November 12, 2026

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 **Scrip Code: 543689**	**National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 **Symbol: UNIPARTS**

Subject: Regulation 30: Transcript of Earnings Call pertaining to the Unaudited Financial Results for the quarter and half year ended September 30, 2026

Dear Sir/Madam,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed transcript of earnings call on the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2026, which was held on Thursday, November 05, 2026.

The same is also being uploaded on website of the Company at https://www.unipartsgroup.com/home/quarterly_financial_results.

You are requested to take the above on record.

Thanking You,

Yours faithfully,

For Uniparts India Limited

Jatin Mahajan

Digitally signed by Jatin Mahajan
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Jatin Mahajan
Head Legal, Company Secretary and Compliance Officer

Encl: As above

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UNIPARTS GROUP

"Uniparts India Limited

Q2 FY27 Earnings Conference Call"

November 05, 2026

MANAGEMENT: **MR. GURDEEP SONI – CHAIRMAN AND MANAGING DIRECTOR – UNIPARTS INDIA LIMITED**
MS. TANUSHREE BAGRODIA – WHOLE-TIME DIRECTOR AND GROUP – CHIEF EXECUTIVE OFFICER – UNIPARTS INDIA LIMITED
MR. SANDEEP TANEJA – GROUP CHIEF FINANCIAL OFFICER – UNIPARTS INDIA LIMITED
MR. HIMANSHU SHARMA – HEAD, INVESTOR RELATIONS AND FP&A – UNIPARTS INDIA LIMITED

MODERATOR: **MR. KANAV KHANNA – ERNST & YOUNG**

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

I now hand the conference over to Mr. Kanav Khanna from Ernst & Young. Thank you, and over to you, sir.

Kanav Khanna: Thanks, Iqra. Good afternoon, everyone, and welcome to the Q2 FY27 earnings call of Uniparts India Limited. We have on the call from the management side, Mr. Gurdeep Soni, Chairman and Managing Director; Ms. Tanushree Bagrodia, Whole-Time Director and Group CEO; Mr. Sandeep Taneja, Group CFO; and Mr. Himanshu Sharma, Head, IR and FP&A.

We must remind you that the discussions in today's call may include certain forward-looking statements and must be, therefore, viewed in conjunction with the risks that the company may face. I will now hand over the call to Mr. Soni to take you through the financial and business update, subsequent to which we can open the floor for Q&A. Thank you, and over to you, sir.

Gurdeep Soni: Good afternoon, everyone, and thank you for joining us for the Uniparts Group earnings call for the second quarter of FY27. As we gear up to celebrate Diwali, I am very pleased to say that this year, the celebration is more special for the Uniparts family. Our quarter 2 FY27 has been the highest revenue quarter in the history of the company. Revenue from operations stood at INR379 crores, which is 37% higher year-on-year and 9% higher sequentially. I want to congratulate our teams across all our locations.

Milestones like this are not the result of one good quarter alone, but are the result of work done patiently over many quarters often when the market was giving us very little help. And that is the part worth reflecting on. We have delivered this in an environment that remains genuinely uncertain.

What made this possible is threefold. One, our customer relationships, which continue to deepen; two, the way our teams maneuver constantly taking tactical decisions quickly to keep supply running whatever comes at us; and three, the diversity of our platforms and segments, which means that when one part of the business is under pressure, another carries on. That is exactly what we are seeing today. Agriculture is still working its way back, but construction is moving strongly.

Two updates on commitments we made to you earlier: one, the restoration of this finishing shop at Ludhiana facility is on track to be up and running by the end of this calendar year; and two, in Mexico, our first customer dispatch will take place this month, which is an important step in strengthening our ability to serve customers closer to their operations.

With that, let me take you through what we are seeing across our markets and then how Uniparts performed in each one of them. Let me start with the construction equipment for the North

America and European area. In North America, construction activity linked to data centers, power generation and AI-related infrastructure continue to drive growth.

In fact, the world's largest construction equipment manufacturer reported an increase of approximately 18% year-on-year in its construction equipment sales together with a record order backlog. In Europe, the market is steadier with activity driven primarily by infrastructure and green energy projects.

Also in Europe, the nonresidential construction continues to grow faster than residential construction. Against this backdrop, Uniparts sales in the construction segment grew 49% year-on-year. Our traction is gaining new business awards and this segment remains very robust, and we see construction as a key growth area.

Let me now talk about large agriculture market. The large agriculture has taken the hardest hit in the farm market. Industry volumes for tractors above 100 horsepower and 4-wheel drive tractors are down roughly 17% this year. However, yet our revenue in this segment grew 10% year-on-year. In fact, this is a segment in which we have demonstrated the rewards of a focused approach.

