.93</td></tr> <tr> <td>2</td><td>Other transactions</td><td></td></tr> <tr> <td>a</td><td>Purchase of goods</td><td>340.60</td></tr> <tr> <td>c</td><td>Corporate service charges</td><td>101.45</td></tr> <tr> <td>d</td><td>Payment of warranty charges</td><td>51.02</td></tr> </table> The company has already obtained shareholders' approval for above transactions by way of postal Ballot on 29th March 2026. However, considering the proposed increase in the Purchase of goods by ₹ 170.51 Million to ₹ 340.60 Million, the shareholders' approval is being sought for modifying the limits for Purchase of Goods from CDTI.	S. No	Nature of Transactions	Amount Up to (₹ in Million)	1	Sale of goods	9,806.93	2	Other transactions		a	Purchase of goods	340.60	c	Corporate service charges	101.45	d	Payment of warranty charges	51.02
S. No	Nature of Transactions	Amount Up to (₹ in Million)																		
1	Sale of goods	9,806.93																		
2	Other transactions																			
a	Purchase of goods	340.60																		
c	Corporate service charges	101.45																		
d	Payment of warranty charges	51.02																		
2	Details of each type of the proposed transaction	Sale of goods Sale of goods which are in the nature of agricultural transmissions, construction equipment transmissions, axles, gears, and other allied components Other transactions: - Purchase of goods including certain components required for its manufacturing activity (such as ECUs, brakes, clutches, Double-U joints, switches, various consumables, prototype etc.) - Corporate service charges paid to CDTI for availing corporate services (such as Sales & Marketing support, Global Sourcing, Supply Chain, etc.) - Payment of warranty charges in relation to products sold to CDTI																		
3	Tenure of the proposed transaction	As and when, depending on business requirements for a maximum period of one financial year i.e., FY 2026-27.																		
4	Whether omnibus approval is being sought?	Yes, the Omnibus approval is being sought for the material modification in the amount of one of the transactions.																		
5	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	The aggregate value of proposed transactions including the proposed modification to the purchase of goods is ₹ 340.60 million which will be valid for one financial year i.e. FY 2026-27.																		
6	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	<u>In relation to the related party transaction of sale of goods to CDTI:</u> 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 includes large global Original Equipment Manufacturers. CDTI provides all the knowhow, instructions and information required for manufacturing of the products in line with CDTI's 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.																		

ANNEXURE TO THE NOTICE (CONTD.)

S. No.	Particulars of the information	Information provided by the management
		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 to be entered into between the Company and its related party, i.e., CDTI, to enable this growth. <u>In relation to other related party transactions with CDTI:</u> The Company is a subsidiary of Carraro International S.E. and is part of Carraro Group. The other related party transactions are based on routine and ordinary business requirements. The transactions with related parties are mainly for purchase of goods, corporate service charges, and warranty charges are in relation to usual business operations of the Company. All these related party transactions bring operational efficiencies and synergies and are aligned with long-standing business practices. They also help the Company to achieve an optimum cost structure through leveraging centralized setups & intellectual property and maximizing profitability. Since past few years, there is no change in structuring of these transactions or allied business model on which the Company carries on its business. These RPTs are in the ordinary course of business with terms and conditions that are generally prevalent in the industry segments and the market that the Company operates in. A certificate confirming the terms of RPTs proposed to be entered into with CDTI are in the interest of the Company, signed by the Managing Director and Whole-time Director & Chief Financial Officer of the Company was reviewed by the Audit Committee and the same is available for inspection at the registered office of the Company during the e-voting period.
7	Details of the promoter(s)/director(s)/key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly a. Name of the director/KMP b. Shareholding of the director/KMP, whether direct or indirect, in the related party	- Mr. Tomaso Carraro (<i>Promoter and Non-Executive Director of the Company</i>)- Chairman & Ultimate Beneficial Owner of the related party. - Mr. Andrea Conchetto (<i>Non-Executive Director of the Company</i>)- Chief Executive of the related party. - Mr. Enrico Gomiero (<i>Non-Executive Director of the Company</i>)- Chief Executive of the related party.
8	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Owing to the omnibus and routine nature of the proposed transaction being Sale and purchase of goods, availing service and warranty charges, the valuation report or other external party report is not applicable. Therefore, QR Code/Weblink is not applicable.
9	Other information relevant for decision making.	Kindly refer to the explanatory statement.

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PART – B

Details of specific transactions in addition to Part B

B(1). Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances with CDTI.

S. No.	Particulars of the information	Information provided by the management
1	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.	As disclosed at Ar. no. 6 of Table A (5) above, bidding process was unsuitable. Given the legacy of the transactions, all these proposed transactions are based on routine requirements and in relation to usual business operations of the Company. These related party transactions are in the ordinary course of business with terms and conditions that are generally prevalent in the industry segments and the market that the Company operates in.
2	Basis of determination of price.	All contracts with related parties, defined under Section 2(76) of the Companies Act, 2013, are reviewed for arm's length testing, internally on a periodic basis, by the management. The pricing of these related party transactions are determined as under: Sale of goods to CDTI The Company's mark-up from the transaction under consideration falls within the arm's length range of operating margins observed in comparable companies. Accordingly, it is consistent with the arm's length principle as determined using the Transactional Net Margin Method (TNMM'). Other related party transactions with CDTI The other transactions such as purchase of goods, corporate service charges, warranty charges, etc., are based on legacy contractual agreements (wherever applicable) and are governed by negotiation between the respective parties, in line with the market practices. The pricing for these transactions is consistent with arm's length principles having regard to economic and commercial factors. <i>Further, the related party transactions (except sale of goods) with CDTI, in aggregate value, are immaterial or insignificant in nature.</i> As part of standard practice, the Company also periodically engages an external consultant to assess and validate the same to be following arm's length principles. The transactions are in the ordinary course of business representing a long-standing practice of the Company and have been consistently undertaken. Additionally, such transactions are aligned with and covered under the main objects outlined in the Company's Memorandum of Association.

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S. No.	Particulars of the information	Information provided by the management
3	In case of Trade advance (<i>of up to 365 days or such period for which such advances are extended as per normal trade practice</i>), if any, proposed to be extended to the related party in relation to the transaction, specify the following:	The transactions proposed in this resolution occur at an arm's length basis where parties do not extend trade advances to each other therefore disclosure to this effect is not applicable.
	a. Amount of Trade advance	Not applicable
	b. Tenure	Not applicable
	c. Whether same is self-liquidating	Not applicable

Disclosure requirements under Part C is not applicable considering the material RPTs are not covered under specific type transactions required to be reported under Part C.

By Order of the Board of Directors

Mohith Kumar Khandelwal

Company Secretary & Compliance Officer

Membership No.: F-11243

Date: 06th August, 2026

Place: Pune



CARRARO DRIVES ENERGY.

RESILIENT.
TRUSTED.
FUTURE-READY.



Annual Report
2025-26

Carraro India Limited

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For more investor-related information, please visit:

<https://www.carraroindia.com/investors>

Scan this QR code to navigate investor-related information



Investor Information

Market Capitalisation (as of 31 st March, 2026)	₹2,632.7947 Cr
CIN	L52609PN1997PLC132629
BSE Code	544320
NSE Symbol	CARRARO
Dividend Declared	₹6.75/- per equity share
AGM Date	10 th September, 2026
AGM time	11:30 A.M.
AGM Mode	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

Disclaimer

This document contains statements about expected future events and financials of Carraro India Limited ('Carraro India' or '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 INDIA DRIVES ENERGY.

RESILIENT. TRUSTED. FUTURE-READY.

Change is creating new possibilities across the industries Carraro India serves.

As agricultural mechanisation advances, higher-horsepower and four-wheel-drive platforms gain momentum, and construction equipment opportunities widen, the Company remains focused on enabling progress through engineering strength and purposeful innovation.

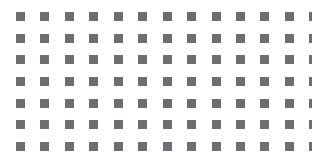
Resilient in navigating a shifting environment. Trusted by leading OEMs through long-standing partnerships. Future-ready through investments in next-generation driveline technologies, advanced transmission platforms, and emerging off-highway mobility solutions.



Together, these strengths continue to drive performance, create opportunity, and power the future of off-highway mobility.

Chairman's message

BUILDING VALUE AMID CHANGING MARKETS



Dear Shareholders,

Every phase of growth brings with it a different responsibility. As a business evolves, it must strengthen its capabilities, deepen stakeholder trust, and adapt to changing markets. As a listed enterprise, it must do so in full view, creating sustainable value while remaining resilient in a changing world. For Carraro India, 2025-26 was an important year in that journey.

As our first full year as a listed company, 2025-26 tested our business model, our strategy, and our ability to convert long-term opportunities into results. Carraro India met that test. The Company delivered a strong performance during the year while continuing to invest in the capabilities, technologies, and relationships that will shape its future.

Navigating a Changing Global Landscape

Our progress was achieved against a global backdrop of resilience and uncertainty. Geopolitical tensions, shifting trade patterns, and supply chain realignments weighed on business sentiment.

According to the International Monetary Fund (IMF), global economic growth moderated from 3.3% in 2024 to 3.0% in 2025 and is expected to remain steady at 3.0% in 2026, before improving to 3.4% in 2027. Although the global economy continues to exhibit resilience, the growth trajectory remains tempered by geopolitical tensions, trade policy uncertainties and elevated public debt levels, resulting in a cautiously optimistic yet uneven economic outlook.

At the same time, organisations worldwide had to adapt to shifting geopolitical realities, energy market fluctuations, and changing patterns of global trade. In such an environment, the ability to innovate, respond with agility, and build resilient, technology-enabled operations has become central to sustaining long-term growth and competitiveness.

India's Enduring Growth Advantage

India's growth story remained the standout of the global economy in 2025-26. The economy expanded by 7.7%, holding its position as the world's fastest-growing major economy, powered by domestic demand, a strong agricultural year, sustained infrastructure investments, and a steadily advancing manufacturing sector. Foodgrain production reached a record 376 Million tonnes lifting rural incomes and, with them, demand across the agricultural value chain.

At the same time, the Government's record infrastructure push, backed by a capital outlay of ₹12.2 Lakh Crore, strengthened the long-term outlook for construction, industrial development, and mechanisation, the very sectors our

products serve. These structural trends open real opportunity for the industries we serve. As productivity, efficiency, and sustainability matter more on the farm, mechanisation is becoming essential rather than optional. The proof is in the numbers: the Indian tractor industry crossed 1.2 Million units (including exports) for the first time during the year. Infrastructure-led development and expanding global sourcing are, in parallel, driving demand for technologically advanced construction equipment and driveline systems.

Delivering Performance with Purpose

While the global environment remained marked by uncertainty and evolving market conditions, the strength of India's economic fundamentals and the favourable long-term trends shaping our end-user industries gave us firm ground for growth.

Leveraging these opportunities and remaining focused on execution, Carraro India delivered a year of strong growth that reached across the business. Revenue from operations grew 25% year-on-year, and profit after tax (PAT) rose 48%. Export revenues grew 37%, a clear signal of how our products are being received in international markets. Behind these numbers stand our customer relationships, the quality of our engineering and manufacturing, and the commitment of our people.

While these results are encouraging, they are only one measure of our progress. More important is the strengthening of the Company's strategic foundations and its ability to create sustainable value over the long term.

Strengthening the Foundations of Long-term Growth

Over nearly three decades, Carraro India has evolved from the Carraro Group's first manufacturing operation outside Italy into a strategically important engineering and manufacturing hub within the Group's global ecosystem. Today, the Company stands in a distinctive position, combining advanced manufacturing with deep expertise in driveline systems, application engineering, localisation, and customer-focused innovation.

This evolution has been built on consistent investment, strong partnerships, and a steady commitment to quality and reliability.

What increasingly sets Carraro India apart is its ability to move beyond component manufacturing to create value through technology, engineering expertise, and collaborative product development. As customer requirements grow more sophisticated and mobility solutions evolve further, the ability to deliver integrated, application-specific solutions is becoming a real competitive advantage.

We strengthened these capabilities during the year. Our engineering services business gained ground, reflecting rising confidence among customers in our technical expertise and development work. We also advanced our work in next-generation driveline and transmission technologies, positioning the Company to participate in emerging opportunities across future off-highway mobility applications.

These developments reinforce our ambition to become an even more valued technology partner to customers across domestic and global markets.

Creating Enduring Shareholder Value

At the same time, we continued to invest in strengthening our operating platform. Localisation, supply-chain development, and manufacturing improvements have made us more

competitive, more resilient, and more responsive.

During the year, we approved investments to expand axle manufacturing capacity ahead of future demand.

Such investments are guided by a simple conviction: that lasting growth means building capability ahead of market requirements.

Capital allocation sits at the centre of how we create value. We balance investment in future growth against financial discipline and responsible stewardship of shareholder capital. Every investment is weighed for strategic relevance, sustainable returns, and long-term value creation.

This disciplined approach has let us strengthen the business while keeping the flexibility to pursue what comes next.

Strong governance underpins everything we do. Transparency, accountability, integrity, and responsible decision-making build stakeholder trust and support sustainable growth. As a listed company, we treat governance not as a matter of compliance but as a strategic asset, one that strengthens our resilience and our credibility alike.

We are equally conscious of our broader responsibilities. Sustainable success must be matched by responsible business practices that create value for all stakeholders. Whether through environmental stewardship, employee development, community engagement, or ethical conduct, we are committed to growth pursued responsibly and inclusively.

Looking Ahead with Confidence

I remain confident about the opportunities before us. India's long-term growth trajectory remains compelling. Agricultural mechanisation, infrastructure development, localisation of manufacturing, and the emergence of new mobility technologies continue to reward companies with real engineering and manufacturing strength. At the

same time, advances in automation, digitalisation, and electrification are reshaping the future of our industry and opening new ground for innovation.

Carraro India enters this next phase from a position of strength. We bring a strong heritage, trusted customer relationships, expanding engineering depth, sound governance practices, and a talented workforce. Most importantly, we have a clear vision of where we want to go and the capabilities required to get there.

The progress we achieved during 2025-26 would not have been possible without the dedication of our employees, the trust of our customers and business partners, and the confidence of our shareholders. On behalf of the board, I extend my sincere appreciation to all our stakeholders for their continued support and belief in our journey.

As we look to the future, we remain committed to building a stronger, more innovative, and more resilient company, well positioned to create enduring value for generations of stakeholders to come.

Warm Regards,

Mr. Ettore Francesco Sequi
Chairman & Independent Director

Vice chairman & promoter's message

STRENGTHENING CAPABILITIES THROUGH FUTURE READINESS



Dear Shareholders,

Some of the most significant changes in an industry are not always the most visible. They happen gradually, as customer expectations evolve, technologies mature, and markets begin to demand higher levels of performance, productivity, and efficiency.

We are witnessing such a transformation across agriculture and construction equipment. In India, the growing adoption of higher-horsepower and four-wheel-drive (4WD) tractors is reshaping agricultural mechanisation, while rapid infrastructure development, expanding logistics networks, and specialised equipment applications are driving a new phase of growth across construction equipment.

Carraro India has been closely associated with this evolution. Through advanced driveline technologies, engineering expertise, and long-standing customer partnerships, we have helped support the transition towards more capable and efficient equipment platforms. As I reflect on 2025-26, three themes stand out to me: resilience, trust, and readiness for the future. Together, they define not

only our progress during the year but also our approach to creating long-term value creation.

Resilient

The last few years have reinforced an important lesson: resilience is no longer defined by scale alone.

Global businesses continue to operate in an environment shaped by geopolitical uncertainty, shifting trade patterns, supply chain realignments, and rapid technological change. In such circumstances, resilience is defined by the ability to adapt, innovate, and continue creating value despite uncertainty.

At Carraro India, resilience has always been rooted in our engineering depth, customer focus, and willingness to evolve. Throughout 2025-26, we continued to strengthen our capabilities while remaining responsive to changing market requirements and emerging opportunities.

India continues to offer significant opportunities across both agriculture and construction equipment. While agricultural mechanisation levels remain at approximately 50-55%, government initiatives such as the Sub-Mission on Agricultural Mechanisation (SMAM) continue to encourage technology adoption and productivity enhancement. Simultaneously, programmes such as PM Gati Shakti, Bharatmala, the National Infrastructure Pipeline, and dedicated freight corridors are driving demand for increasingly sophisticated construction and material handling equipment. Industry estimates suggest that India's construction equipment market could exceed USD 25 Billion by 2030. These are large numbers and each one widens expanding the market opportunity for advanced driveline systems and mobility solutions across multiple end-use segments.

During the year, we strengthened our operational platform through localisation initiatives, supply chain development, and investments in manufacturing capabilities. Our plans to expand axle manufacturing capacity reflect confidence in long-term demand fundamentals and our commitment to remaining agile in a dynamic environment.

Resilience is not about standing still. It is about moving forward with purpose, even when conditions are uncertain.

Trusted

Technology can create competitive advantage, but trust creates longevity.

Over the years, Carraro India has built enduring relationships with customers by consistently delivering performance, reliability, and engineering excellence. As equipment becomes increasingly sophisticated, customers are seeking partners who can contribute not only products but also technical expertise, development capabilities, and application-specific knowledge.

One of the most significant developments in Indian agriculture has been the growing adoption of higher-horsepower and four-wheel-drive tractors. As farmers seek greater productivity, versatility, and operating efficiency, equipment platforms are becoming increasingly advanced. Carraro India has played an important role in supporting this transition. Our driveline technologies have helped OEMs develop tractor platforms that deliver superior performance across diverse agricultural applications, contributing to the evolution of mechanisation in India.

This evolution is reflected in the growing contribution of our engineering services business, which crossed ₹100 Million during 2025-26. More important than the milestone itself is what it represents:

increasing customer confidence in our technical capabilities and our ability to contribute to product development and innovation programmes.

The continued success of specialised applications such as Tele-boom Handler (TBH) axle programmes further demonstrates the trust customers place in our expertise as they expand into new equipment categories and applications.

Increasingly, Carraro India is being recognised not only for what it manufactures, but also for what it designs, develops, and enables. The growing depth of its engineering capabilities and its participation in advanced development programmes are strengthening its position as a valued engineering and technology partner within the global Carraro India ecosystem.

Trust extends beyond customer relationships. It is reflected in the dedication of our employees, the commitment of our suppliers, and the confidence our stakeholders place in our long-term vision. These relationships remain among our most valuable assets.

Trust is earned over years, but it is proven every day.

Responsible Growth

Trust is also built through the way the Company conducts its business and fulfils its responsibilities towards society and the environment. At Carraro India, we believe that long-term value creation can only be achieved when economic performance is accompanied by responsible and inclusive progress for all stakeholders. This conviction continues to guide our approach to sustainability and corporate responsibility, shaping the decisions we make across the organisation.

During 2025-26, we further strengthened this commitment through a range of initiatives, including: Strengthening environmental stewardship through ISO 14001-certified manufacturing operations, resource-efficiency programmes, and the adoption of digital solutions aimed at reducing waste and improving operational sustainability.

Investing in our people through capability development, technical training, diversity and inclusion initiatives, and programmes that support skills development within the communities where we operate.

Embedding our culture of integrity through a robust governance framework supported by our Code of Ethics, Anti-Corruption Policy, and Whistleblowing mechanisms, ensuring transparency, accountability, and ethical conduct across all levels of the business.

These initiatives are integral to the way we create long-term value. By strengthening environmental stewardship, investing in people and upholding the highest standards of governance, we continue to reinforce stakeholder trust, enhance organisational resilience and build a business that is well positioned for sustainable growth.

Future-Ready

If there is one thing that seems increasingly certain, it is that the next decade will be defined by technological transformation.

Electrification, automation, digital engineering, artificial intelligence, and sustainability are reshaping the future of mobility. Equipment is becoming smarter, more connected, and more efficient. Customers are demanding solutions that improve productivity while reducing environmental impact and operating costs.

Industry forecasts suggest that the global electric tractor market could grow at more than 20% annually over the coming decade, while precision agriculture technologies are expected to play an increasingly important role in improving productivity and resource efficiency. Similar transformations are underway across construction equipment and material handling applications, where intelligent systems and digital technologies are becoming integral to performance and operational excellence.

Preparing for this future requires investment—not only in technology, but also in talent, capabilities, and innovation ecosystems.

During 2025-26, we advanced electric tractor transmission programmes, progressed pilot batches for continuously variable transmission (CVT) solutions, and expanded our work on next-generation driveline technologies for higher-horsepower applications. These initiatives reflect our commitment to supporting next generation of agricultural and construction equipment platforms.

I am also encouraged by the growing contribution of Indian engineering teams to global development initiatives. With more than 1.5 Million engineering graduates entering the workforce each year and a rapidly expanding innovation ecosystem, India continues to strengthen its position as a global centre for engineering and technology development.

At Carraro India, we are investing in the capabilities that will define future success. Our work in advanced driveline systems, electric mobility solutions, engineering services, and next-generation transmission technologies reflects our commitment to helping customers prepare for the future while reinforcing our position as a trusted technology partner. The future belongs to organisations that are willing to challenge assumptions, embrace change, and continuously reinvent themselves. We intend to remain among them.

Looking Ahead

The industries we serve are entering an exciting new chapter. Mechanisation is deepening, infrastructure development is accelerating, and new technologies are redefining possibilities. These shifts present significant opportunities for organisations that combine innovation with execution, technological expertise with customer understanding, and ambition with long-term thinking.

I remain optimistic about the future and the role Carraro India will continue to play in shaping it. Our engineering heritage, customer partnerships, technological capabilities and culture of continuous innovation give us a strong foundation for the opportunities ahead.

I extend my sincere gratitude to our customers, employees, suppliers, business partners, and shareholders for their continued trust and support. Together, we will continue to build on our strengths, embrace new opportunities, and contribute to a future defined by innovation, resilience, and sustainable progress.

Warm Regards,

Mr. Tomaso Carraro
Vice-Chairman, Non-Executive
Director & Promoter

Managing director's message

DRIVING EXCELLENCE WITH OPERATIONAL DISCIPLINE



Dear Shareholders,

2025-26 was a year of strong execution, strategic progress, and value creation for Carraro India. Healthy domestic demand, strong export growth, wider adoption of advanced driveline technologies, and disciplined operations came together to give us one of our strongest years in recent memory, even as we kept investing in the capabilities that will carry future growth.

Revenue from Operations increased by 25% to ₹2,255.5 Crore during 2025-26, while Total Income rose to ₹2,284.0 Crore. EBITDA grew by 33% to ₹247.5 Crore, lifting the EBITDA margin to 10.8%, from 10.2% in the previous year. PAT increased by 48% to ₹130.6 Crore, with PAT margin improving to 5.7% from 4.8% in 2024-25.

Our domestic business grew by 19% to ₹1,443 Crore, while exports grew 37% to ₹812.5 Crore, a pace that reflects both our diversified model and the growing pull for our solutions in global markets.

Equally encouraging was the improvement in the quality of earnings. Profitability grew faster than revenue, helped by improved operating leverage, disciplined cost management, and steady productivity gains across operations.

This translated into stronger returns, with Return on Capital Employed improving to 29.2% and Return on Equity rising to

25.5%. Operating Cash Flow of ₹155.8 Crore and a further reduction in Debt-to-Equity to 0.27x strengthened our financial position and widened our room to invest in future growth.

Beyond the financial performance, 2025-26 was a year in which several growth drivers gained ground at once: from the accelerating adoption of 4WD tractors and higher-horsepower driveline solutions to the continued expansion of our construction equipment portfolio, engineering services business, export footprint, and future mobility initiatives.

Delivering Growth across Core Businesses

The domestic agricultural equipment market remained a key contributor to our performance during 2025-26.

One of the most important industry developments during the year was the continued shift towards four-wheel-drive (4WD) tractors. The reduction of GST rates, which has nearly equalised the pre-GST price of 2WD tractors with the post-GST price of 4WD models, continued to accelerate the adoption of 4WD tractors. As a result, the domestic 4WD axle market grew strongly, well ahead of the broader tractor industry.

For Carraro India, this is more than a passing trend. It is the market moving in exactly the direction our products are built for: higher productivity, greater efficiency, and deeper mechanisation. As one of the leading suppliers of 4WD driveline technology, we are close to this shift and well placed to support OEMs as they expand their advanced tractor portfolios. To meet this demand, we have begun expanding capacity and strengthening our operational readiness.

During the year, we also secured a business nomination from a major OEM for bull gears, worth approximately ₹15 Crore from 2027-28 onwards. The gears business itself stayed subdued through 2025-26,

but discussions with new customers and programmes moved forward, and we expect them to support a gradual recovery in the coming quarters.

Expanding Our Presence in Construction Equipment

Construction equipment continued to emerge as a significant growth driver for the Company.

The ramp-up of our TBH axle programme for a major international OEM progressed well during the year, on healthy demand and a clear line of sight to future orders. It marks a real step in our strategy to reach beyond our agricultural roots into specialised construction and material-handling segments.

Encouragingly, new projects with a domestic customer for the TBH segment also progressed well and remain on track. These projects add to the pipeline and reinforce the confidence customers place in our engineering and manufacturing strength.

Our BHL driveline business delivered another strong performance despite a difficult market. Sales of drivelines to Indian construction equipment customers rose approximately 9% during 2025-26. The broader construction equipment market declined by around 2%. Similarly, sales to domestic BHL customers grew despite a nearly 10% decline in the wider market.

These outcomes show what focused execution, strong customer relationships, and a competitive product can do: outperform a falling market.

Advancing Technology and Engineering Excellence

Technology and engineering remain central to Carraro India's growth strategy. The engineering services business crossed the ₹100 Million milestone during 2025-26, a mark of growing customer confidence in our technical

expertise. Through the year we fielded more enquiries for higher-horsepower applications and advanced technology configurations, reinforcing our position as a trusted engineering and technology partner.

A notable step was the signing of a ₹17.5 Crore engineering services agreement with Montra Electric for the industrialisation and supply of e-transmissions. The programme progressed well during the year, and we received a prototype order for field validation.

We also continued discussions with additional customers for engineering services which points to real long-term potential in this business.

Our higher-horsepower transmission programmes reached important milestones. A leading tractor OEM showcased a tractor fitted with Carraro India's higher-horsepower driveline at Agritechnica 2025 in Hanover, Germany. Meanwhile, transmission projects with Carraro Tractors in Turkey and customers in India continued to progress well. Start of production (SOP) for the Turkish programme is expected in 2026-27, while the Indian programme is expected to enter production in 2027-28.

These developments reinforce our commitment to shaping the next generation of agricultural equipment through advanced driveline and transmission technologies.

Accelerating Global Growth

Exports emerged as one of the strongest drivers of our performance during 2025-26.

Export revenues increased by 37% year-on-year to ₹812.5 Crore, driven by strong momentum in construction equipment, particularly TBH and BHL programmes.

Construction equipment exports by Indian OEM customers continued to gain traction across global markets, opening new demand for Carraro India's driveline solutions and strengthening both direct and indirect export channels.

While indirect exports of agricultural drivelines remained soft, steady domestic demand and strong construction equipment exports kept overall volumes moving.

The continued growth of exports reflects the competitiveness of our products, engineering depth, and manufacturing platform in international markets.

Strengthening Operational Excellence

As we continued to grow, we remained equally focused on how we operate.

During 2025-26, we deployed capital expenditure of approximately ₹41.7 Crore on new telescopic handler axle production, a new high-performance transmission range for agricultural applications, and additional capacity for 2025-26 sales. The Board also approved investments to expand axle manufacturing capacity in 2026-27, aligned with the strong demand outlook for advanced driveline solutions.

Alongside these investments, we continued to invest in manufacturing quality, localisation, supply-chain efficiency, and productivity. Together these lifted operational efficiency, sharpened our response to customers, and supported margin expansion during the year.

Operational excellence remains a real differentiator in an increasingly competitive market, and a foundation for sustainable growth.

Investing in People and Responsible Growth

The achievements of 2025-26 would not have been possible without the dedication, capability, and commitment of our employees.

Throughout the year, we continued to invest in capability development, leadership building, technical training, and in fostering a culture of innovation, collaboration, and continuous improvement. The strength of our people remains one of the foundations of our long-term success.

As we expand our business, we remain equally focused on responsible growth. We continue to strengthen our environmental practices, improve resource efficiency across operations, and integrate sustainability considerations into our products, processes, and decision-making. We believe long-term business success and sustainable development must go hand in hand.

Looking Ahead

The long-term fundamentals supporting our business remain firmly in place.

The continued shift to 4WD and higher-horsepower tractors, rising mechanisation, growing infrastructure investments, rising construction equipment demand, and the faster adoption of advanced mobility technologies are opening real opportunities across our end markets.

We enter 2026-27 with a healthy order pipeline, expanding customer relationships, stronger engineering depth, growing export orders, and a clear roadmap for growth. The investments of recent years have strengthened our competitive position and widened the ground we can compete on.

The Board has recommended a final dividend of ₹6.75 per equity share for 2025-26, a payout of approximately 30%. This reflects our strong financial performance, healthy cash generation, and commitment to creating sustainable value for shareholders while continuing to invest in future growth.

As we look ahead, our priorities remain clear: deepen customer partnerships, expand technology leadership, strengthen operational performance, and create sustainable long-term value for all stakeholders.

I would like to thank our customers for their continued trust, our employees for their dedication and commitment, our suppliers and business partners for their support, and our shareholders for their confidence in our vision and strategy.

Together, we will continue building a stronger, more innovative, and future-ready Carraro India.

Warm Regards,

Dr. Balaji Gopalan
Managing Director



Introduction to Carraro India

DELIVERING SOLUTIONS WITH PROVEN EXPERTISE

The Company holds a leading position in the non-captive agricultural tractor drivelines, with nearly 60% market share in 4WD axles segment and commands a market share of 60%+ in the non-captive construction vehicle driveline market.

Supported by two manufacturing facilities, a dedicated R&D centre, and a strong supplier ecosystem, Carraro India serves leading domestic and global OEMs with high-performance drivetrain solutions. As Carraro Group's first industrial hub outside Italy, the Company plays a strategic role in serving the fast-growing agricultural and construction equipment markets in India.

Carraro Group

Carraro India is part of the Carraro Group, a global leader in transmission systems, axles, and gears for agricultural and construction equipment. Founded in Italy and drawing on over 90 years of engineering heritage, the Group serves leading OEMs worldwide through manufacturing and R&D operations spanning Europe, Asia, and the Americas.

Values



- Drive Market Focused Innovation
- Take the Lead
- Empower Sustainable Solutions
- Embrace Perspectives
- Embody Passion for Performance

2

Manufacturing Plants

1

R&D Centre

₹22,555 Million

Revenue for 2025-26

1,800

Employees

240+

Suppliers

For over 25 years, Carraro India Limited (referred to as 'Carraro India' or 'The Company') has been a trusted Tier-I supplier of transmission systems, axles, gears, and engineering solutions to the agricultural and construction equipment industries. Independent by design and deep in engineering, the Company has grown into one of India's most established names in off-highway drivetrains.

How Carraro India is changing the industry

ADVANCING THE EVOLUTION OF AGRICULTURAL AND CONSTRUCTION EQUIPMENT

As agricultural and construction equipment markets evolve, Carraro India is helping drive that change through advanced drivetrain technologies, engineering expertise, and continuous innovation. From putting 4WD tractors and higher-horsepower platforms into more farmers' hands to sharpening export competitiveness and opening the door to electrification, the Company is shaping the industry's next phase.



Enabling India's Shift towards 4WD Mechanisation

India's tractor industry is steadily moving to 4WD platforms as farmers look for higher productivity, improved traction, and greater efficiency. Carraro India is driving that shift with sustained investment in axle technologies, supplier development, and manufacturing scale.

Highlights

- ✦ New phase of investments and capacity expansion to start in 2026-27 to meet increase in demand



Advancing Higher-Horsepower Platforms

The Company continued to invest to support future growth. During 2025-26, it deployed ₹417 Million towards capital expenditure, while the Board approved new capex from FY 2026-27 to expand capacity and strengthen the Company's manufacturing capabilities and support incremental business growth. As demand shifts to more powerful and advanced equipment, Carraro India continues to push the industry forward with high-horsepower driveline solutions. The Company's years of investment in advanced transmission platforms help OEMs meet changing agricultural demands.

Highlights

- ✦ Developed advanced platforms such as the T100 EVO-HD, T100CVT and T135 Ag tractor transmission
- ✦ Progressed the 100+ HP programme during 2025-26
- ✦ Customers showcased higher-HP driveline at Agritechnica 2025



Strengthening India's Construction Equipment Competitiveness

India is emerging as an important manufacturing and export hub for construction equipment. Through its drivetrain solutions and strong OEM partnerships, Carraro India is sharpening the competitiveness of Indian-made equipment in global markets.

Highlights

- ✦ Served all major non-captive backhoe loader OEMs in India
- ✦ Experienced strong growth in TBH and BHL applications
- ✦ Continued ramp-up of TBH axle programmes for a leading international OEM



Opening New Possibilities in Electrification

As electrification gains momentum across mobility segments, Carraro India is building the capability to support the next generation of off-highway equipment. The Company's engineering services arm is opening real ground in electric drivetrain development and future-ready transmission technologies.

Highlights

- ✦ Secured an engineering services agreement worth ₹17.5 Crore with Montra Electric in 2025-26
- ✦ Progressed development of e-transmission solutions for electric agricultural tractors

Our journey

CHARTING MILESTONES TOWARDS INDUSTRY LEADERSHIP

Carraro India's evolution reflects a sustained focus on innovation, manufacturing excellence, and global integration. From its first manufacturing base in Pune to becoming a listed company and an integral part of the Carraro Group's global operations, the Company has steadily built its capabilities across products, technology, and engineering services.



Recognised with the Mahindra Supplier Excellence Award for the Company's superior performance in F 25 & F 26

Our products and their applications

ENHANCING PERFORMANCE ACROSS CRITICAL APPLICATIONS

Carraro India offers a comprehensive portfolio of transmission systems, axles, gears, engineering services, and aftermarket solutions for agricultural and construction equipment. Backed by strong engineering capabilities and advanced manufacturing expertise, the Company delivers drivetrain solutions that enhance performance, durability, and efficiency across a wide range of applications and end industries.

Transmission Systems

Carraro India manufactures transmission solutions for agricultural tractors and construction equipment across a broad horsepower range.

Key Products



35-50 HP Tractor Transmissions (T40 and T50)



50-90 HP Tractor Transmissions



Up to 150 HP Tractor Transmissions



TCB80 Series



TCB80 SPS Series



Hydrostatic Transmissions for Construction Equipment

Advanced Platforms



T100 EVO-HD



T100 CVT



Axles

A comprehensive range of portal, planetary, steering, rigid, and hypoid axles designed for agricultural and construction equipment applications.



4WD Portal Axles (30-50 HP)



4WD Planetary Axles (49-135 HP)



Steering Axles ACP (1.9 5T UVW)



Steering Axles Trunnion (1.9-5T UVW)



Rigid Hypoid Axles (5-17T UVW)

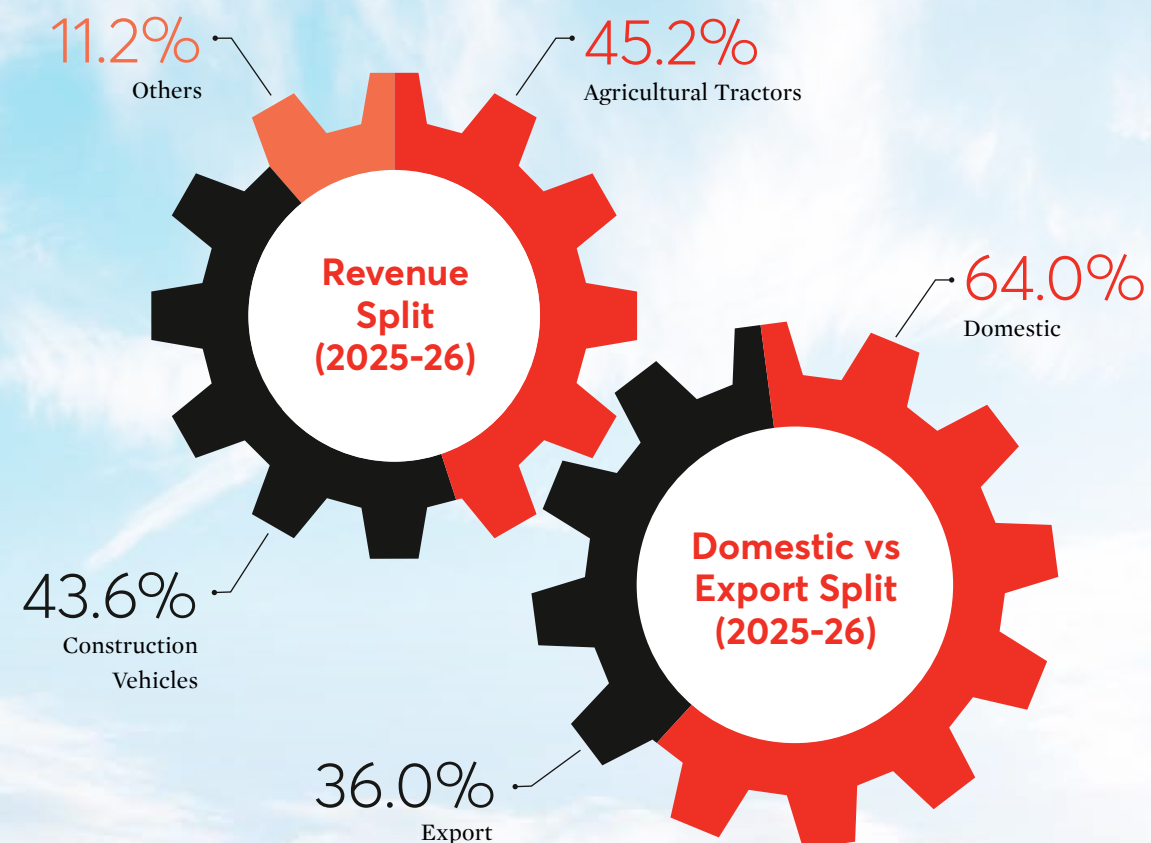
Gears

Precision gears and gear shafts manufactured for captive consumption and third-party customers across agricultural, construction, automotive, and industrial applications.



End-Industry Applications

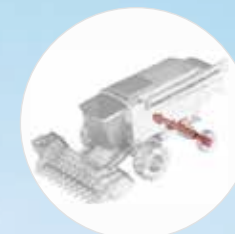
Carraro India's diversified revenue base reflects its strong presence across both agricultural and construction equipment markets, supported by a balanced mix of domestic and export business.



Agricultural Equipment



Tractors



Harvesters

Construction Equipment



Backhoe Loaders (BHL)



Compact Wheel Loaders (CWL)



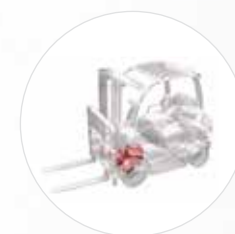
Soil Compactors (SCOM)



Self-Loading Concrete Mixers (SLCM)



Telescopic Boom Handlers (TBH)



Forklifts and Material-Handling Equipment

Engineering Services

Leveraging in-house design, validation, testing, and prototyping capabilities, Carraro India supports OEMs through specialised engineering solutions.

Key Milestone

Engineering services agreement for the industrialisation and supply of e-transmissions for electric agricultural tractors.

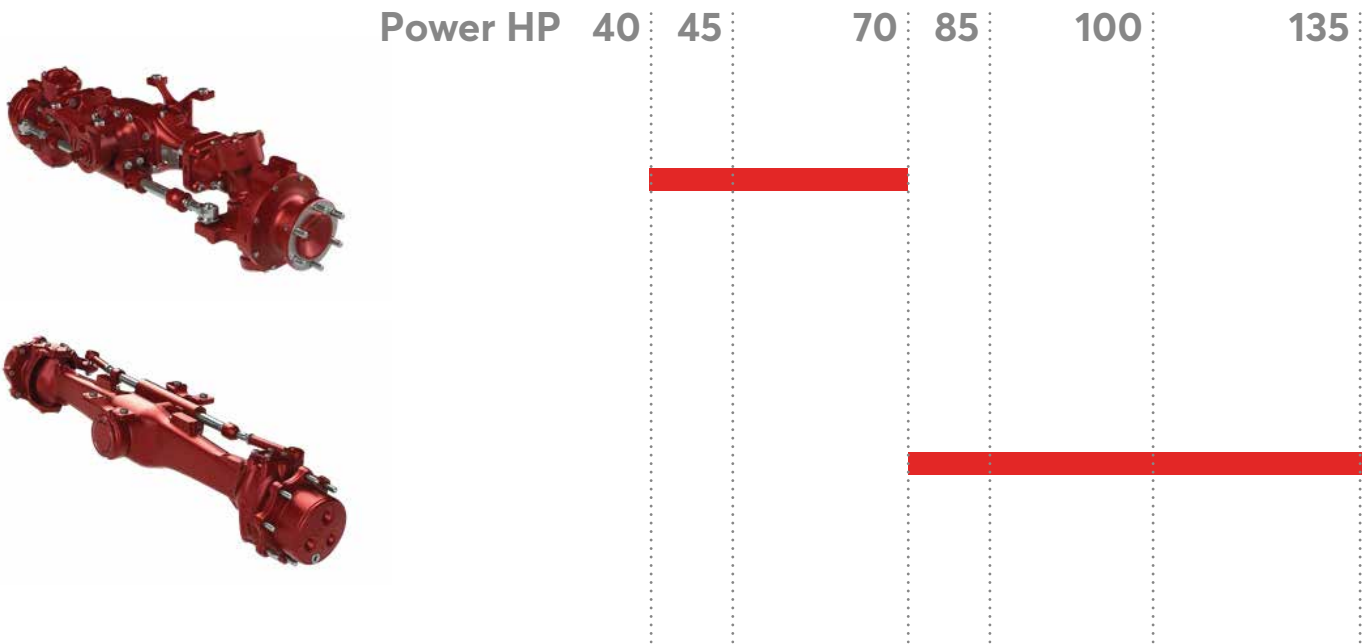


Aftermarket Solutions

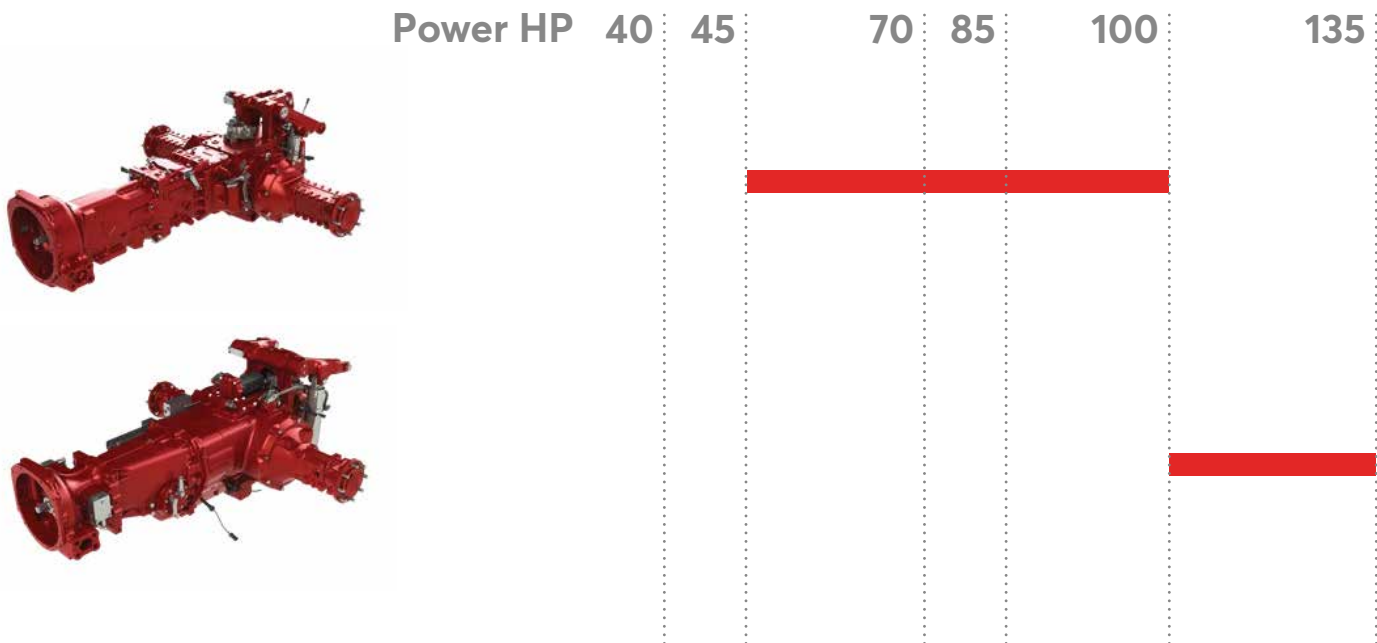
The Company provides OEM-original spare parts and aftermarket support for the installed base of Carraro India-powered equipment. With the expansion of its authorised service network, Carraro India continues to strengthen customer engagement and lifecycle support across key markets.

