Annual Report **2025-26**

TITAGARH

RAIL SYSTEMS LIMITED

TITAGARH RAIL SYSTEMS LIMITED
CIN: L27320WB1997PLC084819

CORPORATE INFORMATION*

BOARD OF DIRECTORS & KMPs

Shri J. P. Chowdhary	Executive Chairman	Ms. Nayantara Palchoudhuri	Independent Director
Shri Umesh Chowdhary	Vice Chairman and Managing Director	Shri Atul Joshi	Independent Director
Shri Anil Kumar Agarwal	Deputy Managing Director	Shri Krishan Kumar Jalan	Independent Director
Shri Prithish Chowdhary	Deputy Managing Director	Shri Bontha Prasada Rao	Independent Director
		Shri Debanjan Mandal	Independent Director
Smt. Rashmi Chowdhary	Non-Executive Director	Shri Sushil Kumar Roongta	Independent Director
Shri Saurav Singhania	Chief Financial Officer	Shri Aditya Purohit	Company Secretary & Compliance Officer

Audit Committee

Shri Atul Joshi	Chairman
Shri Krishan Kumar Jalan	Member
Shri Bontha Prasada Rao	Member

Nomination & Remuneration Committee

Shri Krishan Kumar Jalan	Chairman
Shri J. P. Chowdhary	Member
Shri Bontha Prasada Rao	Member
Shri Sushil Kumar Roongta	Member

Management Committee

Shri J. P. Chowdhary	Chairman
Shri Umesh Chowdhary	Member
Shri Prithish Chowdhary	Member
Shri Anil Kumar Agarwal	Member

Stakeholders' Relationship Committee

Ms. Nayantara Palchoudhuri	Chairman
Shri Umesh Chowdhary	Member
Shri Krishan Kumar Jalan	Member

Corporate Social Responsibility Committee

Smt. Rashmi Chowdhary	Chairman
Shri J. P. Chowdhary	Member
Ms. Nayantara Palchoudhuri	Member
Shri Krishan Kumar Jalan	Member

Risk Management Committee

Shri Atul Joshi	Chairman
Shri Sushil Kumar Roongta	Member
Shri Debanjan Mandal	Member
Shri Prithish Chowdhary	Member

Auditors
Price Waterhouse & Co. Chartered Accountants LLP
Chartered Accountants, Kolkata
Salarpuria & Partners, Chartered Accountants, Kolkata

Bankers

State Bank of India	IDBI Bank Limited
ICICI Bank Limited	HDFC Bank
Bank of India	IDFC First Bank Limited
IndusInd Bank Limited	HSBC Limited
Punjab National Bank	Yes Bank Limited
Standard Chartered Bank	

Registrar & Transfer Agent (RTA)
Maheshwari Datamatics Pvt. Ltd.
23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700001
Phone: 033 22435029 / 22482248
Email for Investors: *contact@mdplcorporate.com*

Registered Office
Poddar Point, 10th Floor, 113 Park Street, Kolkata -700016
Phone: 91 33 4019 0800, Fax: 91 33 4019 0823

Corporate Office
Titagarh Towers, 756 Anandapur, E.M. Bypass, Kolkata - 700107
Phone: 91 33 4019 0800, Fax: 91 33 4019 0823
Email: *investors@titagarh.in*
Website: *www.titagarh.in*

*As on 7th September, 2026

Contents:

Financial Statements

Vision

"Aspire to become India's first global leader in Rail Mobility by building a sustainable growth model, optimising the value chain through backward integration, and driving expansion through strategic alliances and partnerships."

Mission

"Build a system-driven, results-focused organization that leverages technology and automation to achieve global reach and visibility, aiming to become a $10 billion company."

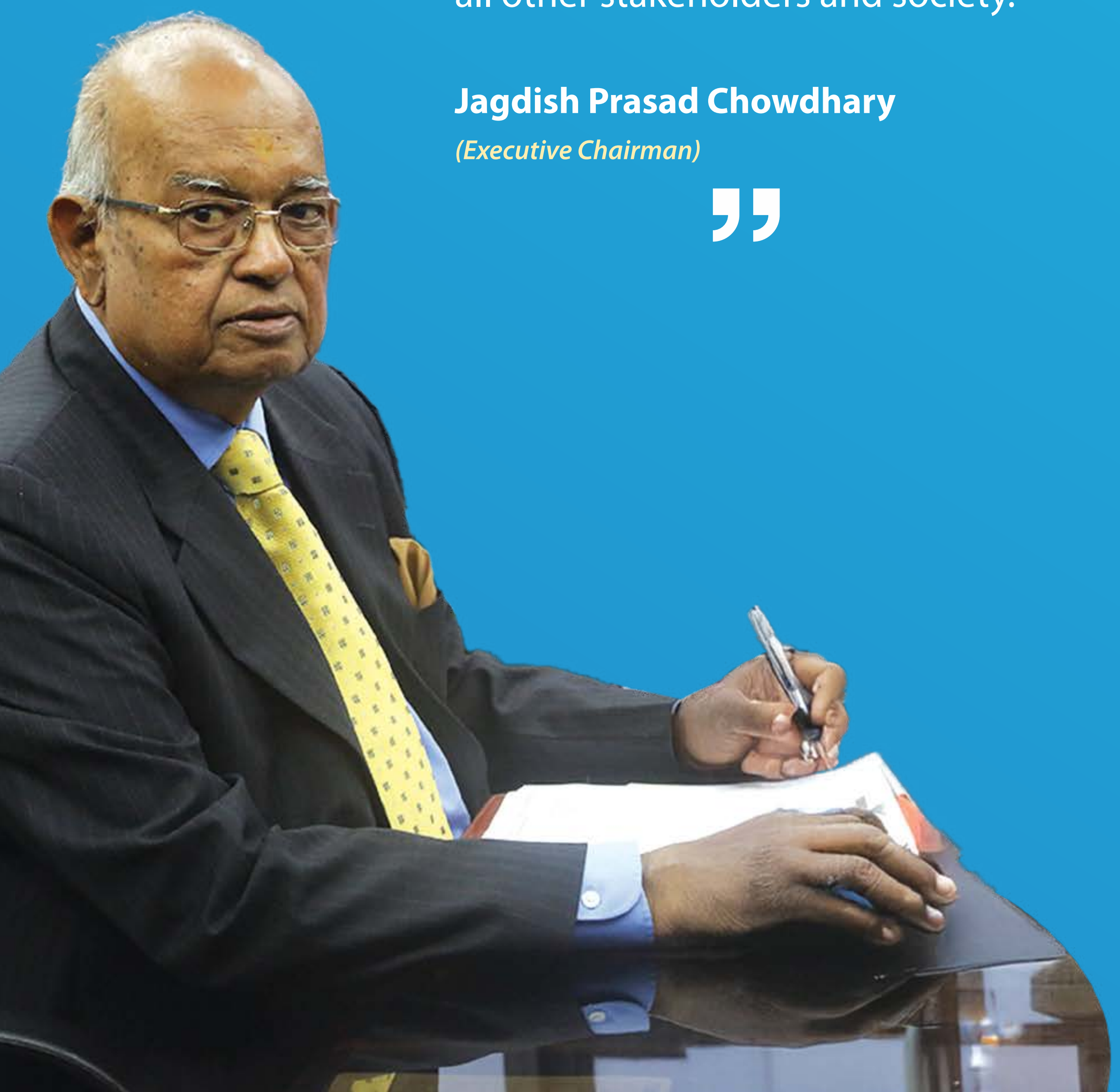
“

Message from the **Executive Chairman**

“As we continue on the path of rapid growth, we reaffirm our commitment to the greater responsibility - to continue to serve our customers, all other stakeholders and society.”