When market down 17%, we have grown. That growth has come entirely from new business and not from the cycle. A large focus of our business development efforts are on large ag segment as the new business awards move through the sampling and the testing and approval into regular production, they will contribute meaningfully. When the industry cycle does turn, we will have that on top of all this. This is why large agriculture remains a priority for us even in a down market.

A word on the small agriculture. As we have shared previously, after 3 years of continuous decline, the small agriculture cycle has started to turn, and we are now seeing year-on-year growth in this segment.

Uniparts sales in small agriculture grew 25% year-on-year. The regional picture remains mixed. The outlook for small agriculture industry is expected to be flat or up 5% in the U.S. and Canada, expected to be flat in Europe and down about 15% to 20% in South America, where we have very little market share. The growth in India is estimated to be about 4% to 6%.

The aftermarket has improved to 16.5% of revenue this quarter against 12.4% in Q1 of FY27 and 14.7% in Q2 of FY26. In absolute terms, the segment grew over 50% year-on-year for us. Those of you who were on our last call will recall that we spoke about an inflation-driven pause in buying and said we expected it to normalize through this year. That is what has happened now. I would still caution that purchasing in this segment is discretionary by nature and some variability in the quarter-to-quarter should be expected. But the underlying platform is sound and this quarter demonstrates it.

New business wins, in fact, have been very good, and they continue to exceed INR225 crores, concentrated largely in construction and large agriculture. These wins span segments and geographies and reflect our customers' confidence across all 3 of our product platforms, where that is the 3-point linkage system, the precision machine parts and fabrications.

Importantly, the awards we secured over the last several quarters are now ramping up as planned. That conversion is what gives us visibility into the quarters ahead. And it is the clearest evidence I can offer that the growth you are seeing is built to last.

With that, I would like to hand over to Sandeep Taneja for the financial highlights.

Sandeep Taneja: Thank you, sir, and good afternoon, everyone. I'll take you through the key financial and operational highlights for the quarter ended 30 September 2026. Revenue from operations for Q2 FY27 stood at INR379 crores, representing 37% year-over-year growth and broadly in line with the guidance we had shared earlier. For first half of '27, the revenue from operations stood at INR726 crores, which was 32% higher against H1 of FY26. EBITDA for the quarter was INR89 crores, a strong 38% increase year-over-year and broadly flat sequentially.

EBITDA margins for Q2 were 23.4%, which was comfortably above the 20% margin we target through the cycle. EBITDA for H1 FY27 was INR178 crores, which represented 67% of FY26 EBITDA. Profit after tax stood at INR54 crores, which was 37% higher year-over-year. For H1 FY27, the PAT stood at INR111 crores, which is about 70% of FY26 PAT. We generated about INR34 crores of operating cash flow during the quarter.

Trailing 12-month EPS stood at INR43.30, reflecting the sustained improvement in our earnings over the past year. Net working capital stood at 137 days of trailing 12-month revenue as of September 30, 2026. We closed the quarter with net cash position of INR172 crores after accounting for dividend of INR41 crores, which was paid in Q2.

This underlines the strength of our cash generation and balance sheet. Capital expenditure during the quarter was about INR10 crores, which is in line with our investment plans focused on capability enhancement, productivity improvements and customer-led growth initiatives.

We are looking at capex of around INR60 crores to be spent over next year. Most of these are approved and advances have been paid. These investments are backed by the growth that we are seeing.

With that, I would like to hand over the call back to the moderator for question-and-answers.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Digant Shah from DAM Capital Advisors Limited.

Digant Shah: Congratulations on the good set of numbers. I wanted to understand how is the demand environment in Europe, agri demand environment, given the Ukraine-Russia war and there are reports that the agri export is not happening because of it and also higher diesel and gas prices. So how is the demand shaping up?

Tanushree Bagrodia: Sure. Thank you, Digant. This is Tanushree Bagrodia. Digant, as Chairman also shared in his opening address, after 3 years of continuous decline in the small ag space, the order books are improving. I think this improvement in the order book comes also because the inventories have been depleted and the replacement cycle has come in.

So even in Europe, we are seeing the small ag segment coming out of the trough and slowly on the path to recovery. In the large ag segment in Europe, we still see that the large ag is muted and it is still not recovered. This recovery is expected in '27.

Digant Shah: Okay. That's helpful. And another thing on the gross margin front. Our gross margins have remained very resilient given the underlying commodity inflation in steel and other commodities is much higher. So what is the thing which is driving this resilience?