Agricultural Tractors

Axles

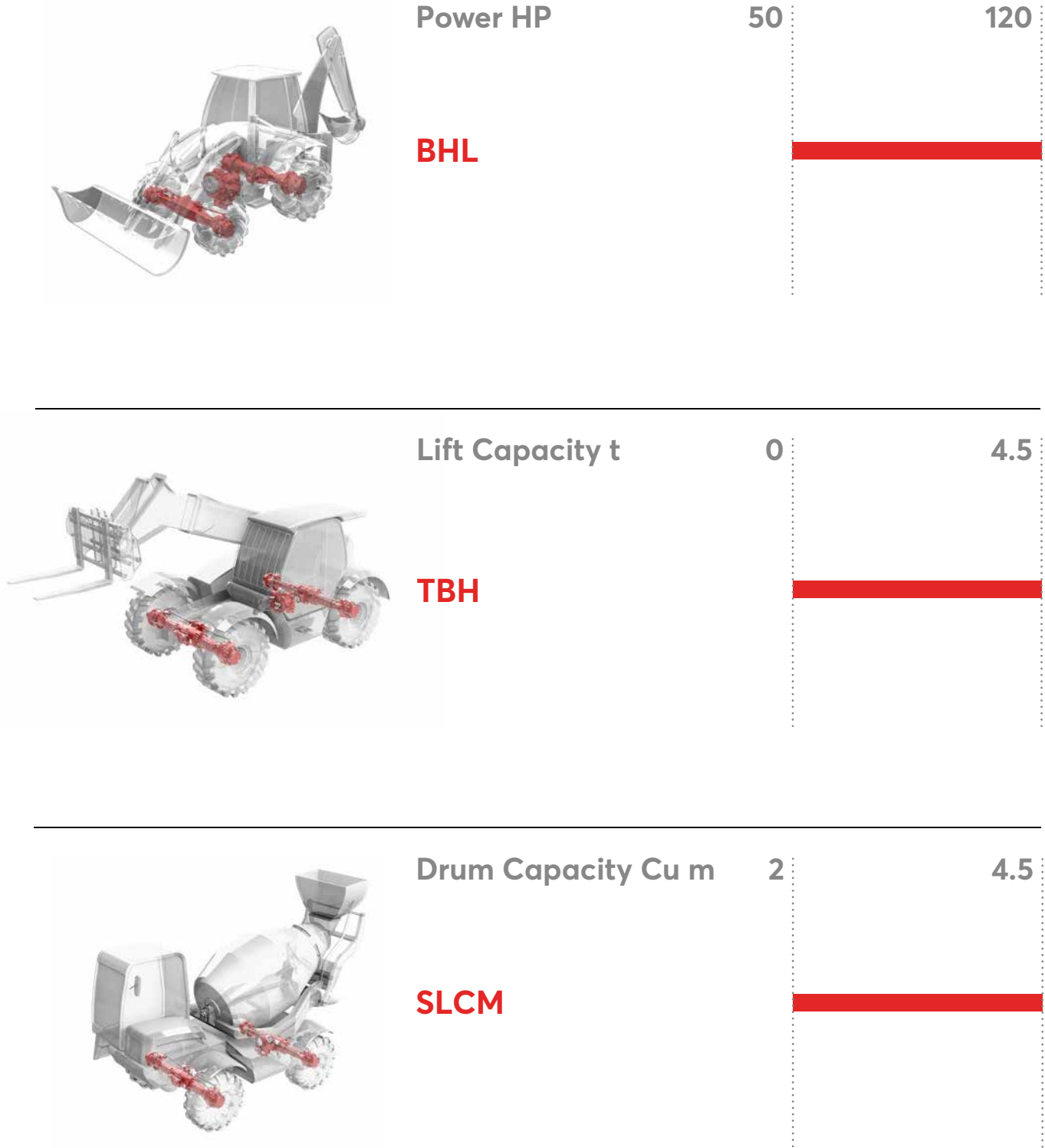


Transmission System



Construction Equipment

Drivelines



Agricultural Tractors

Transmission

- › Power HiLo
- › Power Reverser
- › CVT Module
- › Robotization

T100EVO
T100EVO HD
T100CVT
T135

Rear hitch

- › Stand-alone control
- › Integrated control

Rear PTO

- › Mechanical
- › Electro-Hydraulic
- › Engine antistall

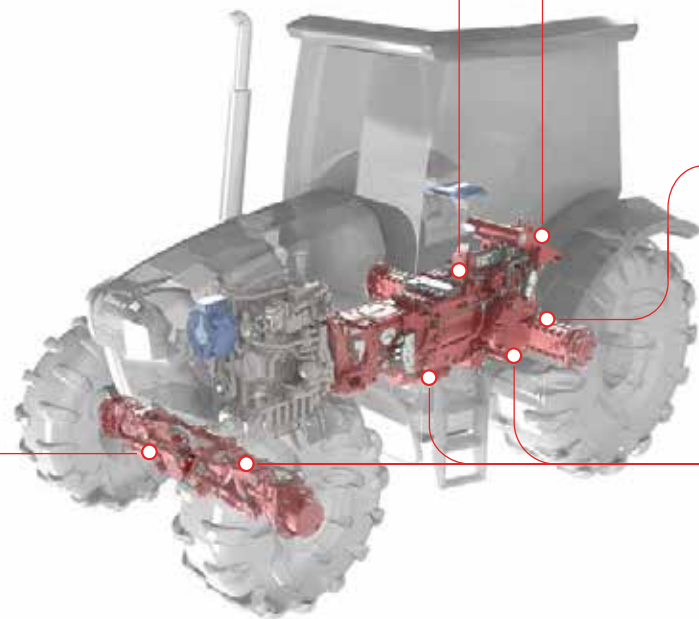
Differentials lock-up and 4WD

- › Manual mode
- › Automatic mode
- › Steering mode
- › Brakes monitor
- › Actuation monitor

Front axle

- › Manual position control
- › Automatic position control
- › Position lock-up
- › Semi-active suspension
- › Central pivot lock-up

20.10P
40.16
40.18



Construction Equipment

Transmission

- › Mechanical
- › Servo Power Synchro
- › Power Shuttle
- › Hydrostatic

TCB80 + 90° GB
TCB80SPS + 90° GB
TB172

Steering

- › 4 Wheel Steering
- › Steering Mode

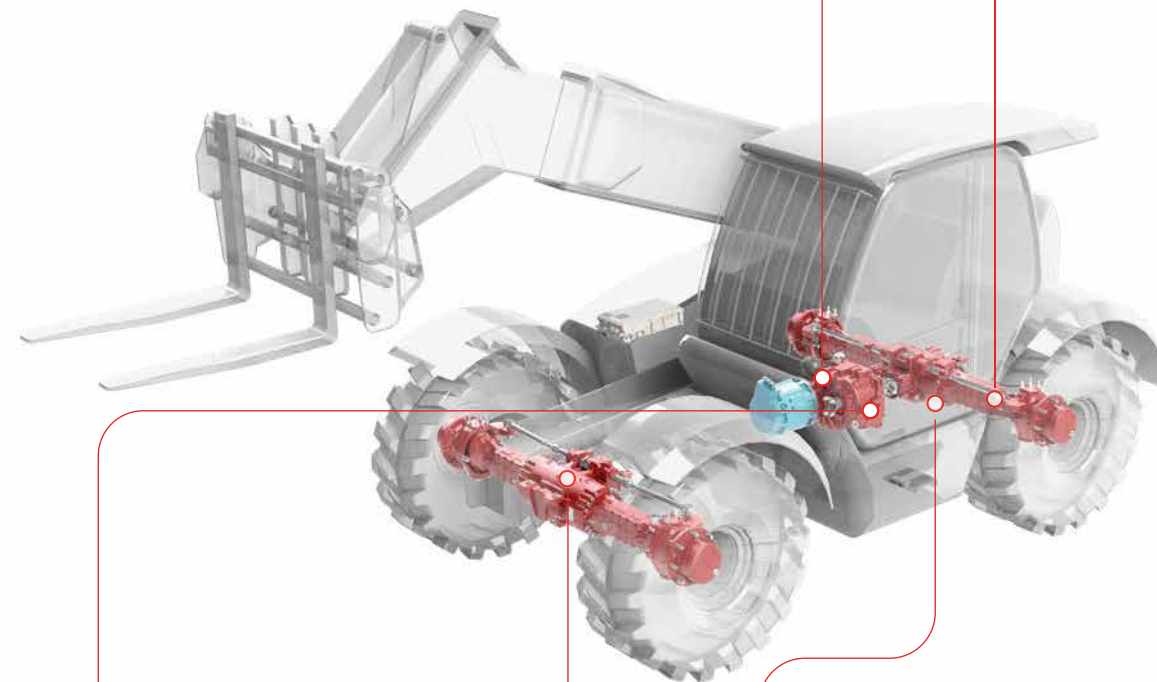
Powertrain

- › Direct Drive
- › Ecology Mode
- › Engine Integration

Front & Rear axles Differentials lock-up and 4WD

- › Manual Mode
- › Automatic Mode
- › Actuation Monitor

26.xx
46.xx



Manufacturing capabilities

REINFORCING COMPETITIVENESS THROUGH PROCESS INNOVATION

Carraro India’s manufacturing ecosystem is built to deliver precision, reliability, and scalability across a diverse portfolio of driveline solutions. Designed to meet the exacting requirements of leading agricultural and construction equipment OEMs, the Company’s facilities combine advanced manufacturing technologies, integrated production processes, and rigorous quality standards across its two plants.

Supported by continuous investment in automation, process optimisation, and capacity expansion, Carraro India’s operations produce high-performance axles, transmission systems, gears, and gear shafts. Together with its in-house R&D capabilities, the manufacturing network provides the flexibility and technical expertise required to support evolving customer requirements and future growth opportunities.

Plant 1 Drivelines, Ranjangaon, Pune

Carraro India’s driveline facility serves as the core manufacturing hub for axles and transmission systems used in agricultural and construction equipment. The plant is equipped with integrated capabilities spanning casting, machining, assembly, painting, prototyping, and performance testing, giving it tight control over quality and process efficiency.

2025-26 Production Performance	Expansion Initiatives	Core Technologies	Certifications
117,898 Axles	Phase 1 Paint Shop and Finished-Goods Warehouse	 Cast and Gear Machining	ISO 9001:2015 
37,605 Transmission Systems	Phase 2 New Assembly Line and Incoming-Material Warehouse	 Heat Treatment	ISO 14001:2015 
79.78% Capacity Utilisation	Phase 3 New Administrative Building	 Assembly and Painting	
~84,000 sq. m. Plot Area	Additional capacity expansion approved to raise axle capacity growth	 Prototyping and Performance Testing	

Plant 2 Gears, Ranjangaon, Pune

Carraro India’s gear manufacturing facility produces high-precision gears and gear shafts for captive consumption and third-party customers. Equipped with advanced heat treatment and gear machining, the facility produces critical components that meet stringent performance and durability requirements.

2025-26 Production Performance	Facility Infrastructure	Core Technologies	Certifications
~1.89 Million Gears	Manufacturing Shop ~1,486 sq. m	 Heat Treatment (Carburising, Induction Hardening and Nitriding)	ISO 9001:2015 
75.95% Capacity Utilisation	Heat Treatment Shop ~1,579 sq. m.	 Gear Machining (Hobbing, Shaving and Grinding)	IATF 16949:2016 
~78,000 sq. m. Plot Area		 Chemical and Metallurgical Analysis	

Strong in-house R&D capabilities

TRANSFORMING IDEAS INTO RELIABLE SOLUTIONS

Carraro India's R&D centre serves as an integral part of the Carraro Group's global engineering network, supporting the development, validation, and enhancement of axle, transmission, and driveline solutions for agricultural and construction equipment. Combining in-house engineering expertise with global technology collaboration, the centre plays a key role in developing application-focused solutions aligned with evolving OEM requirements.

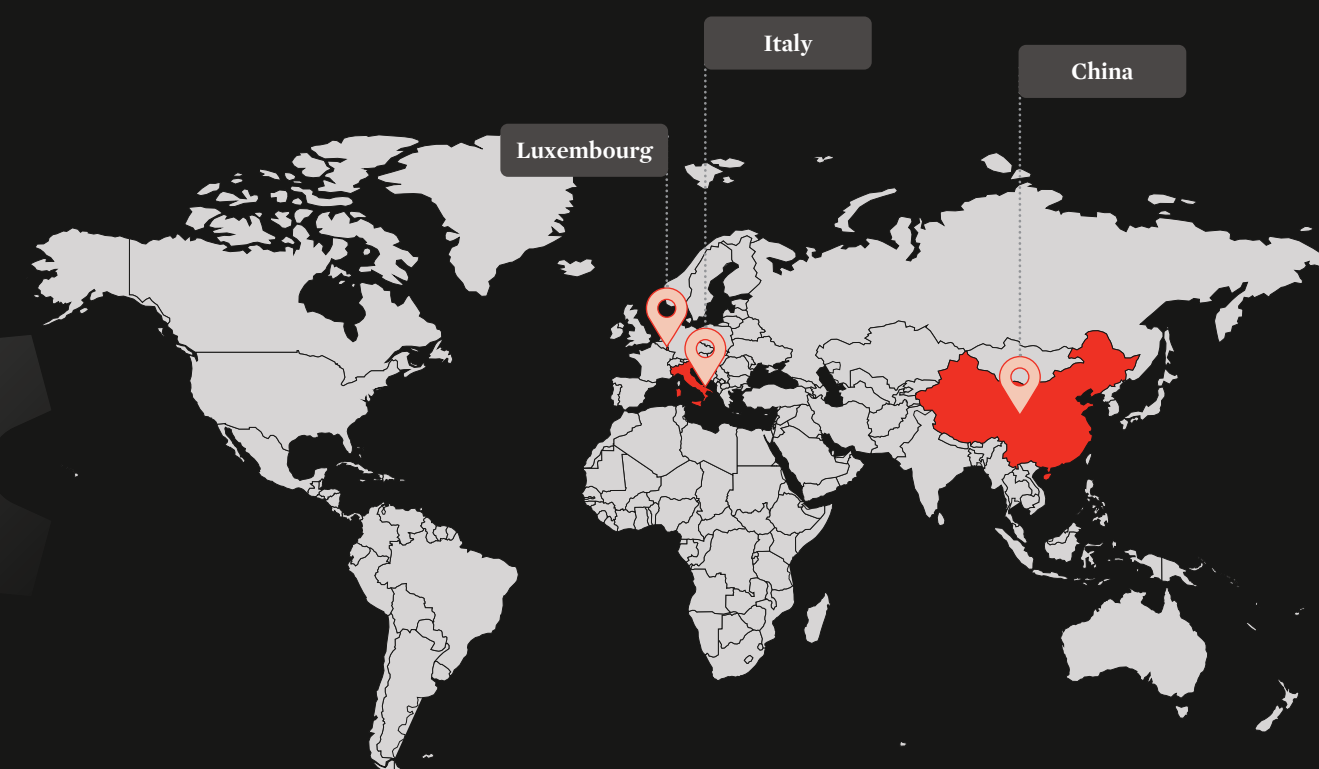
Key R&D Activities

- ✦ Application engineering
- ✦ Product solutions - Axles & Transmissions
- ✦ Virtual validation and simulation
- ✦ Prototyping
- ✦ Laboratory and field testing
- ✦ Product maintenance and lifecycle support
- ✦ Cost optimisation and value engineering
- ✦ Product reliability enhancement



Connected to a Global Engineering Network

Carraro India's R&D centre collaborates closely with the Group's engineering hubs across:



This integrated ecosystem supports technology transfer, knowledge sharing, and participation in global product development programmes.

Disclaimer

This map is a generalised illustration for ease of understanding and is not intended for reference. The depiction of political boundaries and geographical names may not reflect actual positions. The Company and its Directors, officers or employees accept no responsibility for any use, misuse or interpretation of the information, and make no representation regarding its accuracy or completeness.

Innovation at a Glance

Certification:

ISO 9001:2015

R&D Facility Area:

1,254.2 sq. m.

Prototypes Developed:

16 (2025-26)

Prototypes Commercialised:

4 (2025-26)

Focus Areas

The R&D team continues to focus on:



Developing future-ready product innovations



Expanding applications for existing product platforms



Enhancing product performance and reliability



Supporting customer-specific engineering requirements



Accelerating time-to-market through virtual validation and prototyping



Marginality improvement through VA/VE initiatives



Key Innovations Introduced since 2019

Carraro India's engineering work since 2019 has produced several advanced driveline solutions, including:



28.48 Series of Hypoid Axles for Soil Compactors



T100 CVT Transmissions for Vineyards and Orchard Tractors



Complete Driveline for Haulage Tractors (26.17 + 28.43 + TCB80)



20.10P Portal Axle for Agricultural Utility Tractors



Complete Driveline for Mini Motor Graders (28.43M + TCB80)



T135 Transmissions for Open-Field Tractors



40.16 Series of Axles for Agricultural Tractors



26.xx Series of Axles for Domestic Telehandler and Self-loading Concrete Mixer



40.18 Series of Axles for Orchard Tractors



46.xx Series of Axles for Global Telehandler



T100EVO and EVO HD Transmissions for Agricultural Utility Tractors



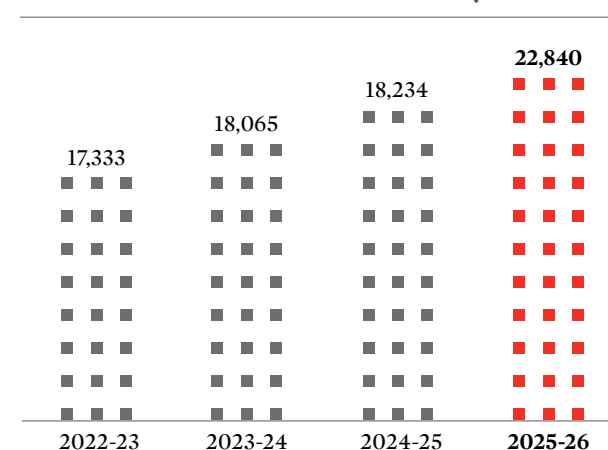
TCB80 + 90° Gear Box for Low-boom Telehandler

Operational and financial performance of the year

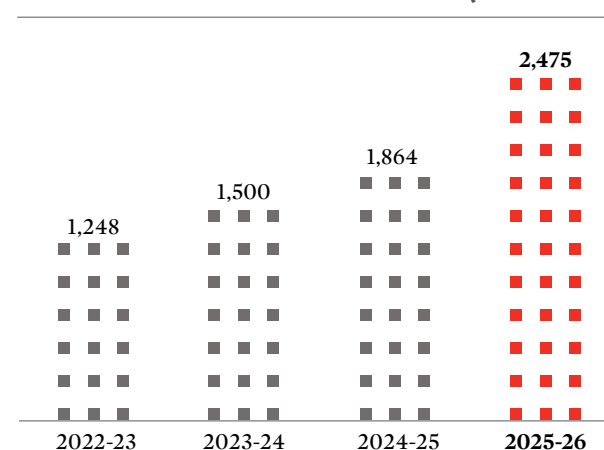
DELIVERING PERFORMANCE THROUGH FINANCIAL PRUDENCE

2025-26 was a defining year in Carraro India's growth journey as the Company turned its engineering expertise, manufacturing strength, and customer-centric innovation into strong operational and financial outcomes. Backed by robust domestic demand, accelerating export growth, disciplined execution, and strategic investments in future-ready technologies, the Company delivered a strong performance during the year.

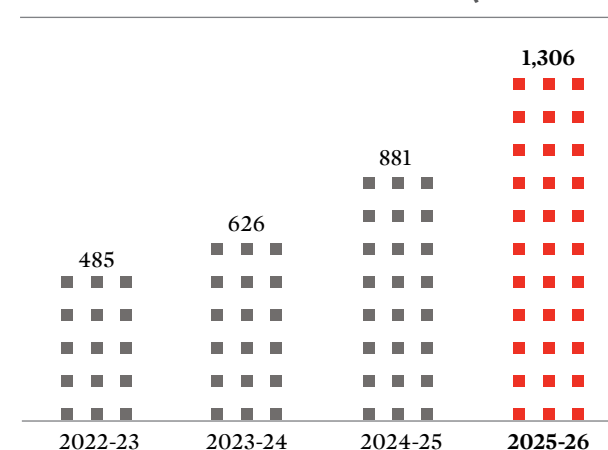
Total Income (₹ Million)



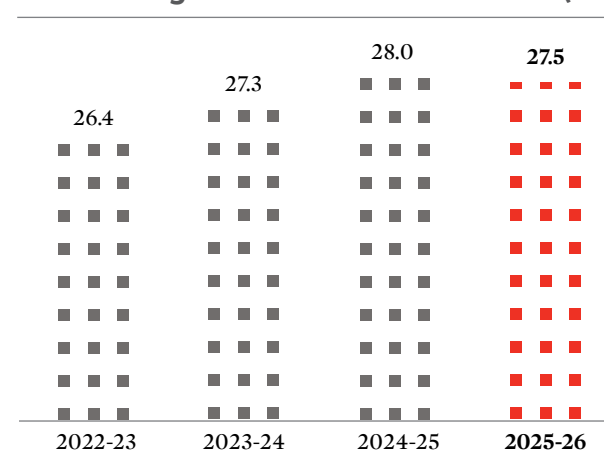
EBITDA (₹ Million)



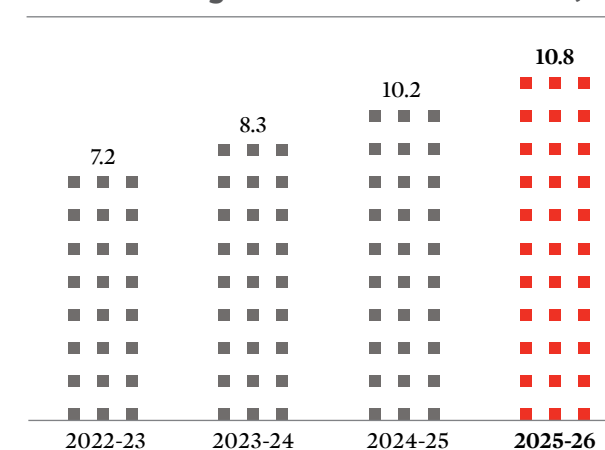
PAT (₹ Million)



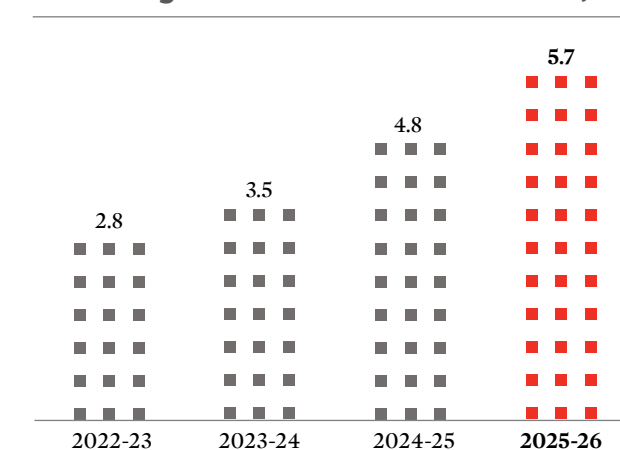
Gross Margin (%)



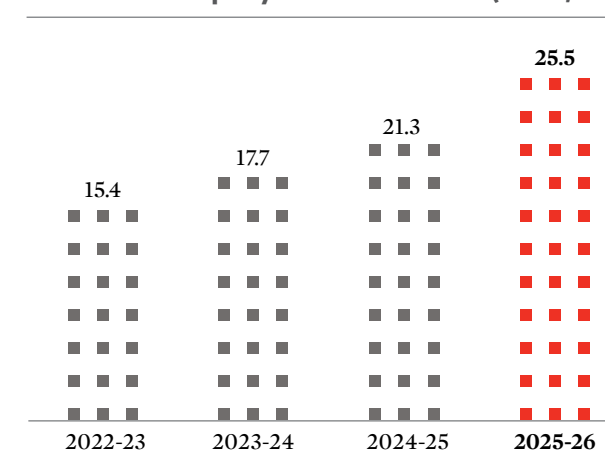
EBITDA Margin (%)



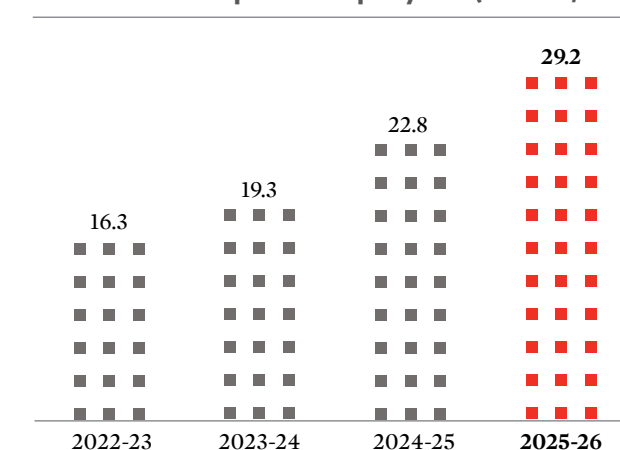
PAT Margin (%)



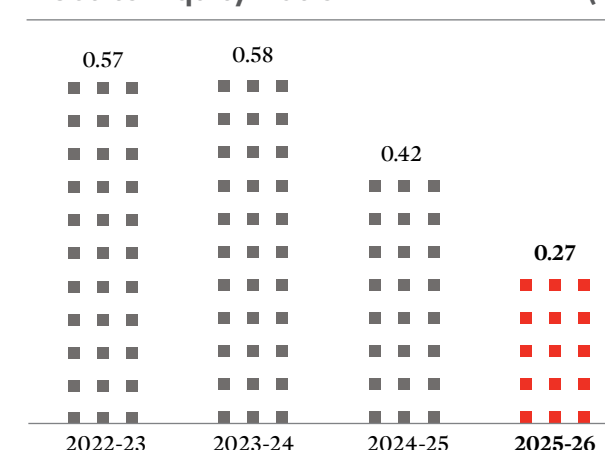
Return on Equity (ROE, %)



Return on Capital Employed (ROCE, %)



Debt-to-Equity Ratio (x)



Building Momentum with Enterprise Agility



Manufacturing at Scale

Scale and precision defined the year on the factory floor. Carraro India produced 117,898 axles, 37,605 transmission systems, and nearly 1.89 Million gears, while maintaining a rejection rate of just 0.01%, a figure that speaks to the discipline of its production systems as much as to their capacity.



Investing in Future Capacity

The Company also invested to stay ahead of demand. During 2025-26, it deployed ₹417 Million across new telescopic handler axle programmes, advanced transmission platforms, and additional capacity. The Board went further, approving a programme that will further increase annual axle production capacity from 2026-27.



Driving Innovation through Engineering

Drawing on its in-house R&D centre and the Carraro Group's global engineering network, the Company developed 16 prototypes during the year and took four of them into production. Its development work centred on higher-horsepower drivelines, advanced transmission technologies, and future-ready applications, the pipeline that will carry the next few years of growth.



Exports Powering Growth

Exports were among the year's strongest engines, up 37% year-on-year and now accounting for 36% of total revenue. The momentum came from strong demand for TBH and BHL drivelines, and from the ramp-up of new programmes for global OEM customers, evidence that Indian-built Carraro drivelines are winning ground in international markets.



Creating New Growth Platforms

The engineering services business is fast becoming a growth engine in its own right, generating approximately ₹100 Million during the year. Its standout moment was a new agreement with Montra Electric to industrialise and supply e-transmissions, a signing that puts Carraro India directly into the next generation of electric mobility.



Enhancing Customer Reach and Supply Chain Strength

The Company also brought itself closer to customers and suppliers alike. It opened its first authorised service centre in Faridabad, and deepened localisation, raising the share of locally sourced raw material to 78.1%. Together, these steps make the supply chain more resilient, the response to customers quicker, and the business more competitive over the long term.

Growth strategies

CAPITALISING OPPORTUNITIES ACROSS EMERGING SECTORS

Carraro India continues to strengthen its competitive position through five strategic priorities anchored in the same themes that define it: resilience, trust and future readiness. By reading the industry’s direction early, deepening customer partnerships and investing in next-generation technologies, the Company is building a strong foundation for sustainable long-term growth across both its agricultural and construction markets.

RESILIENT

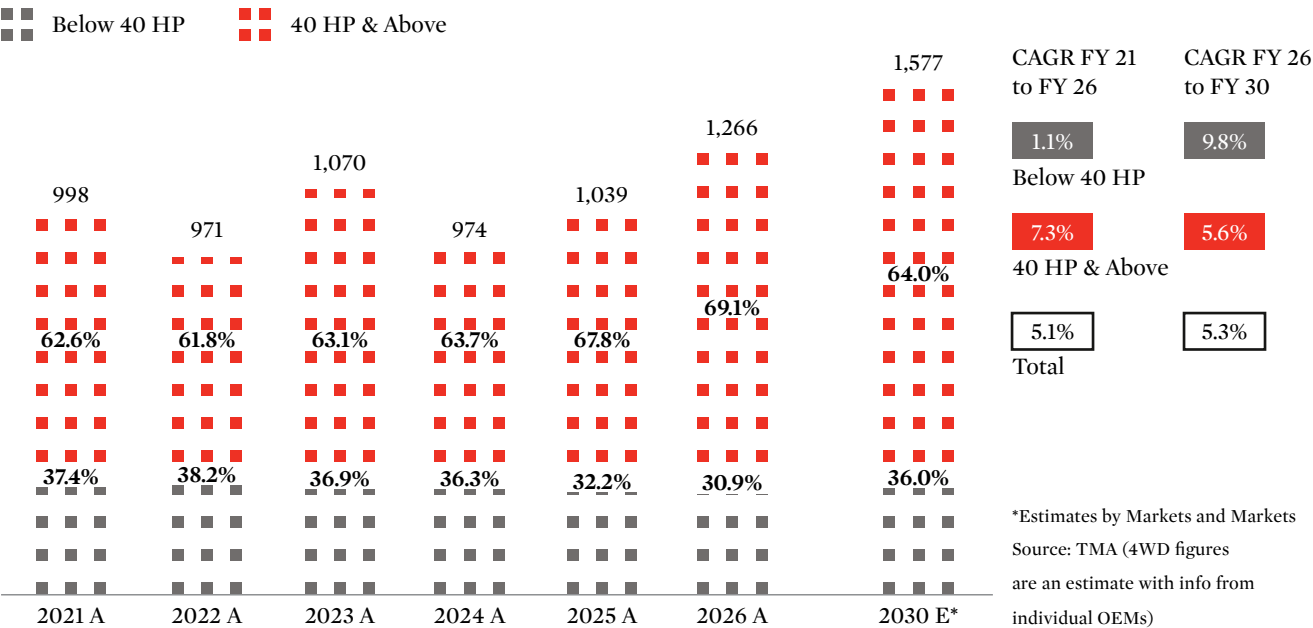
Growing through Cycles, Not Despite Them

Strong industry fundamentals, increasing mechanisation, infrastructure-led demand and a resilient sourcing ecosystem position Carraro India to seize long-term opportunities across the agriculture and construction equipment sectors.

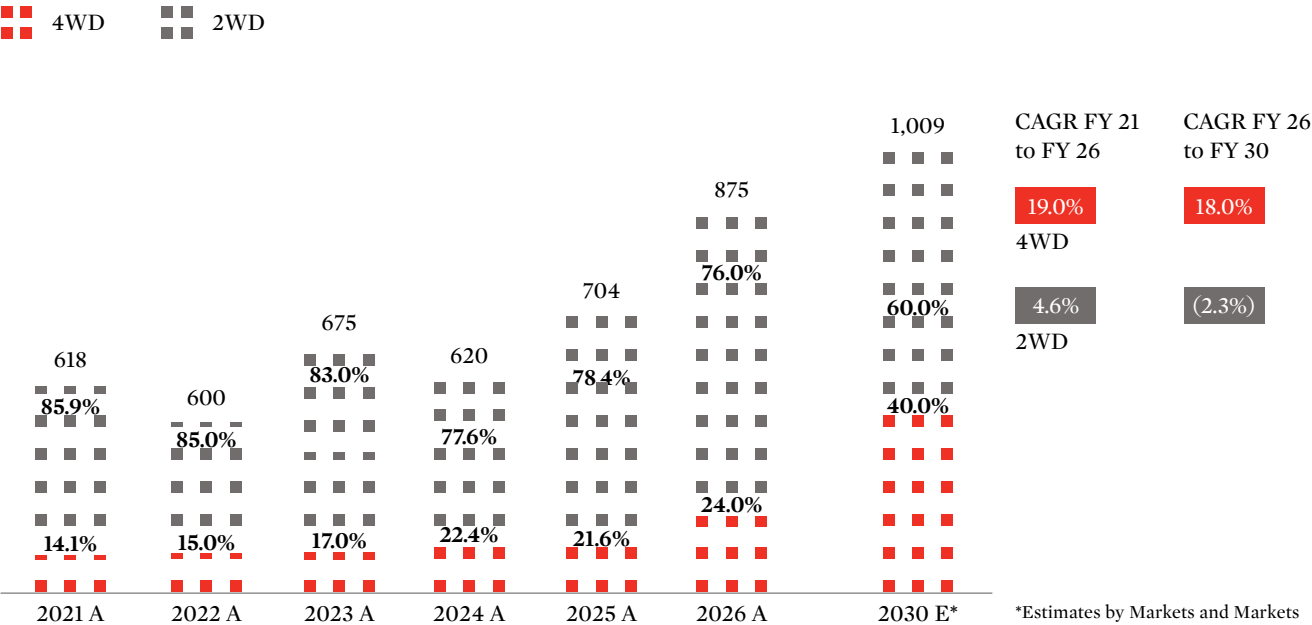
Huge Industry Opportunities

Carraro India is well positioned to benefit from favourable structural trends across both domestic and export markets. Rising mechanisation, infrastructure development and the growing adoption of advanced, high-horsepower equipment continue to drive demand for sophisticated axle and transmission systems — demand that sits squarely in the Company’s core strengths.

Total Indian Agriculture Tractor Market ('000 units)



40 HP & Above Total



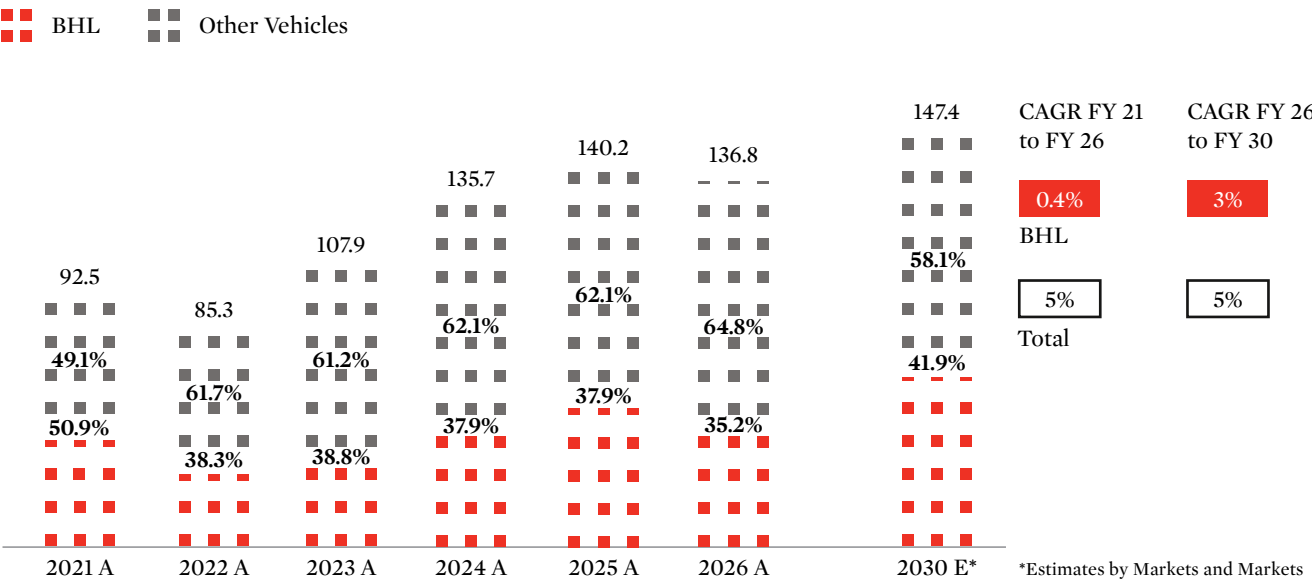
Shift Towards 4WD Mechanisation

The Indian tractor market is undergoing a structural shift towards technologically advanced 4WD tractors. Farmers are increasingly adopting higher-performance equipment that offers greater productivity, efficiency and operational flexibility. In 2025-26, 23%-25% of the tractor market above 40 HP is shifted from 2WD to 4WD tractors.

Construction Equipment Demand Remains Strong

Rapid urbanisation, infrastructure development and sustained public investment continue to support demand for construction equipment, creating opportunities for advanced driveline systems.

Indian construction market graph changes



Key Strategic Drivers

- India contributes nearly 35-40% of global tractor demand
- Growing preference for higher-horsepower tractors is increasing demand for advanced transmission systems and axle solutions
- 4WD tractor volumes are expected to grow at a CAGR of 19.1%, well ahead of conventional tractor segments
- Adoption of TREM IV/V norms is expected to support premiumisation and export opportunities
- Infrastructure and urbanisation-led demand continue to support construction equipment growth
- Growing preference for advanced transmission and axle systems aligns with Carraro India's core strengths

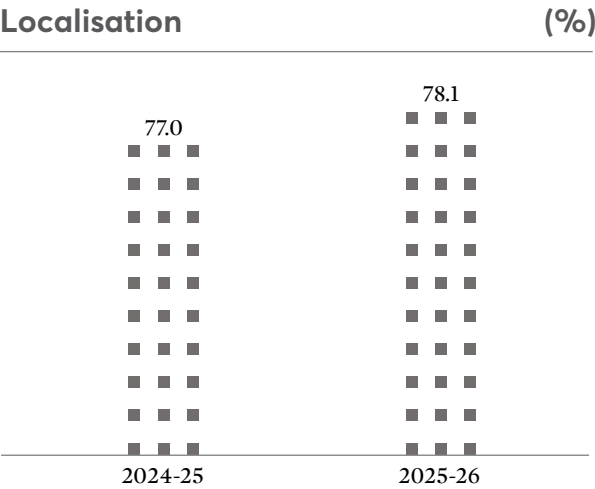
Diversifying and Localising Supplier Base

A resilient and localised supply chain remains a key competitive advantage. The Company continues to strengthen sourcing flexibility, reduce import dependence and improve operational efficiency through localisation and supplier development programmes.

Increasing Localisation

Higher localisation levels improve supply security, shorten lead times and strengthen long-term cost competitiveness and operational resilience.

Raw Material Localisation Trend



Strengthening the Supplier Ecosystem

Carraro India continues to build a diversified supplier network across key manufacturing hubs, creating a sourcing ecosystem capable of supporting future growth.

Supplier Network Overview

Metric	2025-26
Total Supplier Base	247
Domestic Suppliers	177
Supplier Strategy	Minimum 2 Suppliers per Component

Key Strategic Drivers

- Progressing towards a medium-term localisation target of 86-88%
- Operating a dual-sourcing strategy, with a minimum of two suppliers per component, to reduce supply risk
- Building long-term supplier partnerships supported through capability-building programmes, technical workshops and continuous improvement initiatives
- Deepening supplier engagement across major manufacturing hubs in India
- Selectively integrating critical components vertically to enhance cost efficiency and operational control

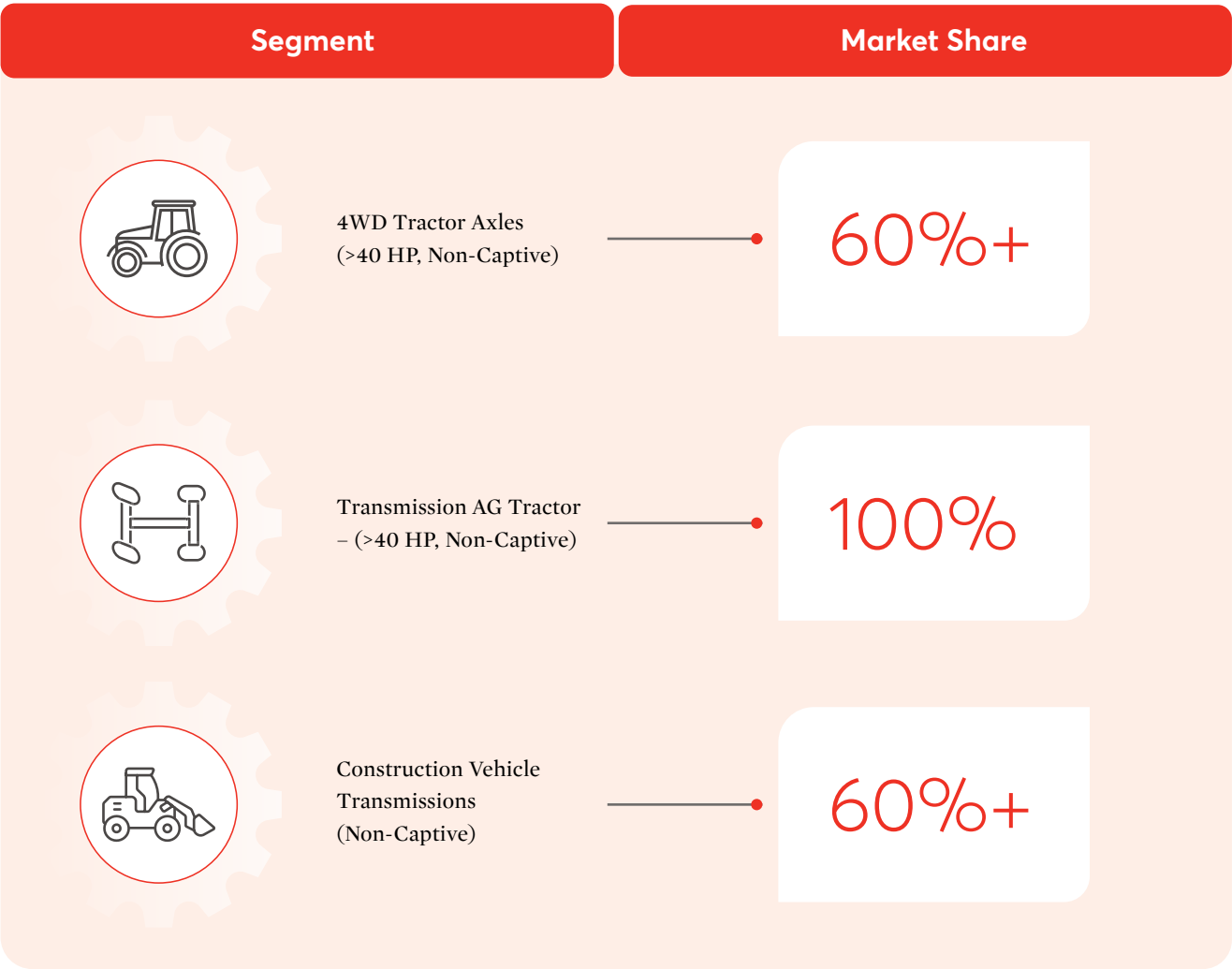
TRUSTED

Deepening Relationships, Reinforcing the Moat

Long-standing OEM relationships, engineering expertise and customised solutions continue to strengthen Carraro India's position as a trusted driveline partner across agriculture and construction equipment segments.

Critical and Complex Driveline Systems

Carraro India has established itself as a leading independent supplier of driveline systems through deep application expertise, engineering depth and strong customer integration. High switching costs, long validation cycles and embedded customer relationships continue to reinforce its competitive moat.



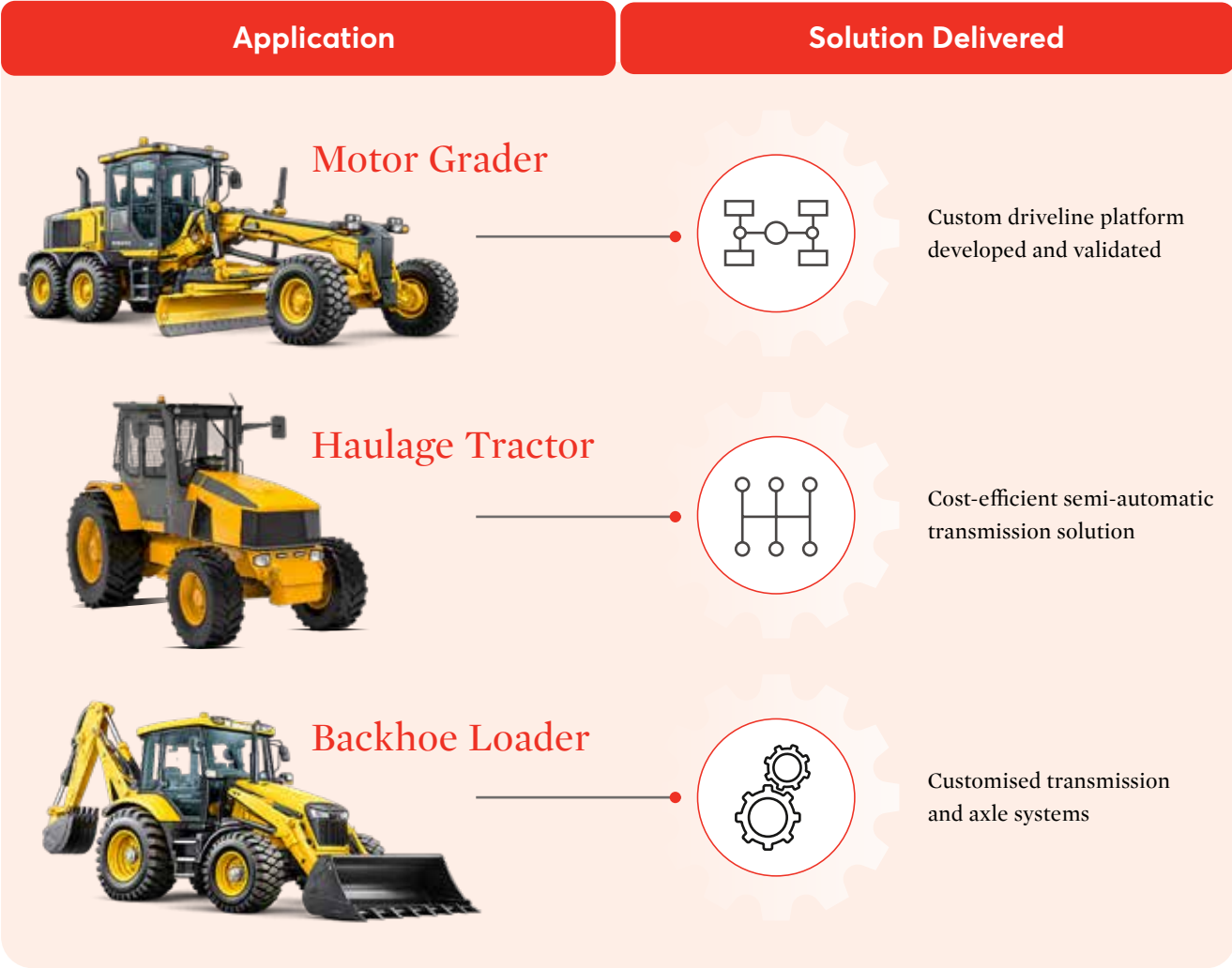
Key Strategic Drivers

- Leading, independent Tier-1 driveline supplier across agriculture and construction equipment segments
- Deep understanding of Indian operating conditions, customer requirements and application needs
- Integrated OEM partnership model enabling customised and application-specific solutions
- High switching costs backed by long validation cycles and deeply embedded product architecture
- Continuous investment in manufacturing, automation and localisation to strengthen competitiveness

Customer-centric and Customised Solutions

The Company works closely with customers throughout the product lifecycle, developing tailored driveline solutions that address specific operating requirements while improving performance, efficiency and cost competitiveness.