Jagdish Prasad Chowdhary
(Executive Chairman)

”



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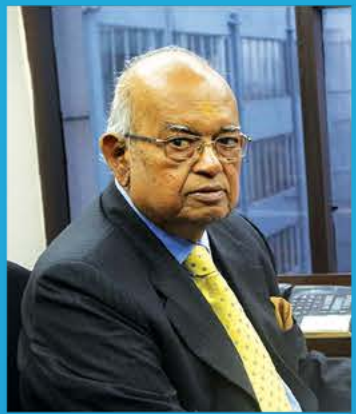
Message from the **Vice Chairman & Managing Director**

“We are proud to be a significant enabler of India’s railway infrastructure being an integral part of the visionary initiatives like Make in India and Aatma-Nirbhar Bharat. We remain deeply committed to contributing to the nation’s growth journey as we collectively move towards a Viksit Bharat.”

Umesh Chowdhary
(Vice Chairman & Managing Director)

”

BOARD OF DIRECTORS



Shri J. P. Chowdhary
Executive Chairman

Shri Umesh Chowdhary
Vice Chairman and Managing Director

Smt. Rashmi Chowdhary
Non-Executive Director

Shri Prithish Chowdhary
Deputy Managing Director

Shri Anil Kumar Agarwal
Deputy Managing Director

Shri Atul Joshi
Independent Director

Shri Krishan Kumar Jalan
Independent Director

Shri Sushil Kumar Roongta
Independent Director

Ms. Nayantara Palchoudhuri
Independent Director

Shri Bontha Prasada Rao
Independent Director

Shri Debanjan Mandal
Independent Director

Manufacturing Facilities & Engineering Centre

9 Delhi (India)
Regional Office North

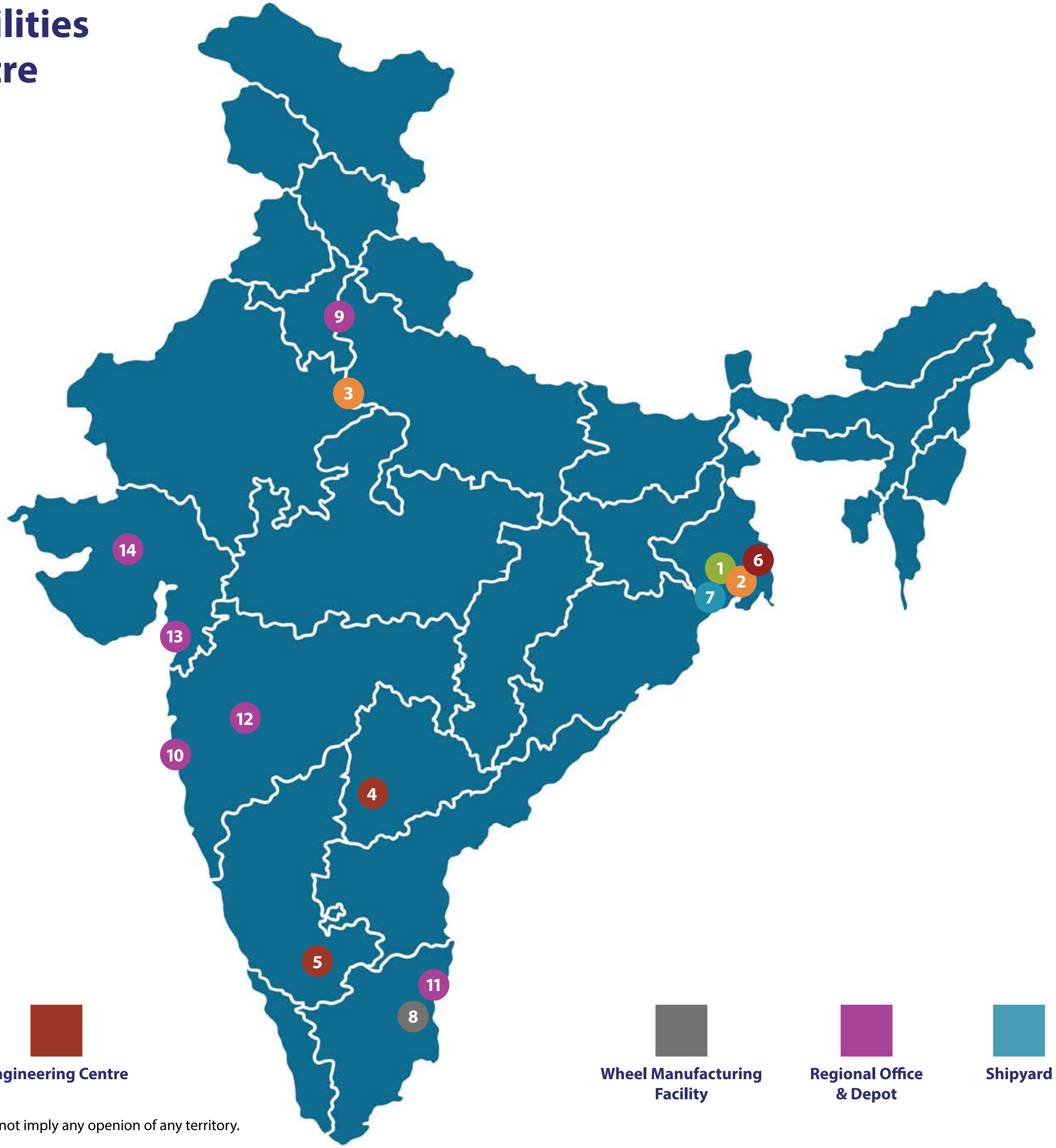
10 Mumbai (India)
Regional Office North

11 Chennai (India)
Regional Office North

12 Pune (India)
Depot

13 Surat (India)
Depot

14 Ahmedabad (India)
Depot



1 Kolkata (India)
Passenger Rail Systems Unit

2 Kolkata (India)
Wagon Plant
Foundry Unit 1
Foundry Unit 2

3 Bharatpur (India)
Wagon and Defence

4 Hyderabad (India)
Engineering Centre

5 Bangalore (India)
Engineering Centre

6 Kolkata (India)
Engineering Centre

7 Kolkata (India)
Titagarh Naval Systems Limited
Falta Shipyard

8 Chennai (India)
Ramkrishna Titagarh Rail Wheels Ltd
(JV with Ramkrishna Forgings Ltd.)

- PRS Manufacturing Facility
- FRS Manufacturing Facility
- Engineering Centre
- Wheel Manufacturing Facility
- Regional Office & Depot
- Shipyard

The map is for representational purpose and is not to scale & does not imply any openion of any territory.