Tanushree Bagrodia: So Digant, our material cost or cost of materials consumed tends to remain in the range of 34% to 37%. We have seen a price increase in steel. There's been a rapid increase of prices across the world in steel. Our contracts with customers are that we pass on the raw material increase through to customers. However, this pass happens through a lag.

So in this quarter, while our material cost is 34.3%, which is broadly in line with where it should be, it is also seeing some amount of material cost that has still not been passed through to customers, and that will come in as the price settlements happen. But to answer your question, because we don't control the steel prices, our contracts with the customers are that, there is a pass-through of these prices to customers.

Digant Shah: Okay. Okay. And are you seeing...

Moderator: Mr. Shah, sorry to interrupt you. Can you please rejoin for a follow-up question?

Digant Shah: Sure.

Moderator: The next question is from the line of Praveen Jayaraman from Avendus Spark Institutional Equities.

Praveen Jayaraman: Congratulations on a good set of numbers. My first question is on the construction side. The segment has been having good year-on-year growth and has been driving our top line in this period. How structural is the growth from here? We understand the demand drivers around the AI data centers, but can you give directionally on how the segment is shaping up, where the new orders are coming from? And any direction here would be helpful.

Tanushree Bagrodia: Right. So Praveen, we saw the construction equipment recovery happening in the first quarter of this calendar year. And that recovery, as you very rightly said, in the U.S. is driven by AI data center and smart manufacturing recovery. And these are all multi-quarter contracts that are there in nature.

So the current mix has momentum behind it, right? In Europe, this growth is coming from investments in infrastructure and energy transition. Again, these are multiyear contracts that come and there is structural momentum behind it. As you will see, our growth in the construction segment is higher, and it is higher in the U.S. versus in Europe.

Our participation in the Indian construction industry is still limited. So yes, we see our growth coming slightly more from the U.S. than coming from the European region. And we are very, very confident that this growth is going to continue for the foreseeable future.

Praveen Jayaraman: Right. A follow-up on this would be this increase in growth in construction would be majorly coming from increased wallet share with existing customers or new customer additions in this segment?

Tanushree Bagrodia: So we've won new business with customers as well, and this is also an increased demand. And there is a third leg to it, which is where we've said this in the past, where we won new business that we are executing and it's in year, maybe year 1.5 or year 2 of execution there, the demand of the new product launched by the customer has been far more than what the customer had anticipated themselves. So there are 3 drivers to this growth.

Praveen Jayaraman: Right. My second question would be on the other verticals outside 3PL and PMP. So we have been in fabrication, PTO and hydraulics and in the opening remarks, fabrication was again mentioned as the third lever here. With the base revenues which we have there, could we expect higher growth with the existing product we have there? Or it would be more like an acquisition-based growth, which we could expect from the third vertical, which is fabrication?

Tanushree Bagrodia: Yes. So Praveen, fabrication is something where for which we actually set up a new facility about 2 to 3 years ago in Ludhiana. And this is doing small and medium-sized fabrication as we would call it. This segment has shown a significant amount of growth for us, always, you're right, it is only about a percentage of our total revenue. But of our new business wins, this segment is roughly 12% to 15% of the new business wins that we are getting.

And we are working with OEM customers on meaningful revenues to increase our fabricated product supply to them. So this is all organic. And we expect fabrication to become a meaningful contributor within the next 18 to 24 months. Our ambition for this platform to become a full-fledged world platform remains. And the only addition that will come to it from an inorganic side would be any large fabrication that we would do, which is attachments like cement mixers or large buckets, etc.

Praveen Jayaraman: Can I add one more question or should I join back?

Moderator: Sir, please rejoin the queue for a follow-up. The next question is from the line of Bhargav Buddhadev from Ambit Asset Management Company.

Bhargav Buddhadev: Congratulations on a good set of numbers. My first question is that in your presentation, you've written that on the construction equipment demand, especially in the U.S. the demand driver is data center as well as AI-related infra. But post this midterm elections, do you see some sort of deceleration in terms of capex in this area? And in the event that happens, will it impact our business in the U.S. pertaining to construction equipment?

Tanushree Bagrodia: Thank you for the question. As I was mentioning earlier, right, that demand that is coming from data center, AI, smart manufacturing, these are all multiyear-long contracts, and given that they are multiyear-long contracts, the visibility into these is significantly high. There are very low chances that such contracts get canceled. Just wanted to also let you know that while we are seeing this, this is only in the U.S.