Innovation Highlights



Key Strategic Drivers

- Collaborative co-engineering spanning concept design, prototyping, validation and commercialisation
- Proven ability to customise driveline platforms for diverse applications and operating environments
- Innovation that balances performance and cost efficiency
- Strong relationships with leading OEMs supporting participation in new vehicle platforms and adjacent opportunities
- Broad application expertise across tractors, motor graders, BHL and specialised equipment categories

FUTURE-READY

Building the Platforms for Tomorrow's Demand

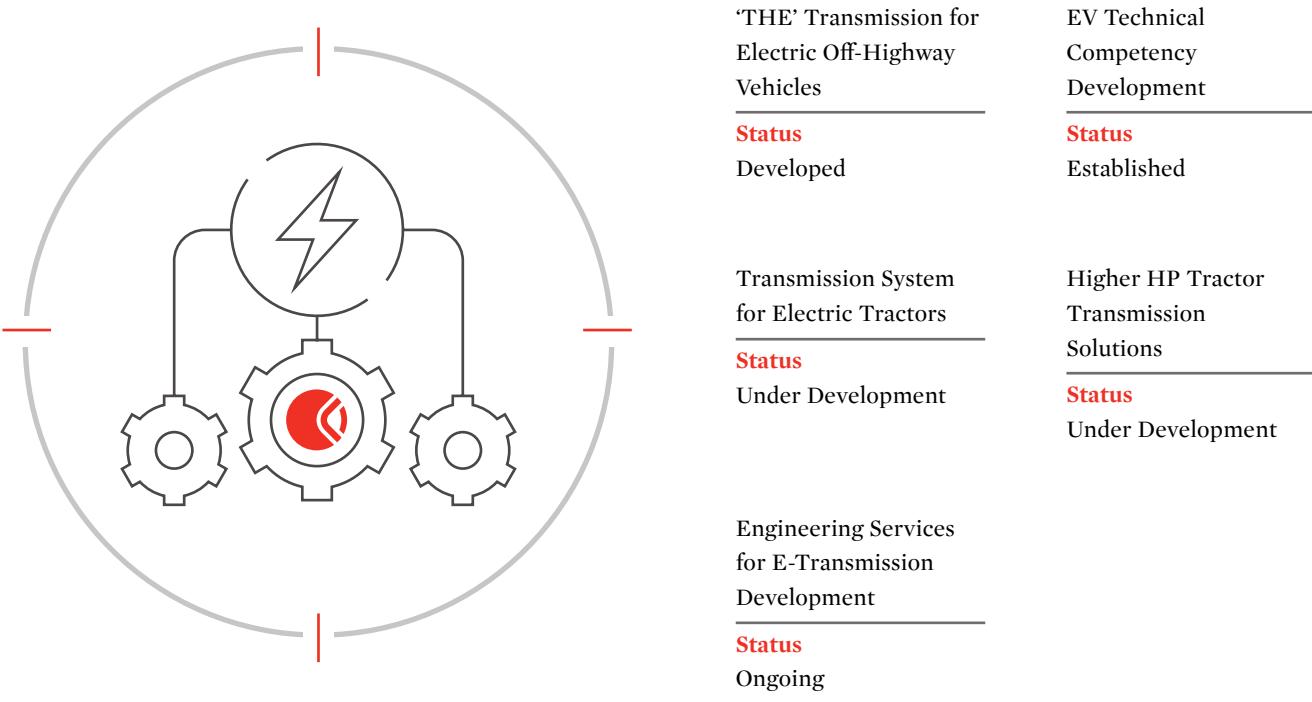
As equipment platforms evolve, Carraro India is investing in advanced driveline technologies and electrification-focused solutions that will support future mobility requirements across off-highway applications.

Future-ready Products for Emerging Technologies

The Company's technology roadmap focuses on strengthening capabilities across electric, hydrostatic and advanced transmission platforms while deepening global engineering collaboration.

Technology Development Milestones

Initiative/Focus Area



Key Strategic Drivers

- Developing electric and hydrostatic-electric driveline technologies aligned with future industry requirements
- Pursuing joint technology development initiatives with Carraro Group across electric, hybrid and advanced transmission platforms
- Providing engineering services support for e-transmission industrialisation and global customers
- Developing CVT technology for future tractor applications
- Investing continually in EV transmission design, validation and specialised engineering skills

Stakeholder testimonials

THE YEAR THROUGH THE EYES OF CARRARO INDIA'S PEOPLE

**Voice 1
Plant Manager
(Resilient)**

“

Managing a plant requires a constant balance between production, quality, people and customer commitments. What I value most is the way our teams work together to address challenges and keep operations moving. It gives us the confidence to manage today's requirements while preparing for the opportunities ahead.

**Voice 3
R&D Lead
(Future-ready)**

“

R&D gives us the opportunity to work on technologies that are shaping the next phase of our industry. Our focus is on building the right capabilities, testing new ideas and taking them closer to practical applications. It is encouraging to see these efforts gradually translate into products and solutions for our customers.

**Voice 2
Customer-facing
Engineer
(Trusted)**

“

Working closely with customers gives us a clear understanding of what they need from us. Our role is not limited to supplying a product. It is also about understanding the application, responding to challenges and working together to arrive at the right solution. That is how trust is built over time.



ESG initiatives

BUILDING LONG-TERM VALUE THROUGH ESG EXCELLENCE

At Carraro India, sustainability is embedded in the way the Company operates, grows, and creates long-term value. Guided by environmental stewardship, social responsibility, and strong governance, the Company has built a responsible-growth framework aligned with global standards and the expectations of its stakeholders.

During 2025-26, Carraro India took several initiatives to reduce its environmental impact, strengthen workplace safety and inclusivity, and reinforce ethical conduct across all levels of the Company.



Environmental Initiatives

Carraro India has integrated environmental responsibility into its core operations. Through targeted process improvements and investments in sustainable infrastructure, the Company is reducing waste generation, improving resource recovery, and moving to cleaner energy sources.

Strong EHS Governance and Resource Optimisation

Carraro India operates under a formal Environment, Health & Safety (EHS) policy framework that governs all manufacturing activities. The Company regularly assesses its management systems to ensure they work as intended, enabling continuous monitoring and steady improvement of its environmental performance.

Energy Efficiency and Manufacturing Upgrades

Carraro India has upgraded its manufacturing facilities through targeted equipment additions to improve efficiency, throughput, and operational flexibility, with key installations including sealed-quench furnaces and a Mazak machining centre.

Digitised Solutions for Waste Reduction

Carraro India uses digital tools to cut resource waste across its manufacturing operations. This capability is further strengthened through close collaboration with the Carraro Group's R&D centre in Luxembourg centres, supporting product engineering, application development and the advancement of electric transmission technologies.

Certified Environmental Management

Carraro India maintains robust environmental management standards, with ISO 14001:2015 certification in place across two of its manufacturing plants (Plant 1 and Plant 2) in Pune.



S



Social Initiatives

Carraro India follows a people-centric approach supported by structured policies and globally recognised certifications. The Company promotes a workplace culture that prioritises safety, embraces diversity, and encourages active community engagement.

Commitment to Diversity, Inclusion, and Quality

Carraro India has established formal Diversity and Quality policies embedded across its operations. This framework supports a growing workforce of approximately 1,650 employees across manufacturing, engineering, and support functions.

Skill Development and Local Employment

Carraro India's expanding authorised service network also serves as a platform for skill development. The Company provides comprehensive technical training at its manufacturing facilities.

Community Engagement and CSR Initiatives

The Company actively engages with local communities through structured and mutually beneficial programmes.

Global Quality Standards

The Company upholds international quality standards. Both Pune manufacturing plants are certified under ISO 9001:2015, and IATF 16949:2016 certification is maintained for plant 2.



Governance Initiatives

Carraro India maintains strong governance frameworks and fosters ethical conduct across all levels of the organisation. Its operations are guided by a formal Code of Ethics, Whistleblowing Policy, and Anti-Corruption framework, supporting transparency, regulatory compliance, and accountability in all business practices.

Ethical Business Practices and Anti-Corruption Framework

Carraro India maintains a formal Code of Ethics and a robust Anti-Corruption Policy as core parts of its governance framework.

Whistleblowing and Transparency Mechanism

To strengthen accountability and promote a culture of openness, the Company has established structured Whistleblowing guidelines. These provide a formal mechanism for employees and stakeholders to raise concerns about unethical conduct.

Strengthened Investor Communication and Governance Discipline

Carraro India has reinforced disciplined governance and transparent investor communication in its first year as a listed company. Management continues to adopt a prudent and conservative approach to guidance, prioritising reliability.



G

E

Board of directors

STEERERS OF STRATEGIC DIRECTION



Mr. Ettore Francesco Sequi

Chairman & Independent Director

Ettore Francesco Sequi 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 was previously associated with the Ministry of Foreign Affairs and International Cooperation, Italy in various capacities from 1985 to 2023.



Mr. Tomaso Carraro

Vice Chairman & Non-Executive Director and Promoter

Tomaso Carraro is our 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 is currently associated with various entities in the Carraro Group, including Carraro China Drive Systems Co. Limited, Carraro S.p.A., Carraro North America Inc. and Siap S.p.A. and was previously associated with Gear World S.p.A.



Dr. Balaji Gopalan

Managing Director

Balaji Gopalan is the Managing Director of the Company. He has been associated with the Company since September 1, 1998. He holds a degree of doctor of philosophy in human resource management from the University of Pune. He is responsible for achieving revenues, EBITDA, NWC/revenue and CSR targets in the Company.



Mr. Sudhendra Mannikar

Whole-Time Director & Chief Operating Officer

Sudhendra Mannikar is the Whole-Time Director and Chief Operating Officer of the Company. He has been associated with the Company since August 2, 1999. He is responsible for achieving revenues, EBITDA, NWC/revenue and CSR targets in the Company. He holds a bachelor's degree in engineering (production) and a degree in Master in Business Administration from University of Pune. He was previously associated with Essar Projects Limited.



Mr. Davide Grossi

Whole-Time Director & Chief Financial Officer

Davide Grossi is the Whole-Time Director and Chief Financial Officer of the Company. He holds an undergraduate degree in business administration from Bocconi University and a masters' degree of science in accounting, corporate finance, and control from Bocconi University. He was previously associated with Alten Sverige AB as the chief financial officer, Nordics, Isagro (Asia) Agrochemicals Private Limited in various capacities, and Deloitte & Touche S.p.A.



Ms. Uma Mandavgane

Independent Director

Uma Mandavgane 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. A Governance Risk & Compliance (GRC) professional with over three decades of experience, she specialises in Business & Systems Controls Assurance and Risk Management. She is currently associated with Azzure Advisory & Consulting Services LLP as its designated partner and 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

Independent Director

Kishore Saletore is an Independent Director of the Company. He is an associate at the Institute of Chartered Accountants of India and is also a Post Graduate in Management from the Indian Institute of Management, Bangalore. A seasoned finance leader with over three decades of experience, he has held leadership positions with globally renowned organisations, including the Tata Group, ITC Limited, Hughes Corporation, and Bharat Forge. He was previously associated with Bharat Forge as the Whole-Time Director and Group Chief Financial Officer.



Mr. Andrea Conchetto

Non-Executive Director

Andrea Conchetto is a Non-Executive Director of the Company. He holds a Degree in electrotechnical engineering from the University of Padua. 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. Limited, and Siap S.p.A. and was previously associated with AEG Electric Motors.



Mr. Enrico Gomiero

Non-Executive Director

Enrico Gomiero 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. He is currently associated with various entities in the Carraro Group, including Carraro S.p.A., Carraro Drive Tech Italia S.p.A., Carraro Finance S.p.A., Carraro International S.E., and Siap S.p.A.

Management team

THE LEADERS BEHIND EXECUTION

Dr. Balaji Gopalan

Managing Director

- Ph.D. in Human Resources Management, University of Pune
- Associated with 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.

Ms. Mamta Bakshi

Director, HR, Leadership and Culture

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

Mr. Sudhendra Mannikar

Whole-Time Director & Chief Operating Officer

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

Mr. Vijay Raman

Director, Purchase & Supply Chain Management

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

Mr. Ashok Kumar

Director, Sales and Business Development

- Postgraduate degree in International Business from SIIB, Pune

Mr. Mohith Kumar Khandelwal

Company Secretary

- Fellow Member of the Institute of Company Secretaries of India (ICSI)
- Over a decade of experience in legal, secretarial, and compliance functions
- Previously associated with Balaxi Pharmaceuticals Limited and Power Mech Projects Limited

CORPORATE INFORMATION

Board of Directors

Mr. Ettore Francesco Sequi

(DIN: 10734894)

Chairman and Non-Executive, Independent Director

Mr. Tomaso Carraro

(DIN: 00592312)

Vice Chairman and Non-Executive, Non-Independent Director, Promoter

Dr. Balaji Gopalan

(DIN: 07108093)

Managing Director

Mr. Sudhendra Mannikar

(DIN: 07483321)

Whole-time Director and Chief Operating Officer

Mr. Davide Grossi

(DIN: 10252992)

Whole-time Director and Chief Financial Officer

Mrs. Uma Manoj Mandavgane

(DIN: 03156224)

Non-executive, Independent Director

Mr. Kishore Mukund Saretore

(DIN: 01705850)

Non-executive, Independent Director

Mr. Enrico Gomiero

(DIN: 00588074)

Non-executive, Non- Independent Director

Mr. Andrea Conchetto

(DIN: 10669692)

Non-executive, Non- Independent Director

Company Secretary

Mr. Nakul Patil

Company Secretary & Compliance Officer

(Resigned w.e.f. 20th November, 2025)

Mr. Mohith Kumar Khandelwal

Company Secretary & Compliance Officer

(Appointed w.e.f. 11th February, 2026)

Registered Office

Carraro India Limited

(Formerly Known as Carraro India Private Limited)

Address: B2/2 MIDC, Ranjangaon, Pune 412 220, Maharashtra, India

Email:

company_secretary@carraroindia.com

Website:

https://www.carraroindia.com/

Tel: +91 2138 662666

CIN: L52609PN1997PLC132629

Subsidiary

Carraro Technologies India Private Limited

Address: B2/2 MIDC, Ranjangaon, Pune 412 220, Maharashtra, India

Email:

company_secretary@carraroindia.com

Tel: +91 20 66216700

CIN: U29248PN2006FTC129965

Registrar and Transfer Agent

MUFG Intime India Private Limited

(Formerly known as Link Intime India Private Limited)

SEBI Registration no. INR000004058

Address: C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083

Contact number: +91 8108118484

Fax: +91 22 4918 6060

Email ID:

rnt.helpdesk@in.mpms.mufg.com

Website: www.in.mpms.mufg.com

Statutory Auditors

M/s. Deloitte Haskins & Sells LLP

Chartered Accountants

ICAI Registration No. 117366W/

W-100018

Peer review number: 017468

Secretarial Auditors

M/s. Mehta & Mehta

Practicing Company Secretaries

Firm Registration Number

MU000019250

ICSI Firm Registration Number

P1996MH007500

Peer Review Number 7281/2025

Cost Auditors

M/s. Adawadkar Deshmukh and Associates

Practicing firm of Cost Accountants

Firm Registration Number 000421

Internal Auditors

M/s. A S Havaladar and Associates

Firm Registration Number: 140036W

Bankers to the Company

Kotak Mahindra Bank Limited

Axis Bank Limited

HDFC Bank Limited

ICICI Bank Limited

IDBI Bank Limited

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The global economy entered 2026 with underlying momentum intact, supported by technology-led investment, accommodative financial conditions, and the continued realignment of supply chains. This momentum was tested by the outbreak of conflict in the Middle East, which unsettled energy markets, revived inflationary pressures, and slowed the pace of global growth.

According to the International Monetary Fund (IMF), global growth moderated to 3.0% in 2025 from 3.3% in 2024 and is projected to remain at 3.0% in 2026 before improving to 3.4% in 2027. While the global economy continues to demonstrate resilience, growth remains constrained by geopolitical tensions, trade policy uncertainty and elevated public debt levels, underscoring a cautiously improving yet uneven economic outlook.

Higher energy prices and renewed cost pressures across industries followed, keeping central banks cautious as they weigh inflation control against growth. Global headline

inflation is expected to rise to 4.4% in 2026 before easing to 3.7% in 2027.

Advanced economies are expected to post moderate growth, on the back of steady labour markets and public investment, while emerging markets and developing economies remain the main engine of global expansion. Commodity price volatility, external financing pressures, and geopolitical uncertainties remain key challenges for many of them.

Trade and investment flows keep shifting as businesses build sturdier supply chains, widen their sourcing networks, and adjust to a more fragmented geopolitical map. Advances in AI and digital technology, in parallel, are opening fresh avenues to lift productivity and underpin growth over the longer term.

The outlook still carries risks from geopolitical tension, energy-market disruption, trade-policy uncertainty, and fiscal strain. Set against these, continued innovation, structural reform, and closer international cooperation could keep the global economy on a steady footing and support future growth.¹

Real GDP Growth (in %)			
Year	Global Economy	Advanced Economies	Emerging Markets and Developing Economies
2025 (E)	2.9	1.8	4.4
2026 (F)	2.5	1.5	3.6
2027 (F)	2.8	1.8	4.2

INDIAN ECONOMY

The Indian economy delivered a strong performance in 2025-26, reinforcing its position as the world's fastest-growing major economy despite persistent geopolitical tensions, trade uncertainty, and a difficult external environment. Backed by a good agricultural year, firm domestic consumption, sustained infrastructure spending, and a healthy financial sector, real GDP expanded by 7.7% during the year, up from the revised rate of 7.1% in 2024-25. Momentum held through the year, with GDP rising by 7.8% in the fourth quarter, reflecting the underlying domestic demand and investment activity.²

A favourable monsoon, higher agricultural productivity, and continued policy support underpinned the year's growth. Agriculture was central to rural incomes, consumption, employment, and food security. India's foodgrain production reached a record estimated 376 Million tonnes during the 2025-26 crop year, representing a 5.3% increase over the previous year. This output across major crops helped ease food inflation, improve rural purchasing power, and spur demand across sectors such as consumer goods, housing, automobiles, and financial services. Agricultural exports

held firm, increasing by 2.8% year-on-year to approximately USD 52.6 Billion, a mark of the sector's competitiveness and its contribution to external stability.³

The pickup in rural demand ran alongside urban consumption, creating a broad-based demand base. Household spending drew support from rising incomes, better labour market conditions, and easing inflation. Firm domestic demand and improved business confidence together kept investment activity ticking over across sectors.

Infrastructure development remained a principal engine of growth, backed by sustained public capital expenditure and increasing private sector participation. Investments across roads, railways, airports, logistics networks, renewable energy, urban infrastructure, and digital connectivity widened productive capacity and carried strong multiplier effects into employment and activity. Construction was among the year's best-performing sectors, aided by the infrastructure cycle and large-scale public investment programmes. Continued rollout of PM GatiShakti and industrial corridor projects further improved connectivity, logistics efficiency, and competitiveness.²

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

The strong investment environment was matched by healthy corporate balance sheets, improving capacity utilisation, and policy measures aimed at boosting manufacturing and industrial growth. Production Linked Incentive (PLI) schemes and supply-chain diversification opportunities continued to support capital formation and deepen the manufacturing base.²

A favourable agricultural year and stable supply conditions drove a marked moderation in inflation during 2025-26. Consumer Price Index (CPI) inflation averaged approximately 2.1%, supporting real income growth and consumer spending. Benign inflation added to macroeconomic stability and gave policymakers room to support growth without straining financial stability.²

India's external sector also demonstrated resilience despite elevated geopolitical tensions and global trade disruptions. Services exports, healthy remittance inflows, and comfortable foreign exchange reserves cushioned the economy against external shocks. Combined merchandise and services exports reached an estimated USD 863 Billion during the year, underlining the competitiveness of Indian businesses and their deepening place in global value chains.⁴

Fiscal consolidation stayed a policy priority through this period. The Government held the fiscal deficit at 4.4% of GDP in 2025-26 while continuing to prioritise infrastructure creation, agricultural development, and social sector investments. Building on this momentum, the Union Budget 2026-27 targets a further reduction in the fiscal deficit to 4.3% of GDP and proposes total expenditure of approximately ₹53.5 Lakh Crore. Capital expenditure has been increased to a record ₹12.2 Lakh Crore, about 3.1% of GDP, reaffirming the Government's commitment to infrastructure-led growth and long-term productivity enhancement.⁴

The banking and financial services sector stayed a core enabler of activity through the year. Healthy credit growth across retail, agriculture, MSME, and corporate segments supported consumption and investment, while improving asset quality, strong capital adequacy, and sustained digitalisation shored up the sector. Continued demand for financing across infrastructure, agriculture, housing, and small business pointed to both the breadth of growth and the deepening of financial intermediation.²

India enters 2026-27 from a position of strength, supported by firm domestic demand, healthy agricultural output, a resilient financial system, and a sustained infrastructure development pipeline. The Union Budget 2026-27 reinforces these growth drivers through continued support for agriculture, manufacturing, infrastructure, and logistics modernisation, while maintaining a clear commitment to

fiscal discipline. Risks from geopolitical conflicts, global trade fragmentation, commodity price volatility, and climate-related uncertainties remain. India's strong domestic fundamentals, ongoing structural reforms, and investment-led growth strategy are expected to sustain economic expansion. Reflecting these strengths, the Reserve Bank of India (RBI) has projected GDP growth of 6.6% for 2026-27, positioning India among the fastest-growing major economies globally.⁵

AGRICULTURE TRACTOR MARKET

Global Agriculture Tractor Market

The global farm tractor market grew steadily in 2025, supported by wider agricultural mechanisation, rising food demand, farm labour shortages, and the greater use of advanced farming technology. Tractors remain central to modern agriculture, lifting productivity, efficiency, and precision across farm operations.

According to Straits Research, the global farm tractor market was valued at approximately USD 79.9 Billion in 2025 and is projected to grow to USD 84.5 Billion in 2026 and USD 132.2 Billion by 2034, a CAGR of 5.75% over the forecast period. Growth is driven by rising investments in farm mechanisation, supportive government initiatives, and the need to raise agricultural productivity against rising global food demand.

The industry is undergoing a technological transformation, with farmers increasingly adopting tractors fitted with GPS-based guidance systems, telematics, automation features, and precision farming capabilities. These are helping optimise input use, sharpen farm management, and lift overall productivity. Demand for medium-horsepower tractors, particularly in the 40-100 HP segment, stays firm given their versatility across a broad range of agricultural applications.

Regionally, Asia-Pacific remains the largest market, driven by strong demand from major agricultural economies such as India and China, rising mechanisation rates, and favourable government support programmes. Europe is expected to emerge as the fastest-growing regional market, supported by increasing adoption of precision agriculture, sustainability-focused farming practices, and investments in technologically advanced farm equipment. North America remains a significant market, marked by high mechanisation levels, large-scale commercial farming operations, and growing adoption of high-horsepower and precision-enabled tractors.

Wider mechanisation, the digitalisation of farm operations, and continued investment in agricultural productivity

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

are expected to support the market's long-term growth. As automation, connectivity, and sustainable equipment technologies come together, the industry is set to change further, opening opportunities across both developed and emerging agricultural economies.⁶

Indian Agriculture Tractor Market

The Indian agricultural tractor market delivered a record performance in 2025-26, on the back of a favourable monsoon, better crop output, and rising farm incomes, with firm rural sentiment, easier credit, and supportive government policy carrying demand to its highest-ever level during the year.⁷

India remains the world's largest tractor market by volume and one of the largest tractor manufacturing hubs globally. According to the Tractor and Mechanisation Association (TMA), domestic tractor sales recorded 1,160,231 units, a 23.47% increase compared to 939,713 units in 2024-25. Tractor exports also remained resilient at over 1.05 Lakh units, highlighting the growing acceptance of Indian-manufactured tractors in international markets. Steady export offtake underlined the widening acceptance of Indian-manufactured tractors in international markets. Consequently, total tractor sales by OEMs, including domestic and export volumes, reached approximately 12.6 Lakh units during 2025-26, while tractor production exceeded 11.5 Lakh units during the year.⁸

Key Growth Drivers

The Indian tractor industry continued to benefit from several structural and policy-led factors during the year:

- **Strong Agricultural Fundamentals:** Above-normal monsoon rainfall, healthy reservoir levels, active sowing, and higher output lifted farm incomes and tractor demand across key agricultural states
- **Government Support for Mechanisation:** The Government of India continued to promote farm mechanisation through programmes such as the Sub-Mission on Agricultural Mechanisation (SMAM), which provides financial assistance of 40%-50% of equipment costs for eligible farmers. The Custom Hiring Centres (CHCs) have further improved access to advanced agricultural equipment
- **Improved Credit Access:** Affordable financing through the Kisan Credit Card (KCC) ecosystem and NABARD-supported rural credit initiatives improved tractor affordability and aided mechanisation among small and marginal farmers

- **Rising Labour Costs and Mechanisation Needs:** Labour shortages and increasing wage costs continued to push farmers towards mechanised solutions that improve productivity and efficiency
- **Growth in Non-Farm Applications:** Wider use of tractors in haulage, rural transport, construction, and infrastructure expanded the addressable market and supported replacement demand^{9,10}

Market Trends

The Indian tractor market continues to be dominated by the **31-50 HP segment**, which suits a wide range of applications and farm sizes. Demand for **higher-horsepower tractors** gained ground, aided by commercial farming operations, custom hiring centres, and non-agricultural applications.

From a driveline perspective, **two-wheel-drive (2WD) tractors remain the dominant category**, given their affordability and suitability for India's fragmented landholding pattern. Demand for four-wheel-drive (4WD) tractors is rising steadily, particularly in regions with higher mechanisation intensity, horticulture, and plantation farming.

Technology adoption is also becoming an important differentiator, with manufacturers increasingly offering tractors equipped with telematics, GPS-enabled guidance systems, fuel-efficient engines, precision farming capabilities, and smart fleet management solutions.^{8,10}

Outlook

The long-term outlook for the Indian tractor industry remains favourable. On the demand side, rising mechanisation, continued government support, higher rural incomes, wider access to institutional credit, and greater adoption of advanced farming technologies are expected to sustain growth. On the supply side, a deep manufacturing base, a large domestic market, and improving export competitiveness position India as a global hub for tractor production and exports, opening scope for long-term expansion.⁷

CONSTRUCTION VEHICLE MARKET

Global Construction Vehicle Market

The global construction vehicle market is supported by rising infrastructure investments, rapid urbanisation, and expanding mining activities worldwide. The market was valued at approximately USD 401.4 Billion in 2025 and is projected to reach USD 670.2 Billion by 2036, a CAGR of 4.7% during the forecast period.¹²

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Demand is driven by rising investments in transportation networks, smart cities, industrial infrastructure, renewable energy, and resource extraction activities. Construction vehicles such as excavators, loaders, bulldozers, dump trucks, and motor graders remain central to the execution of large-scale infrastructure and mining projects worldwide.

The Asia-Pacific region, accounting for 40.5% of global market revenue in 2025, remains the largest market, supported by infrastructure spending and urban development across China, India, and other emerging economies. Technological advances such as telematics, AI-enabled fleet management, predictive maintenance, autonomous equipment, and the growing adoption of electric and hybrid vehicles are reshaping the industry.

Diesel-powered vehicles continue to dominate the market at a 72% share in 2025. Even so, manufacturers are stepping up investment in sustainable and intelligent equipment to improve efficiency, enhance safety, and reduce environmental impact, a shift expected to support the market's long-term growth.¹¹

Indian Construction Vehicle Market

The Indian construction vehicle and equipment industry remained a core enabler of the country's infrastructure-led growth during 2025-26. Demand for construction and mining equipment drew on sustained investment across transport, urban, industrial, and energy infrastructure, keeping the sector closely tied to India's long-term development priorities.¹²

The year brought a mixed operating environment for the industry. Underlying demand held firm, but project execution was hit by delays in project awards, prolonged election-related disruptions in certain regions, and uneven capital expenditure through parts of the year. Domestic construction equipment sales fell approximately 2% year-on-year to 136,995 units, while exports rose nearly 32%, a sign of the growing global acceptance of Indian-manufactured equipment and of India's strengthening position as a competitive manufacturing hub for construction machinery.¹³

India remains one of the fastest-growing construction equipment markets globally and is the third-largest worldwide, with industry estimates pointing to it becoming the second-largest by 2030, supported by sustained infrastructure investment, rising mechanisation, and supportive government policy. Localisation has also deepened: more than 95% of equipment sold domestically is now made in India, which strengthens supply-chain resilience and lifts export competitiveness.¹⁴

Key Demand Drivers

- **Infrastructure-led Economic Growth:** Government expenditure on roads, highways, expressways, railways, metro systems, airports, ports, logistics parks, and water infrastructure continued to drive demand for earthmoving, road construction, and material-handling equipment
- **National Infrastructure Programmes:** Large-scale initiatives such as **PM GatiShakti**, the **National Infrastructure Pipeline (NIP)**, **Bharatmala Pariyojana**, **Sagarmala**, dedicated freight corridors, and urban infrastructure projects remained major contributors to equipment demand
- **Urbanisation and Real Estate Development:** Rising urbanisation, higher housing demand, and expansion of commercial and industrial real estate supported construction activity across both metropolitan and emerging urban centres
- **Mining Sector Expansion:** Higher demand for coal, iron ore, bauxite, limestone, and other minerals feeding power generation, steel production, cement manufacturing, and industrial development continued to drive investments in mining equipment and heavy-duty vehicles
- **Industrial and Manufacturing Investments:** Growth in industrial corridors, warehousing facilities, logistics infrastructure, and manufacturing investments under the Government's production-linked incentive (PLI) initiatives supported demand for construction machinery
- **Mechanisation and Productivity Enhancement:** Contractors increasingly adopted mechanised equipment to improve productivity, accelerate project execution, enhance safety standards, and address labour availability challenges, particularly in large infrastructure and mining projects^{14,12}

The industry continued to evolve technologically. The adoption of telematics, fleet management systems, predictive maintenance tools, machine monitoring solutions, and automation-enabled equipment gained momentum as fleet operators sought to improve asset utilisation and reduce operating costs. Manufacturers widened their focus to fuel-efficient equipment, digital solutions, remote diagnostics, and intelligent machine controls to raise productivity and efficiency.¹⁵

Sustainability remained an emerging theme across the sector. Equipment manufacturers stepped up investment in cleaner technologies, including electric and hybrid

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

machinery, in response to tightening environmental norms and customer demand for lower-emission solutions. The growing emphasis on sustainable construction is expected to accelerate innovation across equipment categories in the coming years.¹⁴

The sector's outlook remains positive despite near-term execution challenges. With public capital expenditure sustained, domestic demand is expected to recover through the year. Beyond that recovery, it is the supply-side gains, rising exports, deepening localisation, and the adoption of advanced technologies, that are likely to strengthen the industry's trajectory and carry India towards becoming one of the largest construction equipment markets globally over the coming decade.^{13,14}

GLOBAL BACKHOE LOADER MARKET

The global backhoe loader market is supported by rising infrastructure investments, urbanisation, and increasing mechanisation of construction activities. According to Fortune Business Insights, the market was valued at approximately USD 2.75 Billion in 2024 and is projected to reach USD 4.42 Billion by 2032, at a CAGR of 6.2%.

Backhoe loaders remain a preferred choice for construction and infrastructure projects for their versatility in excavation, loading, trenching, and material handling. Demand is supported by investments in transportation, utilities, and urban development projects, particularly across emerging economies. Technological advancements, including telematics, fuel-efficient engines, and operator-assistance features, are improving productivity and adoption. Asia-Pacific remains the largest market, driven by strong infrastructure activity in China and India.¹⁶

INDIAN BACKHOE LOADER INDUSTRY

India is one of the world's largest markets for backhoe loaders, supported by sustained investments in roads, railways, urban development, irrigation, and rural construction. According to IMARC Group, the Indian backhoe loader market was valued at approximately USD 0.56 Billion in 2024 and is projected to reach USD 0.94 Billion by 2033, registering a CAGR of 5.95% over 2025-2033.

The market draws on government-led infrastructure programmes and steady mechanisation, but its distinguishing feature is the contractor base: demand is

led by operators seeking a single, cost-effective machine that can excavate, load, trench, and handle material on one chassis, which makes the backhoe loader particularly suited to India's small- and medium-scale projects. Adoption of telematics, fuel-efficient engines, and improved operator controls is adding to that pull.¹⁷

GLOBAL TELEHANDLER MARKET

The global telehandler market is growing strongly, driven by rising demand for efficient material-handling equipment across construction, agriculture, warehousing, and industrial applications. Fortune Business Insights estimates the market at USD 5.31 Billion in 2025, rising to USD 9.93 Billion by 2034, at a CAGR of 7.2%.

Expansion is driven by infrastructure development, growth in logistics and warehousing, and rising mechanisation across agricultural operations. Telehandlers are gaining traction for their superior lifting capacity, operational flexibility, and compatibility with multiple attachments. Manufacturers are also incorporating telematics, automation, and electric powertrain technologies to improve efficiency and sustainability. Asia-Pacific leads the global market, supported by construction and infrastructure investments.¹⁸

INDIAN TELEHANDLER INDUSTRY

The Indian telehandler market is growing steadily, driven by rising demand for efficient material-handling equipment across construction, warehousing, logistics, agriculture, and industrial sectors. According to IMARC Group, the market was valued at approximately USD 0.70 Billion in 2024 and is expected to reach USD 1.00 Billion by 2033, at a CAGR of 4.10% over 2025-2033.

Growth is supported by infrastructure development, the mechanisation of material handling, and the fast expansion of logistics and warehousing. This last driver is the distinctively Indian one: the build-out of organised warehousing and logistics parks under programmes such as PM GatiShakti, the Smart Cities Mission, and industrial corridor development is drawing telehandlers into roles once handled by cranes and forklifts, where their reach and interchangeable attachments let a single machine cover several tasks. Sustained construction and industrial investment is expected to support the sector over the long term.¹⁹

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Key Central Sector Schemes Launched by the Government of India

Initiative	Details
PM Gati Shakti National Master Plan	PM GatiShakti serves as India's integrated infrastructure planning framework, bringing together road, rail, port, airport, logistics, and utility projects on a common digital platform. The initiative aims to improve project execution, reduce logistics costs, and accelerate infrastructure development, feeding demand for construction and material-handling equipment. ²¹
National Infrastructure Pipeline (NIP)	The NIP envisages infrastructure investment of over USD 1.4 Trillion in roads, railways, and irrigation, with private participation invited in renewables, digital infrastructure, airports, and roads. The programme provides long-term visibility for infrastructure spending and remains among the largest single anchors of medium-term equipment demand. ²¹
Bharatmala Pariyojana	Bharatmala is one of India's largest highway development programmes, covering economic corridors, expressways, border roads, and port connectivity projects. Its road-building focus drives sustained demand for earthmoving, excavation, and road construction equipment. ²¹
Pradhan Mantri Awas Yojana (PMAY)	PMAY remains the government's flagship affordable housing initiative. As of February 2026, over 125 Lakh houses had been sanctioned across urban and rural segments, sustaining residential construction activity and the compact equipment it uses. ²⁰

Initiative	Details
Jal Jeevan Mission (JJM)	The mission aims to provide functional tap water connections to all rural households through investment in water-supply infrastructure, pipelines, storage, and distribution networks, work that draws steadily on excavation and trenching equipment. ²¹
AMRUT 2.0	AMRUT 2.0 seeks to improve urban water supply, sewerage, and wastewater management infrastructure with an outlay of ₹2.99 Lakh Crore. The programme is contributing to increased urban infrastructure development and associated equipment demand. ²³
Pradhan Mantri Gram Sadak Yojana (PMGSY)	PMGSY continues to enhance rural connectivity through the construction and upgradation of all-weather roads. It remains a steady source of demand for road-building and earthmoving equipment. ²¹
Railway Capital Expenditure Programme	The Government continues to invest heavily in railway infrastructure, including network expansion, electrification, station redevelopment, freight corridors, and logistics facilities. The Union Budget 2026-27 allocated approximately ₹2.93 Lakh Crore to railway capital expenditure, sustaining rail-linked construction and material-handling demand. ²²

COMPANY OVERVIEW

Carraro India Limited ('Carraro India; or 'The Company') is a subsidiary of the Italy-based Carraro Group, a global leader in the design, engineering and manufacture of driveline systems for off-highway vehicles. The Company manufactures and supplies axles, transmission systems, gears and related components for agricultural and construction equipment, serving leading original equipment manufacturers (OEMs) across domestic and international markets. With over 25

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

years as an independent Tier-1 supplier, Carraro India has built strong capabilities in engineering, customised product development and advanced manufacturing.

The Company operates two manufacturing facilities and an R&D centre at Ranjangaon, Pune. Its manufacturing footprint comprises an 84,000-square-metre driveline facility and a 78,000-square-metre gear manufacturing plant, with capabilities across cast machining, heat treatment, gear manufacturing, assembly, painting, prototyping and testing. During 2025-26, the Company continued to invest in capacity expansion, technology upgrades and process improvements to support future growth.

Engineering is central to the Company's positioning. Carraro India provides engineering services to external customers, also leveraging on the support of its R&D subsidiary Carraro Technologies India Private Limited. During the year, the Company strengthened its presence in advanced driveline technologies, including higher-horsepower transmissions and electric drivetrain solutions, and entered into an engineering services agreement with Montra Electric for the industrialisation and supply of e-transmissions for electric agricultural tractors.

Carraro India continues to hold a central role within the Carraro Group as its designated global centre of excellence for agricultural transmissions and one of the Group's largest manufacturing locations. Strong OEM relationships, deeper localisation, expanding engineering capabilities and continued investment in innovation position the Company to pursue growth across the agricultural and construction equipment sectors.

SEGMENT-WISE PERFORMANCE

Agricultural Equipment

The agricultural equipment segment delivered a strong performance in 2025-26, supported by favourable industry conditions, firm domestic tractor demand and the accelerating shift towards 4WD tractors. This shift has been driven by the GST reduction, which has nearly equalised the pre-GST price of 2WD tractors with the post-GST price of 4WD models, lifting demand for the Company's axle and transmission products. The domestic 4WD axle market grew healthily during the year, with 4WD tractor volumes outpacing the broader industry. The Company continued to ramp up capacity to meet expected demand over the coming years.

The Company also made progress in its higher-horsepower transmission portfolio. Following prototype development, series production of a new high-horsepower transmission for an export customer commenced during the year.

Transmission programmes for customers in Turkey and India continued to progress, reinforcing the Company's position in the premium agricultural drivetrain segment. The gradual recovery in export demand for higher-horsepower tractors is also expected to support transmission offtake.

Engineering services emerged as an increasingly important driver within the agricultural segment. During the year, the Company signed an engineering services agreement valued at approximately ₹17.5 Crore with Montra Electric for the industrialisation and supply of e-transmissions for electric agricultural tractors. The project progressed well through 2025-26, including the receipt of a prototype order for field validation. The Company also continued to receive enquiries for higher-horsepower and advanced technology configurations, a sign of growing customer confidence in its engineering capabilities.

The Company advanced several technology-led initiatives during the year, including pilot production of Continuously Variable Transmission (CVT) units and development of higher-horsepower driveline platforms. These initiatives are expected to strengthen the Company's participation in future-ready agricultural drivetrain technologies.

For 2025-26, segment revenue rose 19% year-on-year to ₹10,192 Million, from ₹8,565 Million in 2024-25, on higher 4WD penetration and continued product diversification. The Company holds a strong position in the domestic non-captive 4WD axle market and deepened its presence in higher-value transmission applications during the year.

Construction Equipment

The construction equipment segment delivered a strong performance during 2025-26, driven by strong export growth and the ramp-up of new product programmes. A key contributor was the continued scale-up of Tele Boom Handler (TBH) axle supplies to a major international OEM under a global sourcing programme. The TBH platform gained traction during the year and emerged as an important contributor to export growth, supported by higher production volumes and continued programme ramp-up.

The Company also progressed new TBH axle programmes with a domestic customer, building a pipeline for future growth. Exports of backhoe loader (BHL) driveline systems remained healthy, supported by improving demand across global markets and rising exports by Indian OEM customers.

The domestic construction equipment market remained relatively subdued during parts of the year due to slower infrastructure execution and project delays. The Company outperformed the broader market, supported by its diversified customer base, growing export exposure and increasing

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demand for specialised driveline solutions. Sales of drivelines to domestic construction equipment customers rose during 2025-26 despite a decline in overall industry volumes.

To support expected demand growth across both agricultural and construction equipment applications, the Board approved a capital expenditure programme of approximately ₹623 Million to expand axle manufacturing capacity from ~134,028 units to ~154,160 units over the next 18 months.

For 2025-26, segment revenue rose 31% year-on-year to ₹9,837 Million, from ₹7,491 Million in 2024-25, driven by strong export demand, particularly from TBH and BHL applications.

Others: Gears, Spare Parts and Engineering Services

The Others segment, comprising gears, spare parts and engineering services, recorded steady growth during 2025-26. The gears business remained relatively subdued through the year, though the Company secured a business

nomination from a major OEM for bull gears, valued at approximately ₹15 Crore per annum from 2027-28 onwards. The Company also continued to work on new customer programmes aimed at strengthening the segment's medium-term prospects.

Segment Revenue Summary (₹ Million)

Segment	2025-26	2024-25
Agricultural Equipment	10,192	8,565
Construction Equipment	9,837	7,491
Others (Gears, Spares, and Engineering Services)	2,526	2,019
Total Revenue from Operations	22,555	18,076

OPPORTUNITIES AND THREATS

Opportunities

- **Adoption of 4WD Tractors:** The continued shift from 2WD to 4WD tractors, aided by farm mechanisation and supportive policy, sustains demand for the Company's axle and transmission products
- **Expansion of TBH Business:** The ramp-up of TBH axle programmes and development of additional projects with customers provide a strong platform for future growth in the construction equipment segment
- **Higher-Horsepower Transmission:** Rising demand for higher-horsepower tractors and advanced drivetrain technologies allows the Company to expand its presence in premium, higher-value product categories
- **Growth in Engineering Services:** Growing customer interest in advanced engineering solutions, electrification projects and product development services enables the Company to scale the engineering services business and diversify revenue

- **Electrification and Emerging Technologies:** The engineering services agreement with Montra Electric and development of advanced transmission and electrification technologies position the Company to participate in electric and next-generation off-highway applications
- **Increasing Localisation:** Localisation of raw materials and components strengthens supply-chain resilience, cost optimisation and long-term margin improvement.
- **Aftermarket Expansion:** A stronger authorised service network and wider spare-parts range deepen customer engagement and grow higher-margin aftermarket revenue
- **Export Growth Opportunities:** Rising global sourcing from India, expanding export programmes and growing acceptance of Indian-manufactured driveline solutions widen the Company's export business and diversify revenue

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

- **Strategic Position within the Carraro Group:** The Company's role as the Group's centre of excellence and a key manufacturing hub positions it to benefit from future product programmes, technology transfers and global sourcing

Threats

- **Slowdown in Construction Equipment Demand:** Delays in infrastructure spending, project execution challenges or weaker capital expenditure could affect demand in the construction equipment segment
- **Global Economic and Trade Uncertainties:** Geopolitical developments, trade restrictions or slower economic growth in key export markets could weaken export demand and customer spending
- **Raw Material and Supply-Chain Risks:** Volatility in commodity prices, logistics costs or supplier capacity constraints could raise operating costs and weigh on performance
- **Product Mix Fluctuations:** Changes in product mix across agricultural and construction equipment applications could compress profitability and operating margins in the short term
- **Dependence on Agricultural Sector Dynamics:** Tractor demand remains exposed to monsoon conditions, farm incomes, commodity prices and government policies affecting the rural economy
- **Technology and Competitive Pressures:** Rapid technological change and increasing competition could require continued investment in product development, engineering capabilities and manufacturing technologies

OUTLOOK

Carraro India enters 2026-27 on a strong footing, with healthy demand across key end markets, a growing export portfolio and expanding engineering capabilities. Its priorities for the year are to grow the higher-value drivetrain business, deepen customer relationships and improve operational efficiency through localisation and capacity expansion.

These priorities rest on the four drivers built up through the year: 4WD driveline demand, the Tele Boom Handler axle ramp-up, higher-horsepower transmission programmes and a rising contribution from engineering services. Continued investment in manufacturing capacity, technology and process improvements is expected to support this growth while strengthening the Company's competitive position.

The Company will also expand its aftermarket ecosystem, advance next-generation drivetrain technologies and strengthen its position within the Carraro Group's global manufacturing and engineering network. While macroeconomic uncertainties and industry-specific challenges remain, management is confident about the medium-term prospects for both the agricultural and construction equipment sectors and believes the Company is well placed to benefit from them.

DISCUSSION ON FINANCIAL PERFORMANCE

2025-26 was a year of strong growth for Carraro India, driven by healthy demand across both domestic and export markets. On a consolidated basis, revenue from operations rose 25% to ₹22,555 Million from ₹18,076 Million in 2024-25. Growth was led by firm domestic demand for agricultural driveline products, particularly 4WD axles, and export momentum in construction equipment applications, including TBH and BHL programmes.