Key Highlights

TRSL continues to be a Net Debt negative company

₹ 3,143.58 Cr.
Revenue in FY 2025

111%YoY
PRS Revenue Growth YoY

₹ 14,240 Cr. – Company
₹ 13,300 Cr. – Share from JV
Order Book Position

Manufacturing Facilities **4**

CRISIL AA-/Stable - Long Term
CRISIL A+/Stable - Short Term
Rating by CRISIL

12.17
EPS

₹ 100%
Backward Integration for Wagon Manufacturing Foundary Capacity 50K MTPA

5.25X
Surge in PRS Coach Deliveries (63 Coaches)

12,000 Wagons per year
Manufacturing Capacity

300 Coaches per year
Passenger Rail Systems Capacity

₹ 6.52 Cr.
CSR Expenditure

Promoters (40.46%)
Shareholding as of September 2026

Major Achievements

- 25 BRNA Flat Wagons & 100 Hopper Wagons Supplied to DFCCIL **Pioneering Solar-Powered & Hydraulic Ballast Discharge Solutions**
- Delivered first indigenously manufactured stainless steel metro coach **to Gujarat Metro (Ahmedabad)**
- Signed milestone agreement with **ABB for TCMS** (25 kV driverless metro) and localisation of Converters & Traction Motors
- Acquired **~40 acres at Uttarpara** to expand manufacturing capacity
- **Obtained Wagon Leasing** license from the Indian Railways
- Received First Wagon Leasing Order for **2 rake on 10 years opearting lease**

(Signed MOU with Siemens)

Awards & Recognition

- Shri Umesh Chowdhary explored India–Italy **collaboration opportunities in Jordan.**
- **Anantya Award for Philanthropy** – Smt. Rashmi Chowdhary
- Shri Prithish Chowdhary appointed Vice-Chairman **CII West Bengal State Council for 2026–27.**
- **Business Leader of the Year** – Shri Prithish Chowdhary
- Shri J.P. Chowdhary honoured as a **Star of the East 2026 at the Neo Wealth Hurun Awards.**

BOARD'S REPORT

Dear Shareholders,

Your Directors present their Twenty-Ninth Annual Report on the business and operations of your Company **Titagarh Rail Systems Limited ('the Company' or 'TRSL')** together with the Audited Financial Statements, for the financial year ended March 31, 2026. The consolidated performance of Titagarh Group (the Company and its subsidiaries) has appropriately been referred to in this Report.

Financial and Performance Highlights and State of Company's Affairs

Titagarh Group's financial performance during the financial year ended March 31, 2026 was as follows:

(₹ in crores)

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	3,143.58	3,747.38	3,185.82	3,867.75
Other income	47.17	75.25	48.44	75.35
Total Income (TI)	**3,190.75**	**3,822.63**	**3,234.26**	**3,943.10**
Earnings before interest, tax, depreciation and amortisation (EBIDTA)	**415.81**	**527.05**	**379.29**	**409.89**
Less: Finance Cost	70.37	73.14	70.77	73.15
Less: Depreciation and amortization expenses	50.22	29.03	51.07	29.58
Profit/(Loss) before exceptional items & tax	**295.22**	**424.88**	**257.45**	**307.16**
Share of Profit/(Loss) of Joint Ventures	-	-	-17.15	-98.50
Exceptional items	57.58	270.25	64.78	157.52
Profit/(Loss) before tax	**237.64**	**154.63**	**192.67**	**149.64**
Tax Expenses/(Benefits)	73.73	64.06	71.12	62.89
Profit/(Loss) for the year after tax from continuing operations	**163.91**	**90.57**	**121.55**	**86.75**
Profit/(Loss) from discontinued operations (net of tax)	-13.21	-13.60	1.27	-0.14
Profit/(Loss) for the year after tax	**150.70**	**76.97**	**122.82**	**86.61**
Other Comprehensive Income/(Loss) (net of tax)	1.02	-1.47	0.16	-1.32
Total Comprehensive Income for the year	**151.72**	**75.50**	**122.98**	**85.29**

Note: 1. There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year and the date of this report. 2. Previous year figures have been regrouped/re-arranged/restated wherever necessary. 3. There has been no change in nature of business of your Company

The Company's operations for FY 2025-26 were organised around two continuing reportable business segments, Freight Rail Systems (FRS) consisting of Wagons Steel Castings and includes Bridges and Defenceand Passenger Rail Systems (PRS) consisting of Metro Coaches, EMUs, Trains Electricals, Tractions Motors.During the year under review, the Shipbuilding & Maritime Systems (SMS) business, a vertical in the previous year, was transferred to the Company's wholly-owned subsidiary, Titagarh Naval Systems Limited ("TNSL"), to facilitate its independent growth and thereby enabling the Company to continue to give greater focus on its core business activities viz. Freight and Passenger Rail Systems, with effect from January 1, 2026 and the effect of the said transfer is disclosed in the financials.

FRS remained the Company's largest segment by revenue, contributing ₹2,604.25 crore during the year under review. Wagons dispatches for FY 2025-26 stood at 7,019 units, with the majority of the Company's near-term deliverable pipeline; approximately 6,500 wagons thereof deliverable to Indian Railways and private customers as on March 31, 2026.

The FRS segment achieved several strategic milestones during the year, including the supply of specialised BRNA flat wagons and hopper wagons to the Dedicated Freight Corridor Corporation of India Limited (DFCCIL), and the Company's first order for the design, manufacture, supply, testing and commissioning of Rail Borne Maintenance Vehicles (RBMV) for Indian Railways, marking a diversification into railway maintenance-equipment manufacturing. The Company also completed a foundry capacity upgrade to 50,000 metric tonnes per annum, enabling near-complete backward integration for steel castings used in wagon manufacturing.

The PRS segment was the standout performer of FY 2025-26 and is the Company's principal growth engine. Segment revenue rose to ₹539.33 crore, an increase of approximately 109-111% over ₹255.55 crore in FY 2024-25, marking the segment's highest-ever annual turnover. Coach dispatches increased to 63 units for the full year, as against 12 units in the previous year. Segment profitability improved meaningfully as scale increased, with the segment recording EBIT margin of 19% in the fourth quarter, aided by execution progress on the Bengaluru Metro contract.

As on March 31, 2026, PRS represented approximately 77% of the Company's standalone order book, underlining its significant role in the Company's future revenue and the Company is strengthening its PRS manufacturing capabilities through the development of an integrated facility at Uttarpara including a 1.6 km test track, a strategic technology collaboration with ABB for TCMS, and continued investment in backward integration, including an under-development aluminium metro-coach manufacturing line.

On a standalone basis, the Company's revenue from operations for FY 2025-26 stood at ₹3,143.58 crore. Profit before tax rose to ₹237.64 crore from ₹154.63 crore, and the Company recorded net profit of ₹150.70 crore, as against ₹76.97 crore in the previous year.

Your Company achieved remarkable milestones during the Financial Year 2026 in the Group's journey towards its mission and vision of a leading mobility solution provider to billions underlining the Company's growth trajectory and rapid transformation as reflected in the following major developments:

- Inaugurated its Vande Bharat production line in the presence of senior leadership from the Company and Bharat Heavy Electricals Limited (BHEL), at Company's state-of-the-art manufacturing facility in Uttarpara, Kolkata, West Bengal,a significant step in advancing India's next-generation rail manufacturing capabilities. The project in joint venture with Bharat Heavy Electricals Limited (BHEL), under the Make in India initiative, involves design, development, manufacture and delivery of 80 indigenously designed, semi high-speed sleeper trains with advanced safety and passenger comfort features and maintenance of the trains for 35 years.

- The Company rolled out its first indigenously manufactured driverless metro trainset for the Ahmedabad Metro Phase-II project in the presence of Shri Bhupendrabhai Patel, Hon'ble Chief Minister of Gujarat. Equipped with an advanced Train Control and Management System (TCMS) for unattended train operations, the milestone reinforces the Company's commitment to indigenous, technology-driven urban mobility solutions under the 'Make in India' initiative.

- The Company inaugurated its Train Control and Management System (TCMS) Laboratory at its Titagarh Engineering and Technology Centre in Bengaluru, strengthening its research, development, and engineering capabilities in intelligent rail technologies. Equipped with state-of-the-art infrastructure for the development of advanced TCMS and Propulsion Systems, the Centre will support the execution of key rolling stock and propulsion projects, including Surat Metro, Ahmedabad Metro, Vande Bharat, and ICF EMU/MEMU, while reinforcing the Company's commitment to the 'Make in India', 'Aatmanirbhar Bharat', and 'Viksit Bharat' initiatives.