In Europe, we are seeing the growth, which is completely driven differently, right? It's because Europe needs to invest in infrastructure, Europe needs to invest in energy transition. And as Chairman also mentioned in his opening remarks, the noncommercial construction in Europe seems to be taking off. So that's the second pillar. And ultimately, for our construction equipment is where we are also beginning to supply from Mexico. So that also adds to the growth that will come now for our construction segment.

Bhargav Buddhadev: Understood. My second question is that, obviously, we have a fairly healthy balance sheet and a very good cash position. Are we looking to accelerate in terms of acquisition? I believe we are trying some acquisition in Europe on the hydraulic side, maybe in India on the fabrication side. So when can we sort of see some aggression in terms of an acquisition? Because obviously, subsequent to that, your revenue growth in fabrication can really see a bump up?

Tanushree Bagrodia: So Bhargav, management continues to spend very actively time, effort and resources in evaluating acquisition opportunities. In the recent times, we've come close to 2 acquisition opportunities that we've walked away from. At this particular point in time, also we are evaluating about half a dozen acquisition opportunities of various shapes and sizes. So this remains a focus area for us. Having said that, we are very, very judicious in the way we evaluate an acquisition.

So acquisition has to be strategic, has to be value-add for our customers, has to be value-accretive for all stakeholders. We are also very clear that we don't want to gothrough an acquisition, which is a deep turnaround acquisition. So keeping all this in mind, as soon as there is something that we feel that investors should know of, we will come to you.

On the fabrication piece, like I said, our current fabrication facility, discussions with customers, new business wins give us the confidence that in the next 18 to 24 months, organically also fabrication will be a meaningful third platform. Inorganic acquisitions of large fab will only be a top-up to that.

Moderator: The next question is from the line of Vinay Lakhera from Ratnatraya Capital.

Vinay Lakhera: I just wanted to know your views regarding the new joint FTC and USDA inquiry like in U.S. So what would be the impact on these customers and on the company, like any views on that?

Tanushree Bagrodia: Sorry, could you repeat the question again? Could you repeat the question?

Vinay Lakhera: Yes. So my question was on the joint inquiry by FTC and USDA on the agricultural equipment companies in U.S. So just wanted to know your views on the impact on the customers and if there are any impacts on the company as well in terms of quantify the impact or maybe just the views on that.

Tanushree Bagrodia: So number one, we don't speculate on any political or policy ongoing that happen. All I can tell you is that our relationships with customers, our demand with customers and our order books with customers remain very, very healthy. We are not seeing any impact on either their demand or their orders.

Like Chairman mentioned in his opening remarks, the world's largest construction equipment manufacturer has declared that they're running on the highest ever historic backlogs that they have, which is the case for the top 3 construction equipment manufacturers in the U.S. So I think we don't see any impact, and we will not speculate on what potentially could be.

Vinay Lakhera: Okay. Got it. And historically, has it ever led to any consequences on the operations in general, I mean, like in the history of these operations?

Tanushree Bagrodia: I think historically, what has impacted our operations is the industry cycle, the new business wins that we have and how our customer relationships have panned out. And I think going forward, that's what's going to continue impacting our business as well.

Moderator: The next question is from the line of Sunil Jain from Nirmal Bang Securities Private Limited.

Sunil Jain: My question relates to other expenses, which has moved up. Can you spell out what could be the reason? Is this the freight cost, which has increased? And related to that, whether the increase in the freight cost also you can pass it on to the customer or no?

Sandeep Taneja: Yes. So this is Sandeep. So yes, you're right. The primary reason is the freight cost, and we will pass this to the customers. There is usually a quarter lag in that. So next quarter, you should see a recovery coming.

Sunil Jain: Okay. And second question relates to the construction sector. So that is doing exceedingly well right now, and you had shown very good growth in that. So typically, if you see the historical how could be the cycle play out now when the interest rate has already started increasing?

Tanushree Bagrodia: So if I understand this correctly, your question is how will the interest rates impact the construction segment, right?

Sunil Jain: Yes.

Tanushree Bagrodia: Yes. I think we don't expect a material impact. A 25 to 50 basis point move does not really change the equipment economics when the fundamental drivers of the industry are improving, right? And the construction demand that really comes up and rests on multiyear programs. So whether it is infrastructure, whether it is manufacturing, whether it's data centers, whether it is real estate construction, these are multiyear projects. And once the fundamentals start to come in, there is less sensitivity to rates.

Sunil Jain: And generally, how long is the cycle, means these are all cyclical and we had seen if we go through last 15 years, multiple cycle has happened in 3, 4 years. So we can say running towards more of a higher end of the cycle or still there is enough room available?

