

15<sup>th</sup> May, 2026

*National Stock Exchange of India Ltd.  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex  
Bandra (E), Mumbai – 400051  
Symbol -TEXRAIL*

*BSE Limited  
P. J. Towers,  
Dalal Street,  
Mumbai – 400001  
Scrip Code - 533326*

Dear Sirs,

**Sub: Response to Institutional Investor Advisory Services India Voting Recommendation – Texmaco Rail & Engineering Limited Postal Ballot**

We have received voting recommendations concerning the notice of the postal ballot dated 31<sup>st</sup> March, 2026 from proxy advisor firm - Institutional Investor Advisory Services (IiAS) for resolution regarding Approval of Texmaco Rail Long Term Incentive Plan (“LTIP”) Scheme, 2026.

In this regard, please find attached our clarification to the recommendation made by IiAS.

Please disseminate this letter through your platform so that shareholders can consider the same while taking their voting decision.

This is for your information and record.


Thanking you,



Yours faithfully,

For **Texmaco Rail & Engineering Limited**

**Sandeep Kumar Sultania**  
Company Secretary &  
Compliance Officer

**An adventz group company**

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Belgharia, Kolkata - 700 056, India  
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CIN: L29261WB1998PLC087404

15<sup>th</sup> May, 2026

To

**Institutional Investor Advisory Services India Limited**  
**DGP House, Ground Floor,**  
**88-C Old Prabhadevi road,**  
**Prabhadevi, Mumbai 400025**

**Sub: Clarification on recommendations made in your proxy report**

Dear Sir/ Madam,

We appreciate your detailed review of the proposed Long Term Incentive Plan and your emphasis on robust governance and disclosure standards.

We would like to clarify that the Company's LTI framework is firmly anchored in performance-based vesting, designed to align leadership incentives with long-term shareholder value creation.

The performance metrics underpinning vesting include a balanced mix of financial and value-creation parameters such as EBITDA margin, EPS, ROCE, and Operating Cash Flow, which are core to the Company's strategic and financial objectives. These parameters have weightages of 30%, 25%, 30% and 15% respectively for every year, and final vesting at the end of 3 years will be decided by the average performance of the 3 years of the Scheme period.

It may also be noted that no vesting will happen if 85% of the stated targets are not achieved. As with any long-term incentive plan, benefits accrue to grantees only upon achievement of the defined growth metrics.

While the Company has not disclosed actual target thresholds in the resolution, this is primarily to avoid the disclosure of commercially sensitive forward-looking information that could impact competitive positioning.

However, we would like to provide the following assurances:

- The performance conditions are clearly defined, measurable, and approved by the Nomination & Remuneration Committee (NRC).
- The vesting outcomes will be subject to rigorous evaluation against these pre-defined metrics.
- The Company is committed to enhanced transparency and will appropriately disclose the achievement levels and vesting outcomes in its Annual Report post-vesting, in line with evolving governance best practices.

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We believe this approach balances the need for shareholder transparency with the practical considerations of operating in a competitive business environment.

We remain committed to strong governance standards and welcome continued engagement on this matter.



We trust the above addresses your concerns, and we would appreciate it if you could reconsider your observation and positively revise your recommendation accordingly.



Thanking you,

Yours faithfully,  
For **Texmaco Rail & Engineering Limited**

**Sandeep Kumar Sultania**  
**Company Secretary &**  
**Compliance Officer**

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