- The Company entered into a strategic agreement with ABB India Limited for the development of 25 kV AC metro propulsion systems, including Transfer of Technology (ToT) for Train Control and Management Systems (TCMS) and phased localisation of traction converters and motors, strengthening indigenous manufacturing capabilities under the 'Make in India' and 'Aatmanirbhar Bharat' initiatives.

- The Company secured an extension order worth ₹430 crore from Maharashtra Metro Rail Corporation for the supply of 12 additional Pune Metro trainsets, further strengthening its leadership in aluminium passenger rail solutions under the Make in India initiative.

- The Company received approval from the Ministry of Railways, Government of India, for registration as a Wagon Leasing Company (WLC) under the Wagon Leasing Scheme (WLS) and entered into a Wagon Leasing Company Agreement with Indian Railways. This strategic milestone enables the Company to own and lease railway wagons, strengthening its presence in the freight mobility segment and expanding customer-centric rail logistics solutions and the Company has already received its first order for wagon leasing.

- The Company received a Letter of Acceptance from NCC Limited for the design, manufacture, supply, testing, commissioning, and maintenance of 108 metro coaches (18 trainsets) for Mumbai Metro Line 6, with a contract value of approximately ₹1,598.55 crore.

- The Company received a Letter of Acceptance (LOA) from Mumbai Metropolitan Region Development Authority (MMRDA) for the design, manufacture, supply, installation, testing, commissioning, and maintenance of rolling stock and railway systems for Mumbai Metro Line 5, with a contract value of approximately ₹2,481 crore.

- The Company entered into a Strategic Collaboration Agreement with TuTr Hyperloop Private Limited, an IIT Madras incubated deep-tech startup, to jointly develop India's first indigenous Hyperloop-enabled freight mobility solutions. The collaboration combines the Company's rolling stock engineering and manufacturing expertise with

TuTr's Hyperloop technology capabilities to advance next-generation, sustainable freight transportation in line with the 'Make in India', 'Aatmanirbhar Bharat', and 'Viksit Bharat' initiatives.

- Reinforcing its strategic focus on strong financial health and resource management, the Company maintained its net debt negative status during the year, highlighting continued fiscal strength and resilience.

- The Company successfully delivered DSC A20, the first indigenously built Diving Support Craft and launched the third indigenously built Diving Support Craft (DSC) in a series of five vessels for the Indian Navy under the Ministry of Defence's 'Make in India' initiative. This is a significant milestone, with DSC A20 becoming the first Indian Naval commissioned vessel built and delivered by a private shipyard in West Bengal

Outlook

The current year has already witnessed certain important developments viz.

- Your Company produced 263 traction motors during the Q1FY27 against a production of 206 in the previous quarter. Your Company secured new orders for supply of 273 traction motors to Indian railways for an amount of INR 37 crores taking the total external order book of this SBU as on date to INR 544 crores consisting of Traction motors for Locomotives, Propulsion systems including traction converters for EMU and Propulsion systems as well as Traction converters for MEMUs.

- Total order book of PRS is robust at INR 17,625 crore including the share of joint ventures.The Company has set up the complete car body production line for the Vande Bharat coaches at Uttarpara facilities and started the production of the first car body during Q1FY26. Further, your Company is targeting scaling up the production capacity of 200 coaches in the current year.

- New orders for 766 wagons from private sector customers for an aggregate value of INR 295 crore already secured taking the total order of FRS to INR 2,859 crore comprised in 7,123 wagons.

- Foundry capacity expansion project of the Company is on track and would make your Company 100% self-sufficient for captive consumption for wagons.

- Another key milestone the Company has entered into a 99-year lease agreement dated 12th July 2025 with the Hon'ble Governor of West Bengal for approximately 40.009 acres of land contiguous to its existing factory at Uttarpara, West Bengal, at an aggregate cost of about INR 137 crores. The strategic nature of this land parcel provides crucial space for establishing enhanced production infrastructure, and dedicated areas for testing and commissioning of metro coaches and Vande Bharat trains.

- The promoter group decided to infuse INR 199.99 crore by subscribing to 21,11,932 convertible warrants at INR 947/- each for utilization as detailed in the Corporate Governance Report.

The continuing implementation of Government's plans to radically improve the railway infrastructure as part of its "AtmaNirbhar Bharat" and "Make in India" initiatives towards its commitment to "Viksit Bharat" is expected to keep the demand for your Company's products strong in future. Further, the dedicated focus on continuous improvement in its products and processes duly supported by innovative measures to optimally utilise the resources for execution of the orders combined with the Company pursuing consistently further growth by participation in tenders for both freight rolling stock and passenger rolling stock segments makes the outlook for the current year promising.

On a consolidated basis your Company's performance during the year under review was reasonably satisfactory although the contribution from joint ventures in various stages of project execution would accrue going ahead. The analysis of performance/ status of the subsidiaries, joint ventures and associate company has been reported herein after and also dealt with in detail in the Management Discussion and Analysis annexed to this Report.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review, as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, which forms part of this Annual Report.

Dividend

Considering the performance of the Company during the year under review, the Board of Directors with a view to maintaining the consistency in this regard has recommended a dividend of 50% i.e. ₹1/- per equity share of face value of ₹2/- each out of the profits for the financial year ended March 31, 2026. Dividend is subject to approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of income tax at source.

The Board has recommended the dividend based on the parameters laid down in the Dividend Distribution Policy, which can be accessed on the website of the Company at *https://www.titagarh.in/storage/report/actual/1683172930_WE83p_ddr-policypdf.pdf*

Details of outstanding and unclaimed dividends, previously declared and paid by your Company, are in under the Corporate Governance Report, which forms part of this Integrated Annual Report.

Transfer to reserves

Your directors do not propose to transfer any amount to the general reserve for the year under review.

Change in nature of business, if any

During the year under review there was no change in the nature of business of the Company.

Changes in Share Capital

During the financial year under review, there was no change in the issued, subscribed and paid-up equity share capital of the Company. The issued, subscribed and paid-up equity share capital of the Company was Rs. 26,93,47,536 comprising of 13,46,73,768 equity shares of ₹2/- each.

During the year under review in accordance with the Titagarh Rail Systems Limited Employee Stock Option Scheme, 2023 ("TRSL ESOP Scheme 2023"), the Nomination and Remuneration Committee ("NRC") at its meeting held on 30th May, 2025, approved the grant of 1,15,000 Employee Stock Options at a price of ₹860/- (i.e. at a discount of 10% on the closing price of the equity shares at NSE on 2nd February, 2025) from the available ESOP pool to eligible employees. During FY26 the Company received necessary approvals for amendment to the TRSL ESOP Scheme 2023 for increasing the stock option pool from 5,00,000 options to 15,00,000 options.

Further, the Nomination and Remuneration Committee (NRC), at its meeting held on 31st December, 2025 - (a) approved the grant of 1,24,500 Employee Stock Options at a price of ₹860/- (i.e. at a discount of 10% on the closing price of the equity shares at NSE on 2nd February, 2025) from the available options under the existing pool of TRSL ESOP-2023; and b) pursuant to receipt of the in-principle approvals from the Stock Exchanges for the additional Employee Stock Options approved by the shareholders, granted 7,50,000 Employee Stock Options from the additional pool under TRSL ESOP-2023 to eligible employees at a price of ₹750/- (i.e. at a discount of 15% on the closing price of the equity shares at NSE on 30th December, 2025).