Tanushree Bagrodia: See, the typical cycle tends to be from 4 to 6 years. What we are seeing right now in the construction equipment industry is a recovery that started in first quarter of this calendar or Q4 of last calendar. And I think we have enough visibility for the cycle to be increasing in the near 2 to 3 years. And I think this is also what our customers are seeing. Also remember, we are talking about the construction equipment sector.

The company also services customers in the small ag and the large ag. In the small ag, we are seeing green shoots of recovery right now. So that recovery still has to be factored in. And the large ag, which is still in the trough, that recovery is still going to come. So I think from our perspective, we see growth for the foreseeable future.

Moderator: Sorry to interrupt you, Mr. Sunil. There's a long queue. Please rejoin for a follow-up question. The next question is from the line of Avantika Jawahar from Banyan Tree LLP.

Avantika Jawahar: You mentioned and spoke about your M&A acquisition strategy briefly. Could you explain a little bit more on which geographies you're looking to acquire? What kind of white space are you looking to bridge through an acquisition?

Tanushree Bagrodia: Sure. Avantika, our acquisition strategy has been well defined, and I lay it out again for you. We are broadly looking at 3 product platforms, if I could call it for acquisition. One is the hydraulics vertical, the second is the power takeoff vertical, and the third is the large fabrication vertical. These 3 verticals that will help us horizontally work across system boundaries with our customers and increase our wallet share.

In these segments, we are open to global acquisitions, keeping in mind that hydraulic technology and PTO technology is potentially more prevalent outside of India than within India. And large fab economically is not going to make sense from an acquisition outside of India, but that's going to be predominantly an India-focused acquisition.

Avantika Jawahar: Understood. That's very clear. The second question was around your revenue and your margins have met the guidance and exceeded it as well. Do you have an updated guidance of financial year '27 and '28 for revenue and margins?

Tanushree Bagrodia: So Avantika, we grew 32% in FY27 first half, and we expect quarter 3, which is seasonally to be in line with quarter 1 FY27. That is on the revenue side. Having said that, let's also see that the second half of FY26, we grew 32% year-on-year as the recovery in the construction industry started to come through.

For second half of FY27, the growth will be slightly lower in percentage terms even as the absolute revenue keeps rising. So taking both together, we expect FY27 revenue to be 24% higher than FY26.

Avantika Jawahar: Understood. And on margins?

Tanushree Bagrodia: We don't guide to an EBITDA number, but I think the first half of this year shows the strength of our structure. Q2 delivered 23.4% EBITDA margins despite the raw material and West Asia inflation. Also, given that the equity markets were more subdued in September, we had lower treasury income.

Also in quarter 2, we had warehousing sales at 53% against the 56% in quarter 1. So I think the first half has shown that structurally, we remain very, very strong. We are very comfortably placed to deliver the 20% margins over a cycle. And I think we will continue to deliver that.

Moderator: The next question is from the line of Dheeraj Kumar Reddy from AlphaSquare.

Dheeraj Kumar Reddy: Congrats on great set of numbers. Now I just have a couple of questions. First, I think fairly you demonstrated how FY27 will look like, but I wanted to understand what will be the drivers of growth for FY28? How should one see the fabrication unit shaping up for us? And if you can give us some color in terms of how the overall growth trajectory can look like including drivers, I mean?

Tanushree Bagrodia: So Dheeraj, the drivers for us on the growth side, let's go segment by segment, right? I think in the construction space, we are very, very well positioned. You heard Chairman's opening remarks, the industry grew in mid-teens, we delivered 49% year-on-year growth. We continue to win new business in this segment. In fact, 70% of our new business awards are either in the construction or in the large ag space.

So one of the key drivers for us will be the construction industry, and this is just the market recovery plus the new business wins that we have. The second driver for us is going to be the small ag segment. The small ag, we started seeing order books come back and we are seeing green shoots of recovery. India has done well in the first half. We do see that maybe the second half in India is not going to be as high growth as the first half is, but the rest of the world, green shoots are coming through.

We have a dominant market position in this, so we will continue to reap benefits over there. In the large ag segment, where the industry has degrown 17%, we continue to win new business. We've won a very large business in Europe last year. We just won a new order in the U.S. In August, our U.S. patent for the lower link hook actually came through, which is also something that will only add value to us winning new business in the large ag segment.

So this segment will continue to grow for us. And as this segment comes out of its trough, the market growth will only add to it. The fourth driver of our growth is going to be our fabrication segment. And over here, like I said, 12% to 15% of our new business awards are in the fabrication segment.