The agricultural equipment segment recorded revenue of ₹10,192 Million during 2025-26, up 19% over the previous year. The construction equipment segment reported revenue of ₹9,837 Million, up 31%, driven primarily by export demand. Revenue from the Others segment, comprising gears, spare parts and engineering services, rose 25% to ₹2,526 Million.

Consolidated EBITDA for 2025-26 increased by 33% to ₹2,475 Million from ₹1,864 Million in 2024-25. EBITDA margin improved to 10.8% from 10.2% in the previous year. The improvement reflected operating leverage, disciplined cost management, execution efficiencies and a favourable contribution from engineering services.

Profit After Tax (PAT) increased by 48% to ₹1,306 Million during 2025-26 from ₹881 Million in 2024-25. PAT margin improved to 5.7% from 4.8% in the previous year, reflecting stronger operating performance and efficient capital management.

The Company continued to maintain a healthy balance sheet and liquidity position. During 2025-26, capital expenditure of approximately ₹417 Million was incurred on telescopic handler axle production, a new high-performance transmission range for agricultural applications, and incremental capacity for 2025-26 sales. In addition, the board approved a capital expenditure programme to expand annual axle production capacity to approximately 154,160 units to support future growth.

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Performance Review (₹ Million)

Particulars	2025-26	2024-25
Total Income	22,840.16	18,233.79
EBITDA	2,474.62	1,864.42
EBITDA Margin (%)	10.83%	10.23%
PAT	1,305.83	881.36
EPS (₹)	22.96	15.50

KEY FINANCIAL RATIOS

The table below sets out the key financial ratios required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with comparative figures for 2024-25 and explanations for any year-on-year movement above 25%.

Particulars	As of 31 st March, 2026	As of 31 st March, 2025	Variance	Explanation if Variance is More than 25%
(a) Current Ratio (Times)	1.62	1.52	6.58%	NA
(b) Debt-to-Equity Ratio (Times)	0.27	0.42	(35.71)%	Decrease in ratio on account of decrease in debt and increase in shareholders' funds
(c) Debt Service Coverage Ratio (Times)	2.92	2.53	15.28%	NA
(d) Return on Equity Ratio (%)	25.53%	21.29%	19.94%	NA
(e) Inventory Turnover Ratio (No. of Days)	67.89	81.29	(19.74)%	NA
(f) Trade Receivables Turnover Ratio (No. of Days)	53.90	53.91	(0.02)%	NA
(g) Trade Payables Turnover Ratio (No. of Days)	83.17	96.71	14.01%	NA
(h) Net Profit Ratio (%)	5.79%	4.88%	18.74%	NA
(i) Return on Capital Employed (%)	29.20%	22.78%	28.20%	Increase in ratio on accounts of increase in profit
(j) Debtor Turnover Ratio (Times)	6.77	6.77	0.02%	NA
(k) Operating Profit Margin (%)	26.57%	27.32%	(2.76)%	NA
(l) Interest Coverage Ratio (Times)	11.07	13.74	(19.43)%	NA

RISKS AND MITIGATION MEASURES

Carraro India follows a structured enterprise risk management framework under the oversight of the Board of Directors, Audit Committee and Risk Management Committee. The framework enables the Company to identify, assess, monitor and mitigate risks that could affect its strategic objectives, operational performance and financial results. Some of the key and emerging risks are highlighted below:

Risk	Impact on the Company	Mitigation Measures
Customer Concentration Risk	A large part of revenue comes from a few OEM customers. If any of them cuts orders, shifts to in-house production, or moves to a competitor, it can significantly affect volumes and plant utilisation.	Widening the customer base through an updated product portfolio, strong LTAs/supply agreements, reliable service, cost focus, product quality, flexibility, and a competitive quality-price ratio.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Risk	Impact on the Company	Mitigation Measures
Group Dependency Risk	Reliance on Carraro Group entities for technology and procurement could limit the operational independence.	Building stronger design and testing capability within India, developing local and regional suppliers for critical parts, and setting up clear agreements with the Group on technology support and supply continuity.
Related Party Transactions Risk	High volume of intercompany transactions may raise governance and compliance concerns.	Audit Committee review of all related party transactions, periodic transfer-pricing benchmarking, and disclosure aligned with the Companies Act and SEBI LODR.
Seasonality and Cyclical Risk	Demand linked to the farming season and to construction and commercial vehicle cycles causes revenue and plant workload to swing sharply from quarter to quarter.	Balancing the order book across segments with offsetting seasonal patterns, and using flexible manpower arrangements to match production to demand.
Industry and Technology Transition Risk	The pace of OEM investment in electrification and hybridisation remains uncertain, and continued reliance on conventional mechanical drivelines risks share loss if customers transition faster than the Company's e-axle and hybrid offering matures.	Co-developing e-axle and hybrid driveline platforms with Group R&D, tracking customer electrification timelines closely, and phasing capex to confirmed programme awards.
Raw Material and Margin Pressure Risk	Steel, alloy and other input costs remain volatile while OEM price negotiations lag cost movements, compressing realised margins.	Indexed pricing clauses wherever feasible, improving efficiency, running cost-reduction projects and delivering value-led products to enhance the financial performance.
Geopolitical and Supply Chain Risk	Shipping-route disruption, tariff actions, and concentrated sourcing for certain components expose input costs and delivery schedules to events outside the Company's control.	Strengthening dual-sourcing of critical items, holding strategic buffer stock, and scenario-based monitoring of freight and landed costs.
Cybersecurity and Data Privacy Risk	Increasing use of technology leading to cyber-attacks, while DPDPA obligations add to the compliance burden around personal data handling.	Enhancing cyber-security resilience through updated IT security framework implemented across group entities. Ensuring compliance with DPDPA norms with the help and support of third-party consultants within the defined timeline.
Internal Market Overlap Risk	Competitive dynamics within the broader industry and potential overlaps with related entities may impact market positioning.	Differentiating through focused geographical segmentation and market-specific strategies. Enhancing business independence through purchase of intellectual property rights.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls commensurate with the nature, size and complexity of its operations. The internal control framework is designed to ensure operational efficiency, reliability of financial reporting, safeguarding of assets, compliance with applicable laws and regulations, and effective risk management.

The Company follows a risk-based internal audit approach, with the annual internal audit plan approved by the Audit Committee. Internal audits are conducted periodically across

key business processes, and observations are reviewed by management and the Audit Committee to ensure timely implementation of corrective actions.

The internal control framework covers manufacturing operations, procurement, inventory management, sales, finance, engineering services and information technology systems. The Company's ERP-enabled processes provide visibility, control and monitoring across business functions, supporting effective decision-making and financial discipline.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

During 2025-26, the internal control environment continued to support the Company's expanding operations, including capacity enhancement initiatives, new product programmes and the growing engineering services business. Based on the reviews conducted during the year, management believes the Company's internal control systems are adequate and operating effectively.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Human capital remains a core enabler of Carraro India's long-term growth strategy. The Company focuses on building a high-performance culture through continuous learning, technical capability building, leadership development and employee engagement.

During 2025-26, the Company continued to invest in training and skill development programmes across manufacturing, engineering, quality, supply chain and support functions. Emphasis fell on the capabilities needed for new product programmes, advanced manufacturing technologies and the growing engineering services business.

The Company remains committed to providing a safe, inclusive and collaborative work environment that supports innovation, teamwork and professional growth.

Industrial relations remained cordial and stable throughout 2025-26, with no material disruption to operations. The Company continued to maintain constructive relations with employees and other stakeholders, supporting operational continuity and business performance.

As on 31st March, 2026, the Company employed approximately 1,800 people across its manufacturing, engineering, sales and corporate functions. The Company's people strategy remains focused on attracting, developing and retaining talent to support its future growth plans.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report contains statements regarding the Company's objectives, projections, estimates, expectations or predictions, which may be considered 'forward-looking statements' according to the applicable laws and regulations. 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 on account of subsequent developments, new information, events or other reasons.

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BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present herewith the Twenty Ninth (29th) Annual Report on the business and operations of the Company together with financial statements for the financial year ended 31st March, 2026 ("financial year under review").

SUMMARISED STATEMENT OF PROFIT AND LOSS:

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	22,388.94	17,921.53	22,554.91	18,075.54
Other income	285.37	157.64	285.25	158.25
Total income	22,674.37	18,079.17	22,840.16	18,233.79
Cost of material consumed ¹	16,562.35	13,136.72	16,562.35	13,136.72
Employee benefit expenses	1,539.01	1,411.60	1,666.40	1,541.37
Finance Cost	194.28	224.21	194.84	225.83
Depreciation and amortization	441.77	434.68	457.00	451.96
Other expenses	2,155.42	1,711.75	2,136.79	1,691.28
Total expenditure	20,892.93	16,918.96	21,017.38	17,047.16
Profit before exception items and tax	1,781.48	1,160.21	1,822.78	1,186.63
Exceptional items	88.72	-	95	-
Profit before tax	1,692.76	1,160.21	1,727.78	1,186.63
Net tax expense	412.91	298.34	421.98	305.27
Net profit for the year	1,279.85	861.87	1,305.83	881.36

INDUSTRY OVERVIEW AND COMPANY'S PERFORMANCE:

Industry Overview

2025-26 unfolded against a complex and volatile global backdrop. The year began with persistent Russia-Ukraine conflict and renewed Middle East tensions, including the Israel-Gaza war drawing in regional powers, alongside Red Sea shipping disruptions that raised freight costs. Early in the fiscal year, the re-emergence of US-led trade protectionism with significant tariff announcements added uncertainty to global supply chains and markets. The situation escalated sharply in the final quarter, as US-Israeli strikes on Iran in late February, 2026 triggered the Strait of Hormuz crisis, disrupting a major oil chokepoint and causing sharp fuel price volatility through March.

Against this backdrop, global economic growth moderated. The International Monetary Fund (IMF) projected 2025 global growth at 3.2%, a downward revision from the 3.3% estimated at the start of the fiscal year, with risks tilted to the downside owing to trade policy uncertainty, elevated public debt levels, and geopolitical fragmentation. Inflation continued its gradual decline globally, though divergence persisted easing more rapidly in emerging markets while remaining above target in some advanced economies. Global financial markets navigated elevated volatility through the year, sensitive to evolving tariff developments and central bank policy signals.

India's economy demonstrated resilience through this period of global uncertainty. The Second Advance Estimates released by the National Statistics Office (NSO) under MoSPI projected real GDP growth at 7.6% in 2025-26, up from 7.1% in 2024-25, underpinned by strong performance in the manufacturing and services sectors. The services sector, particularly financial and professional services as well as trade, hotels, transport, and communication, remained the primary growth engine. Manufacturing activity recorded double-digit growth during the year, supported by the government's continued emphasis on domestic production and infrastructure investment.

Headline inflation in India reached its lowest level since the inception of the CPI series. The average CPI inflation for April–December 2025 stood at 1.7%, a sharp decline driven by a broad-based moderation in food and fuel prices. This enabled the Reserve Bank of India to initiate monetary easing, with cumulative repo rate cuts of 100 basis points since February 2025, creating a more supportive environment for consumption and investment. Rural demand remained strong, supported by healthy agricultural output and improving farm incomes.

India's diverse industry landscape continued to benefit from robust domestic fundamentals. Key sectors driving economic activity included automotive and driveline components, agriculture, construction, infrastructure, manufacturing,

BOARD'S REPORT (CONTD.)

and services. The Central Government's sustained focus on infrastructure spending through programmes such as the National Infrastructure Pipeline and the PM GatiShakti initiative supported underlying demand for construction and agricultural equipment.

Agriculture retained its structural importance, contributing approximately 17% of GDP and supporting a large portion of India's rural workforce. The sector benefited from above-normal monsoon conditions in 2025-26, with strong Kharif and Rabi output supporting rural incomes and farm mechanisation demand. The domestic tractor industry recorded its best-ever annual volumes during 2025-26, with wholesale sales crossing the 10 Lakh (1 Million) unit milestone, a first for the Indian tractor industry. The shift from 2-wheel drive (2WD) to 4-wheel drive (4WD) tractors accelerated meaningfully during the year, supported by a GST rationalisation that narrowed the price differential between the two configurations, significantly increasing the addressable market for 4WD axle manufacturers.

India's manufacturing sector continued its growth trajectory, with double-digit growth recorded in 2025-26 under the revised GDP series. The sector is on course to increase its contribution to GDP, supported by the government's long-term ambition of raising manufacturing's share toward 25% in the medium term (by around 2030-2035). Government-led initiatives such as Atmanirbhar Bharat, Make in India, enhanced localisation efforts, and the Production-Linked Incentive (PLI) schemes have continued to drive investment in domestic component manufacturing.

Company's Performance:

Given the global and domestic scenarios described above, the Company achieved consolidated revenue of ₹ 22,555 Million in 2025-26, registering a strong growth of 25% as compared to ₹ 18,076 Million in 2024-25. The revenue split for 2025-26 comprised of:

Sr. No.	Particulars	₹ in Million	
		2025-26	2024-25
1	Agricultural Vehicles	10,192	8,565
2	Construction Vehicles	9,837	7,491
3	Others (Gears, Tools, etc.)	2,526	2,019

During 2025-26, the consolidated revenue from operations of the Company witnessed broad-based growth across all segments. Agricultural Vehicles applications grew 19%, led by accelerated domestic demand for 4WD axles following GST-related pricing changes that narrowed the gap between 2WD and 4WD configurations. Construction Vehicles applications grew 31%, driven by strong export traction in Tele Boom Handler (TBH) axles and Backhoe Loader (BHL) driveline systems. The Others segment (including gears, and engineering services) grew 25%, supported by early momentum in the Company's engineering services business.

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

BOARD'S REPORT (CONTD.)

Domestic vis-à-vis Export split of consolidated revenue:

₹ in Million			
Sr. No.	Particulars	2025-26	2024-25
1	Domestic	14,430	12,155
2	Export	8,125	5,921
			% Change
			↑19%
			↑37%

During 2025-26, domestic sales stood at ₹ 14,430 Million, contributing 64% to total revenue. Export sales stood at ₹ 8,125 Million, contributing 36% to total revenue, reflecting a notable step-up in export share from 32.8% in the prior year. Export growth of 37% was led by construction equipment programs particularly TBH axles for a global OEM and recovering demand for tractor axles in international markets.

Profitability of the Company on consolidated basis stood at:

₹ in Million			
Sr. No.	Particulars	2025-26	2024-25
1	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	2,475	1,864
2	Profit After Tax (PAT)	1,306	881
			% Change
			↑33%
			↑48%

The Consolidated EBITDA of the Company grew by 33% and stood at ₹ 2,475 Million as compared to ₹ 1,864 Million in the previous fiscal. Profit After Tax increased by 48% to ₹ 1,306 Million as compared to ₹ 881 Million in the previous fiscal. EBITDA margin improved to 10.8% from 10.2% in 2024-25, and PAT margin expanded to 5.7% from 4.8% in 2024-25. This performance underscored the continued strength of the Company's business model and its capacity to convert volume growth into superior profitability.

Margin expansion during the year was driven by operating leverage on higher volumes, disciplined cost management, continued localisation gains, and a richer product mix with greater contribution from high-value 4WD axles and TBH programs. The engineering services business generated approximately ₹ 100 Million in revenue in 2024-25, with the Company signing an engineering services agreement with Montra Electric (TICMPL) for e-transmission development for electric agricultural tractors, marking early entry into the EV driveline space.

The Standalone basic and diluted EPS of the Company stood at ₹ 22.51 for the Financial Year ended 31st March, 2026, as against ₹ 15.16 for the Financial Year ended 31st March, 2025.

DIVIDEND:

The Board of Directors, at its meeting held on 26th May, 2026, had recommended a final dividend of ₹ 6.75 per equity share of ₹ 10 each (@ 67.50%), for the financial year 2025-26, which is subject to approval of members at the ensuing Twenty Ninth Annual General Meeting ("AGM").

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"), which, inter alia, lays down various parameters relating to declaration / recommendation of dividend. 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 continues to operate as a leading provider of integrated driveline solutions for off-highway vehicles, serving prominent OEMs in the agricultural tractor and construction equipment sectors. Through its manufacturing, engineering and product development capabilities, the Company designs and produces axles, transmissions, gears and related components that address the evolving requirements of customers in India and international markets. Its long-standing expertise, customer-centric approach and commitment to quality have enabled the Company to establish itself as a trusted technology partner within the off-highway industry.

Over the years, the Company has evolved from a manufacturing-focused organisation into an integrated engineering and technology-driven enterprise. This transformation was further strengthened through the integration of Carraro Technologies India Private Limited and its engineering centre in Pune, enhancing synergies between design, product development, validation and manufacturing

BOARD'S REPORT (CONTD.)

activities. The strengthened engineering platform enables the Company to deliver customised solutions, accelerate product development cycles and support customers throughout the entire product lifecycle.

During Fiscal Year 2025-26, the Company continued to consolidate its position in its core agricultural and construction equipment markets while pursuing opportunities in higher value-added and technology-intensive applications. Particular emphasis was placed on advanced driveline solutions, next-generation transmission systems and products designed to improve performance, efficiency and sustainability. The Company further strengthened collaboration with customers through co-development initiatives, application engineering support and tailored product solutions that meet specific market requirements.

Operational excellence and responsible business practices remain central to the Company's strategy. Continuous efforts were undertaken to enhance manufacturing efficiency, strengthen quality standards, develop employee capabilities and promote workplace safety. The Company also continued to focus on resource optimisation, environmental responsibility and sustainable value creation across its operations, reinforcing its commitment to long-term stakeholder value.

Innovation and technology development continue to be key drivers of the Company's future growth. Leveraging its engineering expertise and advanced manufacturing capabilities, the Company is actively engaged in the development of future-ready driveline technologies, including advanced transmission systems, electrification-ready architectures and specialised solutions for agricultural and construction equipment applications. Access to the broader technological know-how and international experience of the Carraro Group further enriches these initiatives, while allowing the Company to maintain a strong and distinctive identity within its markets.

Looking ahead, the Company remains focused on strengthening its competitive position, expanding customer relationships, enhancing technological capabilities and pursuing sustainable growth opportunities in both domestic and international markets. Through its integrated approach to engineering, manufacturing and innovation, the Company is well positioned to support the evolving needs of OEM customers and create long-term value for all its stakeholders.

CHANGE IN NATURE OF BUSINESS:

There was no change in the nature of business during the period under review.

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 2025-26 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 i.e. Carraro Technologies India Private Limited ("CTIPL") as on 31st March, 2026 and as on the date of this 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

SHARE CAPITAL:

The paid-up equity share capital of the Company as on 31st March, 2026, 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Changes in Board of Directors and Key Managerial Personnel

- **Dr. Balaji Gopalan**, Managing Director, basis the recommendation of the Nomination and Remuneration Committee and Board of Directors, was re-appointed in the 28th Annual General Meeting held during the year, commencing from 4th February, 2026 up to and including 8th August, 2029.
- **Mr. Sudhendra Mannikar**, Whole-Time Director and Chief Operating Officer, basis the recommendation of the Nomination and Remuneration Committee and Board of Directors, was re-appointed in the 28th Annual General Meeting held during the year, commencing from 15th March, 2026 up to and including 8th August, 2029.

BOARD'S REPORT (CONTD.)

- **Mr. Nakul Shivaji Patil**, a qualified Company Secretary and an Associate Member of the Institute of Company Secretaries of India (Membership No. A39990), had resigned from the position of Company Secretary and Compliance Officer of the Company effective from the closing business hours of 20th November, 2025. The Board placed on record its appreciation for the contributions made by Mr. Nakul S Patil during his tenure.
- **Mr. Mohith Kumar Khandelwal**, a qualified Company Secretary and a Fellow Member of the Institute of Company Secretaries of India (Membership No. F11243) on the recommendation of the Nomination and Remuneration Committee, was appointed as the Company Secretary and Compliance Officer of the Company by the Board of Directors at its meeting held on 11th February, 2026.

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 38 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 21st April, 2015. He holds a master's degree in business administration from the Graduate School of Business, University of Chicago. He has over 27 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 1st September, 1998 when he joined the Company as an employee and over the years of his employment was successfully elevated to the leadership role. In the AGM held on 11th September, 2025, he was re-appointed as the Managing Director of the Company for a term of approximately 3 Years and 6 Months and 5 days commencing from 4th February, 2026 up to and including 8th August, 2029. He holds a degree of doctor of philosophy in human resource management from the University of Pune. He has over 26 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

2nd August, 1999 as an employee and over the years of his employment was successfully elevated to the leadership role. In the AGM held on 11th September, 2025, he was re-appointed as the Whole-time Director & Chief Operating Officer of the Company for a term of approximately 3 Years and 4 Months and 25 days commencing from 15th March, 2026 up to and including 8th August, 2029. 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 26 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 14 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 30 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 24 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 Manoj 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 15 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 Mukund Saletore, (DIN: 01705850), is an Independent Director of the Company. He is an associate at the Institute of Chartered Accountants of India and is also a Post Graduate in Management from the Indian Institute of Management, Bangalore. He was previously associated with Bharat Forge as the Whole time Director and Group Chief Financial Officer.

BOARD'S REPORT (CONTD.)

Mr. Mohith Kumar Khandelwal is the Company Secretary, Compliance Officer and Senior Manager – CS, Legal & Compliance of the Company. He is a Fellow Member of the Institute of Company Secretaries of India, having membership no. F-11243. He has over 11 years of experience in the legal and secretarial domain. He has handled several key assignments, including preferential issues, QIPs, corporate restructuring, and amalgamations. Prior to this, he was associated with Balaxi Pharmaceuticals Limited and Power Mech Projects Limited, Hyderabad.

Retirement of directors by rotation

In terms of Section 152(6) of the Act, Mr. Davide Grossi (DIN: 10252992), Whole-Time Director & Chief Financial Officer and Mr. Andrea Conchetto (DIN: 10669692), Non-executive Director, 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 were the 'Key Managerial Personnel' of the Company in terms of the provisions of Sections 2(51)

and 203 of the Act during the 2025-26 and 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;
- iv. Mr. Nakul Patil, Company Secretary & Compliance Officer and Assistant General Manager – CS, Legal and Compliance. (Ceased w.e.f. 20th November, 2025);
- v. Mr. Mohith Kumar Khandelwal, Company Secretary & Compliance Officer and Senior Manager- CS, Legal and Compliance. (Appointed w.e.f. 11th February, 2026).

Committees of Board of Directors:

We have in place all the Committees of the Board which are required to be constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A detailed note on the Board and its Committees is provided under the Corporate Governance Report which forms part of this Annual Report.

The Composition of various Committee(s) of the Board as on the date of this report is hereunder:

Name of the Committee(s)	Composition of Committee(s)
Audit Committee	i. Mrs. Uma Manoj Mandavgane, Independent Director and Chairperson; ii. Mr. Kishore Mukund Saletore, Independent Director and Member; and iii. Mr. Davide Grossi, Whole-time Director and Chief Financial Officer and Member.
Nomination and Remuneration Committee	i. Mr. Kishore Mukund Saletore, Independent Director and Chairperson; ii. Mr. Ettore Francesco Sequi, Independent Director and Member; and iii. Mr. Andrea Conchetto, Non-Executive Director and Member.
Corporate Social Responsibility Committee	i. Mr. Tomaso Carraro, Non-Executive Director and Chairperson; ii. Mr. Ettore Francesco Sequi, Independent Director and Member; iii. Dr. Balaji Gopalan, Managing Director and Member; iv. Mr. Sudhendra Mannikar, Whole-time Director and Chief Operating Officer and Member; and v. Mr. Davide Grossi, Whole-time Director and Chief Financial Officer and Member.
Stakeholders' Relationship Committee	i. Mr. Kishore Mukund Saletore, Independent Director, Chairperson; ii. Mrs. Uma Manoj Mandavgane, Independent Director and Member; and iii. Mr. Enrico Gomiero, Non-Executive Director and Member.
Risk Management Committee	i. Mrs. Uma Manoj Mandavgane, Independent Director and Chairperson; ii. Mr. Andrea Conchetto, Non-Executive Director and Member; iii. Dr. Balaji Gopalan, Managing Director and Member; and iv. Mr. Davide Grossi, Whole-time Director and Chief Financial Officer and Member.

BOARD'S REPORT (CONTD.)

The Company Secretary & Compliance Officer of the Company acted as the Secretary to the above-mentioned committees.

During the year under review, all recommendations made by the various committees including audit committee were considered and accepted by the Board.

Board of Directors and its Committee meetings

Board and Committee 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 and reference annexures are 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.

During the financial year under review, the Board met five (5) 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 five Committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee. A detailed charter including terms of reference of various Board constituted committees, number of committee meetings held during the financial year under review 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:

- in the preparation of the annual accounts for the year ended 31st March, 2026, the applicable Indian

Accounting Standards ("Ind AS") have been followed along with proper explanation relating to material departures;

- the directors have selected such accounting policies and applied them consistently and made judgments 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;
- 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;
- the directors have prepared the annual accounts on a going concern basis;
- 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
- 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 & Rules made thereunder and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations, the Independent Directors of the Company have submitted their declarations confirming compliance with the criteria of independence as stipulated thereunder. The Directors have further confirmed that they are not debarred from holding the office of the director under any SEBI Order or any other such authority.

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.

BOARD'S REPORT (CONTD.)

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 is placed on the Company's website at

<https://www.carraroindia.com/storage/app/uploads/public/66b213d32e3ad427839307.pdf>

PERFORMANCE EVALUATION:

An annual performance evaluation was conducted for the Board as a whole, its individual members, and its Committees. The evaluation framework was developed after considering the requirements of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the guidance notes issued by SEBI, and the Company's Nomination and Remuneration Policy. The assessment was carried out through a structured questionnaire covering various parameters, including the composition and structure of the Board, the effectiveness of Board processes, the quality and adequacy of information flow, the functioning of the Board and its Committees,

commitment to corporate governance principles, and the Board's contribution to the effective management and strategic direction of the Company etc.

In a separate meeting of the Independent Directors held on 10th February, 2026, the performance of the Non-Independent Directors and the Board as a whole was evaluated. The Independent Directors also assessed the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors. Further, they reviewed the quality, adequacy, and timeliness of information flow from the Management to the Board to enable the effective discharge of its responsibilities. The outcome of these evaluations was discussed at the Board meeting held subsequently on 11th February, 2026, and the performance of the Independent Directors was evaluated by the entire Board, excluding the Director being evaluated at that meeting.

As an outcome of the above exercise, the Board expressed its satisfaction with the evaluation process.

RISK MANAGEMENT

The Company has constituted a Risk Management Committee and formulated a Risk Management Policy in accordance with the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's report. The risk Management Policy of the Company is hosted on the website of the Company at

<https://www.carraroindia.com/storage/app/uploads/public/66b2138c7e1c6942389796.pdf>

SECRETARIAL STANDARDS:

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

BOARD'S REPORT (CONTD.)

CREDIT RATING:

Post closure of financial year and between the date of this report, India Ratings and Research Pvt. Ltd. (a Fitch Group company), a credit rating agency registered with the Securities and Exchange Board of India, vide their communication dated 13th July, 2026 has revised the Outlook on Carraro India Limited's (CIL) bank loan facilities to Positive from Stable while affirming the rating at 'IND A+' and upgraded the short-term rating to 'IND A1+'. The instrument-wise rating actions are as follows:

(₹ in Million)				
Credit Facility rated	Aggregate amount of Credit facility	Rating for 2025-26	Rating for 2026-27	Rating Action
Long Term Credit Facilities:				
Long term facility	846.25 (reduced from 1,292.10)	IND A+/ Stable	IND A+/ Positive	Outlook Upgraded
Proposed Term facility (Unallocated)	800.00	-	IND A+/ Positive	Assigned
Short Term Credit Facilities:				
Fund based WCL	1,490.00	IND A+/ Stable	IND A+/ Positive	Outlook Upgraded
Non-fund based WCL	580.00	IND A1	IND A1+	Upgraded

Note: WCL stand for Working Capital Limits

INTERNAL FINANCIAL CONTROLS:

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

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 & 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 forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to the provisions of Regulation 34(2)(e) of the SEBI Listing Regulations, a Report on Management Discussion and Analysis forms an integral part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report ('BRSR') is shown in separate section forming part of this Annual Report and is also available on the Company's website at <https://www.carraroindia.com/investors/financial-information/annual-reports>

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

The Company in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), has adopted a "Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and their Immediate Relatives" ("PIT Code") and 'Code or Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ("UPSI Code"). These Codes provide a framework for the protection and fair disclosure of UPSI and regulate trading in the Company's securities to prevent insider trading and ensure compliance with applicable regulations.

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 and UPSI Code are placed on the Company's website at: <https://www.carraroindia.com/investors/corporate-governance/policies>

BOARD'S REPORT (CONTD.)

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 & Chief Financial Officer of the Company has provided requisite certificate that the funds disbursed by the Company during the financial year 2025-26 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 ₹ 17.26 Million towards CSR activities for the financial year 2025-26, 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 2025-26, and all of these activities were as per Schedule VII to the Act and the CSR Policy of the Company:

- Tech Skill Development Programme;
- Development of Children's playpark; and
- Project Kanyadaan.

During the financial year 2025-26, the Company spent a total of ₹ 17.34 Million on approved CSR projects and programmes, in compliance with Section 135 of the Act.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

During the financial year under review, no instances of fraud have been reported under Section 143(12) of the Act.

AUDITORS:

Statutory Auditors

M/s. Deloitte Haskins & Sells LLP (FRN: 117366W/W-100018) ("Deloitte"), were appointed as the Statutory Auditors of the Company for a second term of five consecutive years commencing from the conclusion of the Twenty Fourth AGM till the conclusion of the Twenty Ninth AGM of the Company to be held in the year 2025-26.

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, 2026. The Auditor's Report for the financial year ended 31st March, 2026 on the financial statements of the Company forms part of this Annual Report.

As the second term of the existing statutory auditors concludes at the ensuing AGM, the Board of Directors at their meeting held on 11th February, 2026, based on the recommendation of the Audit Committee, approved the appointment of M/s. M S K C & Associates LLP (FRN: 001595S/S000168) as the Statutory Auditors of the Company for a term of five consecutive years, subject to the approval of the shareholders at the ensuing AGM. The resolution proposing the appointment of M/s. M S K C & Associates LLP as the statutory auditors of the Company forms part of the notice of the Twenty Ninth AGM of the Company.

Cost Auditors

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 have the audit of its cost records conducted by a Cost Accountant.

The Board had appointed M/s Adawadkar Deshmukh & Associates, Cost Accountant (FRN: 000421) as Cost Auditor of the Company for the financial year 2025-26. The remuneration proposed was ₹ 3,40,000 and which was ratified by the shareholders of the Company at their Twenty Eighth AGM held on 11th September, 2025.

Based on the recommendation of the Audit Committee, the Board at their meeting held on 26th May, 2026, has re-appointed M/s Adawadkar Deshmukh & Associates, Cost

BOARD'S REPORT (CONTD.)

Accountant (FRN: 000421) as Cost Auditor of the Company for the financial year 2026-27 as well. It is proposed to retain the same remuneration as of previous year i.e. ₹ 3,40,000 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. The resolution seeking ratification of remuneration from the shareholders forms part of the notice of the Twenty Ninth AGM of the Company.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI LODR Regulations, 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, were appointed as the Secretarial auditors of the Company for a period of five consecutive years commencing from 1st April, 2025 up to 31st March, 2030.

The Report of the Secretarial Auditor is annexed herewith as **Annexure III**.

Directors Response on the observations made by the Secretarial Auditors in the report:

Details of Observation	Response/ Reply
As per Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) prior approval for material Related Party Transactions (RPT) not availed for the period 1 st April, 2025 to 10 th September, 2025. Shareholders' approval was later sought in the Annual General Meeting held on 11 th September, 2025.	Pursuant to SEBI's master circular dated 11 th November, 2024, the Company had obtained approval on material Related Party Transaction for 2025-26, at its Annual General Meeting held on 11 th September, 2025. The NSE had sought a clarification and the Company had provided a reply on the same. The response from the Exchange is awaited as on the date of this report.

Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Rules made thereunder, M/s A S Havaladar & Associates, a Firm of Chartered Accounts (FRN:140036W), held the office of Internal Auditors of the Company for the year under review. The internal audit reports and the suggestions made on a quarterly basis by the internal auditors, were duly noted by the Board and acted upon.

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. The Company during year had further adopted few policies to align with the principles and disclosures of Business Responsibility and Sustainability Report.

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 forms 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 through email Company_Secretary@carraroindia.com.

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. 16, and 7.1 of the standalone financial statements for the details of investments made by the Company as on 31st March, 2026.

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

BOARD'S REPORT (CONTD.)

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, 2026 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:

In line with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions.

The policy 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

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.

The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company for 2025-26 and hence does not form part of this report.

However, the Company has obtained shareholder's approval for material related party transaction in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at their 28th Annual General Meeting held on 11th September, 2025.

Details of related party transactions entered into by the Company, in terms of Indian Accounting Standard 24 (Ind AS-24) have been disclosed in the notes to the standalone/ consolidated financial statements forming part of this report.

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. This Policy applies to all the employees, workers, visitors and other persons (whether in the office premises or outside while on assignment) of the Company.

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"). The committee is 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.

BOARD'S REPORT (CONTD.)

Pursuant to Rule 8 (5)(x) of the Companies (Accounts) Rules, 2014, the disclosure of the complaints received during financial year under review 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 off 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 4 women employees of the Company including one (1) woman employee of Company's 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). There were no changes made into the agreements 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, 2026.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS:

During the financial 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"):

During the financial year under review, neither the Company made any application nor any proceedings were pending against the Company, under the IBC.

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, 2026 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: 6th August, 2026

BOARD'S REPORT (CONTD.)

ANNEXURE – I

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 July 2025, to draw the electrical power savings of 1,26,000 Kwh units and saved 89 tons of Carbon Emission;
- Beginning April, 2024 auto cut-off system was introduced and the same system continued in 2025-26. 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 2,71,579 Kwh Units of savings in electrical energy and saved 209.4 tons of Carbon Emission.

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 2,536,647 Kwh Units at Plant 1 & 1,288,655 Kwh Units at Plant 2. This has saved 2,098 tons of Carbon Emission in Plant 1 & 1,066 tons of Carbon Emission in Plant 2.

B. TECHNOLOGY ABSORPTION:

Research & Development

R&D is a fundamental driver of innovation and long-term competitiveness. Strong R&D capabilities at CTIL have played a pivotal role in enabling Carraro India to establish and sustain its leadership position in the rapidly evolving Indian off-highway machinery sector. These capabilities have not only strengthened the organisation's ability to deliver technologically advanced solutions but have also significantly enhanced product quality, durability, and reliability. In addition, a focused R&D approach continues to support sustainable growth by aligning product development with evolving market needs, regulatory requirements, and emerging trends such as electrification and efficiency optimisation.

During the financial year 2025–26, the key R&D focus areas were:

- Performance improvement of hydrostatic drivelines (axles and transmissions) for self-loading concrete mixers (SLCM) and telehandlers (TBH) tailored to the specific operating conditions of the Indian market, ensuring higher efficiency, durability, and cost-effectiveness
- Design and development of a transaxle for a 60 HP electric tractor for the Indian market, supporting the transition towards cleaner and more sustainable agricultural machinery solutions
- Development and validation of a CVT transmission for a 100 HP tractor for the European market, focusing on improved performance, fuel efficiency, and compliance with stringent European standards
- Design and development of an optimised Independent Front Unit and Rear Module for a 160 HP electric tractor for the European market, enabling enhanced vehicle architecture, weight optimisation, and integration of electric powertrains

BOARD'S REPORT (CONTD.)

- Completion of 17 cost optimisation and localisation projects aimed at improving supply chain efficiency, reducing dependency on imports, and enhancing overall product competitiveness in both domestic and international markets

In addition to these focus areas, continued efforts were made towards strengthening testing and validation processes, accelerating product development cycles,

and fostering cross-functional collaboration to drive innovation more effectively.

These initiatives collectively resulted in the development of 16 new prototypes, demonstrating a strong pipeline of innovation and engineering capability. Out of these, 4 prototypes have successfully progressed to the production stage, marking a significant achievement in translating R&D efforts into tangible business outcomes and reinforcing the organisation's commitment to technological excellence and market responsiveness.

Expenditure incurred on R&D:

		₹ in Million	
Sr. No.	Particulars of expenditure	2025-26	2024-25
i.	Capital	-	-
ii.	Recurring	195.620	60.175
Total		195.620	60.175
Total research and development expenditure as a percentage of net revenue (without taxes) on a standalone basis.		0.87%	0.34%

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	2025-26	2024-25
i.	Earnings in foreign exchange	3,975	5,767
ii.	Foreign exchange outgo	3,839	3,396

For and on behalf of the Board

Balaji Gopalan
Managing Director
DIN: 07108093

Sudhendra Mannikar
Whole-time Director & COO
DIN: 07483321

Date: 6th August, 2026

BOARD'S REPORT (CONTD.)

ANNEXURE – II

Annual Report on CSR Activities for 2025-26

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 program 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, 2026:

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)	3	3
2.	Mr. Ettore Francesco Sequi	Member (Chairman of the Board and Independent Director)	3	3
3.	Dr. Balaji Gopalan	Member (Managing Director)	3	3
4.	Mr. Sudhendra Mannikar	Member (Whole-Time Director & Chief Operating Officer)	3	3
5.	Mr. Davide Grossi	Member (Whole-Time Director & Chief Financial Officer)	3	3

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-commitees>

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.

BOARD'S REPORT (CONTD.)

BOARD'S REPORT (CONTD.)

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
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Sr. No.	Financial Year	Amount Available for set-off from preceding financial years (in ₹ Million)	Amount required to-be set-off for the financial year, if any (in ₹ Million)
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).	₹ 863.07 Million
7.	a. Two percent of average net profit of the Company as per section 135(5)	₹ 17.26 Million
	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).	₹ 17.26 Million

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ Million)	Amount Unspent (in ₹ Million)				
	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
17.34			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						

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹ Million)	(7) Mode of Implementation – Direct (Yes/No)	(8) Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Tech Skill Development Programme	ii	Yes	Maharashtra	Pune	17.11	Yes	-	-
2	Development of Children's playground	ii	No	Maharashtra	Solapur	0.14	Yes	-	-
3	Project Kanyadaan	iii	No	Tamil Nadu	Chennai	0.09	No	-Shree Krishna Charitable	CSR000017623

(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): ₹ 17.34 Million

(g) Excess amount for set off, if any:

Sl. Particular	Amount (in ₹ Lakh)
i. Two percent of average net profit of the Company as per section 135(5)	17.26
ii. Total amount spent for the Financial Year	17.34
iii. Excess amount spent for the financial year [(ii)-(i)]	0.08
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)]	0.08

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 ₹ Million)	Balance amount in Unspent CSR account under section 135 (6) (in ₹ Million)	Amount spent in the reporting Financial Year (in ₹ Million).	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
1	2024-25	Not Applicable	Not Applicable	11.53	Nil		Nil
3	2023-24	Not Applicable	Not Applicable	6.24	Nil		Nil
3	2022-23	Not Applicable	Not Applicable	3.00	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 percent of the average net profit as per section 135(5): **Not Applicable**

Date: 26th May, 2026

Tomaso Carraro
(Chairperson of CSR Committee)
DIN: 00592312

Balaji Gopalan
(Managing Director)
DIN: 07108093

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Carraro India Limited,
(Formerly known as Carraro India Private Limited)
B2/2, MIDC, Ranjangaon,
Pune, Maharashtra, 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 called **'the Company'**). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing our opinion thereon.

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the **Carraro India Limited** books, papers, minutes 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, 2026**, (hereinafter called the "Audit Period") 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 Carraro India Limited for the financial year ended on **31st March, 2026**, according to the provisions of:

(i) The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment ~~Overseas Direct Investment~~ External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**during the period under review not applicable to the Company**);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**during the period under review not applicable to the Company**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 (**during the period under review not applicable to the Company**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client to the extent applicable;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**during the period under review not applicable to the Company**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**during**

BOARD'S REPORT (CONTD.)

the period under review not applicable to the Company);

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

- Secretarial Standards issued by the Institute of Company Secretaries of India;
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards except the following observations:

As per Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) prior approval for material Related Party Transactions (RPT) not availed for the period 1st April, 2025 to 10th September, 2025. Shareholders' approval was later sought in the Annual General Meeting held on 11th September, 2025.

We further report that having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following other laws applicable to the Company:

- Factories Act, 1948;
- Industrial Dispute Act, 1947;
- Air (Prevention and Control of Pollution) Act, 1981;
- Water (Prevention and Control of Pollution) Act, 1974;
- The Noise pollution (Regulation and Control) Rules, 2000;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review, and the composition is in compliance with the provisions of the Act and the Listing Regulations.

Adequate notices are given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, (except in cases case where meeting is convened at a shorter notice for which necessary approvals obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items

before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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 Company had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- The Board of Directors at its Board Meeting held on 27th May, 2025
 - Approved the re-appointment of Dr. Balaji Gopalan (DIN: 07108093) as Managing Director of the Company for a term of approximately 3 Years and 6 Months and 5 days commencing from 4th February, 2026 up to and including 8th August, 2029, subject to the approval of Shareholders at the ensuing Annual General Meeting of the Company.
 - Approved the re-appointment of Mr. Sudhendra Mannikar, (DIN: 07483321) as the Whole-time Director & Chief Operating Officer of the Company for a term of approximately 3 Years and 4 Months and 25 days commencing from 15th March, 2026 up to and including 8th August, 2029, subject to the approval of Shareholders at the ensuing Annual General Meeting of the Company.
- The Company at the Annual General Meeting held on 11th September, 2025
 - Approved the re-appointment of Dr. Balaji Gopalan (DIN: 07108093) as Managing Director of the Company.
 - Approved the re-appointment of Mr. Sudhendra Mannikar, (DIN: 07483321) as the Whole-time Director & Chief Operating Officer of the Company.
 - Approved the Material Related Party Transaction for the Financial Year 2025-26.
- The Board of Directors at its Board Meeting held on 14th November, 2025 noted and accepted the resignation of Mr. Nakul S. Patil Company Secretary and Compliance

BOARD'S REPORT (CONTD.)

Officer effective from close of business hours on 20th November, 2025.

- The Board of Directors at its Board Meeting held on 11th February, 2026 approved the appointment of Mr. Mohith Kumar Khandelwal as the Company Secretary and Compliance officer of the Company with

immediate effect based on the recommendation of the Nomination and Remuneration Committee.

- Shareholders of the Company through Postal Ballot approved the Material Related Party transaction on 29th March, 2026 for the Financial Year 2026-27.

**For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)**

**Ashwini Inamdar
Partner**

PCS No: F9409

CP No: 11226

UDIN: F009409H001040626

PR No. 7281/2025

Place: Mumbai

Date: 6th August, 2026

Note: 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.

BOARD'S REPORT (CONTD.)

ANNEXURE A

To,
The Members,
Carraro India Limited,
B2/2, MIDC, Ranjangaon,
Pune, Maharashtra, 412220

Our Secretarial Audit Report for the financial year ended 31st March, 2026 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 laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form No. MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
- 7) 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 Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Ashwini Inamdar
Partner

PCS No: F9409

CP No: 11226

UDIN: F009409H001040626

PR No. 7281/2025

Place: Mumbai
Date: 6th August, 2026

BOARD'S REPORT (CONTD.)

ANNEXURE – IV

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 2025-26:

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	50.46	3.27%
2.	Mr. Sudhendra Mannikar, WTD & COO	30.24	3.60%
3.	Mr. Davide Grossi, WTD & CFO	30.25	NA
Non-Executive (Non-Independent) Directors*			
4.	Mr. Tomaso Carraro, Vice-Chairman	07.26	NA
5.	Mr. Enrico Gomiero	05.79	NA
6.	Mr. Andrea Conchitto	06.58	NA
Non-Executive (Independent) Directors*			
7.	Mr. Ettore Francesco Sequi, Chairman	08.85	NA
8.	Mrs. Uma Manoj Mandavgane	08.38	NA
9.	Mr. Kishore Mukund Salelore	08.38	NA
KMP			
10.	Mr. Nakul Patil, Company Secretary and Compliance Officer (Cessation w.e.f. 20 th November, 2025)	1.88 (pro-rated)	NA
	Mr. Mohith Kumar Khandelwal, Company Secretary and Compliance Officer (Appointed w.e.f. 11 th February, 2026)	0.53 (pro-rated)	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 2025-26 was ₹ 0.85 Million.
- c) Percentage increase in the median remuneration of employees in the financial year 2025-26 was 10.5 % as compared to the previous financial year.
- d) Number of permanent employees as on 31st March, 2026 are 905.
- e) Average percentile increases in the salaries of employees other than the managerial personnel in the financial year 2025-26 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 2025-26 was 10.2%, whereas the increase in the managerial remuneration in the financial year 2025-26 was NIL. 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: 6th August, 2026

BOARD'S REPORT (CONTD.)

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 DIRECTORS OF

Carraro India Limited

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

- This certificate is issued in accordance with the terms of our engagement letter dated 4th November, 2025.
- 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 31st March, 2026, 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

- 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

- 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.
- 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.
- 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.
- 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

- 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 31st March, 2026.
- 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: 26407265EHZYUD4055

Place: Pune
Date: 06th August, 2026

FORM AOC-1

(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)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Carraro Technologies India Private Limited
2.	CIN	U29248PN2006FTC129965
3.	The date since when subsidiary was acquired	28 th June, 2024
4.	Financial period ended	31 st March, 2026
5.	Reporting currency and Exchange rate	₹
6.	Share Capital	18.00
7.	Reserves & Surplus	114.96
8.	Total Assets	222.24
9.	Total Liabilities	89.28
10.	Investments	0
11.	Turnover	237.87
12.	Profit before taxation	35.02
13.	Provision for taxation	9.04
14.	Profit after taxation	25.98
15.	Proposed dividend	68.98
16.	% of Shareholding	99.00%

Notes:

- The figures are as per Indian Accounting Standards

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 the Board of Directors

Balaji Gopalan

Managing Director
DIN: 07108093

Sudhendra Mannikar

Whole-time Director & Chief Operating Officer
DIN: 07483321

Davide Grossi

Whole-time Director & Chief Financial Officer
DIN: 10252992

Mohith Kumar Khandelwal

Company Secretary & Compliance Officer
Membership No.: F11243

Date: 26th May, 2026

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the financial year 2025-26. 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:

The Company believes that Corporate Governance is an integral part of its business philosophy and a key driver of sustainable growth and long-term value creation. It provides a framework of policies, processes, and practices that guide the conduct of the Company's affairs with transparency, accountability, and fairness, while promoting effective decision-making and responsible management.