However no Employee Stock Options were exercised during the FY26 and accordingly, no equity shares were allotted under the Scheme.

Pursuant to the approval of the shareholders at the Extraordinary General Meeting held on 8th August, 2025, the Company issued 21,11,932 Convertible Warrants to members of the Promoter Group on a preferential basis which were allotted on 4th November, 2025 at an issue price of ₹947/- per warrant, upon receipt of 25% of the issue price in accordance with the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Each warrant is convertible into one fully paid-up equity share of face value of ₹2/- each upon payment of the balance consideration within the prescribed period i.e. 18 months from the date of allotment of warrants. As on 31st March, 2026, the warrants remained outstanding and not converted, as such no equity shares had been allotted pursuant to their conversion during the said financial year.

Save as disclosed above, there was no other change in the share capital or capital structure of the Company during the financial year under review. In particular, the Company did not undertake any bonus issue, rights issue, buy-back of securities, issue of sweat equity shares, reduction of share capital, qualified institutions placement or any other form of equity capital restructuring during the year.

The equity shares of the Company continued to be listed and actively traded on BSE Limited and the National Stock Exchange of India Limited throughout the financial year, and there was no suspension in trading of the Company's equity shares on either of the stock exchanges.

Awards, Achievements & Notable events

The Company and its management received several notable recognitions during the year under review:

- **Rollout of India's First Indigenously Manufactured Driverless Metro Trainset:**

  The Company rolled out its first indigenously manufactured driverless metro trainset for the Ahmedabad Metro Phase-II project in the presence of Shri Bhupendrabhai Patel, Hon'ble Chief Minister of Gujarat. Equipped with an advanced Train Control and Management System (TCMS) for unattended train operations.

- **Anantya Award for Philanthropy:**

  Smt. Rashmi Chowdhary, Non-Executive Director and Chairperson of the CSR Committee of Titagarh Rail Systems Limited, was honoured with the prestigious Anantya Award by FICCI FLO for her outstanding contribution to philanthropy.

- **Business Leader of the Year :**

  Shri Prithish Chowdhary, Dy. Managing Director, was honoured with the 'Business Leader of the Year' award at the HRD India Awards 2025, recognising his leadership in the rail and mobility sector.

- **India–Italy Business, Science & Technology Forum:**

  Shri Umesh Chowdhary, VCMD, was one of the speakers at the India–Italy Business, Science & Technology forum, where he shared insights on strengthening India–Italy business collaboration and industrial cooperation.

- **CII ER Manufacturing Conclave East 2025:**

  Shri Umesh Chowdhary, VCMD and Shri Prithish Chowdhary, Dy. Managing Director participated in the CII ER Manufacturing Conclave East 2025, where they shared insights on innovation, indigenisation and the future of Indian manufacturing, reaffirming the Company's commitment to manufacturing excellence and India's vision of becoming a globally competitive manufacturing powerhouse.

- **STRAT-X 2025:**

  The Strategic Mind Forum: Shri Prithish Chowdhary, Dy. Managing Director, participated in STRAT-X 2025, where he joined industry leaders to discuss Vision 2047 and the future of Indian business, highlighting the importance of sustainability, digital transformation and inclusive growth in driving the nation's long-term development.

- **International Rail Conference (IRC) 2025:**

  At IRC 2025, Titagarh was the event partner at the International Rail Conference 2025, Titagarh contributed to discussions on advancing India's railway ecosystem under the vision of Viksit Bharat.

- **India Maritime Week 2025:**

  Titagarh exhibited at India Maritime Week 2025, showcased its latest maritime innovations, highlighting advancements in shipbuilding and maritime systems. The exhibition reinforced our commitment to strengthening India's indigenous maritime capabilities.

- **Delegation Visit to Jordan:**

  Shri Umesh Chowdhary, VCMD, participated in the India–Italy Business Interaction, hosted by Titagarh, in the presence of Italy's Deputy Prime Minister and India's Hon'ble Minister of Commerce & Industry. He highlighted new opportunities for collaboration between Indian and Italian industries to strengthen bilateral economic ties.

- **CII West Bengal State Council Appointment:**

  Shri Prithish Chowdhary, Dy. Managing Director, was appointed Vice-Chairman of the CII West Bengal State Council for 2026–27, recognising his leadership and contributions to industry. The appointment reflects Titagarh's growing role in shaping India's manufacturing and industrial landscape.

- **Visit of Railway Board Member- Shri. Braj Mohan Agrawal:**

  Shri Braj Mohan Agrawal, Member (Traction & Rolling Stock), Railway Board, visited Titagarh's Uttarpara facility, where the Company's Vande Bharat and metro manufacturing capabilities were showcased, reaffirming its commitment to delivering world-class rail solutions.

- **Contribution to Bihar's First Metro Rail:**

  The Company marked a significant milestone by contributing to Bihar's first metro rail project through the design and manufacture of indigenously developed aluminium-bodied metro coaches. The project reflects the Company's commitment to sustainable urban mobility and the Government of India's Make in India initiative.

Credit Rating

The Company continues to maintain a strong credit profile, reflecting its sound financial position, prudent financial management and robust business fundamentals. During the financial year under review, CRISIL Ratings Limited reaffirmed the credit ratings assigned to the Company's bank facilities.

The long-term bank facilities of the Company continue to be rated 'CRISIL AA-/Stable', while the short-term bank facilities continue to carry the rating of 'CRISIL A1+'. The reaffirmation of these ratings reflects the rating agency's confidence in the Company's financial strength, liquidity position and ability to meet its debt obligations in a timely manner.

Material Changes and Commitments after the balance sheet date:

No material changes and commitments have occurred since the date of close of the financial year, to which the financial statements relate, till the date of this report, which might affect the financial position of the Company.

Investor Education and Protection Fund (IEPF)

As stipulated by the applicable provisions of the Companies Act, 2013 ('the Act') read with IEPF (Accounting, Audit, Transfer & Refund) Rules, 2016, as amended ('the IEPF Rules') all unpaid or unclaimed dividend required to be transferred by the Company to the IEPF has been/ shall be transferred, details whereof are provided on the Company's website: www.titagarh.in.

Pursuant to the provisions of Section 124(6) of the Act read with the IEPF Rules, all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority ('IEPF Account') as notified by the Ministry of Corporate Affairs. In accordance with the said provisions, the Company had executed and submitted the necessary documents for transfer of 8,820 equity shares of ₹2/- each, to the IEPF account, on January 21, 2026, in respect of which dividend had not been claimed by the members for seven consecutive years or more as on the cut-off date, i.e. January 21, 2026. The details of all shares transferred to the IEPF Account are uploaded on the Company's website.

The Company identified 122 shareholders holding 8,989 equity shares in aggregate, who have not claimed their dividend consecutively since FY 2018-19 and therefore shares held by them were liable to be transferred to the IEPF Account on due date i.e. October 25, 2026 which has since been done. The Company sent a communication to all concerned with information regarding transfer of their shares and reminder for taking appropriate action for claiming the dividend unclaimed on their shares and also published a Notice in the leading newspaper both in English and Vernacular language on June 23, 2026, which was also uploaded at the website of the Company and the Stock Exchanges.

Risk Management, Risks and Concerns

A Risk Management Policy to identify and assess the key risk areas, monitor mitigation measures and report compliance which is in line with the provisions of the Act and Listing Regulations has been adopted by the Company. Based on a review, major elements of risks have been identified and are being monitored for effective and timely mitigation.