And this is where, again, we are putting in a lot of effort with OEMs in discussing how we can service their needs from small and medium fab facility that we have in Ludhiana. So these are going to be our growth drivers going forward.

Dheeraj Kumar Reddy: Understood. And then today, if we see fabrication is probably less than like 2% of the overall revenues, but do you think it will land at like, say, 8%, 10% by FY28 or '29? Is it how one can like see this? And also in addition to this, my next question will be because we have sufficient cash on the balance sheet, should we expect a dividend? Or is there something material which the company is looking out to do in the next 6 to 12 months, because this is more from a capital allocation strategy, how like in the medium term, the company is really looking is what we wanted to understand?

Tanushree Bagrodia: So Dheeraj, fabrication in the next 18 to 24 months definitely has the ability to be a meaningful third platform, which, yes, in the high single digits, if not 10% of revenue share. So yes, I think

that's the effort and the endeavor that the teams are making. That is also how we are expanding our capabilities in that particular facility that we have.

On the question that you've asked on the cash that we have, the company remains completely committed to our inorganic ambitions, and we continue to evaluate it or evaluate, like I was saying more than half a dozen opportunities.

And so the first priority of the use of cash would be towards an acquisition. But as you know that in an M&A till we don't sign the dotted line, nothing is final. Again, we will not make an acquisition only for the sake of making an acquisition.

Sandeep also mentioned that we are looking at capex right now, which is about 4% of our revenue because there is growth that is coming through. And keeping the organic and the inorganic needs in mind, if we are unable to make an acquisition, the Board will take the most appropriate call for the growth of the company, for the shareholders, and for all the stakeholders.

Moderator: The next question is from the line of Sachin Gupta from Trinity Capital. We lost the connection for Sachin Gupta. We'll move to the next participant. The next question is from the line of Nikhil Upadhaya from SIMPL.

Nikhil Upadhaya: Yes. I have just 2 sets of questions. One is on the gross margin, one clarification. So every quarter, we have the forex impact in the gross margin. Is there anything this quarter?

Tanushree Bagrodia: So Nikhil, this quarter, if you see the currency is actually not done much. So the impact is very, very minimal.

Nikhil Upadhaya: Yes. So then a subsequent question is that if you look at over last 16 quarters, our gross margin profile has moved from a range of 62%, 65% to now sustainably between 65% to 67%. And there have been quarters where we've gone beyond 68%, 69% as well.

But considering this range which has happened, would you say is it the mix change towards more construction equipment which is driving this? Or is it largely driven by the model mix of whether we are selling through India or selling through our delivery channel warehouses in U.S.? So which would be a larger contributor here?

Tanushree Bagrodia: So Nikhil, our gross margin typically tends to be in the range of 63% to 66%. There have been outlier quarters, as you have seen, where some of the performance or the higher gross margin has also been impacted by currency, right? I think it's also fair to say that product mix does play a role, but you're absolutely right that the larger role is played by the delivery channel mix that we have. Our warehousing sales is our highest margin product. The next is our direct export and locally where locally sold is our lowest margin product. So quarters where we have a higher warehousing sales, we will see better gross margin.

Nikhil Upadhaya: Sure. Last question. See, one very interesting point is on the large ag, which I think sir also mentioned and it is mentioned in the presentation. I wanted to understand now if you look at 2 years back in terms of the new order wins, what was the share of large ag? And how is that share today in terms of new order wins?

Tanushree Bagrodia: So Nikhil, any new order that comes in large ag has to go through a very rigorous cycle of validation and then field testing because in the large ag space, the 3-point linkage system that is used requires to carry and allow the functionality of much heavier equipment. So the validation and the testing cycles are longer and they can last from anywhere from 18 to 36 months. We started putting in a lot of effort about 2 to 3 years ago in large ag and to win business over here. And that is why today, you are seeing that roughly about 35% of our new business awards are towards the large ag segment.

Moderator: The next question is from the line of Senthil Kumar from Joindre Capital Services Limited.

Senthil Kumar: My question on working capital, which has increased over the last 6 months. Could you explain the key factors driving the increase, particularly the rights in receivables?

Tanushree Bagrodia: So Senthil, I'll ask Sandeep to take this.

Sandeep Taneja: Yes. So you see a rise in receivables basically coming from 2 ways, right? One is the overall revenue size has gone up. So that has led to the receivables going up. Plus we had 1 or 2 customers in the U.S. market, which where there were some payment delays. One we have already streamlined and the other one would most likely get streamlined by November. But the bigger impact is coming from the increased revenue and some payment delays from the 2 OEM partners. One is resolved, one is going to get resolved in November.