The Company is committed to maintaining high standards of governance and views it as more than a matter of regulatory compliance. Through an effective governance framework, the Company seeks to strengthen stakeholder confidence, ensure appropriate oversight, and support the achievement of its strategic objectives. The Board and management continuously reviews and enhances governance practices in line with evolving business requirements and stakeholder expectations.

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	9 th August, 2024	Yes
2.	Mr. Tomaso Carraro	Vice Chairman and Non-Executive, Non-Independent Director, Promoter	21 st April, 2015	Yes
3.	Dr. Balaji Gopalan	Managing Director	21 st April, 2015*	Yes
4.	Mr. Sudhendra Mannikar	Whole-time Director and Chief Operating Officer	5 th April, 2016 [#]	Yes
5.	Mr. Davide Grossi	Whole-time Director and Chief Financial Officer	9 th August, 2024	Yes
6.	Mrs. Uma Manoj Mandavgane	Non-executive, Independent Director	3 rd July, 2024	Yes
7.	Mr. Kishore Mukund Saletore	Non-executive, Independent Director	3 rd July, 2024	Yes
8.	Mr. Enrico Gomiero	Non-executive, Non-Independent Director	6 th June, 1997	No
9.	Mr. Andrea Conchetto	Non-executive, Non-Independent Director	3 rd July, 2024	Yes

* re-appointed w.e.f. 4th February, 2026

[#] re-appointed w.e.f. 15th March, 2026

2. BOARD OF DIRECTORS:

a) Composition:

As on 31st March, 2026, 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.

CORPORATE GOVERNANCE REPORT (CONTD.)

b) Directorship and Memberships of Board Committees:

Number of directorship/committee positions of directors as on 31st March, 2026 (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 Manoj Mandavgane	3	1	2	4	1
7.	Mr. Kishore Mukund Saletore	3	3	2	7	4
8.	Mr. Enrico Gomiero	1	-	1	1	-
9.	Mr. Andrea Conchetto	1	-	-	-	-

¹For 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.

c) Names of the other listed entities where the Directors are holding directorship, as on 31st March, 2026:

Mrs. Uma Manoj Mandavgane, Independent Director of the Company holds directorship in Aeroflex Enterprises Limited (formerly known as SAT Industries Limited) and Aegis Vopak Terminals Limited as Non-executive Independent Director.

Mr. Kishore Mukund Saletore, Independent Director of the Company serves as a Non-Executive Independent Director on the Boards of Triton Valves Limited and Veedol Corporation Limited.

Except the above, none of the other directors of the Company held directorship in any other listed company(ies).

d) Number of Board meetings:

During the Financial Year 2025-26, the Board of Directors met Five (5) times on following dates, viz. (1) 15th April, 2025 (2) 27th May, 2025, (3) 5th August, 2025, (4) 14th November, 2025 (5) 11th February, 2026. The statement below tabulates the attendance of each of the director at the aforesaid Board meetings:

Sr. No.	Date of the Meeting ▶	Category	15 th April, 2025	27 th May, 2025	5 th August, 2025	14 th November, 2025	11 th February, 2026
			01/ 2025-26	02/ 2025-26	03/ 2025-26	04/ 2025-26	05/ 2025-26
			Name of Directors				
1.	Mr. Ettore Francesco Sequi	Chairman and ID	✓	✓	LOA	✓	✓
2.	Mr. Tomaso Carraro	VC, NED and Promoter	✓	✓	✓	✓	✓
3.	Dr. Balaji Gopalan	MD	✓	✓	✓	✓	✓
4.	Mr. Sudhendra Mannikar	WTD and COO	✓	✓	✓	✓	✓
5.	Mr. Davide Grossi	WTD and CFO	✓	✓	✓	✓	✓
6.	Mrs. Uma Manoj Mandavgane	ID	✓	✓	✓	✓	✓
7.	Mr. Kishore Mukund Saletore	ID	✓	✓	✓	✓	✓
8.	Mr. Enrico Gomiero	NED	✓	✓	LOA	✓	✓
9.	Mr. Andrea Conchetto	NED	✓	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||

• LOA: Leave of Absence || ✓: Present.

CORPORATE GOVERNANCE REPORT (CONTD.)

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 Manoj Mandavgane	Nil	
4.	Mr. Kishore Mukund 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.

CORPORATE GOVERNANCE REPORT (CONTD.)

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	x	√	√	√	√	x	x
Mr. Tomaso Carraro	√	√	√	√	√	x	√
Dr. Balaji Gopalan	√	√	√	√	√	√	x
Mr. Sudhendra Mannikar	√	√	√	x	x	√	√
Mr. Davide Grossi	√	√	√	√	√	x	x
Mrs. Uma Manoj Mandavgane	x	√	x	√	√	x	x
Mr. Kishore Mukund Saletore	x	√	√	√	√	x	x
Mr. Enrico Gomiero	√	√	√	√	√	x	x
Mr. Andrea Conchetto	√	√	√	√	√	√	√

g) Familiarisation Programme for Independent Directors:

Presentations are made by Senior Management, Statutory and Internal Auditors at the Board and Committee meetings on business and performance updates of the Company updates of the Company, global business environment, business strategy and risks involved. As a practice, the Company notifies changes in all the applicable laws from time to time to the Board of Directors. The details of familiarisation programme for independent directors are available on the Company's website and can be accessed at <https://www.carraroindia.com/investors/corporate-governance/policies>.

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, 2026, the Committee comprised following directors as its members:

- Mrs. Uma Manoj Mandavgane, Chairperson (Non-Executive and Independent);
- Mr. Kishore Mukund Saletore, Member (Non-Executive and Independent); and
- 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.

The Company Secretary & Compliance Officer acts as the Secretary to the Audit 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:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- 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:

- 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;

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- (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:
- 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;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions; and
 - 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:
- Recommend criteria for omnibus approval or any changes to the criteria for approval of the Board;
 - Make omnibus approval for related party transactions proposed to be entered into by the Company for every financial year as per the criteria approved;
 - Review of transactions pursuant to omnibus approval;
 - 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:
 - 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;
 - 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 2025-26, the Audit Committee met Five (5) times viz.: (1) 15th April, 2025, (2) 27th May, 2025, (3) 5th August, 2025, (4) 14th November, 2025, (5) 11th February, 2026.

The details of attendance at the Audit Committee meeting are tabulated below:

Sr. No.	Date of the Meeting ▶	Designation & Category	15 th April, 2025	27 th May, 2025	5 th August, 2025	14 th November, 2025	11 th February, 2026
	No. of the Meeting ▶		ACM/01/2025-26	ACM/02/2025-26	ACM/03/2025-26	ACM/04/2025-26	ACM/05/2025-26
	Name of Directors ▼						
1.	Mrs. Uma Manoj Mandavgane	Chairperson (ID)	✓	✓	✓	✓	✓
2.	Mr. Kishore Mukund Salletore	Member (ID)	✓	✓	✓	✓	✓
3.	Mr. Davide Grossi	Member (WTD-CFO)	✓	✓	✓	✓	✓

- WTD:** Whole-time Director || **CFO:** Chief Financial Officer || **ID:** Independent Director ||
- ✓: Present ||

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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, 2026, the Committee comprised following directors as its members:

- Mr. Kishore Mukund Saletore, Chairperson (Non-Executive and Independent);
- Mr. Ettore Francesco Sequi, Member (Non-Executive and Independent); and
- 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:

- 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");
- 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:
 - use the services of external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of independent directors and the Board;

- Devising a policy on Board diversity;
- 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);
- Engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
- Analysing, monitoring and reviewing various human resource and compensation matters;
- 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;
- 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;
- Recommending to the Board, all remuneration, in whatever form, payable to senior management;
- The NRC, while formulating the Remuneration Policy, should ensure that:
 - 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;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - 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.
- 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:
 - administering any existing and proposed employee stock option schemes formulated by the Company from time to time (the "Plan");

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- determining the eligibility of employees to participate under the Plan;
 - granting options to eligible employees and determining the date of grant;
 - determining the number of options to be granted to an employee;
 - determining the exercise price under the Plan; and
 - 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:

- the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - 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 2025-26, the NRC met two (2) times on following dates. viz. (1) 23rd May, 2025 (2) 10th February, 2026

The details of attendance at the NRC meeting are tabulated below:

Sr. No.	Date of the Meeting ▶	Designation & Category	23 rd May, 2025	10 th February, 2026
	No. of the Meeting ▶		NRCM/01/2025-26	NRCM/02/2025-26
	Name of Directors ▼			
1.	Mr. Kishore Mukund Saletore	Chairperson (ID)	✓	✓
2.	Mr. Ettore Francesco Sequi	Member (ID)	✓	✓
3.	Mr. Andrea Conchetto	Member (NED)	✓	✓

• **NED:** Non-executive Non-Independent Director // **ID:** Independent Director // **✓:** Present //

The Company Secretary & Compliance Officer acts as the 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 10th February, 2026. Based thereon, the Board 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, 2026, the CSR Committee comprised following directors as its members:

- Mr. Tomaso Carraro, Chairperson (Non-Executive Director and Promoter);
- Mr. Ettore Francesco Sequi, Member (Independent Director);

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- 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 2025-26, the CSR Committee met three (3) on the following dates viz. (1) 23rd May, 2025 and (2) 14th November, 2025 (3) 11th February, 2026

The details of attendance at the Committee meetings are tabulated below:

Sr. No.	Date of the Meeting ▶	Designation & Category	23 rd May, 2025	14 th November, 2025	11 th February, 2026
	No. of the Meeting ▶		CSR/01/2025-26	CSR/02/2025-26	CSR/03/2025-26
	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.

The Company Secretary & Compliance Officer acts as the Secretary to the CSR Committee.

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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, 2026, the SR Committee comprised following directors as its members:

- i. Mr. Kishore Mukund Saletore, Chairperson (Independent Director);
- ii. Mrs. Uma Manoj 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 2025-26, the SR Committee met once (1) on 23rd May, 2025.

The details of attendance at the SR Committee meeting are tabulated below:

Sr. No.	Date of the Meeting ▶	Designation and Category	23 rd May, 2025
	No. of the Meeting ▶		SRC/01/2025-26
	Name of Directors ▼		
1.	Mr. Kishore Mukund Saletore	Chairperson (ID)	✓
2.	Mrs. Uma Manoj 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.

The Company Secretary & Compliance Officer acts as the Secretary to the SRC.

Investor grievance and other communication

The Company received NIL investor queries/complaints during year under review.

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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, 2026, the RM Committee comprised following directors as members:

- Mrs. Uma Manoj Mandavgane, Chairperson (Independent Director);
- Dr. Balaji Gopalan, Member (Managing Director);
- Mr. Davide Grossi, Member (Whole-time Director and Chief Financial Officer);
- Mr. Andrea Conchitto, Member (Non-Executive Non-Independent Director).

The terms of reference of the RM Committee are:

- 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 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;
 - measures for risk mitigation including systems and processes for internal control of identified risks; and
 - business continuity plan;

- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 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;
- Keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- To implement and monitor policies and/or processes for ensuring cyber security;
- 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
- 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 2025-26, the RM Committee met two (2) on the following dates viz. (1) 23rd May, 2025 and (2) 10th November, 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 and Category	23 rd May, 2025	10 th November, 2025
			RMC/01/2025-26	RMC/02/2025-26
1.	Mrs. Uma Manoj Mandavgane	Chairperson (ID)	✓	✓
2.	Dr. Balaji Gopalan	Member (MD)	✓	✓
3.	Mr. Davide Grossi	Member (WTD-CFO)	✓	✓
4.	Mr. Andrea Conchitto	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.

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8. SENIOR MANAGEMENT:

The details pertaining to the senior management of the Company are below:

- Ms. Mamta Bakshi- Director of HR, Leadership & Culture;
- Mr. Ashok Kumar- Director of Sales & Business Development;
- Mr. Vijay Raman- Director of Purchase & Supply Chain Management; (Resigned w.e.f. 19th June, 2026)
- Mr. Sanjay Kumar- Director of Manufacturing;
- Mr. Nakul Patil- Company Secretary & Compliance Officer (Identified and designated Key Managerial Personnel) (Resigned w.e.f. 20th November, 2025);
- Mr. Mohith Kumar Khandelwal - Company Secretary & Compliance Officer (Identified and designated Key Managerial Personnel) (Appointed w.e.f. 11th February, 2026).

Except as disclosed above, there were no changes in senior management since the close of the previous financial year.

9. 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 2025-26, which was subsequently approved by the shareholders in their 28th Annual General Meeting held on 11th September, 2025 ("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 2025-26, which was subsequently approved by the shareholders in their 28th 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

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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 2025-26 was decided by the Board which was subsequently approved by the shareholders at their 28th 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 2025-26.

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 2025-26, is given below:

Amount in ₹ Million							
Sr. No.	Name of Director	Category	Salary	Profit linked Commission (2025-26)	Sitting fees	Management fees	Total
1.	Mr. Ettore Francesco Sequi	Chairman and Non-Executive, Independent Director	NA	7.53	1.00	NA	8.53
2.	Mr. Tomaso Carraro	Vice Chairman and Non-Executive, Non-Independent Director, Promoter	NA	NA	0.80	6.18	6.98
3.	Dr. Balaji Gopalan	Managing Director	48.88	NA	NA	NA	48.88*
4.	Mr. Sudhendra Mannikar	Whole-time Director and Chief Operating Officer	28.34	NA	NA	NA	28.34*
5.	Mr. Davide Grossi	Whole-time Director and Chief Financial Officer	33.50	NA	NA	NA	33.50*
6.	Mrs. Uma Manoj Mandav-gane	Non-executive, Independent Director	NA	7.13	1.40	NA	8.53
7.	Mr. Kishore Mukund Saletore	Non-executive, Independent Director	NA	7.13	1.40	NA	8.53
8.	Mr. Enrico Gomiero	Non-executive, Non-Independent Director	NA	NA	0.40	4.93	5.33
9.	Mr. Andrea Conchetto	Non-executive, Non-Independent Director	NA	NA	0.80	5.60	6.40

*The amount is including the one-time reward of ₹ 3.97 million and vehicle reimbursement & driver and leave encashment as applicable, according to Company's policy, as approved by the Shareholders in 28th AGM

*The amount is including the one-time reward of ₹ 2.20 million and vehicle reimbursement & driver and leave encashment as applicable, according to Company's policy, as approved by the Shareholders in 28th AGM.

*The amount is including the one-time reward of ₹ 8.75 million and vehicle reimbursement & driver and leave encashment as applicable, according to Company's policy, as approved by the Shareholders in 28th AGM.

10. 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-Eighth AGM	11 th September, 2025 at 11:00 A.M.	The Edge, Second Floor, Hyatt Pune, Kalyani Nagar, 88 Nagar Road (Adj. Aga Khan Palace), Pune - 411006, Maharashtra, India	No special resolution was passed.

AGM	Date and time of AGM	Location	Details of special resolutions(s) passed at the AGMs, if any
Twenty-Seventh AGM	20 th 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	29 th 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.

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
4 th 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.

11. POSTAL BALLOT:

(a) Details of the Resolution passed through postal ballot:

During the 2025-26, the Company by means of Postal Ballot had sought the approval from the members to approve a material Related Party Transaction which was passed with requisite majority.

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Date of postal ballot notice	Resolution	Approval Date	Voting Result
24 th February, 2026	To approve Material Related Party Transaction	29 th March, 2026	Particulars Voted in favour of the resolution Voted against the resolution Invalid votes Abstained/Less Votes
			99.96 0.04 0.00 0.00

Ms. Ashwini Inamdar (Membership No.9409) or failing her, Ms. Alifya Sapatwala (Membership No.24091), Partners, Mehta & Mehta, Practicing Company Secretaries was appointed as Scrutiniser for conducting the Postal Ballot in a fair and transparent manner.

(b) Procedure for Postal Ballot:

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

(c) Whether any special resolution passed last year through postal ballot: Nil

(d) Details of special resolution proposed to be transacted through postal ballot:

No special resolution is currently proposed to be transacted through postal ballot.

12. MEANS OF COMMUNICATION:

During the year under review, the Company had published its Standalone and Consolidated financial results in the following manner:

The quarterly/half-yearly and annual results are published in Financial Express (in English) and Loksatta (in regional language) dailies. The quarterly/half-yearly and annual results are furnished within the time frame to all the concerned Stock Exchanges as per Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Regulations) 2015 and the same are displayed on the Company's website <https://www.carraroindia.com/investors/investor-information/newspaper-publications>

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 presentations are also available on <https://www.carraroindia.com/investors/investor-information/investor-presentation>

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-Ninth Annual General Meeting ("AGM"):

The date, time and venue of the Twenty-Ninth AGM of the Company is provided hereunder:

Date:	10 th September, 2026
Day:	Thursday
Time:	11:30 A.M.
Mode of AGM	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

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b) Financial Year:

Commencing from 1st April and ends on 31st March next year.

Particulars	Date
Financial reporting for the:	
1 st quarter ending on 30 th June, 2026	On or before 14 th August, 2026
2 nd quarter ending on 30 th September, 2026	On or before 14 th November, 2026
3 rd quarter ending on 31 st December, 2026	On or before 14 th February, 2027
Financial year ending on 31 st March, 2027	On or before 30 th May, 2027

c) Date of Dividend Payment:

The final dividend for the FY 2025-26, if approved by the members will be paid/credited within 30 days of such approval.

d) Listing on Stock Exchanges:

Equity Shares of face value of ₹ 10/- each of the Company are 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)	1 st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	544320

The Company has paid annual listing fees for the financial year 2025-26 to NSE and BSE.

The securities of the Company have never been suspended from trading on any of the Stock Exchanges.

e) Code of Conduct on Prevention of Insider Trading:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while in possession of Unpublished Price Sensitive Information and while dealing in the shares of the Company, as well as the consequences of violations. The Policy has been formulated to regulate, monitor and ensure reporting of trading by insiders by employees and to maintain the highest ethical standards while dealing in the Company's securities. The Insider Trading Policy of the Company, covering the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct for prevention of insider trading is available on our website - <https://www.carraroindia.com/storage/app/uploads/public/66b213bda562c094732013.pdf> and <https://www.carraroindia.com/storage/app/uploads/public/66b213c73d392275197169.pdf>

f) Share Transfer Agent:

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: mt.helpdesk@in.mpmfsmufg.com

Tel No: +91 8108118484

Fax: +91 22 4918 6060

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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, 2026 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, 2026.

Category Distribution:

Categories	31 st March, 2026	
	No. of shares	Percentage
Promoter	39095851	68.77
Promoter Group	6	0.00
Foreign Portfolio Investors (Corporate)	1711625	3.01
Mutual Funds	6416860	11.29
Other Bodies Corporate	292169	0.51
Public	5407203	9.51
Others (Alternate Investment Funds, Insurance Companies, Trusts, Body Corp-Ltd Liability Partnership, Hindu Undivided Family, Clearing Member)	3927824	6.91
Total	56851538	100

Distribution of Shareholding as on 31st March, 2026:

No. of shares held	No. of shareholders		Shares held in each class	
	Number	%	Number	%
1 to 500	89,992	98.34	34,47,509	0.06
501 to 1,000	796	0.87	5,70,338	1.00
1,001 to 2,000	425	0.46	5,96,097	1.05
2,001 to 3,000	105	0.11	2,64,146	0.46
3,001 to 4,000	42	0.05	1,48,117	0.26
4,001 to 5,000	13	0.01	60,787	0.11
5,001 to 10,000	57	0.06	4,13,371	0.73
10,001 and above	84	0.09	5,13,51,173	90.33
Total	91,514	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, 2026 are given in the table below:

Particulars	Position as on 31 st March, 2026	
	No. of shares	% to total shareholding
Physical	Nil	Nil
Dematerialised		
NSDL	53307565	93.77
CDSL	3543973	6.23
Sub-total	5,68,51,538	100.00
Total	5,68,51,538	100.00

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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	Registered Office: B2/2 MIDC, Ranjangaon, Pune 412 220, Maharashtra, India
Address: C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai – 400 083	Contact person: Mohith Kumar Khandelwal, Company Secretary and Compliance Officer
Email: mt.helpdesk@in.mpms.mufg.com	Telephone: +91 2138 662666
Link to raise an email query: https://web.in.mpms.mufg.com/helpdesk/Service_Request.html	E-mail: company_secretary@carraroindia.com
Website: www.in.mpms.mufg.com	
Telephone: +91 8108118484	
Fax: +91 22 4918 6060	

m) Credit Rating:

Post closure of financial year and between the date of this report, India Ratings and Research Pvt. Ltd. (a Fitch Group company), a credit rating agency registered with the Securities and Exchange Board of India, vide their communication dated 13th July, 2026 has revised the Outlook on Carraro India Limited's (CIL) bank loan facilities to Positive from Stable while affirming the rating at 'IND A+' and upgraded the short-term rating to 'IND A1+'. The instrument-wise rating actions are as follows:

(₹ in Million)

Credit Facility rated	Aggregate amount of Credit facility	Rating for 2025-26	Rating for 2026-27	Rating Action
Long Term Credit Facilities:				
Long term facility	846.25 (reduced from 1,292.10)	IND A+/Stable	IND A+/Positive	Outlook Upgraded
Proposed Term facility (Unallocated)	800.00	-	IND A+/Positive	Assigned
Short Term Credit Facilities:				
Fund based WCL	1,490.00	IND A+/Stable	IND A+/Positive	Outlook Upgraded
Non-fund based WCL	580.00	IND A1	IND A1+	Upgraded

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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 materially significant related party transactions i.e. transactions Material in nature with its Promoters, Directors, or the management having potential conflict with the interest of the Company at large.

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 were no instances of non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges in matters related to the capital markets, during the last three years except as stated below:

A Fine of ₹ 9440/- was levied by BSE Limited for non- submission of shareholding pattern within the prescribed timeline for the quarter ended 30th September, 2025. While the Company filed the same with NSE on 8th October, 2025 within the prescribed timeline, it could not submit it to BSE due to technical issues. Accordingly, post getting the technical glitches addressed, the Company had filed the same with BSE.

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 has adopted/complied with the discretionary requirements specified in Part E of Schedule II as detailed below:

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):

The Company has one subsidiary i.e. Carraro Technologies India Private Limited ("CTIPL") as on 31st March, 2026.

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 Mehta and Mehta, Practicing Company Secretaries, 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.

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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 2025-26 as follows:

Particulars	Amount in ₹ (Millions)
- Statutory audit	9.73
- Tax audit	0.50
- Other services	0.43
- Reimbursement of Expenses	0.50
Total	11.16

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-para (2) to (10) of PARA C of Schedule V of Listing Regulations.

16. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT /UNCLAIMED SUSPENSE ACCOUNT:

No Demat Suspense Account/unclaimed suspense account

17. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED COMPANIES

(Information disclosed under clause 5A of paragraph A of Part A of Schedule III of Listing regulations): Nil

18. 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 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 10th February, 2026 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 2025-26, the Board has carried out annual performance evaluation of Independent Directors, at its meeting held on 10th February, 2026. 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 10th February, 2026, without the attendance of non-independent directors and management. Agenda of the said meeting was to:

- review the performance of Non-Independent Directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and
- 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 Mrs. Uma Manoj Mandavgane 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

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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-committees#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 code of conduct is adopted by the Company which has been placed on the website of the Company at: https://www.carraroindia.com/storage/app/uploads/public/66b/214/042/code_of_conduct_for_directors_and_senior_management_66b21404297c7687393398.pdf

All the Board members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for 2025-26. 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. "9 (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.

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DECLARATION BY THE MANAGING DIRECTOR

The Members,

Carraro India Limited

(Formerly Known as 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, Dr. 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, during the financial year ended 31st March, 2026.

For Carraro India Limited

Balaji Gopalan

Managing Director

DIN: 07108093

Date: 06th August, 2026

Place: Pune

CORPORATE GOVERNANCE REPORT (CONTD.)

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, 2026:

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March, 2026 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, 2026 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: 26th May, 2026

Place: Pune

CORPORATE GOVERNANCE REPORT (CONTD.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(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,

Carraro India Limited

(Formerly Known as Carraro India Private Limited)

B2/2 MIDC,

Ranjangaon,

Pune, Maharashtra-412220

We have examined the relevant registers, records, forms, returns, declarations and other disclosures received from the Directors of **CARRARO INDIA LIMITED**, having CIN: L52609PN1997PLC132629 and having registered office situated at B2/2 MIDC, Ranjangaon, Pune, Maharashtra-412220 (hereinafter referred to as 'the Company'), 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 carried by us and explanations furnished to us by the Company & 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, 2026 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, or any such other Statutory Authorities:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Ettore Francesco Sequi	10734894	9 th August, 2024
2.	Mr. Tomaso Carraro	00592312	21 st April, 2015
3.	Mr. Balaji Gopalan	07108093	21 st April, 2015
4.	Mr. Sudhendra Mannikar	07483321	5 th April, 2016
5.	Mr. Davide Grossi	10252992	9 th August, 2024
6.	Mr. Enrico Gomiero	00588074	6 th June, 1997
7.	Mr. Andrea Conchetto	10669692	3 rd July, 2024
8.	Mr. Kishore Mukund Saletore	01705850	3 rd July, 2024
9.	Mrs. Uma Manoj Mandavgane	03156224	3 rd July, 2024

Ensuring the eligibility for 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 on these 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 **Mehta & Mehta,**

Company Secretaries

ICSI Unique Code: P1996MH007500

Ashwini Inamdar

Partner

FCS No: F9409

Place: Mumbai

UDIN: F009409H001048964

CP No.: 11226

Date: 6th August, 2026

PR No. 7281/2025

Note: We have relied on the documents and evidence provided through electronic mode, for the purpose of issuing this certificate.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L52609PN1997PLC132629
2	Name of the Listed Entity	Carraro India Limited (formerly Carraro India Private Limited)
3	Year of incorporation	11 th April, 1997
4	Registered office address	B2/2 MIDC, Ranjangaon, Pune 412 220, Maharashtra, India
5	Corporate address	B2/2 MIDC, Ranjangaon, Pune 412 220, Maharashtra, India
6	E-mail	company_secretary@carraroindia.com
7	Telephone	+91 20 66216700
8	Website	www.carraroindia.com
9	Financial year for which reporting is being done	FY 2025-26
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited ("BSE") National Stock Exchange of India Limited ("NSE")
11	Paid-up Capital	₹56,85,15,380
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Mohith Kumar Khandelwal Company Secretary and Compliance Officer Telephone: +91 2138 662666 E-mail: company_secretary@carraroindia.com
13	Reporting boundary	For the current financial year, the Company has reported data on a Standalone Basis for the period, i.e., April 2025 to March 2026.
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of axles, transmission systems, and gears that are custom engineered to meet the demanding requirements of global OEMs primarily in the agriculture and construction sectors	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 solution provider of axles, transmission systems and gears for industries.	99.55%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Transmission Axles and Gears	29301	99.55%

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

III. Operations

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

Location	Number of plants	Number of offices	Total
National	02	02*	04
International	0	0	0

*Both our offices are situated within our plant premises at Ranjangaon, Maharashtra.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	07 states and 02 union territories
International (No. of Countries)	14

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

35.11%

c. A brief on type of customers

Carraro India Limited covers a comprehensive range of axles, transmission systems, and gears that are custom engineered to meet the demanding requirements of local & global OEMs in the agriculture and construction sectors. Importantly, our key customers are primarily India-based OEMs, including large domestic OEMs and international OEMs with Indian subsidiaries or operations. We export to our holding company Carraro SPA which exports the products further to international markets. 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. We expanded our product footprint across segments and geographies, onboarded six new customers, and extended collaborations with long-standing OEM partners.

The Company primarily manufactures 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. The Company's products are 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.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	289	271	94%	18	6%
2.	Other than Permanent (E)	17	17	100%	0	0
3.	Total employees (D + E)	306	288	94%	18	6%
WORKERS						
4.	Permanent (F)	619	595	96%	24	4%
5.	Other than Permanent (G)	716	716	100%	0	0
6.	Total workers (F + G)	1,335	1,311	98%	24	2%

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

b. Differently abled Employees and workers:

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

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	09	01	11%
Key Management Personnel	01*	0	0

*The Company's Managing Director, CFO, and COO are KMPs as well as Board of Directors of the Company. We have only considered them in BoDs for disclosure purposes.

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	2025-26			2024-25			2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11%	11%	11%	7%	12%	7%	9%	25%	10%
Permanent Workers	1%	15%	2%	1%	0	1%	6%	18%	6%

Note: Turnover Rate is calculated basis no. of persons who have left the employment of the entity in the FY *100 / Average no. of persons employed in the category (as per guidance from SEBI)

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

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

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Carraro Technologies India Private Limited	Subsidiary	99%	No
2	Carraro International S.E Italy	Holding	68.77%	No
3	Carraro SpA Italy	Ultimate Parent*	68.77%	No

*Carraro SpA Italy holds 100% stake in Carraro international S.E. Italy

VI. CSR Details

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

Yes

(ii) Turnover (in ₹ Million)*

22,674.31

(iii) Net worth (in ₹ Million)

5,754.08

*The Turnover is provided as the sum of "Revenue from Operations" and "Other Income" of the Company in alignment with the Company's disclosures in the Annual Report. The Revenue from Operations stands at ₹ 22,388.94 Million.

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	Current Financial Year (2025-26)			Previous Financial Year (2024-25)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, Carraro India Limited has a Stakeholder Engagement and Grievance Redressal Policy to record grievances.	0	0	NIL	0	0	NIL
Investors (other than shareholders)		0	0	NIL	0	0	NIL
Shareholders		0	0	NIL	5	0	Grievances were related to non-allotment during IPO, all of which were resolved through the corrective actions and recourse channels
Employees and workers		0	0	NIL	0	0	NIL
Customers		0	0	NIL	0	0	NIL
Suppliers, Vendors and other business partners		0	0	NIL	0	0	NIL
Regulatory Bodies		0	0	NIL	0	0	NIL

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

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

Sr. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Management	Risk and Opportunity	Risk: Heat treatment of gears and shafts is the most energy intensive stage in driveline, axle, and transmission manufacturing due to continuous high temperature operations and repeated thermal cycles. Energy costs therefore constitute a significant portion of Carraro India Limited operating expenditure. The Company remains largely dependent on non renewable fuels such as PNG and diesel, exposing it to energy price volatility, carbon related regulations, and rising customer and investor expectations on emissions reduction and energy efficiency. Opportunity: Effective energy management reduces the energy and carbon footprint of products. As supplier emissions face increasing regulatory and customer scrutiny, improved energy efficiency enhances competitiveness, supports preferential contracting, and strengthens cost positioning.	Carraro India Limited is increasing the share of renewable energy, including solar and wind, to reduce dependence on fossil fuels and lower greenhouse gas emissions. During 2025-26, the Company consumed 40.67 Lakh kWh of renewable electricity across Plant 1 and Plant 2 through onsite captive solar. Additionally, Carraro India Limited is progressing towards phasing out propane through planned fuel switch initiatives. These measures are expected to mitigate long term energy cost volatility, regulatory exposure, and deliver operational efficiencies alongside reputational benefits.	Positive and Negative
2	Climate Change & GHG Emissions	Risk and Opportunity	Risk: Global and domestic regulatory developments including India's Net Zero 2070 commitment, the Carbon Credit Trading Scheme, and the EU Carbon Border Adjustment Mechanism (CBAM) are increasing climate related compliance requirements for automotive OEMs and component manufacturers. Physical climate risks also pose challenges to manufacturing continuity and resilience. Opportunity: Strong climate governance improves risk management and positions the Company to benefit from a lower carbon footprint, preferential contracting, and sustained market access through enhanced stakeholder trust.	Carraro India Limited monitors Scope 1 and Scope 2 emissions and is strengthening its climate management framework. The Company has initiated its transition through investments in renewable and cleaner energy sources, reducing regulatory, market, and energy price risks. Ongoing efforts focus on improving emissions data quality, visibility, and organisational preparedness for evolving climate related regulatory requirements.	Positive and Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Waste Management	Risk and Opportunity	Risk: While most waste generated is non hazardous, improper handling or disposal of hazardous and industrial waste could lead to regulatory non compliance, environmental damage, operational disruption, and reputational impact, particularly amid tightening regulations and heightened OEM supply chain scrutiny. Opportunity: Increased focus on material efficiency, circularity, and compliance requirements such as Extended Producer Responsibility (EPR) presents opportunities to strengthen waste reduction, recycling, and recovery practices. These initiatives enhance reputational value, stakeholder confidence, and can deliver cost savings through reduced disposal and improved material recovery.	Carraro India Limited ensures regulatory compliance through waste segregation at source, authorised handling and disposal, and continuous monitoring of waste recovery. These processes are reinforced through third party audits and partnerships with authorised recyclers. To reduce single use plastic, the Company has implemented returnable supplier packaging and reuse of polypropylene sheets, supporting both compliance and material efficiency. In the reporting period, 94% of waste was recycled through authorised waste vendors.	Positive and Negative
4	Water Management	Risk	Carraro India Limited relies on third party freshwater sources for domestic and industrial use. Maharashtra is classified as a water stressed state, with declining groundwater availability reported by the Central Ground Water Board, including in Pune district where Carraro India Limited operates. Increased scrutiny by pollution control authorities also heightens compliance and operational risks.	Carraro India Limited has installed advanced effluent treatment systems, implemented closed loop recycling with zero liquid discharge, and adopted real time water quality monitoring. These measures, supported by regulatory compliance and employee training, reduce freshwater dependence. The Company is also exploring groundwater recharge initiatives to strengthen long term water stewardship.	Negative
5	Human Capital Management	Opportunity	Human capital represents a material opportunity due to the skill intensive and precision driven nature of automotive component manufacturing. A skilled, engaged, and stable workforce supports product quality and operational excellence. Focused workforce planning, skill development, safety management, and employee engagement improve productivity, reduce defects and attrition, and enable new product development. Strong human capital practices also enhance supplier credibility, support long term OEM relationships, and improve organisational resilience amid technological and industry shifts.	Not applicable	Positive

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

Sr. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Occupational Health & Safety	Risk	Manufacturing operations involving machining, forging, cutting, and heat treatment present inherent occupational health and safety risks. Inadequate risk identification or control may result in accidents, injuries, downtime, and regulatory non compliance. Lapses in safety performance can also increase insurance costs, damage reputation, reduce morale, and increase attrition, adversely affecting productivity and business continuity.	Carraro India Limited has established structured health and safety management systems, including defined safety procedures, machine safeguarding, regular risk assessments, and preventive maintenance. Employees receive periodic safety training, induction programmes, and awareness sessions. Compliance is reinforced through inspections, incident monitoring, and corrective actions. Periodic audits and reviews support continuous improvement, reduce incidents, and strengthen a culture of safety.	Negative
7	Corporate Governance & Business Ethics	Risk and Opportunity	Risk: Following the Company's listing, corporate governance and business ethics have become increasingly material due to enhanced regulatory scrutiny and disclosure requirements. Gaps in governance processes or ethical conduct could expose the Company to regulatory, legal, financial, and reputational risks. Opportunity: Strong governance enhances transparency, accountability, and risk management, supporting investor confidence, access to capital, and long term value creation. Governance maturity also strengthens trust with OEM customers and business partners, positively influencing supplier relationships, ratings, and cost of capital.	Carraro India Limited operates under a structured governance framework supported by an experienced Board, defined policies, internal controls, and regulatory compliance systems. Governance practices are periodically reviewed and strengthened to align with evolving requirements and reinforce ethical conduct across the organisation.	Positive and Negative

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Carraro India Limited has developed policies in line with requirements of 09 NGRBCs, BRSR requirements and its overall commitments to sustainability. The policies can be found at Carraro India Policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	- ISO 9001:2015 - ISO 14001:2015 - ISO 45001: 2018 - IATF 16949:2016								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Targets: - Increase the use of recycled water and reduce the use of raw water in gardening by 5% in 2025-26. - Reduce the consumption of domestic water usage by 10% in 2025-26. - Commitment to a Zero Accident Workplace Commitments: - Investments in renewable energy to reduce dependence on fossil fuels or non-renewable sources of electricity. - Increase energy efficiency through upgradation of technology. - Reduce plastic waste from packaging. - Adopt resource efficient practices to reduce waste generation								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	In the reporting period 2025-26: 13% energy consumption from renewable electricity consumption - Reduced use of raw water in gardening by 5% in line with target set for 2025-26. 94% generated waste recycled, recovered and/ or reclaimed 6% of permanent workforce comprises female employees - Recorded an LTIFR of zero for employees and 0.32 for workers								

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									

A Balanced Growth Model with Responsibility at the Core

Sustainability and governance are embedded in our operating model. During 2025-26, we continued to strengthen our environmental management practices across our Ranjangaon operations, supported by ISO-aligned systems, environmental stewardship, social initiatives, and strengthening governance. Our governance structure ensures rigorous oversight, board level engagement, and a clear focus on ethical conduct. The successful listing of Carraro India Limited. in December 2024 is a validation of our institutional readiness and commitment to shareholder value.

This year marked significant in our sustainability journey with a materiality assessment that helped us identify and prioritize seven material topics to strategically align and guide our sustainability initiatives. These topics will help us prioritize sustainability action plans, strengthen disclosure readiness, and align cross-functional ownership for measurable performance improvement based on our impacts and risks. Our focus in the period has been on three priorities- energy transition and efficiency, water stewardship, and responsible waste management. We continued progress on increasing renewable electricity within our energy mix, with an achieved share of 13% renewable electricity and we remain steadfast on increasing the ratio in future. Water stewardship remains a core strength of our operations. We continue to operate with a Zero Liquid Discharge mechanism supported by our effluent and sewage treatment systems, ensuring no discharge outside plant premises. Our total water withdrawal and consumption for 2025-26 is 76,639 KL, with continued emphasis on reducing freshwater dependence and improving reuse and monitoring. On waste management, we sustained compliance through segregation at source and disposal through authorised partners, while progressing initiatives to reduce single-use plastics through returnable packaging and reuse practices. Waste generated in 2025-26 stands at 5,316 MT, of which waste recycled/recovered/reclaimed is 94%, a notable achievement in our sustainability journey.

We also recognise that energy and greenhouse gas (GHG) emissions management remain a material challenge for a manufacturing-intensive business. We are monitoring our Scope 1 and Scope 2 emissions, strengthening data quality and readiness for evolving regulatory expectations and customer requirements. Our direct GHG emissions only constitute 12% of our total emissions while the rest is through indirect sources of electricity procured from the grid. We will be undertaking initiatives to study pathways for further efficiency and optimisation in future.

The year also marked several developments in the governance front with revision and strengthening of policies and governance structures to align with our sustainability agenda. With a focus on nurturing our human capital, we also undertook several employee wellbeing sessions such as stroke awareness, breast cancer awareness and other wellness programmes across our operations, in addition to the trainings on health and safety and skill upgradation. We continue to support social programs in health, education, and employability through our CSR initiatives.

Additionally, both the Ranjangaon plants were operated at strong capacity utilisation levels throughout the year, supporting consistent and efficient delivery. 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. 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.

As this is our first Business Responsibility and Sustainability Report (BRSR), we view 2025-26 as a foundational phase strengthening systems, improving measurement discipline, and embedding sustainability considerations into operational decision-making and governance.

- Dr. Balaji Gopalan, Managing Director

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Dr. Balaji Gopalan Managing Director, Carraro India Limited
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BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.									

While the Company is still in the process of formulating a committee responsible for decision making on sustainability related issues, the Managing Director oversees the sustainability activities and reporting as on date.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P1	P2	P3	P4	P5	P6	P7	P8	P9
										No	No	No	No	No	No	No	No	No

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action									
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Not applicable

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

SECTION C: PRINCIPLE WISE PERFORMANCE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	3	All 09 NGRBC principles: Awareness Session on 9 NGRBC Principles, Topics including Material topics, sustainability risks and opportunities, human rights and grievance redressal	33%
Key Management Personnel	1	All 09 NGRBC principles: Awareness Session on 9 NGRBC Principles, Topics including Material topics, sustainability risks and opportunities, human rights and grievance redressal	100%
Employees other than BoD and KMPs	34	All 09 NGRBC principles: Awareness Session on 9 NGRBC Principles Principle 3 - Health & Wellbeing: Protect Your Kidneys, Be Stroke Aware, Nutrition and Healthy Living, Eye Care, Workplace Ergonomics, Diabetes Awareness, Protein Intake, Breast Cancer Awareness Session Safety Trainings: Accident Prevention and Control, Training on Rescue Operation, Training on First Aid, Fire Fighting and Mock Drill – Refresher Principle 5 - Prevention of Sexual Harassment (POSH) Training	85%
Workers	252	All 09 NGRBC principles: Awareness Session on 9 NGRBC Principles Principle 3 - Health & Wellbeing: Protect Your Kidneys, Be Stroke Aware, Nutrition and Healthy Living, Eye Care, Workplace Ergonomics, Diabetes Awareness, Protein Intake, Breast Cancer Awareness Session Safety Trainings: Accident Prevention and Control, Training on Rescue Operation, Training on First Aid, Fire Fighting and Mock Drill – Refresher Principle 5- Prevention of Sexual Harassment (POSH) Training	97%

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

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGBRC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding Fee	NIL	NIL	NIL	NIL	NIL
Non-Monetary					
	NGBRC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

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

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. Carraro India Limited implements the Carraro Group's [Anti-Corruption and Anti-Bribery Policy](#) to promote ethical behavior, compliance with laws and regulations, and effective risk management. Our commitment to corporate governance extends to fostering a culture of openness and responsibility throughout the organisation. Carraro India Limited also follows the [Group Code of Ethics](#) as well as its own [Code of Ethics for Directors and Senior Management](#) to ensure ethical practices and transparency. The Company's whistleblowing and vigil mechanism policy further iterates the organisation's commitment to having a robust mechanism to record and redress complaints pertaining to ethics, bribery and corruption.

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

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

6. Details of complaints with regard to conflict of interest

	2025-26		2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NIL	0	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NIL	0	NIL

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

Not applicable as no fines, penalties or actions taken by regulators, law enforcement agencies or judicial institutions on cases of corruption and conflicts of interest.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	2025-26	2024-25
Number of days of accounts payable	82.21	96.82

9. Openness of business.

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

Parameter	Metrics	2025-26	2024-25
Concentration of purchases	a. Purchases from trading houses as a % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of sales	a. Sales to dealers/ distributors as % of total sales	0.31%	0.21%
	b. Number of dealers / distributors to whom sales are made	12	13
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	97.5%	99.4%
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	7.55%	6.58%
	b. Sales (Sales to related parties/ Total Sales)	35.01%	31.88%
	c. Loans & Advances (Loans & Advances given to related parties/ Total Loans & Advances)*	0	0
	d. Investments	100%	100%

Leadership Indicators
1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

Yes. The Board and Senior Management of Carraro India Limited ensures that their personal interest does not conflict with the interests of the Company. Any Director or member of Senior Management of the Company involved in any of the types of relationships or situations described in its Code of Ethics for Directors and Senior Management, is required to timely and fully disclose the relevant circumstances to his or her reporting authority, or the Board, as the case may be, for ascertaining and determining whether a potential or actual conflict exists.

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Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.
Essential Indicators
1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	2025-26	2024-25	Details of improvements in environmental and social impacts
R&D	NIL	NIL	Not Applicable
Capex	NIL	NIL	

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

No

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

Not applicable.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Since the product is directly supplied to the OEMs, Carraro India Limited has limited scope for reclaiming it at the end of its life cycle. The Company, however, has systems in place to recycle plastics (including packaging), e-waste, and hazardous waste in a safe manner. For the disposal of wastes including plastics, e-waste, hazardous waste and other waste, the Company has contracts with authorised vendors and returns are filed with statutory bodies.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

EPR is applicable and collection plan is in compliance as the Company's waste disposal practices are in line with EPR guidance.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains
Essential Indicators
1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	271	271	100%	271	100%	0	0%	0	0%	0	0%
Female	18	18	100%	18	100%	18	100%	0	0%	0	0%
Total	289	289	100%	289	100%	18	100%	0	0%	0	0%
Other than Permanent Employees											
Male	17	17	100%	17	100%	0	0%	0	0%	0	0%
Female	0	0	0	0	0%	0	0	0%	0%	0	0%
Total	17	17	100%	17	100%	0	0%	0	0%	0	0%

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	595	595	100%	595	100%	NA	NA	0	0	0	0
Female	24	24	100%	24	100%	24	100%	NA	NA	0	0
Total	619	619	100%	619	100%	24	100%	0	0	0	0
Other than Permanent Workers											
Male	716	716	100%	716	100%	NA	NA	0	0	0	0
Female	0	0	0	0	0	0	0	NA	NA	0	0
Total	716	716	100%	716	100%	0	0	0	0	0	0

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

	2025-26	2024-25
Cost incurred on wellbeing measures as a % of total revenue of the Company	0.16%	0.20%

Note 1: For the purpose of calculating the spending on measures towards well-being of employees and workers, the Company has considered the expense incurred towards employees/workers Health Insurance, Accidental Insurance, Life Insurance, Parental Leaves, net of any recoveries made from the respective employees/workers.

Note 2: For calculation of the percentage, 'Revenue from operations' has been considered as revenue as per Audited Standalone Financial Statements.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	2025-26			2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	NA	0.45%	Yes	NA	0.88%	Yes

Note 1: The Company provides benefits to its permanent employees and workers as per legal requirements.

Note 2: Salaries of all employees and select workers is above the ESI threshold and therefore are not covered under ESI.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Company's premises and offices are accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. Carraro India Limited has a [Right to Equality for Persons with Disabilities Policy](#) as per the requirements of the Rights of Persons with Disabilities Act, 2016.