The Company has constituted a Risk Management Committee of the Board of Directors under the Chairmanship of Shri Atul Joshi, Independent Director, who also serves as the Chairman of the Audit Committee. The Risk Management Committee assists the Board of Directors in overseeing the Company's risk management framework, processes, and internal controls to identify, assess, monitor, and mitigate key business risks.

The Company has laid down governance procedures around information, communication and risk reporting to inform the Risk Management Committee, the Audit Committee and the Board of Directors about risk assessment, mitigation effectiveness evaluation and related outcome and status.

The strategic risks forming part of the Enterprise Risk Management process are also aligned with the audit universe, to the extent seen appropriate/relevant.

Subsidiary Companies, Associates and Joint Ventures

A report containing the details required under Section 134 of the Act read with Rule 8(1) of the Companies (Accounts) Rules, 2014 in respect of performance and financial position for the financial year ended March 31, 2026, of subsidiaries: Titagarh Firema Engineering Services Private Limited (TFESPL) and Titagarh Naval Systems Limited (TNSL) (a wholly owned subsidiary, incorporated for the shipbuilding and maritime systems business, w.e.f. August 11, 2025); Joint Venture Companies: Titagarh Mermec Private Limited, Ramkrishna Titagarh Rail Wheels Limited, and Shivaliks Mercantile Limited (formerly Shivaliks Mercantile Private Limited), included in the Consolidated Financial Statements (CFS) in the **Form AOC-1**, is annexed to this Report and marked as **Annexure DR-1**. The CFS is attached to this Annual Report.

During the year under review, the Board of Directors, at its meeting held on August 11, 2025, accorded in-principle approval for the transfer of the Company's Shipbuilding and Maritime Systems (SMS) business to Titagarh Naval Systems Limited, its wholly owned subsidiary, on a going concern basis. Pursuant thereto, the Board, at its meeting held on December 31, 2025, approved the Business Transfer Agreement for the said transfer, on a slump sale basis, for a consideration of ₹114.88 crore, discharged through issuance and allotment of equity shares by TNSL to the Company, effective January 1, 2026.

During the year under review, the Board of Titagarh Firema S.p.A., Italy ("Firema"), an associate of the Company, at its meeting held on 26th February, 2026, approved the proposed transfer of its business to FS Fabbrica Italiana Treni S.p.A., a subsidiary of Ferrovie dello Stato Italiane S.p.A. (FS Group). Further, at its meeting held on 27th March, 2026, the Board of the Company approved the sale of the Company's entire equity shareholding in Titagarh Singapore Pte. Limited, a wholly owned subsidiary of the Company, to Worldvmc Singapore Pte. Limited, subject to the terms and conditions of the Share Purchase Agreement and receipt of the necessary regulatory approvals. As on approval of this report board of directors have approved exit from Titagarh Mermec Private Limited, subject to applicable approvals.

There has been no material change in the nature of the business of the subsidiaries, joint ventures and associate, except as stated above. The Company does not have any other subsidiary, joint venture or associate company which has ceased to be so during the year, except as stated here in above.

Loans, Guarantee and Investments

Particulars of loans/guarantees and investments made by the Company pursuant to the Section 186 of the Act are furnished under notes to financial statements. The Company has been informed that the said loan, guarantee and security are proposed to be utilised by each recipient for its general business/corporate purposes.

Significant and Material Orders

There were no material/significant orders passed by any regulator, tribunal impacting the going concern status and the Company's operations in future.

Copy of the Annual Return

Pursuant to the provisions of Section 92(3) of the Act read with Section 134(3) (a), the copy of the annual return for the financial year ended March 31, 2026, is available on the website of the Company at web link *https://www.titagarh.in/storage/report/actual/mgt-7(2025-26).pdf* and the same can be viewed by the members and stakeholders of the Company.

Related Party Transactions

All Related Party Transactions ("RPTs") entered into by the Company during the FY26 were in the ordinary course of business and on an arm's length basis, and were in compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and the Company's Policy on Related Party Transactions.

All RPTs are placed before the Audit Committee for its prior approval. In the case of repetitive transactions, the Company obtains omnibus approval from the Audit Committee in accordance with the applicable provisions of the Act and the SEBI Listing Regulations. During the year, the Audit Committee comprised solely of Independent Directors, and the members abstained from participating in the discussion and voting on transactions in which they were interested.

During the financial year under review, the Company did not enter into any transaction with related parties that was material or required disclosure under Section 188(1) of the Act. Accordingly, the disclosure of particulars of contracts or arrangements with related parties as mentioned in **Form AOC-2**, as prescribed under Rule 8(2) of the Companies (Accounts) Rules, 2014, under the Act are annexed hereto and marked as **Annexure DR-2** is not applicable.

None of the related party transactions entered into during the year were prejudicial to the interests of the Company or its minority shareholders. Details of the related party transactions forming part of the financial statements are disclosed in **Note 46** to the Standalone Financial Statements.

In compliance with Regulation 23 of the SEBI Listing Regulations, the Company has submitted the half-yearly disclosures of related party transactions to the Stock Exchanges within the prescribed timelines.

Number of Board Meetings

The Board of Directors met thirteen (13) times during the year under review. The intervening gap between any of the meetings did not exceed 120 days, as prescribed under the Act and SEBI Listing Regulations. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Integrated Annual Report.

Committees of Board

Asrequired under the Act and the SEBI Listing Regulations, your Company has constituted various Committees. As at March 31, 2026, the Board had the following constituted committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Finance Committee
- Management Committee
- Internal Complaints Committee

Details of all the Committees such as terms of reference, composition, and meetings held during the year under review are disclosed in the Corporate Governance Report, which forms part of this Integrated Annual Report.

Directors and Key Managerial Personnel

As at March 31, 2026, the Board of Directors of your Company comprised 11 (eleven) Directors, consisting of 4 (four) Executive Directors, 1 (one) Non-Executive Non-Independent Woman Director, and 6 (six) Non-Executive Independent Directors, including 1 (one) Woman Independent Director.

The details of the Board and Committee composition, of Directors, and other particulars are given in the Corporate Governance Report, which forms part of this Integrated Annual Report.

Appointment, Re-appointment and Cessation of Directors:

Based on the recommendation of the Nomination and Remuneration Committee, and considering their skills, expertise, experience and valuable contribution to the Company, the following Directors were re-appointed during the year under review:

1. Ms. Nayantara Palchoudhuri (DIN: 00581440) was re-appointed as an Independent Director (Non-Executive) for a second term of five consecutive years with effect from June 22, 2025.
2. Shri Krishan Kumar Jalan (DIN: 01767702) was re-appointed as an Independent Director (Non-Executive) for a second term of five consecutive years with effect from August 13, 2025.
3. Shri Sushil Kumar Roongta (DIN: 00309302), was re-appointed as an Independent Director (Non-Executive) for a second term of five consecutive years with effect from January 1, 2026.
4. Shri Umesh Chowdhary (DIN: 00313652) was re-appointed as Vice Chairman & Managing Director & CEO of the Company for a further term of five years, with effect from October 1, 2025.

The aforesaid re-appointments were approved by the Members through Postal Ballot on June 19, 2025.

Re-appointment of Director(s) retiring by rotation:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Rules made thereunder and the Articles of Association of the Company, Shri Anil Kumar Agarwal (DIN: 01501767), Deputy Managing Director retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The details, as required under Secretarial Standard-2 and Regulation 36 of the SEBI Listing Regulations, are provided in the Notice convening the ensuing Annual General Meeting.