Tanushree Bagrodia: And these are not payment disputes, just to be clear, Senthil, these are what I would basically call technical issues at the end of the customer that they themselves are very cognizant and are working through. But if you see our working capital days is at 137 days at the end of September quarter versus 136 days, which was at the end of March.

Senthil Kumar: Yes. So we are stable there. Okay. So what kind of working capital days we can expect for this full year FY27?

Sandeep Taneja: So we expect to remain around 136, 140 days because of the delivery model that we have. So as you would have read, we do sales from warehouses. Since it's export-led market, 2 months of inventory on sea and 2 months in the warehouse. So that's where our working capital gets blocked. Other than that, we manage the receivables and the payables well to offset each other. So inventory is something that is linked to the way we do the business.

Tanushree Bagrodia: And all of this working capital is factored into our inventory and our inventory costs with the customers.

Moderator: The next question is from the line of Resham Jain from VVD Asset Managers.

Resham Jain: Congratulations on good set of numbers. So I have 2 questions. First one is with respect to your inventory. If I see your inventory from March level has gone up by 5-odd percent, while now we are tracking close to 30-odd percent growth Y-on-Y. So should one assume that within the working capital band which you have provided just now, the requirement of inventory has come down a little bit compared to what you have seen? I'm talking about absolute inventory. It has not increased in line with your revenue.

Tanushree Bagrodia: You're right, Resham, that our absolute inventory has increased lower than the top line growth. But that's also because we have been managing our inventory levels well. We've been managing our delivery PPMs with our customers also very well.

Our delivery PPMs with customers across the board are 95 plus. So I think there is a lot of concerted effort which is going on across the organization to ensure we do not overstock and we are at the right levels of inventory.

And I think as far as our working capital is concerned, as Sandeep was mentioning, we manage our receivables and payables to offset one another. So our endeavor is to remain in that 135 to 140 days of working capital days.

Resham Jain: Okay. The second question is given that last to almost 4 quarters plus now, you have already given that second half you could see 17%, 18% kind of growth implying growth based on 24% growth number for full year. Next year how should one think because the base is quite high and the overall like some of the segments might do well. But what is your own kind of internal target which you're working with in terms of growth next year '28?

Tanushree Bagrodia: So Resham, our business model is designed such that over cycles, we land up delivering mid-teens growth year-on-year. FY26 and FY27 are our higher growth years because the recovery year is just starting. Again, I'm just going to repeat that the construction segment recovery is in full swing. Small ag, the green shoots are there, the large ag still has to come in. Plus on top of this, we've been winning quarter-on-quarter, we've been telling you trailing 12 months, new business wins are INR225 crores. So I think we are very confident of delivering on an average, like we say over a cycle of mid-teens growth in revenue.

Moderator: The next question is from the line of Saumil Shah from Paras Investments.

Saumil Shah: So basically, in the previous calls, we used to mention second half should be better than the first half. And looking at our order backlogs and construction side also doing well, do we still hold on to those targets or are we revising it?

Tanushree Bagrodia: So Saumil, that remains. Second half is better for us than first half. It's just that your growth percentage in second half FY27 will be lower than the first half because the base of FY26 second half was higher.

Saumil Shah: Correct. Correct. But you also mentioned to one of the participants that Q3 will be in line with Q2 or Q1 you said?

Tanushree Bagrodia: Q1, with the Q3 seasonally is typically our lowest quarter. Year-on-year, if you look at our numbers, Q3 is seasonally our lowest quarter. If you look at what happens in the Indian ag industry, it is also the snow season for overseas, it's also holiday season. This is post-Diwali in India. It is the Christmas time for the Western world. So this is typically seasonally the lowest quarter for us.

Saumil Shah: Okay. So it would be more than the Q1?

Tanushree Bagrodia: It's broadly in line with Q1.

Saumil Shah: Okay. And in terms of our Mexico business, so as we mentioned, our first customer dispatches have started. So how do we see this type of business contributing overall, if we can have your views?

Tanushree Bagrodia: So the Mexico business will be single-digit million dollar revenue this year. And we're working with 3 customers over there. We are starting with one customer. The other 2 customers we need to ramp up with and they are waiting to ramp up their own requirements. So as that happens and as with the current customer, we ramp up this business, this revenue will go up.

Moderator: The next question is from the line of Shubham Bhatra from Ambit Asset Management Company.

Shubham Bhatra: Congratulations on a very strong set of numbers. I am in continuation with a couple of other participants' questions. So largely, post the midterm elections, there is a lot of say as to AI capex in the U.S. slowing down. So just wanted to understand since multiple times, we have mentioned that a large chunk of our construction equipment demand is coming from that.