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5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	NA	100%	NA
Total	100%	NA	100%	NA

Note 1: In 2025-26, 4 female employees/workers availed maternity leave. Of these, 3 were due to return, and all 3 returned to work within the reporting period; therefore, return to work rate is 100%.

Note 2: The tenure for completion of 12 months' post-return flows into the next financial year; therefore, the retention rate is not applicable.

Note 3: No male employees/workers availed paternity leave during the reporting period.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes/ No (If yes, then give details of the mechanism in brief)
Permanent Workers
Other than Permanent Workers
Permanent Employees
Other than Permanent Employees

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	2025-26			2024-25		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of associations or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of associations or Union (D)	% (D/C)
Total Permanent Employees						
Male	271	0	0	266	0	0
Female	18	0	0	17	0	0
Total Permanent Workers						
Male	595	436	73%	608	436	72%
Female	24	0	0	14	0	0

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8. Details of training given to employees and workers:

Category	2025-26					2024-25				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
	No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/A)	
Employees										
Male	288	288	100%	246	85%	289	200	69%	190	66%
Female	18	18	100%	17	94%	17	16	94%	12	71%
Total	306	306	100%	263	86%	306	216	71%	202	66%
Workers										
Male	1,311	1,189	91%	1300	99%	1,121	990	88%	1100	98%
Female	24	24	100%	24	100%	14	12	86%	10	71%
Total	1,335	1,213	91%	1,324	99%	1,135	1,002	88%	1110	98%

9. Details of performance and career development reviews of employees and workers

Category	2025-26			2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	288	288	100%	289	177	61%
Female	18	18	100%	17	16	94%
Total	306	306	100%	306	193	63%
Workers						
Male	1,311	159	12%	1,121	169	15%
Female	24	24	100%	14	14	100%
Total	1,335	183	56%	1,135	183	58%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, Carraro India Limited has implemented the Occupational Health and Safety Management System (ISO 45001:2018) across 100% of its operations and sites. This system outlines the requirements for an occupational health and safety (OH&S) management system and provides comprehensive guidance to ensure the creation of safe and healthy workplaces. By preventing work-related injuries and illnesses and proactively enhancing OH&S performance, Carraro India Limited. demonstrates its unwavering commitment to employee well-being and safety.

ISO 45001:2018 plays a crucial role in establishing, maintaining, and implementing an effective OH&S management system. It aims to improve occupational health and safety, eliminate hazards, and minimise OH&S risks, including system deficiencies. Additionally, it helps Carraro India Limited. seize OH&S opportunities and address any non-conformities associated with its activities, thereby fostering a culture of safety and continuous improvement.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

In alignment ISO 45001:2018, Carraro India Limited consistently implements measures to enhance employee well-being and healthcare. A robust hazard identification and risk management system has been established to ensure continuous improvement in occupational health and safety. Hazard Identification Risk Assessment is conducted regularly at all levels through a meticulous six-step process, overseen by a highly skilled process owner or a qualified safety coordinator who is thoroughly knowledgeable about all activities and safety standards. Additionally, under our Spot the Hazard Scheme, employees are encouraged to freely share observations and suggestions regarding potential hazards. This initiative helps in early identification and mitigation of risks. Through these diligent efforts,

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Carraro India Limited demonstrates its unwavering commitment to maintaining a safe and healthy workplace. Our Hazard Identification Risk Assessment process includes:

1. Pre-assessment preparations.
2. Pre-assessment meeting with HSE Leaders.
3. Conducting interviews.
4. Walk-around tour/Quantification of hazards.
5. Evaluation of Hazard/Person/Severity factors.
6. Post evaluation activity

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we have implemented a process for reporting work-related hazards in accordance with the ISO 45001:2018 Occupational Health & Safety Management System. Under our Spot the Hazard Scheme, we encourage all employees and workers to actively engage in maintaining a safe work environment. They participate in identifying hazards and reporting unsafe conditions or behaviors. Additionally, they are empowered to implement control measures to prevent and mitigate risks or withdraw from hazardous situations if necessary, including stopping unsafe activities. Under our ticketing system established to encourage employees to undertake health and safety practices proactively, we have the green and red ticket wherein an employee is awarded a red ticket for unsafe acts or conditions, and a green ticket for observing and promoting safe behaviors. Employees receive regular training on hazard identification and reporting. We set proactive EHS objectives, reports on progress, provides necessary PPE, and ensures its use. Additionally, we integrate ergonomic policies and collaborates with various sectors to support EHS regulations and research.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, periodic health checkups and preventive health checkups are arranged from time to time other than the mandatory requirement of The Factories Act 1948. We also have tie-ups with leading hospitals nearby which can be accessed by the employees and their family members in case of off-site emergencies

11. Details of safety related incidents, in the following format

Safety Incident/Number	Category	2025-26	2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	0	0
	Workers	0.32	0
Total recordable work-related injuries	Employees	0	0
	Workers	16	21
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Please note that the Company recorded 01 Lost time Injury during the reporting period.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

At Carraro India Limited, we adopt a structured and proactive approach to managing health, safety, and environmental risks. Our practices are guided by a comprehensive Health & Safety Policy and are aligned with ISO 45001:2018 for Occupational Health and Safety. We have the following measures in place:

- Hazard Identification and Risk Assessment (HIRA) in alignment with its Occupational Health and Safety Management System, certified under ISO 45001:2018.

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- Safety Committees are established at the organisational level to facilitate employee engagement, review resource adequacy, and support the deployment of the safety management system.
- Health and safety protocols is reinforced through periodic safety audits and inspections conducted across all plants.
- Regular Health & Safety trainings conducted for all workers.

As part of our commitment to safety culture, National Safety Week is celebrated annually with a series of promotional activities aimed at enhancing awareness and participation:

Promotional Activities

- Safety Pledge Ceremony: All employees reaffirm their commitment to workplace safety.
- Poster & Slogan Competitions: Encouraging creative engagement on safety themes.
- Safety Quiz & Awareness Drives: Interactive sessions to reinforce knowledge.
- Sessions & Speakers

Expert Talks: Sessions led by external safety consultants and internal EHS leaders on topics such as:

- First-aid Training
- Firefighting Training

13. Number of Complaints on the following made by employees and workers:

	2025-26			2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	NIL	0	NIL	NIL	0	NIL
Health and Safety	NIL	0	NIL	NIL	0	NIL

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not applicable as no risks were identified

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.

1. Describe the process for identifying key stakeholder groups of the entity.

Carraro India Limited periodically reviews its business processes to identify stakeholders that have an interest in, or are impacted by, the Company's operations and decisions. This identification is undertaken as part of a regular and comprehensive review of business activities, enabling the Company to recognise stakeholder groups that are relevant to its functioning and long-term sustainability.

Based on this review, the Company identifies its key stakeholder groups, which include-

1. Employees and workers,
2. Customers
3. Suppliers and vendors

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4. Investors and Shareholders
5. Regulatory Bodies
6. Local Communities
7. Other Business Partners

The identification is dynamic in nature and reflects the Company's evolving business context and engagement requirements.

Engagement with identified stakeholder groups is determined based on management's discretion, taking into account the relevance of the stakeholder group to the Company's operations. The outcomes and insights from stakeholder engagements are periodically placed before the Board for review during its meetings, ensuring that stakeholder interests are considered at the highest level of governance. Information arising from these engagements is also shared with stakeholders through appropriate communication channels such as newsletters, the annual report, and dedicated engagement reports.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable and marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (annually, half yearly, quarterly, others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors & Shareholders	No	• Annual General Meetings • E-Mail • Newspapers • Advertisement • Stock Exchanges • Annual Report	Quarterly	• Discussion on financial & non-financial performance, market value of shares Shareholder returns • Effective & robust corporate governance
Employees & Workers	No	• Feedback and connect sessions/Employee surveys/Townhalls • Training & safety programs Classroom and Virtual • Engagement programs • Wellbeing programmes and events • Performance development reviews and appraisals • Regular update on Intranet/Emails/ Notices Board/Website	Weekly and Monthly	• Business Performance Update and action planning • Employee engagement & recognition/ employee pulse check • Training and Development • Performance assessment & KRA cascading • Grievance redressal

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Stakeholder Group	Whether identified as vulnerable and marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (annually, half yearly, quarterly, others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	- Pamphlets - E-Mail - Meetings - Newspapers - Website - Advertisement - SMS	Monthly	- Customer Satisfaction - Customer Complaints - Extending product & services
Government and Regulatory Bodies	No	- Email - Website - Annual Reports/ Compliance Filings - Advertisement	Quarterly	- Regulatory & Legal requirements - Technology & Innovation - Capacity expansion
Suppliers, vendors and other business partners	No	- Annual Supplier Convention - Supplier Audits - Informal Interaction - E-Mail - Newspapers - Website - Advertisement	Weekly	- Transparent, fair & accountable supply chain practice - Supplier financial health/reputation - Service Quality - Access to knowledge on sustainable supply chain practices - Innovation & Technology
Communities	Yes	Community Meetings	Quarterly	- CSR Initiatives - Relationship development

Principle 5: Businesses should respect and promote human rights.

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2025-26			2024-25		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	289	0	0	283	0	0
Other than permanent	17	0	0	23	0	0
Total Employees	306	0	0	306	0	0

Category	2025-26			2024-25		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Workers						
Permanent	619	0	0	622	0	0
Other than permanent	716	0	0	513	0	0
Total Workers	1,335	0	0	1,135	0	0

The Company has planned to conduct and record human rights training programmes and will report the same in future years of reporting.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	2025-26					2024-25				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	289	0	0	289	100%	283	0	0	283	100%
Male	271	0	0	271	100%	266	0	0	266	100%
Female	18	0	0	18	100%	17	0	0	17	100%
Other than Permanent	17	0	0	17	100%	23	0	0	23	100%
Male	17	0	0	17	100%	23	0	0	23	100%
Female	0	0	0	0	0%	0	NA	NA	NA	NA
Workers										
Permanent	619	0	0	619	100%	622	0	0	622	100%
Male	595	0	0	595	100%	608	0	0	608	100%
Female	24	0	0	24	100%	14	0	0	14	100%
Other than Permanent	716	716	100%	0	0	513	513	100%	0	0%
Male	716	716	100%	0	0	513	513	100%	0	0%
Female	0	NA	NA	NA	NA	0	NA	NA	NA	NA

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

Gender	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	08 ¹	85,30,000	01	85,30,000
Key Management Personnel	02 ²	10,90,000	0	NA
Employees Other than KMPs	288	7,82,411.00	18	7,73,049.00
Workers	1,311	7,94,320.00	24	4,15,107.00

Note 1: The Company's Managing Director, CFO, and COO are KMPs as well as Board of Directors of the Company. We have only considered them in BoDs for disclosure purposes.

Note 2: KMP includes the position of Company Secretary. During the financial year there was a change in the Company secretary. Accordingly, both the personnel's remuneration has been considered and disclosed.

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b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	2025-26	2024-25
Gross wages paid to females as % of total wages	2.53%	2.52%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. Ms. Mamta Bakshi (Head of HR, Leadership & Culture) who also heads the Whistleblower Committee of Carraro India Limited

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

Carraro India Limited has a Stakeholder Engagement and Grievance Redressal Mechanism in line with its Policy. Each department has allocated a Designated Contact to record complaints with a dedicated email ID for the same. The grievances are recorded and addressed in line with the provisions of the policy and the escalation matrix deployed. The policy focuses on principles of non-retaliation for the complainant with an unbiased decision-making and resolution process.

Carraro India Limited additionally has a Whistleblowing Policy to record complaints regarding all issues.

A separate 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 also exists to ensure recording grievances related to sexual harassment and other human rights issues.

6. Number of Complaints on the following made by employees and workers:

	2025-26			2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NIL	0	0	NIL
Discrimination at workplace	0	0	NIL	0	0	NIL
Child Labour	0	0	NIL	0	0	NIL
Forced Labour/ Involuntary Labour	0	0	NIL	0	0	NIL
Wages	0	0	NIL	0	0	NIL
Other human rights related issues	0	0	NIL	0	0	NIL

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	2025-26	2024-25
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employee/ workers	NA	NA
Complaints on POSH upheld	NA	NA

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has 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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

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.

The Company has established a Stakeholder Engagement and Grievance Redressal Mechanism aligned with its policy framework. Each department has assigned a designated contact person and a dedicated email ID to receive and document complaints. Grievances are recorded and resolved in accordance with the policy provisions and the defined escalation matrix. The policy emphasizes non-retaliation against complainants and ensures an impartial and fair decision-making and resolution process.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

The Company encourages the adoption of the principles outlined in its Human Rights Policy by its commercial partners and suppliers with whom it carries our business partnerships. In particular, the Company reserves the right to terminate any professional relationship with commercial partners and suppliers who violate the principles outlined in its human rights policy.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not applicable because no risks were identified.

Principle 6: Businesses should respect and make efforts to protect and restore the environment
Essential Indicators
1. Details of total energy consumption and energy intensity, in the following format:

Parameter in GJ	Unit	2025-26	2024-25
From renewable sources¹			
Total electricity consumption (A)	GJ	14,523	9,619
Total fuel consumption (B)	-	0	0
Energy consumption through other sources (C)	-	0	0
Total energy consumed from renewable sources (A+B+C)	GJ	14,523	9,619
From non-renewable sources			
Total electricity consumption (D)	GJ	69,032	66,046
Total fuel consumption (E)	GJ	36,740 ²	11,074
Energy consumption through other sources (F)	-	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	1,05,772	77,120
Total energy consumed (A+B+C+D+E+F)	GJ	1,20,295	86,739
Energy intensity per rupee of turnover ³ (Total energy consumption/revenue from operations)	GJ/₹ Crore	5.37	4.84

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Parameter in GJ	Unit	2025-26	2024-25
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ⁴ (Total energy consumption/revenue from operations adjusted for PPP)	GJ/Million\$	11.10	10.00
Energy intensity in terms of physical output ⁵ (Total energy consumed/physical output)	GJ/ No. of Products	0.059	0.047

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No

Note 1: For 2025-26, 13% of energy consumed from renewable sources (2024-25: 12%).

Note 2: The increase in fuel quantity is attributed to the increased consumption of PNG. The increased consumption of PNG is due to i) dual baking cycles required in the paint shop ii) modified oven requirements from OEMs to ensure product quality

Note 3: For 'intensity per rupee of turnover', total revenue from operations has been considered as turnover as per Audited Standalone Financial Statements.

Note 4: The intensity adjusted for PPP has been calculated basis the guidelines set forth in SEBI's circular dated 20th December, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP factor has been sourced from IMF database. <https://www.imf.org/external/datamapper/PPPEX@WEQ/OEMDC>. For 2025-26, the PPP as per IMF stands at 20.34 whereas for 2024-25 it stood at 20.66.

Note 5: For intensity in terms of physical output, the Company has considered no. of axles and gears produced.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, Carraro India Limited, does not have any sites or facilities identified as designated consumers under PAT scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter in KL	Unit	2025-26	2024-25
(i) Surface water	KL	0	0
(ii) Groundwater	KL	0	0
(iii) Third party water (Municipal water supplies)	KL	78,634	68,652
(iv) Seawater/desalinated water	KL	0	0
(v) Others	KL	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	KL	78,634	68,652
Total volume of water consumption (in kilolitres)	KL	78,634	68,652
Water intensity per rupee of turnover ¹ (Water consumed/revenue from operations)	KL/₹ Crore	3.51	3.83
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ² (Water consumed/revenue from operations adjusted for PPP)	KL/Million\$	7.26	7.91
Water intensity in terms of physical output ³ (Water consumption/Physical Output)	KL/No. of Products	0.0383	0.0375

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No

Note 1: For 'intensity per rupee of turnover', total revenue from operations has been considered as turnover as per Audited Standalone Financial Statements.

Note 2: The intensity adjusted for PPP has been calculated basis the guidelines set forth in SEBI's circular dated 20th December, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP factor has been sourced from IMF database. <https://www.imf.org/external/datamapper/PPPEX@WEQ/OEMDC>. For 2025-26, the PPP as per IMF stands at 20.34 whereas for 2024-25 it stood at 20.66

Note 3: For intensity in terms of physical output, the Company has considered no. of axles and gears produced.

4. Provide the following details related to water discharged:

Parameter in KL	2025-26	2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. The Company has implemented Zero Liquid Discharge across 100% of its operations. It has installed an Effluent Treatment Plant and as a result, the Company ensures no water is discharged outside the premises. Applications of recycled water include horticulture, irrigation, among others.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	2025-26	2024-25
NOx	MT	6.10	4.77
SOx	MT	0.09	0.05
Particulate matter (PM)	MT	12.98	8.97
Persistent organic pollutants (POP)	-	0	0
Volatile organic compounds (VOC)	-	0	0
Hazardous air pollutants (HAP)	-	0	0
Ozone Depleting Substances	-	0	0

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No

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7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2025-26	2024-25
Total Scope 1 emissions ²	tCO ₂ e	2,270 ³	923
Total Scope 2 emissions ⁴	tCO ₂	13,615	13,338
Total Scope 1 and Scope 2 emissions	tCO₂	16,000	14,059
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover ⁵ (Total Scope 1 and Scope 2/Revenue from Operations)	tCO ₂ /₹ Crore	0.71	0.78
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity ⁶ (Scope 1 and Scope 2 Emissions/revenue from operations adjusted for PPP)	tCO ₂ /Million\$	1.48	1.62
Total Scope 1 and Scope 2 emission intensity in terms of physical output ⁷ (Scope 1 and 2 emissions/physical output)	tCO ₂ /No. of Products	0.01	0.01

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No

Note 1: We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

Note 2: Scope 1 Emission factors are reported as per the UN's Intergovernmental Panel on Climate Change (IPCC), 2006.

Note 3: The increase in fuel quantity is attributed to the increased consumption of PNG. The increased consumption of PNG is due to: i) dual baking cycles required in the paint shop ii) modified oven requirements from OEMs to ensure product quality and iii) transition from propane to PNG in furnaces.

Note 4: Scope 2 Emissions are reported with grid emission factor from Version 21 of the Central Electrical Authority's CO₂ database.

Note 5: The intensity adjusted for PPP has been calculated basis the guidelines set forth in SEBI's circular dated 20th December, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP factor has been sourced from IMF database. <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC>. For 2025-26, the PPP as per IMF stands at 20.34 whereas for 2024-25 it stood at 20.66.

Note 6: For 'intensity per rupee of turnover', total revenue from operations has been considered as turnover as per the Audited Standalone Financial Statements.

Note 7: For intensity in terms of physical output, the Company has considered no. of axles and gears produced.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company is committed to protecting the environment and planet by taking conscious decisions for reduction of energy footprint and thereby reducing greenhouse gases. Carraro India Limited is consistently focusing on consuming renewable electricity from solar rooftop panels, with an increased consumption over the last few years. The Company is also targeting to phase out R22 (a refrigerant with high global warming potential) by 2027. With these efforts as steppingstones, the Company aims to further reduce its greenhouse gas emissions through initiatives of fuel switch, in future.

9. Provide details related to waste management by the entity, in the following format:

Parameter	Unit	2025-26	2024-25
Plastic waste (A)	MT	150.94	133.27
E-waste (B)	MT	2.56	1.79
Bio-medical waste (C)	-	0	0
Construction and demolition waste (D)	-	0	0

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Parameter	Unit	2025-26	2024-25
Battery waste (E)	MT	4.40	32.31
Radioactive waste (F)	MT	0	0
Other Hazardous waste (G)	MT	425.95	321.59
Other non-hazardous waste generated (H).	MT	4,734.53	4,297.72
Total Waste Generated (A+ B + C + D + E + F + G + H)¹	MT	5,318.38	4,786.68
Waste intensity per rupee of turnover ² (Total waste generated/revenue from operations)	MT/₹ Crore	0.24	0.27
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) ³ (Total waste generated/revenue from operations adjusted for PPP)	MT/Million\$	0.49	0.55
Waste intensity in terms of physical output ⁴ (Total waste generated/physical output)	MT / No. of Products	0.003	0.003
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations			
(i) Recycled	MT	5,007.07	4,567.03
(ii) Re-used	-	0	0
(iii) Other recovery operations	-	0	0
Total	MT	5,007.07	4,567.03
For each category of waste generated, total waste disposed by nature of disposal method⁵			
(i) Incineration	MT	269.4	202.14
(ii) Landfilling	MT	41.91	17.5
(iii) Other disposal operations	-	0	0
Total	MT	311.31	219.64

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – No

Note 1: For 'intensity per rupee of turnover', total revenue from operations has been considered as turnover as per the Audited Standalone Financial Statements.

Note 2: The intensity adjusted for the Purchasing power parity (PPP) has been calculated basis the guidelines set forth in SEBI's circular dated 20th December, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP conversion factor has been sourced from IMF database <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC>. For 2025-26, the PPP conversion factor as per IMF stands at 20.34 ₹/USD whereas for 2024-25 it stood at 20.66 ₹/USD.

Note 3: For intensity in terms of physical output, the Company has considered no. of axles and gears produced

Note 4: The method of disposal of waste is as per the certificates received from respective waste traders/handlers/aggregators.

Note 5: Waste is accounted for at the time of disposal and therefore waste recovered and disposed has been considered as waste generated.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has strong waste management procedures in place to ensure segregation and collection of waste as per defined waste categories from production area, transportation of the segregated waste to the temporary storage area and disposal of the waste to the authorised agencies as per the conditions stipulated in the Consent to Operate of Carraro India Limited. This procedure applies to all departments.

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Various steps taken to reduce hazardous and toxic chemicals in our products are as follows:

1. Waste Segregation Procedure and Work Instruction Policy.
 2. Collection of the waste at source.
 3. Proper storage facility to avoid the mixing of recyclable waste with hazardous waste.
 4. Focus on recovery, recycling and reclamation of waste through diversion from disposal (landfilling, etc.)
 5. Zero Liquid Discharge with authorised Effluent and Sewage Treatment Plants (ETPs and STPs).
11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format

Sr No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
No, the entity does not have operations in/around ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
No EIAs were carried out during the financial year					

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). Yes

S. No	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable				

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. A. Number of affiliations with trade and industry chambers/associations.
- 01
- B. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.
- | No. | Name of the trade and industry chambers/associations | Reach of trade and industry chambers/associations |
|-----|--|---|
| 1 | Indian Construction Equipment Manufacturers' Association (ICEMA) | National |
2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No case recorded for anti-competitive conduct; hence no corrective action is applicable		

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

Principle 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
No SIA has been undertaken during the current financial year.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

Carraro India Limited has a formal grievance redressal mechanism to address concerns raised by local communities. Community grievances can be submitted through a designated email channel to the appointed Grievance Officer (Ms. Mamta Bakshi, Director of HR, Leadership & Culture- HR_Grievances@carraroindia.com). All grievances are acknowledged within seven working days and are reviewed and investigated in a confidential manner. Appropriate corrective actions are undertaken, and grievances are resolved within 30 working days. The Company follows a non-retaliation approach to protect complainants from acting in good faith.

If required, grievances may be escalated to the Whole-time Directors:

1. Sudhendra Mannikar: Sudhendra_Mannikar@carraro.com
2. Davide Grossi: Davide_Grossi@carraro.com

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	2025-26	2024-25
Directly sourced from MSMEs/small producers	34%	26%
Directly from within India	77%	77%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost:

Location	2025-26	2024-25
Rural	100%	100%
Semi urban	NA	NA
Urban	NA	NA
Metropolitan	NA	NA

Note: The locations have been categorised as per RBI Classification System – rural/semi-urban/urban/metropolitan.

Source: <https://censusindia.gov.in/nada/index.php/catalog/42560/download/46186/2011IndiaStateDistSbDistTwnWrd-0000.xlsx>

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FY 2025-26 (CONTD.)

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.
Essential Indicators
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company's Stakeholder Engagement and Grievance Redressal Mechanism is also extended to customers as a key stakeholder group, wherein the grievances are recorded on customers_grievances@carraroindia.com. Carraro India Limited has a direct channel of communication with all its customers. All issues and complaints along with feedback are recorded by the quality department and after sales department to ensure timely resolution of issues, especially pertaining to quality as the top priority. The channels to record feedback and monitor recourse are provided as part of agreement contracts with each customer.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	0
Recycling and/or safe disposal	0

3. Number of consumer complaints in respect of the following:

Parameter	2025-26		Remarks	2024-25		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	0	0	NIL	0	0	NIL
Advertising	0	0	NIL	0	0	NIL
Cyber Security	0	0	NIL	0	0	NIL
Delivery of essential services	0	0	NIL	0	0	NIL
Restrictive Trade Practices	0	0	NIL	0	0	NIL
Unfair Trade Practices	0	0	NIL	0	0	NIL
Other: Other category	0	0	NIL	0	0	NIL

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	1	The product was recalled due to a potential safety issue identified during field application, wherein the brake system could become jammed, potentially affecting vehicle operation.

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. [Carraro India Limited Privacy Policy](#).

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not applicable as no complaints were recorded.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches – 0
- Percentage of data breaches involving personally identifiable information of customers – **Not Applicable**
- Impact, if any, of the data breaches – **Not Applicable**

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, 2026, 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, 2026, its profit and other 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 33 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 information included in the annual report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we 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 identified above when it becomes available and 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.
- When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- 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

- As required by Section 143(3) of the Act, based on our audit we report that:
 - 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.
 - 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 for a period from April 01, 2025 to July 31, 2025 (refer Note 42 to the standalone financial statements) and not complying with the requirement of audit trail as stated in (i)(vi) below.
 - 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.
 - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
 - 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.
 - 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- 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 33 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 final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
- As stated in note 46 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, 2026 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 by the Company as per the statutory requirements for record retention, as mentioned in note 42 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: 26407265IIRBMM9424

Place: Pune
Date: 26th May, 2026

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, 2026 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, including adherence to the 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 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

ANNEXURE "A" (Contd.)

fraud may occur and not be detected. Also, projections of any 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, 2026, based on the criteria for internal financial control with reference to standalone financial statements 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.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

Sachanand C Mohnani

(Partner)

(Membership No. 407265)

Place: Pune
Date: 26th May, 2026

UDIN: 26407265IIERBM9424

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, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2020) and rules made thereunder.
- (ii) a. The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on 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. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in- transit, the goods have been received subsequent to the year end or confirmations have been obtained from the parties. 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 account.

- 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, 2025, September 30, 2025 and December 31, 2025). The Company is yet to submit the return/ statement for the quarter ended March 31, 2026 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

ANNEXURE "B" (Contd.)

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.

(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 generally been regularly deposited by it with the appropriate authorities 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, 2026 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, 2026 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	2013-14, 2014-15, 2016-17, 2019-20, 2020-21, 2021-22, 2022-23	Commissioner of Income Taxes (Appeals)	980.33	921.19	1,901.52	1,820.60
	2011-12, 2012-13, 2015-16	Income Tax Appellate Tribunal	433.37	629.56	1,062.93	916.12
	2016-17	High Court of Bombay	118.35	127.82	246.17	246.17
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.

ANNEXURE "B" (Contd.)

- (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 realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) a. 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)

Place: Pune
Date: 26th May, 2026

(Membership No. 407265)
UDIN: 26407265IIBRM9424

STANDALONE BALANCE SHEET

AS AT 31ST MARCH, 2026

All amounts are ₹ in Million except per share data and unless otherwise stated

Particulars	Note no.	As at 31 st March, 2026	As at 31 st March, 2025
ASSETS			
1) Non-current assets			
a) Property, plant and equipment	4	3,212.87	3,263.03
b) Right-of-use assets	4	289.51	252.14
c) Capital work-in-progress	5	2.46	-
d) Intangible assets	6	242.49	257.86
e) Financial assets			
i) Investments	7.1	239.82	239.82
ii) Other non-current financial assets	7.2	42.32	44.18
f) Deferred tax assets (net)	8	30.08	15.09
g) Non-current tax assets	9	325.47	314.41
h) Other non-current assets	10	4.58	17.31
Total non-current assets		4,389.60	4,403.84
2) Current assets			
a) Inventories	11	3,174.14	2,987.24
b) Financial assets			
i) Trade receivables	12	3,700.96	2,869.09
ii) Cash and cash equivalents	13	803.21	607.25
iii) Other financial Assets	7.2	11.58	12.17
c) Other current assets	10	645.78	252.95
Total current assets		8,335.67	6,728.70
TOTAL ASSETS		12,725.27	11,132.54
EQUITY & LIABILITIES			
Equity			
a) Equity share capital	14	568.52	568.52
b) Other equity	15	5,185.56	4,145.68
Total equity		5,754.08	4,714.20
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	16	1,076.25	1,310.24
ii) Lease liabilities	17	128.22	134.34
b) Provisions	18	557.15	486.81
Total non-current liabilities		1,761.62	1,931.39
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	16	338.65	444.01
ii) Lease liabilities	17	6.12	6.00
iii) Trade payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises		576.71	564.92
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,626.52	2,938.73
iv) Other financial liabilities	20	116.15	28.96
b) Other current liabilities	21	188.37	183.54
c) Provisions	18	357.05	304.75
d) Current tax liabilities (net)	22	-	16.04
Total current liabilities		5,209.57	4,486.95
TOTAL EQUITY AND LIABILITIES		12,725.27	11,132.54
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

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

Mohith Kumar Khandelwal
Company Secretary
Membership Number - F11243

Place: Pune
Date: 26th May, 2026

Place: Pune
Date: 26th May, 2026

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2026

All amounts are ₹ in Million unless otherwise stated

Particulars	Note no.	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
INCOME			
I. Revenue from operations	23	22,388.94	17,921.53
II. Other income	24	285.37	157.64
III. Total income (I+II)		22,674.31	18,079.17
IV. Expenses			
(a) Cost of materials consumed	25	16,524.07	13,072.39
(b) Changes in inventory of finished goods and work-in-progress	26	38.28	64.33
(c) Employee benefits expense	27	1,539.01	1,411.60
(d) Finance costs	28	194.28	224.21
(e) Depreciation and amortisation expenses	29	441.77	434.68
(f) Other expenses	30	2,155.42	1,711.75
Total expenses		20,892.83	16,918.96
V. Profit before exceptional items and tax (III-IV)		1,781.48	1,160.21
VI. Exceptional Item	44	88.72	-
VII. Profit before tax (V-VI)		1,692.76	1,160.21
VIII. Tax expense	31		
(a) Current tax		434.20	293.43
(b) Deferred tax (credit)		(21.29)	4.91
Total tax expense		412.91	298.34
IX. Profit for the year (VII-VIII)		1,279.85	861.87
X. Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
i) Remeasurement of net defined benefit liability		24.99	0.64
ii) Income tax relating to other comprehensive income	31.2	(6.29)	(0.16)
Other comprehensive income, net of tax		18.70	0.48
Total comprehensive income (IX+X)		1,298.55	862.35
XI. Earning per share of face value of ₹ 10/- each	32		
Basic (in ₹)		22.51	15.16
Diluted (in ₹)		22.51	15.16
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

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

Sachanand C Mohnani
Partner
Membership No.: 407265

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

Mohith Kumar Khandelwal
Company Secretary
Membership Number - F11243

Place: Pune
Date: 26th May, 2026

Place: Pune
Date: 26th May, 2026

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2026

All amounts are ₹ in Million unless otherwise stated

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Cash flows from operating activities		
Profit before tax	1,692.76	1,160.21
Adjustments for:		
Depreciation and amortisation expenses	441.77	434.68
Allowance for doubtful debts	10.72	5.29
Creditors/Provisions written back	(83.79)	-
Interest on lease liability	13.40	10.37
Interest on borrowing	175.55	200.34
(Gain) on sale of Property Plant and Equipment	(1.46)	(2.52)
Fair value gain on investments	(9.09)	(6.37)
Unrealised Exchange loss/(gain)	26.53	13.24
Interest income	(0.21)	(1.52)
Operating cashflows before working capital changes	2,266.18	1,813.72
Movements in working capital:		
(Increase)/Decrease in Trade Receivables	(831.64)	(500.50)
(Increase)/Decrease in Inventories	(186.90)	(122.76)
(Increase)/Decrease in Other Non Current Assets	1.97	3.15
(Increase)/Decrease in Other Non Current Financials Assets	-	(3.73)
Decrease/ (Increase) in Other Current Financials Assets and loans	(0.01)	(24.30)
(Increase)/Decrease in Other Current Assets	(392.83)	109.74
Increase/(Decrease) in Trade Payables	761.00	(135.42)
Increase/(Decrease) in financial liabilities	-	(26.30)
Increase/(Decrease) in Other Liabilities	4.83	52.19
Increase/(Decrease) in Long Term Provisions	95.32	38.89
Increase/(Decrease) in Short Term Provisions	52.30	15.64
Cash generated from operations	1,770.23	1,220.32
Income taxes paid	(461.30)	(274.94)
Net cash generated from operating activities (A)	1,308.93	945.38
Cash flows from investing activities		
(Purchase) of Property, plant and equipment	(316.69)	(514.77)
(Purchase) of Intangible assets	(1.50)	(1.31)
Sale of property, plant and equipment	1.46	4.23
Purchase of mutual fund investment	(5,979.70)	(1,814.91)
Sale of mutual fund investment	5,988.79	1,821.28
Interest received	0.21	1.52
Investment in Subsidiaries	-	(239.82)
(Investment) in bank deposits - Net	1.86	(0.09)
Net cash used in investing activities (B)	(305.57)	(743.87)

STANDALONE STATEMENT OF CASH FLOWS (Contd.)

FOR THE YEAR ENDED 31ST MARCH, 2026

All amounts are ₹ in Million unless otherwise stated

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Cash flows from financing activities		
Payment of lease liabilities	(19.40)	(15.48)
Finance costs paid	(175.55)	(200.03)
Dividend paid	(258.60)	-
Proceeds from Long term borrowings	12.60	507.40
Repayment of Long term borrowings	(434.32)	(387.61)
Short-term borrowings availed/(repaid)	(1.03)	(490.49)
Net cash used in financing activities (C)	(876.30)	(586.21)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	127.06	(384.70)
Cash and cash equivalents at the beginning of the year	607.25	1,004.25
Effect of exchange rate changes on cash and cash equivalents	68.90	(12.30)
Cash and cash equivalents at the end of the year	803.21	607.25
Reconciliation of cash and cash equivalents as per the cash flow Statement		
Cash and cash equivalents (Refer note 13)	803.21	607.25
Balance as per statement of cash flows	803.21	607.25

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 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**
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For and on behalf of Board of Directors of
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Company Secretary
Membership Number - F11243

Place: Pune
Date: 26th May, 2026

Place: Pune
Date: 26th May, 2026

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2026

Amounts in ₹ Million except otherwise stated

A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2026

Balance as at 1 st April, 2025	Changes in equity share capital during the year	Balance as at 31 st March, 2026
568.52	-	568.52

For the year ended 31st March, 2025

Balance as at 1 st April, 2024	Changes in equity share capital during the year	Balance as at 31 st March, 2025
568.52	-	568.52

B) OTHER EQUITY

Particulars	Retained earnings	Capital reserve	Capital Redemption reserve	Total
Balance as at 1st April, 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
Profit for the year	1,279.85	-	-	1,279.85
Other comprehensive income for the year	18.70	-	-	18.70
Total comprehensive income for the year	1,298.55	-	-	1,298.55
Dividend paid	(258.67)	-	-	(258.67)
Balance as at 31st March, 2026	4,225.82	902.40	57.34	5,185.56

The accompanying material accounting policies and notes form an integral part of the financial statements.

In terms of our report attached of even date

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For **Deloitte Haskins & Sells LLP**
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Firm Registration No.: 117366W/W-100018

For and on behalf of Board of Directors of
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Place: Pune
Date: 26th May, 2026

Place: Pune
Date: 26th May, 2026

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 has 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 (TGIP), the fellow subsidiary had merged with the Company w.e.f. 1st April, 2013. TGIP 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 26th May, 2026.

(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
Defined benefit liability	Present value of the defined benefit obligation, 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 judgments 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 judgments 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 realize 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 recognizes 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:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- 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

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- 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 realization 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 solar plants and 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

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

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.

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 realizable 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 realizable 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.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

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
- 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 recognized 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 amortized cost. All changes in fair value of financial liabilities classified as FVTPL are recognized 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

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

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 recognized for all financial assets subsequent to initial recognition other than financial 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

NOTES

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 recognizes a liability for any dividend declared but not distributed at the end of reporting year, when the distribution is authorized 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: Recognize 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.

Revenue from sale of services is recognised upon rendering the services based on agreements/arrangements with the concerned parties. For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the

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total services to be provided overtime since the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

(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 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 recognized 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

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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.

(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 utilized. 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.

Unrecognized 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.

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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 Company is primarily engaged in the business of manufacturing off-highway 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

1. Ind AS 1, Presentation Of Financial Statements, w.e.f. 1st April, 2025 -

The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants.

2. Ind AS 107, Financial Instruments: Disclosures, w.e.f. 1st April, 2025 -

The amendment introduces enhanced disclosure requirements for supplier finance arrangements (such as supply-chain finance or reverse factoring). Entities are required to disclose information that enables users of financial statements to assess the effects of such arrangements on the entity's liabilities, cash flows and exposure to liquidity risk. The disclosures include the nature and terms of the arrangements, the carrying amounts of related financial liabilities, the portion for which suppliers have already been paid by finance providers, and a comparison of payment terms under supplier finance arrangements with those of normal trade payables.

These amendments do not have material impact on the Company's operations or financial statements.

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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 1 st April, 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 31 st 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
Additions	4.17	281.08	6.81	8.14	65.88	366.08	49.45	-	-	49.45	415.53
Disposals, transfers and adjustments	-	(5.60)	-	(0.11)	-	(5.71)	-	-	-	-	(5.71)
Balance as at 31 st March, 2026	636.64	3,388.24	55.70	59.63	623.15	4,763.38	187.11	3.42	143.30	333.83	5,097.21
II. Accumulated depreciation											
Balance as at 1 st April, 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 31 st 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
Depreciation expense for the year	18.78	300.14	4.81	9.43	79.66	412.82	1.89	0.64	9.55	12.08	424.90
Disposals, transfers and adjustments	-	(2.18)	-	(0.11)	-	(2.29)	-	-	-	-	(2.29)
Balance as at 31 st March, 2026	69.07	1,134.54	16.25	36.22	294.41	1,550.51	24.82	2.41	17.09	44.32	1,594.81
III. Net carrying amount (I-II)											
Balance as at 31 st March, 2025	567.56	2,253.71	39.45	23.41	328.74	3,212.87	162.29	1.01	126.21	289.51	3,502.40
Balance as at 31 st 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

4.1 There are no impairment losses recognised during the years ended 31st March, 2026 and 31st March, 2025.

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 favor 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 16.

5 CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Capital work-in-progress	2.46	-

5.1 Capital Work-in-Progress mainly comprises of Factory building.

5.2 CWIP ageing schedule as at 31st March, 2026

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Factory building	2.46	-	-	-
Projects temporarily suspended	-	-	-	-

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CWIP ageing schedule as at 31st March, 2025

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Factory building	-	-	-	-
Projects temporarily suspended	-	-	-	-

5.3 There are no projects as on each reporting date where activity had been suspended. Also, there are no projects as on the each reporting periods which has exceeded cost as compared to its original plan or where completion is overdue.

6 INTANGIBLE ASSETS

Particulars	Software	Intellectual property	Total
I. Gross carrying amount			
Balance as at 1 st April, 2024	50.97	271.08	322.05
Additions	1.30	-	1.30
Balance as at 31 st March, 2025	52.27	271.08	323.35
Additions	1.50	-	1.50
Balance as at 31 st March, 2026	53.77	271.08	324.85
II. Accumulated amortisation			
Balance as at 1 st April, 2024	29.96	6.79	36.75
Amortisation expense for the year	15.21	13.53	28.74
Balance as at 31 st March, 2025	45.17	20.32	65.49
Amortisation expense for the year	3.32	13.55	16.87
Balance as at 31 st March, 2026	48.49	33.87	82.36
III. Net carrying amount (I-II)			
Balance as at 31 st March, 2026	5.28	237.21	242.49
Balance as at 31 st March, 2025	7.10	250.76	257.86

6.1 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.

7 FINANCIAL ASSET

7.1 Investments

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Investments in equity instruments of subsidiaries at cost		
Unquoted non-current investments		
Carraro Technologies India Private Limited		
17,82,000 Equity shares of ₹ 10/- each (31 st March, 2025: 17,82,000)	239.82	239.82
Total	239.82	239.82

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7.2 Other financial assets

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current - unsecured, considered good		
Measured at amortised cost		
Deposits with banks		
- Long term deposits with Banks having remaining maturity period of more than 12 months (Refer Note 7.3)	0.07	1.93
Security deposits	42.25	42.25
Total	42.32	44.18
Current - unsecured, considered good unless otherwise stated		
Measured at amortised cost		
Interest accrued on deposits	0.05	0.04
Measured at fair value through profit or loss		
Derivatives		
- Foreign-exchange forward contract	11.53	12.13
Total	11.58	12.17

7.3 Long term deposits are held under lien by Bank against Bank Guarantees.

8 DEFERRED TAX ASSETS/(LIABILITIES) (NET)

8.1 Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2026

Particulars	Opening Balance as on 1 st April, 2025	Recognised in Profit or loss (expense)/ credit	Recognised in Other comprehensive income	Closing balance as on 31 st March, 2026
Property, plant and equipment and Intangible assets	(178.09)	(15.23)	-	(193.32)
Right-to-use assets and leases liabilities	0.74	1.05	-	1.79
Allowance for expected credit losses	2.93	0.32	-	3.25
Gratuity, Compensated absences and Retention Bonus	186.78	36.48	(6.29)	216.97
Others(Includes trade payable to MSME)	2.72	(1.33)	-	1.39
Total	15.09	21.29	(6.29)	30.08

Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2025

Particulars	Opening Balance as on 1 st April, 2024	Recognised in Profit or loss (expense)/ credit	Recognised in Other comprehensive income	Closing balance as on 31 st March, 2025
Property, plant and equipment and Intangible assets	(159.64)	(18.45)	-	(178.09)
Right-to-use assets and leases liabilities	0.01	0.73	-	0.74
Allowance for expected credit losses	1.70	1.23	-	2.93
Gratuity, Compensated absences and 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

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9 NON-CURRENT TAX ASSETS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current		
Non-current tax assets (Net of Provision for Income tax -31 st March, 2026: ₹ 2,778.09 Millions; 31 st March, 2025: ₹ 2,054.02 Millions)	325.47	314.41
Total	325.47	314.41

10 OTHER ASSETS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current - unsecured, considered good unless otherwise stated		
Balance with Government Authorities (other than income taxes)	1.42	1.42
Prepaid Expenses	2.22	4.18
Capital Advances	0.94	11.70
	4.58	17.31
Current - unsecured, considered good unless otherwise stated		
Balance with Government Authorities (other than income taxes)	550.78	169.82
Advances to suppliers	75.09	66.59
Advances to employees	0.15	0.07
Prepaid Expenses	19.76	16.47
Total	645.78	252.95

11 INVENTORIES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
At lower of cost and net realisable value		
Raw Materials and components (Refer note 11.2)	2,316.60	2,101.25
Consumable Tools	25.74	15.91
Work-in-progress	443.95	444.85
Finished goods (Refer note 11.2)	387.85	425.23
Total	3,174.14	2,987.24

11.1 During the year ended 31st March, 2026 and 2025, the Company recorded inventory write-down expenses of INR (25.70) Million and INR (5.23) Million respectively. These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress and finished goods' in the statement of profit and loss.

11.2 Details of goods-in-transit included in inventories above

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Raw Materials and components	552.25	667.55
Finished goods	159.55	216.32
	711.80	883.87

11.3 The mode of valuation of inventories has been stated in note 3(d).

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12 TRADE RECEIVABLES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Trade receivables		
Unsecured, considered good	3,700.96	2,869.09
Unsecured, credit impaired	12.92	11.63
	3,713.88	2,880.72
Less: Expected credit loss allowance (Refer note 12.4)	(12.92)	(11.63)
Total	3,700.96	2,869.09

12.1 The average credit period on sales of goods is 30-60 days.

12.2 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 31 st March, 2026	As at 31 st March, 2025
Trade receivables from		
Ultimate Holding Company	11.98	4.61
Subsidiary	1.39	0.76
Fellow subsidiaries	1,186.44	753.89

12.3 Loss allowances on trade receivables are measured using simplified approach. The Company recognizes 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.

12.4 Movement in the expected credit loss allowance

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Balance at beginning of the year	11.63	6.74
Add : Additional provision/(reversal)	10.72	5.29
Less: Provision utilized	(9.43)	(0.40)
Balance at end of the year	12.92	11.63

12.5 Trade receivables from related parties are disclosed separately under note 36.

12.6 Ageing of receivables

As on 31st March, 2026

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	3,431.33	265.14	3.79	0.53	0.17	-	3,700.96
- credit impaired	-	1.97	5.16	4.78	0.49	0.52	12.92
Disputed							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
	3,431.33	267.12	8.94	5.31	0.66	0.52	3,713.88
Less: Expected credit loss allowance							(12.92)
Total							3,700.96

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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

13 CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Balances with banks		
- In current accounts	0.07	1.93
- In Cash credit accounts	167.47	100.59
- In Exchange earner's foreign currency accounts	428.98	394.61
- Bank deposits with original maturity of less than three months	206.66	110.00
Cash on hand	0.03	0.12
Total	803.21	607.25

14 EQUITY SHARE CAPITAL

A Equity share capital

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of ₹ 10/- each	176,001,000	1,760.01	176,001,000	1,760.01
	176,001,000	1,760.01	176,001,000	1,760.01
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

14.1 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.

14.2 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	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

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Amounts in ₹ Million except otherwise stated

14.3 Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 st March, 2026		As at 31 st March, 2025	
	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%	39,095,850	68.77%
Total	39,095,850	68.77%	39,095,850	68.77%

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.