Key Managerial Personnel:

During the year under review, Shri Umesh Chowdhary (DIN: 00313652) was re-appointed as Vice Chairman & Managing Director & CEO of the Company for a further term of five years, with effect from October 1, 2025. The said re-appointment was approved by the Members of the Company through Postal Ballot on June 19, 2025.

The Board of Directors took note of the retirement of CS Dinesh Arya as Company Secretary & Chief Compliance Officer with effect from the close of business hours on May 31, 2025 and pursuant to the recommendation of the Nomination and Remuneration Committee, appointed CS Aditya Purohit as the Company Secretary & Compliance Officer of the Company with effect from June 1, 2025.

Further, Shri Saket Kandoi (DIN: 02308252) ceased to hold office as Director & CEO (Shipbuilding & Maritime Systems) with effect from February 13, 2026.

As on the date of this Report, the following are the Key Managerial Personnel ("KMPs") of the Company pursuant to Sections 2(51) and 203 of the Act:

- Shri Umesh Chowdhary – Vice Chairman & Managing Director & CEO
- Shri Prithish Chowdhary– Deputy Managing Director
- Shri Anil Kumar Agarwal – Deputy Managing Director
- Shri Saurav Singhania – Chief Financial Officer
- Shri Aditya Purohit- Company Secretary & Compliance Officer

In terms of Section 149 of the Act and Listing Regulations, Shri Atul Joshi, Shri Sushil Kumar Roongta, Shri Krishan Kumar Jalan, Ms. Nayantara Palchoudhuri, Shri Bontha Prasada Rao and Shri Debanjan Mandal continue to be the Independent Directors of the Company as on the date of this Report.

Evaluation of the Board's performance, Committee and Individual Directors

The Board adopted a formal mechanism for evaluating its performance and as well as that of its committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board and committees, experience and competencies, performance of specific duties and obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc. Performance evaluation of independent directors was done by the entire Board, excluding the independent directors being evaluated.

The results of the evaluation confirmed high level of commitment and engagement of Board, its various committees and senior leadership. The recommendations and suggestions arising from the evaluation process are considered by the Board to optimise the effectiveness and functioning of the Board and its committees.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an Independent Director. The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. In the opinion of the Board, the Independent Directors hold highest standard of integrity and possess the requisite qualifications, experience, expertise and proficiency.

Remuneration Policy and remuneration

A policy approved by the Nomination and Remuneration Committee and adopted by the Board is practiced by the Company on remuneration of Directors and Senior Management Employees, as per the details set out in the Corporate Governance Report. Your Company's Remuneration Policy is directed towards rewarding performance based on review of achievements. The Remuneration Policy is in consonance with existing industry practice.

It is affirmed that the remuneration paid to the Directors is as per the terms laid out in the Remuneration Policy.

Corporate Governance Report

Your Company is committed to maintain the highest standards of corporate governance practices. The Company has complied with the corporate governance requirements under the Act and Listing Regulations. A separate section on Corporate Governance under Listing Regulations along with a certificate from a Company Secretary in Practice confirming compliance is annexed to and forms part of the Annual Report.

Business Responsibility and Sustainability Report (BRSR)

In accordance with the SEBI Listing Regulations, the BRSR for the FY 26, describing the initiatives taken by your Company from an environment, social and governance (ESG) perspective, forms part of this Integrated Annual Report. In addition to BRSR, the Integrated Annual Report of your Company provides an insight on various ESG initiatives adopted by the Company.The ESG disclosures are in compliance with BRSR core and have been independently assured by M/s Grant Thornton Bharat LLP.

Internal Control System

The Company has system of internal controls and necessary checks and balances so as to ensure:

a. that its assets are safeguarded;

b. that transactions are authorised, recorded and reported properly; and

c. that the accounting records are properly maintained and its financial statements are reliable.

The Company has appointed external firm of Chartered Accountants to conduct internal audit whose periodic reports are reviewed by the Audit Committee and Management for bringing about desired improvement wherever necessary.

Compliance Management Mechanism

Your Company has deployed a Compliance Mechanism providing guidance on broad categories of applicable laws and process for monitoring compliance. In furtherance to this, your Company has instituted an online compliance management system within the organisation to monitor compliances and provide update to the senior management on a periodic basis. The Audit Committee and the Board periodically monitor the status of compliances with applicable laws.

Vigil Mechanism / Whistle Blower Policy

A fraud and corruption free environment as part of work culture of the Company is the objective and with that view your Company has adopted a whistle blower policy and has established the necessary vigil mechanism for directors and employees in conformity with Section 177 of the Act and Regulation 22 of SEBI Listing Regulations, to facilitate reporting of the genuine concerns about unethical or improper activity, without fear of retaliation.

The vigil mechanism of your Company provides for adequate safeguards against victimisation of whistle blowers who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee wherever so availed. The said policy is uploaded on the website of your Company at *www.titagarh.in.* No complaint falling under the purview hereof has been received by the Audit Committee during the year under review.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 the Board, to the best of their knowledge and based on the information and explanations received from the management of your Company, state that:

i. Appropriate Accounting Standards as are applicable to the Annual Statement of Accounts for the financial year ended March 31, 2026 had been followed in preparation of the said accounts and there were no material departures therefrom requiring any explanation;

ii. The Directors had selected and followed the accounting policies as described in the Notes on Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;

iii. The Directors had taken proper and sufficient care for the 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 fraud and other irregularities;

iv. The Directors had prepared the Annual Accounts on a going concern basis; and

v. The Directors had laid down Internal Financial Controls (IFC) to be followed by the Company and that such IFC are adequate and operating effectively.

vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditor & Auditor's Report

The Members of the Company, at the Twenty Fifth Annual General Meeting ("AGM") held on September 15, 2022, approved the re-appointment of Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 304026E/E-300009), as the Statutory Auditors of the Company for a second term of five consecutive years, to hold office from the conclusion of the Twenty Fifth AGM until the conclusion of the Thirtieth AGM to be held in the year 2027.

Further, pursuant to the approval of the Members at the Twenty Sixth AGM held on September 29, 2023, Salarpuria & Partners, Chartered Accountants (Firm Registration No. 302113E), were appointed as the Joint Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the Twenty Sixth AGM until the conclusion of the Thirty First AGM to be held in the year 2028.

Standalone Financial Statements (SFS)

The Joint Statutory Auditors have audited the Standalone Financial Statements of the Company for the financial year ended March 31, 2026 and have expressed an unmodified opinion thereon. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

As regards an Emphasis of Matter (EOM) paragraph mentioned by the Joint Statutory Auditors, drawing attention to Note 35A to the Standalone Financial Statements, relating to the restatement of comparative financial information for prior periods consequent to the correction of certain prior period errors in accordance with Indian Accounting Standard (Ind AS) 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The said note is self-explanatory and, in the opinion of the Board, does not call for any further comments. The Joint Statutory Auditors have further clarified that their opinion on the Standalone Financial Statements remains unmodified in respect of the aforesaid matter. The same EOM also appears in the Consolidated Financial Statements (CFS) and the Note No. 33 thereto is self explanatory in this regard and does not required any further explanation from the Board.

Consolidated Financial Statements (CFS)

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, read with the applicable Indian Accounting Standards, including Ind AS 110 – Consolidated Financial Statements, the Consolidated Financial Statements of the Company have been prepared on the basis of the audited financial statements of the Company and its subsidiaries, associates and joint ventures, as applicable, and form an integral part of this Annual Report.