How is it correlated or what kind of deceleration can we see? And also in terms of the long-term contracts that you highlighted, could these get delayed or could these see cancellations also from customers, if you could give a better sense as to actually what is happening on ground?

Tanushree Bagrodia: So Shubham, like I was saying when construction of a data center or a factory premises, all of these starts, these are multiyear contracts. This is not a year contract for us, but this is a multiyear contract for our customers. And these contracts are signed, capital is committed upfront, right? So these contracts may have delays that are associated, but typically, we don't see any cancellation. We are not seeing any slowdown in our order book.

We continue to see healthy growth. We also continue to see healthy growth in the European construction equipment market. And I think it's already understood that the investment that is being done by the private sector into AI and data center is what is driving this growth.

Shubham Bhatra: Got it. So largely, we don't expect any significant change in our delivery schedules with the customers?

Tanushree Bagrodia: Shubham, we are not seeing any change in our delivery schedules. In fact, if you see the largest construction equipment manufacturer in the world has just announced a $20 billion investments in North America in a new manufacturing facility catering to the U.S. market only. And I think that actually indicates the strength of the demand and the recovery of the construction cycle.

Shubham Bhatra: Got it. And secondly, on the Mexico warehouse that is coming up, so we expect to do single-digit million dollar revenue in the next 6 months of this year, right, H2 FY27?

Tanushree Bagrodia: Right, next 6 months of this year.

Shubham Bhatra: And Q2, numbers don't capture any revenue share from that, correct?

Tanushree Bagrodia: No, we've only started dispatches in November.

Moderator: The next question is from the line of Ashutosh Tiwari from Equirus Securities.

Ashutosh Tiwari: Congrats on good numbers. Just on the agriculture side, at the peak in FY23, we had done revenue of almost like INR970 crores. And last year, we had done INR717 crores. And you also have won orders from large agri side, new orders and all. So when we go to again probably next 2, 3 years down the line, our revenues will be much higher than what we did in '23, right?

Tanushree Bagrodia: So I think, Ashutosh, if you are looking at our business, right, I think you also are seeing that our business is built for derisking and diversification. And as we've been growing in the last sort of 8 quarters, we've also been seeing that growth is coming from different segments, construction and large ag.

So we continue to grow with different customers and different product lines with the idea that we will maintain this derisking and our growth should be there across product platforms, the 3-point linkage, PMP. And now we are also investing in growing fabrication, and this is both in the ag and the construction cycle.

So in the absolute terms, the 3-point linkage product platform will grow as the ag cycle recovers and our new businesses ramp up. But whether 3PL will be higher or lower percentage of our revenue at the next peak, that will depend on how fast the PMP and the fabrication segments also grow around the phase....

Ashutosh Tiwari: I'm not talking of percentage of the revenue. I'm talking absolute amount I'm talking about that it will go back to higher than absolute amount, right, because you have got more orders .

Tanushree Bagrodia: It's the same thing, typically, it should because we are already growing faster than we were at our last peak in FY23, right? I think what I'm trying to explain to you is that the growth in any one segment is not dependent on that segment alone. It's also dependent on how we are growing in the other 2 segments.

Ashutosh Tiwari: Yes... And on the construction side, in terms of the order that you have got recently or in the last 1 year, will that lead to, let's say, run rate increasing over next 1 year in the construction side?

Tanushree Bagrodia: So Ashutosh, our new order wins that we get are what we tell you is a trailing 12-month figure, right? And that is the estimated annual value at peak of the new business. So it's more like an SIP where it is what we add every 12 months and not really just the size of the business. So every 12 months, every win adds to the revenue on the top of the previous wins from the prior period.

And each win then takes 2 to 3 years to reach its peak after which it grows in line with the business. Now these wins can ramp up earlier or faster depending on customer product adoption and market demand. So I hope that gives you a color on how we are seeing new wins add to the revenue.

Moderator: Ladies and gentlemen, we'll take this as the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you.

Gurdeep Soni: Thanks a lot, everyone. To conclude, this cycle is testing the entire industry, and we are using it to become a stronger company. We have improved our cost structure, built a more resilient supply chain for our customers, and deepened our partnerships with them.

We are now well positioned to grow in the focus areas we have identified. And as mentioned, as farm demand in North America and Europe recovers, as our new business wins ramp up, we expect to be well placed to benefit from both.

With this, I would like to thank our employees, our customers, suppliers and shareholders for their continued trust and support. Thank you, everyone, and I would like to wish everybody a very Happy Diwali. Thank you.

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