14.4 Details of shareholding of the promoters*

Promoter name	2025-26				
	Number of shares held as at 1 st April, 2025	Changes during the year	No. of shares as at 31 st March, 2026	% of total Shares	% Changes during the year
Carraro International S.E.	39,095,850	-	39,095,850	68.77%	0.00%
Total	39,095,850	-	39,095,850	68.77%	0.00%

Promoter name	2024-25				
	Number of shares held as at 1 st April, 2024	Changes during the year	No. of shares as at 31 st 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 here means Promoter defined under Companies Act, 2013.

14.5 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.

14.6 There are no calls unpaid.

14.7 There are no forfeited shares.

15 OTHER EQUITY

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Retained earnings	4,225.82	3,185.94
Capital reserve	902.40	902.40
Capital Redemption reserve	57.34	57.34
Total	5,185.56	4,145.68

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

15.1 Retained earnings

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Balance at beginning of the year	3,185.94	2,323.59
Add: Profit for the year	1,279.85	861.87
Add/(Less): Other Comprehensive income for the year	18.70	0.48
Less: Dividend	(258.67)	-
Balance at end of the year	4,225.82	3,185.94

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.

15.2 Capital reserve

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
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).

15.3 Capital Redemption reserve

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
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.

16 BORROWINGS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current borrowings		
Measured at amortised cost		
Secured		
Term Loans (Refer Note 16.1)		
- From Banks	531.25	848.64
Unsecured		
Loan from related parties (Refer note 36)	545.00	461.60
Total	1,076.25	1,310.24

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current borrowings		
Measured at amortised cost		
Secured		
Working capital loans repayable on demand from banks (Refer Note 16.2)	0.21	1.24
Current maturities of long term borrowings (Refer Note 16.1)		
- From banks*	329.56	434.48
Unsecured		
Loan from related parties (Refer note 36) (Interest accrued)	8.88	8.29
Total	338.65	444.01

16.1 Nature of Security and terms of repayment for secured and unsecured borrowings:

Nature of Facility	Repayment terms	As at 31 st March, 2026	As at 31 st March, 2025
Secured			
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Oct 2021	-	25.01
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Oct 2021	-	50.37
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Mar 2024	183.75	288.75
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from June 2025	240.00	322.55
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Sept 2025	178.75	220.10
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Sept 2025	243.75	287.40
Rupee loan from Bank**	Repayable in 48 equal monthly installments commencing from June 2022	12.62	88.93
Unsecured			
Foreign currency loan from related party**	Bullet repayment after 5 years 1 month from date of disbursement i.e. June 2022	553.88	469.89
Total		1,412.75	1,753.00
Less: Current Maturities of Long term Borrowings		(336.50)	(442.76)
Net Long Term Borrowings		1,076.25	1,310.24

*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 7.45% to 9.60% (31st March, 2025 : 8.65% to 10.20%).

*Includes accrued interest on long term borrowing of ₹ 1.93 Million (31st March, 2025 : ₹ 3.57 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 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.

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

17 LEASE LIABILITIES

17.1 Details of lease liabilities

Particulars	As at March 31, 2026
Balance as at 1st April, 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
Recognised during the year	-
Finance cost accrued during the year	13.40
Payment of lease liabilities	(19.40)
Balance as at 31st March, 2026	134.34

17.2 Classification of lease liabilities

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current	128.22	134.34
Current	6.12	6.00
Total	134.34	140.34

17.3 The Company has taken solar power plant and vehicles on lease for a lease term of 15 years and 4 year (Remaining lease term as on 31st March, 2026: 13 years and 2 years; 31st March, 2025: 14 years and 3 years respectively).

17.4 Amount recognised in statement of profit and loss

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
- Amortisation expenses on right-of-use assets	12.08	9.81
- Interest expenses on lease liability	13.40	10.37

17.5 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis.

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Less than one year	18.94	19.41
One to five years	73.67	74.56
More than five years	144.20	162.25

17.6 The total cash outflows for leases during the period amounts to ₹ 19.40 Million (31st March, 2025: ₹ 15.48 Million) (includes cash outflow for short term and long term leases).

17.7 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.

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 STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

18 PROVISIONS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current		
Provision for employee benefits		
- Compensated absences	141.82	148.19
- Gratuity (Refer note 35)	288.89	231.05
- Retention bonus	14.23	5.37
Provision for warranty (Refer note 18.1, 18.2 and 18.3)	112.21	102.20
Total	557.15	486.81
Current		
Provision for employee benefits		
- Compensated absences	55.89	35.33
- Gratuity (Refer note 35)	54.76	18.09
- Retention bonus	16.49	43.97
Provision for warranty (Refer note 18.1, 18.2 and 18.3)	126.01	103.46
Provision for contingencies (Refer note 18.4)	103.90	103.90
Total	357.05	304.75

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 31 st March, 2026	For the year ended 31 st March, 2025
Balance at the beginning of the year	205.66	184.49
Add: Provisions made during the year	82.28	63.43
Less: Provisions utilised during the year	(49.72)	(42.26)
Balance at the end of the year	238.22	205.66

18.3 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, 2026 and 31st March, 2025 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 31 st March, 2026	For the year ended 31 st March, 2025
Balance at the beginning of the year	103.90	102.90
Add: Provisions made during the year	-	1.00
Balance at the end of the year	103.90	103.90

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 STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

19 TRADE PAYABLES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Total outstanding dues of micro enterprises and small enterprises	576.71	564.92
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,626.52	2,938.73
Total	4,203.23	3,503.65

19.1 The average credit period on purchases is 60-75 days.

19.2 For explanations on the Company'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):

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 31 st March, 2026	As at 31 st March, 2025
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	566.20	474.19
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	10.51	90.73
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	141.02	910.65
(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	3.57	7.50
(g) Further interest remaining due and payable for earlier periods	6.94	83.23
(h) Amount of interest accrued and remaining unpaid at the end of the year (Refer Note 1 below)	10.51	90.73

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.

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

19.5 Ageing of trade payables

As on 31st March, 2026

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	9.46	521.49	45.76	-	-	-	576.71
- Others	247.53	2,353.10	1,019.57	5.70	-	0.62	3,626.52
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	256.99	2,874.59	1,065.33	5.70	-	0.62	4,203.23

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	248.42	1,792.81	893.97	2.58	0.75	0.20	2,938.73
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	339.15	2,154.57	1,006.40	2.58	0.75	0.20	3,503.65

20 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current		
Measured at amortised cost		
Creditors for capital supplies	116.08	28.96
Dividend payable	0.07	-
Total	116.15	28.96

21 OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Advance from customers	51.23	50.38
Statutory remittances	137.14	133.16
Total	188.37	183.54

22 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Income tax		
[Net of advance tax (31 st March, 2026: ₹ Nil Million; 31 st March, 2025: ₹ 276.63 Million)]	-	16.04
Total	-	16.04

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

23 REVENUE FROM OPERATIONS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Sales of products	22,197.77	17,844.50
Rendering of services	100.00	-
Other operating income		
- Scrap sales	91.17	77.03
Total	22,388.94	17,921.53

23.1 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 31 st March, 2026	For the year ended 31 st March, 2025
Within India	14,337.23	12,077.91
Outside India	7,960.54	5,766.59
Total revenue	22,297.77	17,844.50

23.2 The Company presently recognises its revenue from contract with customers for the transfer of goods at a point in time and services over a period of 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 31 st March, 2026	For the year ended 31 st March, 2025
Goods transferred at a point in time	22,197.77	17,844.50
Rendering of services over time	100.00	-
Total	22,297.77	17,844.50

23.3 The Company 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 31 st March, 2026	For the year ended 31 st March, 2025
Contracted price with the customers	22,380.48	17,895.10
Adjustments towards variables considerations (Discounts, rebates, refunds, credits, price concessions)	(82.71)	(50.60)
Revenue from contracts with customers (as per statement of profit and loss)	22,297.77	17,844.50

23.5 There are no performance obligations that are unsatisfied or partially unsatisfied during the year ended 31st March, 2026 and year ended 31st March, 2025.

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

24 OTHER INCOME

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Interest income on financial assets measured at amortised cost		
Bank deposits	0.21	1.52
	0.21	1.52
Income on financial assets measured at FVTPL		
Gain on sale of mutual funds	9.09	6.37
	9.09	6.37
Other non-operating income		
Export incentives	167.36	126.49
Net gain on disposal of property, plant & equipment	1.46	2.52
Creditors/Provisions written back	83.79	-
Miscellaneous income	23.46	20.74
	276.07	149.75
Total	285.37	157.64

25 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
A. Inventories at the beginning of the year		
Opening stock	2,101.25	1,911.71
B. Purchases		
Purchases	16,739.42	13,261.93
C. Inventories at the end of the year		
Closing stock	2,316.60	2,101.25
Total (A+B-C)	16,524.07	13,072.39

26 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
A. Opening balance		
Finished goods	425.23	396.31
Work-in-progress	444.85	538.10
	870.08	934.41
B. Closing balance		
Finished goods	387.85	425.23
Work-in-progress	443.95	444.85
	831.80	870.08
Total changes in inventories of finished goods and work-in-progress (A-B)	38.28	64.33

27 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Salaries, wages and bonus	1,313.08	1,189.89
Contributions to provident and other funds (Refer note 35)	47.64	46.25
Gratuity Expense (Refer note 35)	36.30	34.02
Staff welfare expenses	141.99	141.44
Total	1,539.01	1,411.60

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

28 FINANCE COSTS

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Interest and finance charges on financial liabilities carried at amortised cost		
- Borrowings	173.07	194.07
- Lease liabilities	13.40	10.37
- Dues of micro enterprises and small enterprises (Refer Note 19.4)	3.57	7.50
Other borrowing costs including loan processing fees	2.48	6.27
Interest on delayed payment of taxes/others	1.76	6.00
Total	194.28	224.21

29 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Depreciation of property, plant and equipment (Refer note 4)	412.82	396.13
Depreciation of right-of-use assets (Refer note 4)	12.08	9.81
Amortisation of intangible assets (Refer note 6)	16.87	28.74
Total	441.77	434.68

30 OTHER EXPENSES

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Consumption of stores and spares	336.98	317.86
Corporate service charges	276.60	200.84
Corporate Social Responsibility Expenditure (Refer Note 30.3)	17.34	11.53
Director fees (Refer Note 30.2)	44.30	30.24
Insurance	28.61	24.02
Legal and professional fees	259.37	99.31
Net loss on foreign currency transaction and translation	51.45	26.72
Packing, freight and forwarding charges	109.11	82.19
Payments to auditors (Refer Note 30.1)	11.16	10.12
Power and fuel	299.16	258.47
Printing and stationary	5.90	6.40
Allowance for doubtful debts (Refer note 12.4)	10.72	5.29
Rates and taxes	21.75	26.50
Repairs and maintenance:		
Plant and machinery	108.22	108.44
Buildings	29.11	28.63
Others	20.11	22.86
Royalty	98.63	87.26
Security expenses	23.02	22.62
Subcontracting expenses	270.26	255.69
Travelling and conveyance	15.73	8.04
Warranty expenses (net) (Refer Note 18.2)	82.28	63.43
Miscellaneous expenses	35.62	15.29
Total	2,155.42	1,711.75

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Amounts in ₹ Million except otherwise stated

30.1 Auditors remuneration and out-of-pocket expenses:*

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
As Auditor:		
- Statutory audit	9.73	8.73
- Tax audit	0.50	0.50
- Other services	0.43	0.43
- Reimbursement of Expenses	0.50	0.46
Total	11.16	10.12

*The remuneration for year ended 31st March, 2025 excludes fee charged in respect of IPO services amounting to ₹ 41.16 Million which is recovered from holding Company Carraro International SE (selling shareholder).

30.2 Directors' fees includes directors' sitting fees of ₹ 5.80 Million for the period ended 31st March, 2026 (31st March, 2025 : 4.60 Million).

30.3 Expenses on corporate social responsibility

No.	Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
1	Amount required to be spent by the Company during the year (under Section 135 of the Companies Act, 2013)	17.34	11.53
2	Amount of expenditure incurred		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	17.34	11.53
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	17.11	11.36
	Jyotirling	-	0.17
	Shri Samarth krupa enterprises	0.14	-
	Shree Krishana Chartibale trust	0.09	-

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FORMING PART OF THE STANDALONE 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	As at 31 st March, 2026	As at 31 st March, 2025
Current tax:		
In respect of current year	429.59	289.05
Short provision of tax relating to earlier years	4.61	4.38
	434.20	293.43
Deferred tax (credit):		
In respect of current year	(21.29)	4.91
	(21.29)	4.91
Total tax expense recognised in the reporting year	412.91	298.34

31.2 Income tax recognised in other comprehensive income

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
i) Deferred tax		
Remeasurement of defined benefit plans	6.29	0.16
Total	6.29	0.16

31.3 Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Profit before tax	1,692.76	1,160.21
Tax rate	25.17%	25.17%
Income Tax using the Company's domestic Tax rate*	426.03	292.00
Effect of items that are not required to be considered in determining taxable profit	(17.77)	1.23
Income tax related to earlier year	4.61	4.38
Others	0.05	0.73
Income tax expense recognised in Statement of Profit and Loss	412.91	298.34

*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 2019-20.

31.4 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

32 EARNINGS PER EQUITY SHARE

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
(a) Profit for the year	1,279.85	861.87
(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)] (₹)	22.51	15.16
– Diluted [(a)/(d)] (₹)	22.51	15.16

33 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(i) Contingent Liabilities (refer note a)		
a) Income tax matters (refer note b)	2,100.61	2,061.29
b) Indirect tax matters	9.20	10.99
(ii) Capital commitments		
Estimated amount of contracts in capital account remaining to be executed [net of advances ₹ 0.94 Million (31 st March, 2025 ₹ 11.70 Million)]	132.75	166.12

(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.

33.1 The Company does not expect any outflow of economic resources in respect of the above and therefore no provision was made in respect thereof.

34 SEGMENT INFORMATION

34.1 The Company is primarily engaged in the business of manufacturing off-highway 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.

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

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34.2 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 31 st March, 2026	For the year ended 31 st March, 2025
Within India	14,337.23	12,077.91
Outside India	7,960.54	5,766.59
Total	22,297.77	17,844.50

All non-current assets of the Company are located within India.

34.3 Information about major customers

Included in revenue arising from sales of goods of ₹ 10,906.88 Million (year ended 31st March, 2025: ₹ 7,671.20 Million) which arose from sales to its major customers which accounts for 48.93% (year ended 31st March, 2025: 43.02%) of the total revenue from operations.

35 EMPLOYEE BENEFIT PLANS

35.1 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 31 st March, 2026	For the year ended 31 st March, 2025
i) Contribution to employees provident fund	47.60	46.22
ii) Contribution to employee state insurance scheme	0.05	0.03
Total	47.65	46.25

35.2 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.

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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, 2026 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 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 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 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 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 recognized 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 31 st March, 2026	As at 31 st March, 2025
1. Discount rate	7.25% p.a	6.74% p.a
2. Salary escalation		
- Corporate	7.00% 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	

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

(C) Expenses recognised in the statement of profit and loss

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Current service cost	20.15	18.84
Past service cost	88.72	-
Interest on net defined benefit liability / (asset)	16.15	15.19
Components of defined benefit cost recognised in profit or loss	125.02	34.02

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.

Past service cost is due to change in labour code (Refer note 44) and is included in 'Exceptional Item' line item in the Statement of profit and loss.

(D) Expenses recognized in the Other Comprehensive Income (OCI)

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Actuarial (gains)/losses on obligation		
- Due to changes in demographic assumptions	-	-
- Due to changes in financial assumptions	(35.11)	7.89
- Due to experience adjustment	10.12	(8.53)
Net (income)/expense for the year recognized in OCI	(24.99)	(0.64)

(E) Amount recognised in the statement of assets and liabilities

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Present value of unfunded defined benefit obligation	343.65	249.14
Net liability arising from defined benefit obligation	343.65	249.14

(F) Net liability recognised in the statement of assets and liabilities

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current provision	288.89	231.05
Current provision	54.76	18.09
Total	343.65	249.14

(G) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Opening defined benefit obligation	249.14	220.28
Current service cost	20.15	18.84
Past service cost	88.72	-
Interest cost	16.15	15.19
Actuarial losses	(24.99)	(0.64)
Benefits paid	(5.53)	(4.53)
Closing defined benefit obligation	343.65	249.14

(H) Maturity profile of defined benefit obligation:

Projected benefits payable in future years from the date of reporting	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Year 1 cashflow	54.76	19.03
Year 2 cashflow	31.89	36.46
Year 3 cashflow	44.99	21.38
Year 4 cashflow	31.18	31.64
Year 5 cashflow	36.87	20.49
Year 6 to year 10 cashflow	150.32	106.74

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FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

(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 31 st March, 2026	For the year ended 31 st March, 2025
Projected benefit obligation on current assumptions		
Rate of discounting		
Impact of +0.5% change	333.22	240.58
(% change)	(3.04%)	(3.43%)
Impact of -0.5% change	354.69	258.24
(% change)	3.21%	3.65%
Rate of salary increase		
Impact of +0.5% change	354.66	258.08
(% change)	3.20%	3.59%
Impact of -0.5% change	333.15	240.64
(% change)	(3.05%)	(3.41%)

(J) Other disclosures

The weighted average duration of the obligations is 6.79 years (31st March, 2025 is 7.32 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. 1 st August 2020)
Subsidiary Company	Carraro Technologies India Private Limited (w.e.f. 28 th June, 2024)
Fellow Subsidiaries	Carraro Argentina S.A.
(With whom there are transactions during the year)	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. 29 th 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 2 nd August, 2024 and Whole-time Director - from 9 th August, 2024)
	Tomaso Mario Carraro, Director
	Enrico Elio Gomiero, Non-executive Director
	Matteo Bonino, Interim CFO (from 3 rd July, 2024 to 9 th August, 2024)
	Jui Bhargave, Company Secretary (From 3 rd April 2023 till 17 th October, 2024)
	Nakul Shivaji Patil, Company Secretary (from 02 nd December, 2024 to 20 th November, 2025)
	Mohith Kumar Khandelwal Company Secretary (from 11 th February, 2026)
	Ettore Francesco Sequi, Independent Director
	(from 9 th August, 2024)
	Uma Mandavgane, Independent Director (from 3 rd July, 2024)
	Kishore Saleatore, Independent Director (from 3 rd July, 2024)
	Andrea Conchetto, Non-executive Director (from 3 rd July, 2024)

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Amounts in ₹ Million except otherwise stated

36.2 Transactions during the year with related parties

S. No.	Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
A	Purchase of Raw Material		
	Carraro SpA	17.02	8.86
	Siap SpA	402.76	431.29
	Carraro Drive Tech Italia SpA	142.50	105.83
	Carraro China Drive Systems	74.88	29.57
	Bhavani Synchrotec Private Ltd	215.73	63.30
	Carraro Argentina	0.06	-
	Total	852.95	638.85
B	Purchase of fixed assets		
	Carraro Drive Tech Italia SpA	0.10	-
	Total	0.10	-
C	Royalty charged		
	Carraro SpA	74.40	61.05
	Carraro Drive Tech Italia SpA	24.23	26.22
	Total	98.63	87.27
D	Sale of Goods		
	Carraro SpA	12.65	9.71
	Carraro Drive Tech Italia SpA	7,740.28	5,497.14
	Carraro China Drive Systems	69.45	157.42
	Carraro Argentina	1.32	28.16
	Siap SpA	2.24	1.63
	Total	7,825.94	5,694.06
E	Sale of Fixed Assets		
	Carraro Drive Tech Italia SpA	-	1.50
	Carraro China Drive Systems	1.56	-
	Total	1.56	1.50
F	Other Services Rendered		
	Carraro SpA	14.36	11.75
	Carraro Technologies India Private Limited	6.07	3.18
	Carraro China Drive Systems	-	2.77
	Total	20.43	17.70
G	Professional Fees		
	Carraro SpA	123.73	-
	Carraro Technologies India Private Limited	76.08	64.04
	Carraro Finance S.A.	-	13.84
	Total	199.81	77.88
H	Corporate Service Charges		
	Carraro SpA	174.26	134.88
	Carraro Drive Tech Italia SpA	102.34	65.96
	Total	276.60	200.84
I	Reimbursement of Expenses to		
	Carraro Technologies India Private Limited	-	0.32
	Carraro Drive Tech Italia SpA	0.88	-
	Total	0.88	0.32

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Amounts in ₹ Million except otherwise stated

S. No.	Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
J	Expenses Reimbursement received		
	Carraro China Drive Systems	-	2.31
	Carraro International S.E.*	26.13	195.83
	Carraro SpA	-	0.48
	Total	26.13	198.62
K	Warranty Claims Paid		
	Carraro Drive Tech Italia SpA	29.82	18.79
	Total	29.82	18.79
L	Remuneration paid		
	Key managerial personnel		
	Balaji Gopalan	48.88	69.98
	Sudhendra Mannikar	28.34	47.50
	Davide Grossi	33.50	14.38
	Tomaso Carraro	6.98	5.93
	Enrico Gomiero	5.33	4.56
	Andrea Conchetto	6.40	4.09
	Uma Mandavgane	8.53	5.44
	Kishore Saletore	8.53	5.44
	Ettore Francesco Sequi	8.53	4.83
	Mohith Kumar Khandelwal	0.46	-
	Nakul Patil	1.72	0.82
	Jui Bhargave	-	0.48
	Total	157.20	163.45
M	Dividend Paid		
	Carraro International S.E.	177.89	-
	Total	177.89	-
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.	35.02	36.52
	Total	35.02	36.52

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.

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36.3 Amounts outstanding with related parties

S. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
A	Trade Payables		
	Carraro SpA	79.10	42.93
	Carraro Technologies India Private Limited	17.98	16.53
	Carraro Drive Tech Italia SpA	71.95	70.44
	Siap SpA	93.67	85.56
	Carraro China Drive Systems	39.45	5.11
	Carraro Finance S.A.	13.44	3.61
	Bhavani Synchrotec Private Ltd	32.27	32.00
	Total	347.86	256.17
B	Trade Receivables		
	Carraro SpA	11.98	4.61
	Carraro Technologies India Private Limited	1.39	0.76
	Carraro Drive Tech Italia SpA	1,166.92	687.35
	Carraro Argentina	-	31.04
	Siap SpA	0.65	0.36
	Carraro China Drive Systems	18.87	35.14
	Total	1,199.81	759.26
C	Loans Outstanding		
	Carraro Finance S.A.	545.00	469.89
	Total	545.00	469.89

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.

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 31 st March, 2026	For the year ended 31 st March, 2025
Short-term employee benefits	157.20	163.45
Post-employment benefits (Refer note (a) below)	-	-
Total	157.20	163.45

- (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.

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37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

37.1 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 31 st March, 2026	As at 31 st March, 2025
Long term debt*	1,204.47	1,444.58
Short term debt*	344.76	450.02
Less: Cash and cash equivalents	(803.21)	(607.25)
Net debt	746.02	1,287.35
Total Equity	5,754.08	4,714.20
Net debt to equity ratio	0.13	0.27
Debt to equity ratio	0.27	0.40

* 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, 2026 and 31st March, 2025.

37.2 Categories of financial instruments

The following table provides categorisation of all financial instruments

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Financial assets		
Measured at fair value through profit and loss (FVTPL)		
(a) Other financial assets - Derivatives	11.53	12.13
Measured at amortised cost		
(a) Trade receivable	3,700.96	2,869.09
(b) Cash and cash equivalent	803.21	607.25
(c) Investment	239.82	239.82
(d) Other financial assets	53.89	56.35
Total financial assets	4,797.88	3,772.51
Financial liabilities		
Measured at fair value through profit and loss (FVTPL)		
(a) Other financial liabilities - Derivatives	-	-
Measured at amortised cost		
(a) Borrowings	1,414.90	1,754.26
(b) Lease liabilities	134.34	140.35
(c) Trade payables	4,203.22	3,503.65
(d) Other financial liabilities	116.15	28.96
Total financial liabilities	5,868.61	5,427.21

37.3 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.

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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, 2026 and 31st March, 2025.

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:

Particulars of unhedged foreign currency exposure as at the reporting date (in respective currency):

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Trade receivables:		
In EURO	5.22	6.84
Equivalent in ₹ Million	568.98	631.06
In USD	0.38	0.71
Equivalent in ₹ Million	35.61	60.60
In CNY	6.90	2.01
Equivalent in ₹ Million	94.51	23.70
(b) Bank balances in EEFC accounts:		
In USD	0.07	0.37
Equivalent in ₹ Million	6.47	31.90
In EURO	3.88	3.93
Equivalent in ₹ Million	422.92	362.71
(c) Trade payables:		
In EURO	10.09	9.74
Equivalent in ₹ Million	1,099.75	899.53
In USD	1.29	0.50
Equivalent in ₹ Million	122.43	42.76
In CNY	8.45	5.04
Equivalent in ₹ Million	115.68	59.30

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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 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 31 st March, 2026	For the year ended 31 st March, 2025
(a) Trade receivables:		
EURO currency:		
0.50% increase (%)	0.18	0.30
0.50% decrease (%)	(0.18)	(0.30)
USD currency:		
0.50% increase (%)	0.18	0.30
0.50% decrease (%)	(0.18)	(0.30)
CNY currency:		
0.50% increase (%)	0.47	0.12
0.50% decrease (%)	(0.47)	(0.12)
(b) Bank balances in EEFC accounts:		
USD currency:		
0.50% increase (%)	0.03	0.16
0.50% decrease (%)	(0.03)	(0.16)
EURO currency:		
0.50% increase (%)	2.11	1.81
0.50% decrease (%)	(2.11)	(1.81)
(c) Trade payables:		
EURO currency:		
0.50% increase (%)	(5.50)	(4.50)
0.50% decrease (%)	5.50	4.50
USD currency:		
0.50% increase (%)	(0.61)	(0.21)
0.50% decrease (%)	0.61	0.21
CNY currency:		
0.50% increase (%)	(0.58)	(0.30)
0.50% decrease (%)	0.58	0.30

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.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

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 minimize 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.

Liquidity risk table

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Upto 1 year	1-5 years	Total
31st March, 2026			
Lease liabilities	18.94	73.67	92.61
Borrowings	338.65	1,076.25	1,414.90
Trade payables	4,203.22	-	4,203.22
Other financial liabilities	116.15	-	116.15
Total	4,676.96	1,149.92	5,826.88
31st March, 2025			
Lease liabilities	19.41	74.56	93.97
Borrowings	444.01	1,310.24	1,754.25
Trade payables	3,503.65	-	3,503.65
Other financial liabilities	28.96	-	28.96
Total	3,996.03	1,384.80	5,380.83

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.

37.4 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 ₹ 0.60 Million and ₹ 25.28 millions is recognised in the statement of Profit and Loss for year then ended 31st March, 2026 and 31st March, 2025 respectively.

Following are the outstanding forward contracts entered into by the Company.

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
To buy EURO (Hedge of foreign currency loan & other payables)		
Currency value	5,000,000	5,000,000
₹ In Million	545.00	461.60

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

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 31 st March, 2026	As at 31 st March, 2025		
A) Financial liabilities				
Derivatives	-	-	Level 2	The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize 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.
- Foreign-exchange forward contract				
B) Financial Assets				
Derivatives	11.53	12.13	Level 2	The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize 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.
- Foreign-exchange forward contract				

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.

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 Company.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

40 RATIO ANALYSIS AND ITS ELEMENTS

a) Current Ratio = Current assets divided by Current liabilities

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current assets	8,335.67	6,728.70
Current liabilities	5,209.57	4,486.95
Ratio (In times)	1.60	1.50
% Change from previous year	6.67%	

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 31 st March, 2026	For the year ended 31 st March, 2025
Net profit after tax	1,279.85	861.87
Average equity*	5,234.14	4,283.02
Ratio (In %)	24.45%	20.12%
% Change from previous year	21.51%	

*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 31 st March, 2026	For the year ended 31 st March, 2025
Cost of goods sold*	16,562.35	13,136.72
Average Inventory [#]	3,080.69	2,925.86
Ratio (In times)	5.38	4.49
% Change from previous year	19.74%	

*Cost of goods sold comprises of Purchases of materials and Changes in inventory of finished goods and work-in-progress.

[#]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 31 st March, 2026	For the year ended 31 st March, 2025
Credit Sales*	22,388.94	17,921.53
Average Trade Receivables [#]	3,285.03	2,621.36
Ratio (In times)	6.82	6.84
% Change from previous year	(0.31%)	

*Credit sales includes sale of products, 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.

Reason for change more than 25%:

Not Applicable

NOTES

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 31 st March, 2026	For the year ended 31 st March, 2025
Credit Purchases	16,739.42	13,261.93
Average Trade Payables*	3,773.28	3,520.78
Ratio (In times)	4.44	3.77
% Change from previous year	15.09%	

*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 31 st March, 2026	For the year ended 31 st March, 2025
Revenue from operations (A)	22,388.94	17,921.53
Current Assets (B)	8,335.67	6,728.70
Current Liabilities (C)	5,209.57	4,486.95
Net Working Capital (D = B - C)	3,126.10	2,241.75
Ratio (In times) (E = A / D)	7.16	7.99
% Change from previous year	(10.41%)	

Reason for change more than 25%:

Not applicable

g) Net profit ratio = Net profit after tax divided by Sales

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Profit after tax	1,279.85	861.87
Sales	22,388.94	17,921.53
Ratio (In %)	5.72%	4.81%
% Change from previous year	18.87%	

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 31 st March, 2026	For the year ended 31 st March, 2025
Profit before tax (A)	1,781.48	1,160.21
Finance cost (B)	194.28	224.21
EBIT (C) = (A+B)	1,975.76	1,384.42
Tangible net worth *(D)	5,481.50	4,441.25
Total debt ** (E)	1,549.24	1,894.60
Capital Employed (G)=(D+E+F)	7,030.74	6,335.85
Ratio (In %)	28.10%	21.85%
% Change from previous year	28.61%	

*Tangible net worth = Net worth (Shareholder's fund) -Intangible assets -Deferred tax assets

** Debt comprises of current and non-current borrowings and lease liabilities

Reason for change more than 25%:

Increase in ratio due to increase in profit, decrease in finance cost and increase in capital employed

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

i) Debt Equity ratio = Total debt divided by Total Equity

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Total debt *	1,549.24	1,894.60
Shareholder's funds	5,754.08	4,714.20
Ratio (In times)	0.27	0.40
% Change from previous year	(49.27%)	

* Debt comprises of current and non-current borrowings and lease liabilities

Reason for change more than 25%:

Decrease in ratio due to decrease in debt and increase in profit

j) Debt service coverage ratio= Earnings available for debt services divided by total interest and principal repayments

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Profit after tax (A)	1,279.85	861.87
Add: Non cash operating expenses and finance cost		
- Depreciation and amortisation (B)	441.77	434.68
- Finance cost (C)	194.28	224.21
- Profit on disposal of property, plant & equipment (D)	(1.46)	(2.52)
Total Non-cash operating expenses and finance cost (Pre-tax) (E= B+C+D)	634.59	656.37
Earnings available for debt services (F = A + E)	1,914.44	1,518.24

Debt service

Lease payments (G)	19.40	15.48
Principal and interest repayments (H)	609.87	587.64
Total interest and principal repayments (I =G + H)	629.27	603.12

Ratio (In times) (J = F / I)	3.04	2.52
% Change from previous year	20.86%	

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.

41 ADDITIONAL REGULATORY INFORMATION AS REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

- The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- The Company has not traded or invested in Crypto currency or Virtual Currency during each reporting period.
- 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.
- The Company does not have any transactions with struck off Companies.
- 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:
 - 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 to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

- entities (Funding Party) 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
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - 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.
 - There are no loans or advances given to promoters, directors, KMPs and related parties.
 - 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.
- 42** 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. In relation to the audit trail, the same has not been preserved as per the statutory requirements for record retention for the period upto 31st July, 2025. The Company has implemented systems wherein backup of books of account and other relevant books and papers, on a daily basis is being maintained on a server located physically within India, in compliance with the statutory requirements with effect from 1st August, 2025.
- 43 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 Rs, 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.
- 44** The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code/ 2020/ and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Codes"). The Codes have been made effective from 21st November, 2025. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The incremental impact of these changes, assessed by the Company, on the basis of the information available, consistent with the guidance provided by the Institute of Chartered Accountants of India, is ₹ 88.72 Million and has been recognised as exceptional item in the standalone financial statement of the Company for the year ended 31st March, 2026. Once State Rules are notified by the Government on all aspects of the Codes the Company will evaluate impact if any, on the measurement of employee benefits and would provide appropriate accounting treatment.
- 45** 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 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.

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Amounts in ₹ Million except otherwise stated

46 DIVIDEND

The Board of Directors have proposed a dividend of ₹ 6.75 per share on equity share of ₹ 10 each i.e. 67.50 % 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 ₹ 383.75 Million.

47 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

Davide Grossi
Whole-time Director and Chief Financial Officer
DIN - 10252992

Place: Pune
Date: 26th May, 2026

Sudhendra Mannikar
Whole-time Director and Chief Operating Officer
DIN - 07483321

Mohith Kumar Khandelwal
Company Secretary
Membership Number - F11243

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, 2026, 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, 2026, their consolidated profit and their consolidated other 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 34 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 information included in the Annual report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and 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.
- When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 for a period from April 01, 2025 to July 31, 2025 (refer Note 46 to the consolidated financial statements) and not complying with the requirements of audit trail, refer paragraph (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, 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2026 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 company 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 of those companies.
- 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 34 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- 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 or 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 or 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 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 or 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 or 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 final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 47 to the consolidated financial statements, the Board of Directors of the Parent has proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing respective Annual General Meetings. 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 incorporated in India have used accounting software for maintaining their respective books of account for the year ended March 31, 2026 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 46 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, 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)

(Membership No. 407265)

Place: Pune
Date: 26th May, 2026

UDIN: 26407265IIRBM9424

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, 2026, 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, which are companies incorporated in India, 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, which are companies incorporated in India, 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 incorporated in India.

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.

ANNEXURE "A" (Contd.)

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, which are companies incorporated in India, 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, 2026, 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: 26407265IIRBM9424

Place: Pune
Date: 26th May, 2026

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2026

All amounts are ₹ in Million except per share data and unless otherwise stated

Particulars	Note no.	As at 31 st March, 2026	As at 31 st March, 2025
ASSETS			
1) Non-current assets			
a) Property, plant and equipment	4	3,223.73	3,274.11
b) Right-of-use assets	4	289.52	262.08
c) Capital work-in-progress	5	2.46	-
d) Intangible assets	6	243.10	259.40
e) Financial assets			
i) Other non-current financial assets	7	42.33	44.18
f) Deferred tax assets	8	42.96	26.35
g) Non-current tax assets	9	328.99	321.78
h) Other non-current assets	10	4.57	17.30
Total non-current assets		4,177.66	4,205.20
2) Current assets			
a) Inventories	11	3,174.14	2,987.24
b) Financial assets			
i) Trade receivables	12	3,749.32	2,912.66
ii) Cash and cash equivalents	13	904.09	683.04
iii) Other financial Assets	7	21.52	20.24
c) Other current assets	10	661.56	266.41
Total current assets		8,510.63	6,869.59
TOTAL ASSETS		12,688.29	11,074.79
EQUITY & LIABILITIES			
Equity			
a) Equity share capital	14	568.52	568.52
b) Other equity	15	5,077.40	4,011.12
Total equity attributable to the owners of the Company		5,645.92	4,579.64
Non controlling interest	16	1.34	1.07
Total equity		5,647.26	4,580.71
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	1,076.25	1,310.24
ii) Lease liabilities	18	128.22	134.34
b) Provisions	19	598.57	517.99
Total non-current liabilities		1,803.04	1,962.57
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	17	338.65	444.01
ii) Lease liabilities	18	6.12	18.37
iii) Trade payables	20		
(a) Total outstanding dues of micro enterprises and small enterprises		576.71	564.92
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,623.36	2,935.21
iv) Other financial liabilities	21	116.15	28.96
b) Other current liabilities	22	207.82	188.94
c) Provisions	19	369.18	335.06
d) Current tax liabilities (net)	23	-	16.04
Total current liabilities		5,237.99	4,531.51
TOTAL EQUITY AND LIABILITIES		12,688.29	11,074.79
The accompanying material accounting policies and notes form an integral part of the financial statements.	1-50		

In terms of our report attached of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

Sachanand C Mohnani
Partner
Membership No.: 407265

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

Mohith Kumar Khandelwal
Company Secretary
Membership Number - F11243

Place: Pune
Date: 26th May, 2026

Place: Pune
Date: 26th May, 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2026

All amounts are ₹ in Million except per share data and unless otherwise stated

Particulars	Note no.	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
INCOME			
I. Revenue from operations	24	22,554.91	18,075.54
II. Other income	25	285.25	158.25
III. Total income (I+II)		22,840.16	18,233.79
IV. Expenses			
(a) Cost of materials consumed	26	16,524.07	13,072.39
(b) Changes in inventory of finished goods and work-in-progress	27	38.28	64.33
(c) Employee benefits expense	28	1,666.40	1,541.37
(d) Finance costs	29	194.84	225.83
(e) Depreciation and amortisation expenses	30	457.00	451.96
(f) Other expenses	31	2,136.79	1,691.28
Total expenses		21,017.38	17,047.16
V. Profit before exceptional items and tax (III-IV)		1,822.78	1,186.63
VI. Exceptional Item	45	95.00	-
VII. Profit before tax (V-VI)		1,727.78	1,186.63
VIII. Tax expense	32		
(a) Current tax		445.09	297.28
(b) Deferred tax (credit)		(23.14)	7.99
Total tax expense		421.95	305.27
IX. Profit for the year (VII-VIII)		1,305.83	881.36
Attributable to			
- Owners of the Company		1,305.57	881.17
- Non controlling interest		0.26	0.19
X. Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
i) Remeasurement of net defined benefit liability		25.91	0.39
ii) Income tax relating to other comprehensive income	32.2	(6.52)	(0.10)
Other comprehensive income, net of tax		19.39	0.29
Attributable to			
- Owners of the Company		19.38	0.29
- Non controlling interest		0.01	(0.00)
Total comprehensive income (IX+X)		1,325.22	881.65
Attributable to			
- Owners of the Company		1,324.95	881.46
- Non controlling interest		0.27	0.19
XI. Earning per share of face value of ₹ 10/- each	33		
Basic (in ₹)		22.96	15.50
Diluted (in ₹)		22.96	15.50
The accompanying material accounting policies and notes forms an integral part of the consolidated financial statements	1-50		

In terms of our report attached of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

Sachanand C Mohnani
Partner
Membership No.: 407265

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

Mohith Kumar Khandelwal
Company Secretary
Membership Number - F11243

Place: Pune
Date: 26th May, 2026

Place: Pune
Date: 26th May, 2026

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2026

All amounts are ₹ in Million except per share data and unless otherwise stated

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Cash flows from operating activities		
Profit before tax	1,727.78	1,186.63
Adjustments for:		
Depreciation and amortisation expenses	457.00	451.96
Allowance for doubtful debts	10.72	5.29
Creditors/Provisions written back	(83.79)	-
Interest on lease liability	13.83	11.68
Interest on borrowing	175.64	200.41
(Gain) on sale of Property, plant and equipment	(1.47)	(2.61)
Fair value gain on investments	(12.28)	(8.02)
Unrealised Exchange (gain)/loss	26.37	13.73
Interest income	(2.89)	(3.19)
Operating cashflows before working capital changes	2,310.91	1,855.88
Movements in working capital:		
(Increase)/Decrease in Trade Receivables	(836.28)	(491.07)
(Increase)/Decrease in Inventories	(186.90)	(122.76)
(Increase)/Decrease in Other Non Current Assets	1.97	3.15
(Increase)/Decrease in Other Non Current Financials Assets	0.42	(3.73)
(Increase)/Decrease in Other Current Financials Assets and loans	(1.88)	(24.30)
(Increase)/Decrease in Other Current Assets	(395.16)	115.41
Increase/(Decrease) in Trade Payables	761.36	(131.44)
Increase/(Decrease) in financial liabilities	-	(266.12)
Increase/(Decrease) in Other Liabilities	18.88	52.31
Increase/(Decrease) in Long Term Provisions	106.49	44.54
Increase/(Decrease) in Short Term Provisions	34.12	14.59
Cash generated from operations	1,813.93	1,046.46
Income taxes paid	(468.34)	(283.59)
Net cash generated from operating activities (A)	1,345.59	762.87
Cash flows from investing activities		
(Purchase) of Property, plant and equipment (including capital advances and capital creditors)	(320.83)	(518.37)
(Purchase) of Intangible assets	(1.50)	(1.31)
Sale of property, plant and equipment	1.47	4.33
Purchase of mutual fund investment	(6,367.18)	(1,969.90)
Sale of mutual fund investment	6,379.46	1,977.92
Interest received	2.47	2.39
(Investment) in bank deposits - Net	1.86	(0.09)
Net cash used in investing activities (B)	(304.25)	(505.03)
Cash flows from financing activities		
Payment of lease liabilities	(32.21)	(27.66)
Finance costs paid	(175.64)	(200.10)
Dividend paid	(258.60)	-

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2026 (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Proceeds from Long term borrowings	12.60	507.40
Repayment of Long term borrowings	(434.32)	(387.61)
Short-term borrowings availed (net)	(1.03)	(490.49)
Net cash used in financing activities (C)	(889.19)	(598.46)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	152.15	(340.62)
Cash and cash equivalents at the beginning of the year	683.04	1,035.96
Effect of exchange rate changes on cash and cash equivalents	68.90	(12.30)
Cash and cash equivalents at the end of the year	904.09	683.04
Reconciliation of cash and cash equivalents as per the cash flow Statement		
Cash and cash equivalents (Refer note 13)	904.09	683.04
Balance as per Statement of cash flows	904.09	683.04

Disclosure is pursuant to Indian Accounting Standard (Ind AS) - 7: Statement of Cash Flows

Refer note 31.3 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 consolidated financial statements

In terms of our report attached of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

Sachanand C Mohnani
Partner
Membership No.: 407265

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

Mohith Kumar Khandelwal
Company Secretary
Membership Number - F11243

Place: Pune
Date: 26th May, 2026

Place: Pune
Date: 26th May, 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2026

All amounts are ₹ in Million except per share data and unless otherwise stated

A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2026

Balance as at 1 st April, 2025	Changes in equity share capital during the period	Balance as at 31 st March, 2026
568.52	-	568.52

For the year ended 31st March, 2025

Balance as at 1 st April, 2024	Changes in equity share capital during the period	Balance as at 31 st March, 2025
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, 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 comprehensive income for the year	0.29	-	-	0.29	-	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
Profit for the year	1,305.57	-	-	1,305.57	0.26	1,305.82
Other comprehensive income for the year	19.38	-	-	19.38	0.01	19.39
Total comprehensive income for the year	1,324.95	-	-	1,324.95	0.27	1,325.21
Dividend paid	(258.67)	-	-	(258.67)	-	(258.67)
Balance as at 31st March, 2026	4,339.66	680.40	57.34	5,077.40	1.34	5,078.74

The accompanying material accounting policies and notes form an integral part of the consolidated financial statements

In terms of our report attached of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of Board of Directors of
Carraro India Limited
(Formerly known as Carraro India Private Limited)

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DIN - 07483321

Mohith Kumar Khandelwal
Company Secretary
Membership Number - F11243

Place: Pune
Date: 26th May, 2026

Place: Pune
Date: 26th May, 2026

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are ₹ in Million except per share data and unless 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 (TGIP), the fellow subsidiary had merged with the Company w.e.f. 1st April, 2013. TGIP 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 26th May, 2026.

(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
Defined benefit liability	Present value of the defined benefit obligation, as explained in note 3(i)

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

TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

(c) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), 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 judgments 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 judgments 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.

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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:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the Purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- 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

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the Purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- 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.

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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 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 solar plants, 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

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value of lease payments that is not paid at commencement date discounted at implicit rate mentioned in lease or incremental borrowing rate. 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
- FVOCI - Debt Investment; or
- FVOCI – equity investment;
- FVTPL

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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.

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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 financial 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 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.

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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 obligation

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 that it is highly probable a significant reversal will not occur.

Revenue from sale of services is recognised upon rendering the services based on agreements/arrangements with the concerned parties. For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided overtime since the Company's performance does not create an asset

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with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

(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.

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(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.

(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:

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- 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 off-highway 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

1. Ind AS 1, Presentation Of Financial Statements, w.e.f. 1st April, 2025 -

The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants.

2. Ind AS 107, Financial Instruments: Disclosures, w.e.f. 1st April, 2025 -

The amendment introduces enhanced disclosure requirements for supplier finance arrangements (such as supply-chain finance or reverse factoring). Entities are required to disclose information that enables users of financial statements to assess the effects of such arrangements on the entity's liabilities, cash flows and exposure to liquidity risk. The disclosures include the nature and terms of the arrangements, the carrying amounts of related financial liabilities, the portion for which suppliers have already been paid by finance providers, and a comparison of payment terms under supplier finance arrangements with those of normal trade payables.

These amendments do not have material impact on the Company's operations or financial statements.

(q) Principles of consolidation

The Parent company has acquired Carraro Technologies India Private Limited ('the Subsidiary') on 28th June, 2024. Refer notes 48 to the consolidated financial statement.

Subsidiary is the entity over which the Company has control. Control is achieved when the Company

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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.

Following subsidiary has been considered in the preparation of consolidated financial statement:

Entity	Country of incorporation/ Place of business	% of Holding as on 31 st March, 2026
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:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- 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, 2026.

NOTES W

TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

Particulars	Own assets					Total	Right-of-use assets				Total
	Factory Buildings	Plant and Machinery	Furniture and Fixture	Computers and Equipment	Office equipment		Leasehold Land	Vehicles	Solar Plant	Building	
I. Gross carrying amount											
Balance as at 1 st April, 2024	554.93	2,737.67	43.66	60.83	0.06	3,872.56	137.66	2.27	-	39.77	179.70
Additions	77.64	379.07	7.23	13.18	-	569.23	-	1.15	143.30	-	144.45
Disposals, transfers and adjustments	-	(4.00)	-	(0.15)	-	(4.50)	-	-	-	-	(4.50)
Balance as at 31 st March, 2025	632.47	3,112.74	50.89	73.86	0.06	557.27	137.66	3.42	143.30	39.77	324.15
Additions	4.17	281.08	6.81	12.30	-	370.24	49.45	-	-	-	49.45
Disposals, transfers and adjustments	-	(5.60)	-	(0.31)	-	(5.91)	-	-	-	-	(5.91)
Balance as at 31 st March, 2026	636.64	3,388.22	57.70	85.85	0.06	623.15	187.11	3.42	143.30	39.77	373.60
II. Accumulated depreciation											
Balance as at 1 st April, 2024	32.68	551.17	7.55	25.50	0.02	1,384.43	21.11	1.32	-	19.90	42.33
Depreciation expense for the year	17.61	287.96	4.43	14.21	0.01	76.41	1.82	0.45	7.52	9.95	19.74
Disposals, transfers and adjustments	-	(2.55)	-	(0.15)	-	(2.79)	-	-	-	-	(2.79)
Balance as at 31 st March, 2025	50.29	836.58	11.98	39.56	0.03	2,147.51	22.93	1.77	7.52	29.85	62.07
Depreciation expense for the year	18.78	300.14	4.99	13.61	0.01	79.66	1.89	0.64	9.55	9.93	22.01
Disposals, transfers and adjustments	-	(2.18)	-	(0.31)	-	(2.49)	-	-	-	-	(2.49)
Balance as at 31 st March, 2026	69.07	1,134.54	16.97	52.86	0.04	2,941.11	24.82	2.41	17.07	39.78	84.08
III. Net carrying amount (I-II)											
Balance as at 1 st April, 2024	567.57	2,253.68	40.73	32.99	0.02	3,287.74	162.29	1.01	126.23	-	289.52
Balance as at 31 st March, 2025	582.18	2,276.16	38.91	34.30	0.03	3,442.52	114.73	1.65	135.78	9.92	262.08
Balance as at 31 st March, 2026											

4.1 There are no impairment losses recognised during the years ended 31st March, 2026 and 31st March, 2025.

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 favor of the lessee) are held in the name of the Group.

4.4 The Group has created first par passu charge on entire property, plant and equipments (except land & building) against borrowings. Refer Note 17.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

5 CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Capital work-in-progress	2.46	-

5.1 Capital Work-in-Progress mainly comprises of Factory building.

5.2 CWIP ageing schedule as at 31st March, 2026

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Factory building	2.46	-	-	-
Projects temporarily suspended	-	-	-	-

CWIP ageing schedule as at 31st March, 2025

Particulars	Amount in CWIP for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Factory building	-	-	-	-
Projects temporarily suspended	-	-	-	-

5.3 There are no projects as on each reporting date where activity had been suspended. Also, there are no projects as on the reporting periods which has exceeded cost as compared to its original plan or where completion is overdue.

6 INTANGIBLE ASSETS

Particulars	Software	Intellectual property	Total
I. Gross carrying amount			
Balance as at 1 st April, 2024	61.19	271.08	332.27
Additions	1.30	-	1.30
Balance as at 31 st March, 2025	62.49	271.08	333.57
Additions	1.50	-	1.50
Balance as at 31 st March, 2026	63.99	271.08	335.07
II. Accumulated amortisation			
Balance as at 1 st April, 2024	35.79	6.79	42.58
Amortisation expense for the year	18.06	13.53	31.58
Balance as at 31 st March, 2025	53.85	20.32	74.16
Amortisation expense for the year	4.25	13.55	17.80
Balance as at 31 st March, 2026	58.10	33.87	91.96
III. Net carrying amount (I-II)			
Balance as at 31 st March, 2026	5.89	237.21	243.10
Balance as at 31 st March, 2025	8.64	250.76	259.40

6.1 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.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

7 OTHER FINANCIAL ASSETS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current - unsecured, considered good		
Measured at amortised cost		
Deposits with banks		
- Long term deposits with Banks having remaining maturity period of more than 12 months (Refer Note 7.1)	0.07	1.93
Security deposits	42.26	42.25
Total	42.33	44.18
Current - unsecured, considered good unless otherwise stated		
Measured at amortised cost		
Security deposits	8.10	7.67
Interest accrued on deposits	1.89	0.44
Measured at fair value through profit or loss		
Derivatives		
- Foreign-exchange forward contract	11.53	12.13
Total	21.52	20.24

7.1 Long term deposits are held under lien by Bank against Bank Guarantee.

8 DEFERRED TAX ASSETS/(LIABILITIES) (NET)

8.1 Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2026

Particulars	Opening Balance as on 1 st April, 2025	Recognised in Profit or loss (expense)/ credit	Recognised in Other comprehensive income	Recognised directly in Equity	Closing balance as on 31 st March, 2026
Property, plant and equipment and Intangible assets	(178.55)	(15.12)	-	-	(193.67)
Right-of-use assets and leases liabilities	(1.76)	3.55	-	-	1.79
Allowance for expected credit losses	2.93	0.32	-	-	3.25
Gratuity, Compensated absences and Retention Bonus	197.80	38.92	(6.52)	-	230.20
Others(Includes trade payable to MSME)	5.93	(4.53)	-	-	1.39
Total	26.35	23.14	(6.52)	-	42.96

Deferred tax assets/(liabilities) in relation to the year ended 31st March, 2025

Particulars	Opening Balance as on 1 st April, 2024	Recognised in Profit or loss (expense)/ credit	Recognised in Other comprehensive income	Recognised directly in Equity	Closing balance as on 31 st March, 2025
Property, plant and equipment and Intangible assets	(160.57)	12.34	-	-	(178.55)
Right-of-use assets and leases liabilities	0.86	(32.94)	-	-	(1.76)
Allowance for expected credit losses	1.70	1.23	-	-	2.93
Gratuity, Compensated absences and Retention Bonus	191.16	6.74	(0.10)	-	197.80
Others	1.30	4.63	-	-	5.93
Total	34.45	(7.99)	(0.10)	-	26.35

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

9 TAX ASSETS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current		
Non-current tax assets (Net of Provision for Income tax - 31 st March, 2026: ₹ 2,816.73 Millions and 31 st March, 2025: ₹ 2,090.43 Millions)	328.99	321.78
Total	328.99	321.78

10 OTHER ASSETS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current - unsecured, considered good unless otherwise stated		
Balance with Government Authorities (other than income taxes)	1.42	1.42
Prepaid Expenses	2.21	4.18
Capital Advances	0.94	11.70
	4.57	17.30
Current - unsecured, considered good unless otherwise stated		
Balance with Government Authorities (other than income taxes)	561.51	179.63
Advances to suppliers	79.98	69.19
Advances to employees	0.15	0.07
Prepaid Expenses	19.92	17.52
Total	661.56	266.41

11 INVENTORIES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
At lower of cost and net realisable value		
Raw Materials and components (Refer note 11.2)	2,316.60	2,101.25
Consumable Tools	25.74	15.91
Work-in-progress	443.95	444.85
Finished goods (Refer note 11.2)	387.85	425.23
Total	3,174.14	2,987.24

11.1 During the year ended 31st March, 2026 and 2025, the Company recorded inventory write-down expenses of INR (25.70) Million and INR (5.23) Million respectively. These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress and finished goods' in the statement of profit and loss.

11.2 Details of goods-in-transit included in inventories above

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Raw Materials and components	552.25	667.55
Finished goods	159.55	216.32
	711.80	883.87

11.3 The mode of valuation of inventories has been stated in note 3(d).

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

12 TRADE RECEIVABLES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Trade receivables		
Unsecured, considered good	3,749.32	2,912.66
Unsecured, credit impaired	12.92	11.63
	3,762.24	2,924.29
Less: Expected credit loss allowance (Refer note 12.4)	(12.92)	(11.63)
Total	3,749.32	2,912.66

12.1 The average credit period on sales of goods is 30-60 days and on rendering of services is 60-90 days

12.2 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 31 st March, 2026	As at 31 st March, 2025
Trade receivables from		
Ultimate Holding Company	55.88	45.37
Fellow subsidiaries	1,192.15	756.76

12.3 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.

12.4 Movement in the expected credit loss allowance

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Balance at beginning of the year	11.63	6.74
Add: Additional provision/(reversal)	10.72	5.29
Less: Provision utilised	(9.43)	(0.40)
Balance at end of the year	12.92	11.63

12.5 Trade receivables from related parties are disclosed separately under note 37.

12.6 Ageing of receivables

As on 31st March, 2026

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	3,457.00	287.83	3.79	0.53	0.17	-	3,749.32
- credit impaired	-	1.97	5.16	4.78	0.49	0.52	12.92
Disputed							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
	3,457.00	289.81	8.94	5.31	0.66	0.52	3,762.24
Less: Expected credit loss allowance							(12.92)
Total							3,749.32

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

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	2,712.54	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

13 CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Balances with banks		
- In current accounts	70.94	47.70
- In Cash credit accounts	167.47	100.59
- In Exchange earner's foreign currency accounts	428.98	394.61
- Bank deposits with original maturity of less than three months	236.66	140.00
Cash on hand	0.04	0.14
Total	904.09	683.04

14 EQUITY SHARE CAPITAL

A Equity share capital

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of ₹ 10/- each	176,001,000	1,760.01	176,001,000	1,760.01
	176,001,000	1,760.01	176,001,000	1,760.01
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

14.1 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.

14.2 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	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

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

14.3 Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 st March, 2026		As at 31 st March, 2025	
	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%	39,095,850	68.77%
Total	39,095,850	68.77%	39,095,850	68.77%

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.

14.4 Details of shareholding of the promoters*

Promoter name	2025-26				
	Number of shares held as at April 01, 2025	Changes during the year	No. of shares as at 31 st March, 2026	% of total Shares	% Changes during the year
Carraro International S.E.	39,095,850	-	39,095,850	68.77%	0.00%
Total	39,095,850	-	39,095,850	68.77%	0.00%

Promoter name	2024-25				
	Number of shares held as at 1 st April, 2024	Changes during the year	No. of shares as at 31 st March, 2025	% of total Shares	% Changes during the year
Carraro International S.E.	56,851,532	(17,755,682)	39,095,850	100%	(31.23%)
Total	56,851,532	(17,755,682)	39,095,850	100%	(31.23%)

*Promoter here means Promoter defined under Companies Act, 2013.

14.5 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 Group. The Group has not issued bonus shares for the last five years.

14.6 There are no calls unpaid.

14.7 There are no forfeited shares.

15 OTHER EQUITY

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Retained earnings	4,339.66	3,273.38
Capital reserve	680.40	680.40
Capital Redemption reserve	57.34	57.34
Total	5,077.40	4,011.12

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

15.1 Retained earnings

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Balance at beginning of the year	3,273.38	2,391.92
Add: Profit for the year	1,305.57	881.17
Add: Other Comprehensive income for the year	19.38	0.29
Less: Dividend	(258.67)	-
Balance at end of the year	4,339.66	3,273.38

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.

15.2 Capital reserve

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
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. (Holding company) - Debit to capital reserve of ₹ 222.00 millions.

15.3 Capital Redemption reserve

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
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.

16 NON CONTROLLING INTEREST

16.1 Entities that have non-controlling interest in subsidiary are listed below:

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Cararro SPA	1.00%	1.00%

16.2 Movement of Non-controlling interest

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Balance at beginning of the year	1.07	0.88
Add: Profit for the year	0.26	0.19
Add: Remeasurement benefit during the year (net of tax)	0.01	-
Balance at end of the year	1.34	1.07

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All amounts are ₹ in Million except per share data and unless otherwise stated

17 BORROWINGS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current borrowings		
Measured at amortised cost		
Secured		
Term Loans (Refer Note 17.1)		
- From Banks	531.25	848.64
Unsecured		
Loan from related parties (Refer note 37)	545.00	461.60
Total	1,076.25	1,310.24
Current borrowings		
Measured at amortised cost		
Secured		
Working capital loans repayable on demand from banks (Refer Note 17.2)	0.21	1.24
Current maturities of long term borrowings (Refer Note 17.1)		
- From banks*	329.56	434.48
Unsecured		
Loan from related parties (Refer note 37) (Interest accrued)	8.88	8.29
Total	338.65	444.01

17.1 Nature of Security and terms of repayment for secured and unsecured borrowings:

Nature of Facility	Repayment terms	As at 31 st March, 2026	As at 31 st March, 2025
Secured			
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Oct 2021	-	25.01
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Oct 2021	-	50.37
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Mar 2024	183.75	288.75
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from June 2025	240.00	322.55
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Sept 2025	178.75	220.10
Rupee loan from Bank*	Repayable in 16 equal quarterly installments commencing from Sept 2025	243.75	287.40
Rupee loan from Bank**	Repayable in 48 equal monthly installments commencing from June 2022	12.62	88.93
Unsecured			
Foreign currency loan from related party**	Bullet repayment after 5 years 1 month from date of disbursement i.e. June 2022	553.88	469.89
Total		1,412.75	1,753.00
Less: Current Maturities of Long term Borrowings (Refer Note 17.2)		(336.50)	(442.76)
Net Long Term Borrowings		1,076.25	1,310.24

*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 7.45% to 9.60% (31st March, 2025: 8.65% to 10.20%).

**Includes accrued interest on long term borrowing of ₹ 1.93 Million (31st March, 2025: ₹ 3.57 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%.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

17.2 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.

18 LEASE LIABILITIES

18.1 Details of lease liabilities

Particulars	As at March 31, 2026
Balance as at 1st April, 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
Recognised during the year	-
Finance cost accrued during the year	13.83
Payment of lease liabilities	(32.20)
Balance as at 31st March, 2026	134.34

18.2 Classification of lease liabilities

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current	128.22	134.34
Current	6.12	18.37
Total	134.34	152.71

18.3 The Group has taken solar power plant and vehicles on lease for a lease term of 15 years and 4 year (Remaining lease term as on 31st March, 2026: 13 years and 3 years; 31st March, 2025: 14 years and 4 years).

18.4 Amount recognised in consolidated Statement of profit and loss

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
- Amortisation expenses on right-of-use assets	22.01	19.74
- Interest expenses on lease liability	13.83	11.68
- Expenses Related to short Term leases	0.16	0.11

18.5 The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis.

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Less than one year	18.94	32.21
One to five years	73.67	74.56
More than five years	144.20	162.25

18.6 The total cash outflows for leases during the period amounts to ₹ 32.36 Million (31st March, 2025: ₹ 27.66 Million) (includes cash outflow for short term and long term leases).

18.7 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.

18.8 The incremental borrowing rate applied to lease liabilities is in the range of 7.80% per annum to 9.75% per annum based on the lease term.

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All amounts are ₹ in Million except per share data and unless otherwise stated

19 PROVISIONS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current		
Provision for employee benefits		
- Compensated absences	153.13	159.83
- Gratuity (Refer note 36)	313.24	249.75
- Retention bonus	19.99	6.21
Provision for warranty (Refer note 19.1, 19.2 and 19.3)	112.21	102.20
Total	598.57	517.99
Current		
Provision for employee benefits		
- Compensated absences	60.80	37.83
- Gratuity (Refer note 36)	61.63	21.99
- Retention bonus	16.84	67.88
Provision for warranty (Refer note 19.1, 19.2 and 19.3)	126.01	103.46
Provision for contingencies (Refer note 19.4)	103.90	103.90
Total	369.18	335.06

19.1 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.

19.2 Movement in provision for warranty

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Balance at the beginning of the year	205.66	184.49
Add: Provisions made during the year	82.28	63.43
Less: Provisions utilised during the year	(49.72)	(42.26)
Balance at the end of the year	238.22	205.66

19.3 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, 2026 and 31st March, 2025 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.

19.4 Movement in provision for contingencies

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Balance at the beginning of the year	103.90	102.90
Add: Provisions made during the year	-	1.00
Balance at the end of the year	103.90	103.90

19.5 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.

20 TRADE PAYABLES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Total outstanding dues of micro enterprises and small enterprises	576.71	564.92
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,623.36	2,935.21
Total	4,200.07	3,500.13

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

20.1 The average credit period on purchases is 30-75 days.

20.2 For explanations on the Group's liquidity risk management processes refer note 38.

20.3 Trade payables from related parties are disclosed separately under note 37.

20.4 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 its status as a Micro or Small Enterprise or its 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 31 st March, 2026	As at 31 st March, 2025
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	566.20	474.19
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	10.51	90.73
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	141.02	910.65
(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	3.57	7.50
(g) Further interest remaining due and payable for earlier periods	6.94	83.23
(h) Amount of interest accrued and remaining unpaid at the end of the year (Refer Note 1 below)	10.51	90.73

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.

20.5 Ageing of trade payables

As on 31st March, 2026

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	9.47	521.49	45.75	-	-	-	576.71
- Others	234.20	2,363.28	1,019.57	5.69	-	0.62	3,623.36
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	243.67	2,884.77	1,065.32	5.69	-	0.62	4,200.07

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

As at 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	237.06	1,799.49	894.63	3.08	0.75	0.20	2,935.21
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	327.79	2,161.25	1,007.06	3.08	0.75	0.20	3,500.13

21 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current		
Measured at amortised cost		
Creditors for capital supplies	116.08	28.96
Dividend payable	0.07	-
Total	116.15	28.96

22 OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Advance from customers	51.23	50.38
Statutory remittances	156.59	138.56
Total	207.82	188.94

23 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Income tax [Net of advance tax (31 st March, 2026: ₹ Nil Million; 31 st March, 2025 ₹ 276.63 Million)]	-	16.04
Total	-	16.04

24 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Sales of products	22,197.77	17,844.50
Rendering of services	265.97	154.01
Other operating income		
- Scrap sales	91.17	77.03
Total	22,554.91	18,075.54

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

24.1 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 31 st March, 2026	For the year ended 31 st March, 2025
Within India	14,338.34	12,079.59
Outside India	8,125.40	5,918.92
Total revenue	22,463.74	17,998.51

24.2 The Group presently recognises its revenue from contract with customers for the transfer of goods at a point in time and services over a period of 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 31 st March, 2026	For the year ended 31 st March, 2025
Goods transferred at a point in time	22,197.77	17,844.50
Rendering of services over time	265.97	154.01
Total	22,463.74	17,998.51

24.3 The Group receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional.

24.4 Reconciliation of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Contracted price with the customers	22,546.45	18,049.11
Adjustment towards variables considerations (Discounts, rebates, refunds, credits, price concessions)	(82.71)	(50.60)
Revenue from contracts with customers (as per statement of profit and loss)	22,463.74	17,998.51

24.5 There are no performance obligations that are unsatisfied or partially unsatisfied during the year ended 31st March, 2026 and 31st March, 2025.

25 OTHER INCOME

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Interest income on financial assets measured at amortised cost		
Bank deposits	2.47	2.79
Security deposit	0.43	0.40
	2.90	3.19
Income on financial assets measured at FVTPL		
Gain on sale of mutual funds	12.28	8.02
	12.28	8.02
Other non-operating income		
Export incentives	167.36	126.49
Net gain on disposal of property, plant & equipment	1.47	2.61
Creditors/Provisions written back	83.79	-
Miscellaneous income	17.45	17.94
	270.07	147.04
Total	285.25	158.25

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

26 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
A. Inventories at the beginning of the year		
Opening stock	2,101.25	1,911.71
B. Purchases		
Purchases	16,739.42	13,261.93
C. Inventories at the end of the year		
Closing stock	2,316.60	2,101.25
Total (A+B-C)	16,524.07	13,072.39

27 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
A. Opening balance		
Finished goods	425.23	396.31
Work-in-progress	444.85	538.10
	870.08	934.41
B. Closing balance		
Finished goods	387.85	425.23
Work-in-progress	443.95	444.85
	831.80	870.08
Total changes in inventories of finished goods and work-in-progress (A-B)	38.28	64.33

28 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Salaries, wages and bonus	1,421.59	1,302.07
Contributions to provident and other funds (Refer note 36)	52.97	51.30
Gratuity Expense (Refer note 36)	39.70	37.20
Staff welfare expenses	152.14	150.80
Total	1,666.40	1,541.37

29 FINANCE COSTS

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Interest and finance charges on financial liabilities carried at amortised cost		
- Borrowings	173.07	194.07
- Lease liabilities	13.83	11.68
- Dues of micro enterprises and small enterprises (Refer Note 20.4)	3.57	7.50
Other borrowing costs including loan processing fees and charges	2.56	6.34
Interest on delayed payment of taxes/others	1.81	6.24
Total	194.84	225.83

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

30 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Depreciation of property, plant and equipment (Refer note 4)	417.19	400.63
Depreciation of right-of-use assets (Refer note 4)	22.01	19.74
Amortisation of intangible assets (Refer note 6)	17.80	31.59
Total	457.00	451.96

31 OTHER EXPENSES

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Consumption of stores and spares	336.98	317.86
Corporate service charges	321.44	227.09
Corporate Social Responsibility Expenditure (Refer Note 31.3)	17.34	11.53
Director fees (Refer note 31.2)	44.30	30.24
Insurance	29.06	24.48
Legal and professional fees	184.66	37.59
Net loss on foreign currency transaction and translation	45.46	27.34
Packing, freight and forwarding charges	109.11	82.19
Payments to auditors (Refer Note 31.1)	14.23	12.37
Power and fuel	303.28	262.56
Printing and stationery	5.99	6.54
Allowance for doubtful debts (Refer note 12.4)	10.72	5.29
Rates and taxes	22.13	27.11
Repairs and maintenance:		
Plant and machinery	108.22	108.44
Buildings	29.11	28.63
Others	20.69	25.33
Royalty	98.63	87.27
Security expenses	24.45	24.01
Subcontracting expenses	270.26	255.69
Travelling and conveyance	18.84	9.14
Warranty expenses (net) (Refer Note 19.2)	82.28	63.43
Rent	0.16	0.11
Miscellaneous expenses	39.45	17.04
Total	2,136.79	1,691.28

31.1 Auditors remuneration and out-of-pocket expenses:*

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
As Auditor:		
- Statutory audit	12.51	10.71
- Tax audit	0.70	0.70
- Other services	0.52	0.50
- Reimbursement of Expenses	0.50	0.46
Total	14.23	12.37

*The remuneration for year ended 31st March, 2025 excludes fee charged in respect of IPO services amounting to ₹ 41.16 Million which is recovered from holding company Carraro International SE (selling shareholder).

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

31.2 Directors' fees includes directors' sitting fees of ₹ 5.80 Million for the period ended 31st March, 2026 (31st March, 2025: ₹ 4.60 Million).

31.3 Expenses on corporate social responsibility

No.	Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
1	Amount required to be spent by the Group during the year (under Section 135 of the Companies Act, 2013)	17.34	11.53
2	Amount of expenditure incurred		
(i)	Construction/acquisition of any asset	-	-
(ii)	On Purposes other than (i) above	17.34	11.53
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	17.11	11.36
	Jyotirling	-	0.17
	Shri Samartha krupa enterprises	0.14	-
	Shree Krishana Chartibale trust	0.09	-

32 CURRENT TAX AND DEFERRED TAX (CREDIT)

32.1 Income tax expense recognised in statement of profit and loss

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Current tax:		
In respect of current year	439.76	296.56
Short provision of tax relating to earlier years	5.33	0.72
	445.09	297.28
Deferred tax (credit):		
In respect of current year	(23.14)	7.99
	(23.14)	7.99
Total tax expense recognised in the reporting year	421.95	305.27

32.2 Income tax recognised in other comprehensive income

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
i) Deferred tax		
Remeasurement of defined benefit plans	6.52	0.10
Total	6.52	0.10

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

32.3 Reconciliation of income tax expense and the accounting profit multiplied by Group's domestic tax rate:

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Profit before tax	1,727.78	1,186.63
Tax rate	25.17%	25.17%
Income Tax using the Group's domestic Tax rate*	434.85	298.65
Effect of items that are not required to be considered in determining taxable profit	(17.76)	5.05
Income tax related to earlier year	5.33	0.72
Others	(0.46)	0.85
Income tax expense recognised in Statement of Profit and Loss	421.95	305.27

*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. 2019-2020.

32.4 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).

33 EARNINGS PER EQUITY SHARE

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
(a) Profit for the year	1,305.57	881.17
(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)] (₹)	22.96	15.50
– Diluted [(a)/(d)] (₹)	22.96	15.50

34 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(i) Contingent Liabilities (refer note a)		
a) Income tax matters (refer note b)	2,100.61	2,061.29
b) Indirect tax matters	9.20	10.99
(ii) Capital commitments		
Estimated amount of contracts in capital account remaining to be executed [net of advances ₹ 0.94 Million (31 st March, 2025 ₹ 11.70 Million)]	132.75	166.12

(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.

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All amounts are ₹ in Million except per share data and unless otherwise stated

34.1 The Group does not expect any outflow of economic resources in respect of the above and therefore no provision was made in respect thereof.

35 SEGMENT INFORMATION

35.1 The Group is primarily engaged in the business of manufacturing off-highway 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.

35.2 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 31 st March, 2026	For the year ended 31 st March, 2025
Within India	14,338.34	12,079.59
Outside India	8,125.40	5,918.92
Total	22,463.74	17,998.51

All non-current assets of the Group are located within India.

35.3 Information about major customers

Included in revenue arising from sales of goods of ₹ 10,906.88.24 Million (year ended 31st March, 2025: ₹ 7,671.20 Million) and from rendering of services of ₹ 226.36 Million (year ended 31st March, 2025: ₹ 195.03 Million) which arose from sales to its major customers which accounts for 49.36% (year ended 31st March, 2025: 43.52%) of the total revenue from operations.

36 EMPLOYEE BENEFIT PLANS

36.1 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 31 st March, 2026	For the year ended 31 st March, 2025
i) Contribution to employees provident fund	52.93	51.27
ii) Contribution to employee state insurance scheme	0.05	0.03
Total	52.98	51.30

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

36.2 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. The most recent actuarial valuation of the present value of the defined benefit obligation was carried out for the period ended 31st March, 2026 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 31 st March, 2026	As at 31 st March, 2025
1. Discount rate	6.90% - 7.25% p.a	6.62% - 6.74% p.a
2. Salary escalation		
- Corporate	7.00% p.a	8.00% p.a
3. Expected return of Assets	Not Applicable	Not Applicable

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All amounts are ₹ in Million except per share data and unless otherwise stated

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
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	

(C) Expenses recognised in the statement of profit and loss

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Current service cost	22.19	20.73
Past service cost	95.00	-
Interest on net defined benefit liability/(asset)	17.52	16.47
Components of defined benefit cost recognised in profit or loss	134.71	37.20

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.

Past service cost is due to change in labour code (Refer note 45) and is included in 'Exceptional Item' line item in the Statement of profit and loss.

(D) Expenses recognised in the Other Comprehensive Income (OCI)

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Actuarial (gains)/losses on obligation		
- Due to changes in financial assumptions	(36.81)	8.45
- Due to experience adjustment	10.90	(8.84)
Net (income)/expense for the year recognised in OCI	(25.91)	(0.39)

(E) Amount recognised in the statement of assets and liabilities

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Present value of unfunded defined benefit obligation	374.87	271.74
Net liability arising from defined benefit obligation	374.87	271.74

(F) Net liability recognised in the statement of assets and liabilities

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current provision	313.24	249.75
Current provision	61.63	21.99
Total	374.87	271.74

(G) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Opening defined benefit obligation	271.72	239.86
Current service cost	22.19	20.73
Past service cost	95.00	-

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Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Interest cost	17.52	16.47
Actuarial losses	(25.91)	(0.39)
Benefits paid	(5.64)	(4.96)
Closing defined benefit obligation	374.87	271.72

(H) Maturity profile of defined benefit obligation:

Projected benefits payable in future years from the date of reporting	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Year 1 cashflow	61.63	22.93
Year 2 cashflow	36.56	40.95
Year 3 cashflow	49.25	24.25
Year 4 cashflow	34.92	34.25
Year 5 cashflow	40.47	22.80
Year 6 to year 10 cashflow	163.35	116.60

(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 31 st March, 2026	For the year ended 31 st March, 2025
Projected benefit obligation on current assumptions		
Rate of discounting		
Impact of +0.5% change	363.81	262.70
(% change)	(2.01%) to (3.04%)	(2.13%) to (3.43%)
Impact of -0.5% change	386.58	281.35
(% change)	2.09% to 3.21%	2.22% to 3.65%
Rate of salary increase		
Impact of +0.5% change	386.53	281.18
(% change)	2.07% to 3.20%	2.18% to 3.59%
Impact of -0.5% change	363.74	262.76
(% change)	(2.01%) to (3.05%)	(2.11%) to (3.41%)

(J) Other disclosures

The weighted average duration of the obligations is 4.56 years to 6.79 years (31st March, 2025 is 4.68 years to 7.32 years)

37 RELATED PARTY DISCLOSURES

37.1 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. 1 st August, 2020)
Subsidiary Company	Carraro Technologies India Private Limited (from 28 th June, 2024)

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Description of relationship	Name of the related party
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
Key Management Personnel	Carraro Lux-Tech-R&D Center
	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 2 nd August, 2024 and Whole-time Director - from 9 th August, 2024)
	Tomaso Mario Carraro, Director
	Enrico Elio Gomiero, Non-executive Director
	Matteo Bonino, Interim CFO (from 3 rd July, 2024 to 9 th August, 2024)
	Jui Bhargave, Company Secretary (From 3 rd April 2023 till October 17, 2024)
	Mr. Nakul Shivaji Patil, Company Secretary (from December 02, 2024 to November 20, 2025)
	Mr. Mohit Khandelwal, Company Secretary (from 11 th February, 2026)
	Mr. Ettore Francesco Sequi, Independent Director (from 9 th August, 2024)
	Uma Mandavgane, Independent Director (from 3 rd July, 2024)
	Mr. Kishore Saletore, Independent Director (from 3 rd July, 2024)
	Mr. Andrea Conchetto, Non-executive Director (from 3 rd July, 2024)

37.2 Transactions during the year with related parties

S. No.	Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
A	Purchase of Raw Material		
	Carraro SpA	17.02	8.86
	Siap SpA, Italy	402.76	431.29
	Carraro Drive Tech Italia SpA	142.50	105.83
	Carraro China Drive Systems Co. Ltd.	74.88	29.57
	Bhavani Synchrotec Private Ltd	215.73	63.30
	Carraro Argentina	0.06	-
	Total	852.95	638.85
B	Purchase of fixed assets		
	Carraro SpA	0.10	-
	Total	0.10	-
C	Royalty charged		
	Carraro SpA	74.40	61.05
	Carraro Drive Tech Italia SpA	24.23	26.22
	Total	98.63	87.27
D	Sale of Goods		
	Carraro SpA	12.65	9.71
	Carraro Drive Tech Italia SpA	7,740.28	5,497.14
	Carraro China Drive Systems Co. Ltd.	69.45	157.42
	Carraro Argentina S.A.	1.32	28.16
	Siap SpA	2.24	1.63
	Total	7,825.94	5,694.06

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S. No.	Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
E	Sale of Fixed Assets		
	Carraro Drive Tech Italia SpA	-	1.50
	Carraro China Drive Systems	1.56	-
	Total	1.56	1.50
F	Other Services Rendered		
	Carraro SpA	14.36	11.75
	Carraro China Drive Systems	-	2.77
	Total	14.36	14.52
G	Professional Fees		
	Carraro SpA	123.73	-
	Carraro Finance S.A.	-	13.84
	Total	123.73	13.84
H	Corporate Service Charges		
	Carraro SpA	219.10	161.13
	Carraro Drive Tech Italia SpA	102.34	65.96
	Total	321.44	227.09
I	Reimbursement of Expenses to		
	Carraro Drive Tech Italia SpA	0.88	-
	Total	0.88	-
J	Expenses Reimbursement received		
	Carraro China Drive Systems Co. Ltd.	-	2.31
	Carraro International SE	26.13	195.83
	Carraro SpA	-	0.48
	Total	26.13	198.62
K	Warranty Claims Paid		
	Carraro Drive Tech Italia SpA	29.82	18.79
	Total	29.82	18.79
L	Remuneration paid		
	Key managerial personnel		
	Balaji Gopalan	48.88	69.98
	Sudhendra Mannikar	28.34	47.50
	Davide Grossi	33.50	14.38
	Jui Bhargave	-	0.48
	Nakul Patil	1.72	0.82
	Mohith Kumar Khandelwal	0.46	-
	Nilesh Sarmalkar	13.04	7.08
	Uma Mandavgane	8.53	5.44
	Kishore Saleatore	8.53	5.44
	Ettore Francesco Sequi	8.53	4.83
	Tomaso Carraro	6.98	5.93
	Enrico Gomiero	5.33	4.56
	Andrea Conchetto	6.40	4.09
	Total	170.24	170.53
M	Dividend Paid		
	Carraro International S.E.	177.89	-
	Total	177.89	-
N	Interest on Loan availed		
	Carraro Finance S.A.	35.02	36.52
	Total	35.02	36.52

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S. No.	Particulars	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
O	Sale of Design Services		
	Carraro Lux-Tech-R&D Center	8.88	17.47
	Carraro SpA	154.47	134.86
	Carraro Drive Tech Italia SpA	1.49	-
	Carraro China Drive Systems Co. Ltd.	0.03	-
	Total	164.87	152.33

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.

37.3 Amounts outstanding with related parties

S. No.	Particulars	As at 31 st March, 2026	As at 31 st March, 2025
A	Trade Payables		
	Carraro SpA	87.95	48.48
	Carraro Drive Tech Italia SpA	71.95	70.44
	Siap SpA	93.67	85.56
	Carraro China Drive Systems Co. Ltd.	39.45	5.11
	Carraro Finance S.A.	13.44	3.61
	Bhavani Synchrotec Private Ltd	32.27	32.00
	Total	338.73	245.20
B	Trade Receivables		
	Carraro SpA	55.88	45.37
	Carraro Drive Tech Italia SpA	1,168.41	687.35
	Carraro Argentina S.A.	-	31.04
	Siap SpA	0.65	0.36
	Carraro China Drive Systems Co. Ltd.	18.90	35.14
	Carraro Lux-Tech-R&D Center	4.19	2.87
	Total	1,248.03	802.13
C	Loans Outstanding		
	Carraro Finance S.A.	545.00	469.89
	Total	545.00	469.89

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 31 st March, 2026	For the year ended 31 st March, 2025
Short-term employee benefits	170.24	170.53
Post-employment benefits (Refer note (a) below)	-	-
Total	170.24	170.53

(a) The remuneration to the key managerial personnel does not include the provisions made for gratuity and compensated absences, 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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38 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

38.1 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 31 st March, 2026	As at 31 st March, 2025
Long term debt*	1,204.47	1,444.58
Short term debt*	344.76	462.38
Less: Cash and cash equivalents	(904.09)	(683.04)
Net debt	645.15	1,223.92
Total Equity	5,647.26	4,580.71
Net debt to equity ratio	0.11	0.27
Debt to equity ratio	0.27	0.42

*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, 2026 and 31st March, 2025.

38.2 Categories of financial instruments

The following table provides categorisation of all financial instruments

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Financial assets		
Measured at fair value through profit and loss (FVTPL)		
(a) Other financial assets - Derivatives	11.53	12.13
Measured at amortised cost		
(a) Trade receivable	3,749.32	2,912.66
(b) Cash and cash equivalent	904.09	683.04
(c) Other financial assets	63.84	64.42
Total financial assets	4,728.79	3,672.25
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	1,414.90	1,754.25
(b) Lease liabilities	134.34	152.71
(c) Trade payables	4,200.07	3,500.13
(d) Other financial liabilities	116.15	28.96
Total financial liabilities	5,865.46	5,436.05

38.3 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:

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(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, 2026 and 31st March, 2025.

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 31 st March, 2026	As at 31 st March, 2025
(a) Trade receivables:		
In EURO	5.57	7.31
Equivalent in ₹ Million	607.41	674.69
In USD	0.38	0.71
Equivalent in ₹ Million	35.61	60.60
In CNY	6.90	2.01
Equivalent in ₹ Million	94.51	23.70
(b) Bank balances in EEFC accounts:		
In USD	0.07	0.37
Equivalent in ₹ Million	6.47	31.90
In EURO	3.88	3.93
Equivalent in ₹ Million	422.92	362.71
(c) Trade payables:		
In EURO	10.17	9.82
Equivalent in ₹ Million	1,108.37	906.60
In USD	1.29	0.50
Equivalent in ₹ Million	122.43	42.76
In CNY	8.45	5.04
Equivalent in ₹ Million	115.68	59.30

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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 31 st March, 2026	For the year ended 31 st March, 2025
(a) Trade receivables:		
EURO currency:		
0.50% increase (%)	3.04	3.37
0.50% decrease (%)	(3.04)	(3.37)
USD currency:		
0.50% increase (%)	0.18	0.30
0.50% decrease (%)	(0.18)	(0.30)
CNY currency:		
0.50% increase (%)	0.47	0.12
0.50% decrease (%)	(0.47)	(0.12)
(b) Bank balances in EEFC accounts:		
USD currency:		
0.50% increase (%)	0.03	0.16
0.50% decrease (%)	(0.03)	(0.16)
EURO currency:		
0.50% increase (%)	2.11	1.81
0.50% decrease (%)	(2.11)	(1.81)
(c) Trade payables:		
EURO currency:		
0.50% increase (%)	(5.54)	(4.53)
0.50% decrease (%)	5.54	4.53
USD currency:		
0.50% increase (%)	(0.61)	(0.21)
0.50% decrease (%)	0.61	0.21
CNY currency:		
0.50% increase (%)	(0.58)	0.03
0.50% decrease (%)	0.58	(0.03)

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

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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

(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, 2026			
Lease liabilities	18.94	73.67	92.61
Borrowings	338.65	1,076.25	1,414.90
Trade payables	4,200.07	-	4,200.07
Other financial liabilities	116.15	-	116.15
Total	4,673.81	1,149.92	5,823.73
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

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.

38.4 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 ₹ 0.60 Million and ₹ 25.28 millions is recognised in the statement of Profit and Loss for year then ended 31st March, 2026 and 31st March, 2025 respectively.

Following are the outstanding forward contracts entered into by the Group.

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
To buy EURO (Hedge of foreign currency loan & other payables)		
Currency value	5,000,000	5,000,000
₹ In Million	545.00	461.60

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39 FAIR VALUE MEASUREMENT

39.1 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 31 st March, 2026	As at 31 st March, 2025		
A) Financial liabilities				
Derivatives	-	-	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.
- Foreign-exchange forward contract				
B) Financial Assets				
Derivatives	11.53	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.
- Foreign-exchange forward contract				

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.

39.2 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.

40 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.

41 RATIO ANALYSIS AND ITS ELEMENTS

a) Current Ratio = Current assets divided by Current liabilities

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current assets	8,510.63	6,869.59
Current liabilities	5,237.99	4,531.51
Ratio (In times)	1.62	1.52
% Change from previous year	6.58%	

Reason for change more than 25%:

Not Applicable

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b) Return on Equity Ratio = Profit after tax divided by average equity

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Profit after tax	1,305.83	881.36
Average equity*	5,113.98	4,139.88
Ratio (In%)	25.53%	21.29%
% Change from previous year	19.94%	

*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	As at 31 st March, 2026	As at 31 st March, 2025
Cost of goods sold*	16,562.35	13,136.72
Average Inventory*	3,080.69	2,925.86
Ratio (In times)	5.38	4.49
% Change from previous year	19.74%	

*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.

Reason for change more than 25%:

Not Applicable

d) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Credit Sales*	22,554.91	18,075.54
Average Trade Receivables*	3,330.99	2,669.91
Ratio (In times)	6.77	6.77
% Change from previous year	0.02%	

*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.

Reason for change more than 25%:

Not Applicable

e) Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Credit Purchases	16,739.42	13,261.93
Average Trade Payables*	3,814.09	3,514.01
Ratio (In times)	4.39	3.77
% Change from previous year	14.01%	

*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

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f) Net Working Capital Turnover Ratio = Sales divided by Net Working capital

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Revenue from operations (A)	22,554.91	18,075.54
Current Assets (B)	8,510.63	6,869.59
Current Liabilities (C)	5,237.99	4,531.51
Net Working Capital (D = B - C)	3,272.64	2,338.08
Ratio (In times) (E = A/D)	6.89	7.73
% Change from previous year	(10.85%)	

Reason for change more than 25%:

Not Applicable

g) Net profit ratio = Profit after tax divided by Sales

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Profit after tax	1,305.83	881.36
Sales	22,554.91	18,075.54
Ratio (In%)	5.79%	4.88%
% Change from previous year	18.74%	

Reason for change more than 25%:

Not Applicable

h) Return on Capital employed (pre -tax) = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Profit before tax (A)	1,822.78	1,186.63
Finance cost (B)	194.84	225.83
EBIT (C) = (A+B)	2,017.62	1,412.46
Tangible net worth *(D)	5,359.85	4,293.88
Total debt ** (E)	1,549.24	1,906.96
Capital Employed (G)=(D+E+F)	6,909.09	6,200.84
Ratio (In%)	29.20%	22.78%
% Change from previous year	28.20%	

*Tangible net worth = Net worth (Shareholder's fund) -Intangible assets -Deferred tax assets

**Debt comprises of current and non-current borrowings and lease liabilities

Reason for change more than 25%:

Increase in ratio on accounts of increase in profit

i) Debt Equity ratio = Total debt divided by Total Equity

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Total debt*	1,549.24	1,906.96
Shareholder's funds	5,647.26	4,580.71
Ratio (In times)	0.27	0.42
% Change from previous year	(51.75%)	

*Debt comprises of current and non-current borrowings and lease liabilities

Reason for change more than 25%:

Decrease in ratio on account of decrease in debt and increase in shareholders funds.

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All amounts are ₹ in Million except per share data and unless otherwise stated

j) Debt service coverage ratio= Earnings available for debt services dividend by total interest and principal repayments

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Profit after tax (A)	1,305.83	881.36
- Depreciation and amortisation (B)	457.00	451.96
- Finance cost (C)	194.84	225.83
- Profit on disposal of property, plant & equipment (D)	(1.47)	(2.61)
- Creditors/provision written back (E)	(83.79)	-
Total Non-cash operating expenses and finance cost (Pre-tax) (F= B+C+D+E)	566.59	675.18
Earnings available for debt services (G = A + F)	1,872.42	1,556.54
Debt service		
Lease payments (H)	32.20	27.66
Principal and interest repayments (I)	609.95	587.71
Total interest and principal repayments (J = H + I)	642.15	615.37
Ratio (In times) (K = J/G)	2.92	2.53
% Change from previous year	15.28%	

Reason for change more than 25%:

Not Applicable

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.

42 ADDITIONAL REGULATORY INFORMATION AS REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

- The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.
- The Group has not traded or invested in Crypto currency or Virtual Currency
- 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.
- The Group does not have any transactions with struck off Companies.
- 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:
 - 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
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 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:
 - 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
- The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 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.
- There are no loans or advances given to promoters, directors, KMPs and related parties.
- There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- 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.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

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 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 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 Rs. 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.

45 The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code/2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Codes"). The Codes have been made effective from 21st November, 2025. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations.

The incremental impact of these changes, assessed by the Group, on the basis of the information available, consistent with the guidance provided by the Institute of Chartered Accountants of India, is ₹ 95 Million and has been recognised as exceptional item in the consolidated financial statement of the Company for the year ended 31st March, 2026. Once State Rules are notified by the Government on all aspects of the

Codes the Group will evaluate impact if any, on the measurement of employee benefits and would provide appropriate accounting treatment.

46 As per the MCA notification dated August 05, 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. In relation to the audit trail, the same has not been preserved as per the statutory requirements for record retention for the period upto 31st July, 2025. The Company has implemented systems wherein backup of books of account and other relevant books and papers, on a daily basis is being maintained on a server located physically within India, in compliance with the statutory requirements with effect from 1st August, 2025.

47 DIVIDEND

The Board of Directors have proposed a dividend of ₹ 6.75 per share on equity share of ₹ 10 each i.e. 67.50% subject to the approval of members of the Company at the forthcoming Annual general Meeting. When approved by the members of the Group, this will involve payout of ₹ 383.75 Million.

48 BUSINESS COMBINATION

As on 28th June, 2024, Carraro 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.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

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	Carraro India Limited	Carraro International S.E.	28 th June, 2024

Identifiable assets acquired and liabilities assumed on acquisition of subsidiary

Particular	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
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)
Additional during the year	-
Capital Reserve as on 31st March, 2026	(222.00)

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TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

All amounts are ₹ in Million except per share data and unless otherwise stated

Details of purchase consideration payable at the end of each reporting period:

Particulars	Amount
Purchase consideration payable as at 1 st April, 2024	239.82
Paid during the period	(239.82)
Purchase consideration payable as at 31 st March, 2025	-
Paid during the period	-
Purchase consideration payable as at 31 st March, 2026	-

49 ADDITIONAL INFORMATION

Information as at and for the year ended 31st March, 2026

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	102%	5,754.08	98%	1,279.85	96%	18.70	98%	1,298.55
Subsidiary								
Carraro Technologies India Private Limited	2%	132.96	2%	25.98	4%	0.69	2%	26.67
Non controlling interest								
Carraro SpA	0%	1.34	0%	0.26	0%	0.01	0%	0.27
Inter Company elimination and consolidation adjustments	(4%)	(241.12)	0%	(0.27)	0%	(0.01)	0%	(0.27)
Total	100%	5,647.26	100%	1,305.83	100%	19.39	100%	1,325.22

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%)	(0.19)	2%	19.30
Non controlling interest								
in Carraro Technologies India Private Limited	0%	1.07	0%	0.19	(1%)	(0.00)	0%	0.19
Intercompany elimination and consolidation adjustments	(5%)	(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

50 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

Davide Grossi

Whole-time Director and Chief Financial Officer
 DIN - 10252992

Place: Pune
 Date: 26th May, 2026

Sudhendra Mannikar

Whole-time Director and Chief Operating Officer
 DIN - 07483321

Mohith Kumar Khandelwal

Company Secretary
 Membership Number - F11243

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Carraro India Limited
(Formerly Carraro India Private Limited)

Registered Office:
B2/2 MIDC, Ranjangaon, Pune 412 220,
Maharashtra, India

CIN: L52609PN1997PLC132629
GST: 27AAACC5292M1ZB