The Joint Statutory Auditors have audited the Consolidated Financial Statements for the financial year ended March 31, 2026 and have expressed an unmodified opinion thereon. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Auditors

M R Vyas & Associates, Cost Accountants, (Registration No. 2032) have been re-appointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company in respect of the products manufactured by the Company, for the Financial Year 2025-26 subject to ratification of their remuneration by the shareholders in accordance with the provisions of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report for the financial year ended March 31, 2026 would be filed as stipulated by the applicable provisions of law. The Company is making and maintaining the accounts and cost records as specified by the Central Government under the provisions of Section 148(1) of the Act.

Secretarial Auditor

Pursuant to section 204 of the Act, read with the rule made thereunder and Regulation 24A of SEBI Listing Regulations, M/s Prateek Kohli & Associates, Practising Company Secretaries (Unique Code: P2017WB059700), were appointed as the Secretarial Auditors to under take the Secretarial Audit of your Company for the first term of five consecutive yearsfrom financial year 2025-26 to financial year 2029-30. M/s Prateek Kohli & Associates has confirmed that they are not disqualified to continue as a Secretarial Auditor and are eligible to hold office as Secretarial Auditor of your Company.

Secretarial Audit has been conducted and their report is annexed hereto and marked as **Annexure DR-3**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Deposits

The Company did not accept any deposits covered under Chapter V of the Companies Act, 2013 during the financial year ended March 31, 2026.

Particulars of Remuneration of Directors/KMP/Employees

Disclosure pertaining to 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 (the Rules) is annexed and marked as Annexure DR-4. The information pursuant to Rules 5(2) and 5(3) of the Rules not annexed to this Report, is readily available for inspection by the members at the Company's Registered Office between 10.30 A.M. to 1 P.M. on all working days upto the date of ensuing AGM. Should any member be interested in obtaining a copy including through email (investors@titagarh.in), may write to the Company Secretary at the Company's Registered office.

Human Resources

a. Empowering the employees: The Company considers its organizational structure to be evolving consistently over time while continuing with its efforts to follow good HR practices. Adequate efforts of the staff and management personnel are directed on imparting continuous training to improve the management practices.

b. Industrial Relations: Industrial relations at all sites of the Company remained cordial.

c. No. of Employees: Manpower employed as at March 31, 2026 was 1327.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement pursuant to Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 on conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed to and marked as **Annexure DR-5**.

Corporate Social Responsibility

A report on Corporate Social Responsibility (CSR) activities undertaken by the Company during the financial year ended March 31, 2026 pursuant to the provisions of Section 135 of the Act and rules made thereunder is annexed to this Board's Report and marked as **Annexure DR-6**.

Apart from the CSR activities detailed in the said Annexure, the Company makes, inter alia, donations to charitable institutions directly and through philanthropic organisations engaged in providing medical, educational and other relief to economically weaker sections of society.

During the year under review, the Board of Directors, at its meeting held on May 30, 2025, approved the creation of a trust for implementing the CSR activities of the Titagarh Group, in accordance with the provisions of the Companies Act, 2013 and the applicable CSR Rules made thereunder, with the objective of promoting the cultural and social welfare of underserved communities and economically weaker sections of society. Smt. Rashmi Chowdhary, Chairperson of the CSR Committee of the Company, is also the Chairperson of the said trust, "Titagarh Group Foundation".

Through the Titagarh Group Foundation, the Company partnered with the Preview Show of Durga Puja Art 2025, reaffirming its commitment to preserving Bengal's cultural heritage while supporting local artisans and community engagement.

The Industrial Training Institute ("ITI") set up on the Company's land at its Titagarh plant, situated in Barrackpore, North 24 Parganas, under a Public-Private Partnership (PPP), operates with access to the requisite infrastructure provided by the Company and continues to be maintained by the Company. The ITI imparts hands-on training to local people and caters to the requirement of skilled workmen by industrial units in the region.

The Company's CSR activities also include initiatives for enhancing vocational skills. The National Apprenticeship Promotion Scheme ("NAPS"), a flagship scheme of the Government of India launched under the Ministry of Skill Development and Entrepreneurship, is one such initiative through which your Company provides training to unemployed and educationally underserved youth across its business segments. During the year under review, the Company supported apprentices under this initiative towards enhancing their skills and improving their employability.

Your Company has been engaging apprentices under the Scheme for a considerable period of time; however, in FY 2023-24, it was decided to bring this initiative under the ambit of the Company's CSR activities by way of supporting a group of apprentices over and above the statutory minimum requirement relative to the Company's total workforce.

In recognition of her contribution in this field, Smt. Rashmi Chowdhary, Non-Executive Director and Chairperson of the CSR Committee of the Company, was honoured with the prestigious **Anantya Award** by FICCI FLO for her outstanding contribution to philanthropy.

Listing

The Company's Equity Shares are listed at the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The listing fees for the financial year ending on March 31, 2027, have been duly paid. As at December 31, 2025 (the latest list available on the NSE as of the date of this Report), your Company was at 505 in the list of all listed companies as per Market Capitalisation released by National Stock Exchange of India Ltd. & BSE Ltd.

Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and redressal) Act, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has laid down a Prevention of Sexual Harassment (POSH) Policy, a suitable mechanism forprevention, prohibition, redressaland has constituted Internal Complaints Committees (ICC), at all relevant locations across India to consider and resolve the complaints related to sexual harassmentto address the complaints, if any received under the above Act which covers all employees.

The ICC includes external members with relevant experience. The ICC, presided by senior women, conduct the investigations and make decisions. Your Company has zero tolerance on sexual harassment at the workplace.

There were no complaints received from any employee during the FY2025-26 and as such no complaint was outstanding as at 31st March,2026 for redressal. The ICC discharges its duties in accordance with the above Act read with the Rules/Policy thereunder.

All new employees go through a detailed personal orientation on anti-sexual harassment policy adopted by your Company.

Compliance with The Maternity Benefit Act, 1961

The Company ensures compliance with the provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder and is committed to ensuring a safe, inclusive, and supportive workplace for women employees. All eligible women employees are provided with maternity benefits as stipulated under the Maternity Benefit Act, 1961, as amended from time to time. Your Company continuously strives to maintain a work environment that upholds the rights and well-being of its women workforce in accordance with applicable laws.

Codes and Policies

Your Company has laid down various policies and codes including "Insider Code" for effective corporate governance and affirms that no person is denied access to the Audit Committee/internal authority concerned from approaching with the information they may wish to communicate. In addition, your Company has Titagarh Code of Conduct for other aspects of clean, transparent, anti bribery, integrity and morally ethical conduct. The said codes and policies are available on the website of the Company www.titagarh.in.

Code for prevention of Insider Trading

Your Company has adopted a Code of Conduct ("PIT Code") to regulate, monitor and report trading in Company's shares by Company's designated persons and their immediate relatives as per the requirements under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The PIT Code, inter alia, lays down the procedures to be followed by designated persons while trading/ dealing in Company's shares and sharing Unpublished Price Sensitive Information ("UPSI"). The PIT Code covers Company's obligation to maintain a digital database, mechanism for prevention of insider trading and handling of UPSI, and the process to familiarise with the sensitivity of UPSI. Further, it also includes code for practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on your Company's website at www.titagarh.in.

Other Disclosures

1. The Auditors of the Company have not reported any instance of fraud committed in the Company by its officers or employees as specified under section 143(12) of the Act, details of which needs to be mentioned in this Report.
2. There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year under review.
3. 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 - There are no instances of one-time settlement during the financial year under review.

Acknowledgement

The Directors place on record their sincere appreciation of the cooperation and support extended by the Government, Banks/ Financial Institutions and all other business partners.

Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

Place: Kolkata
Date: 7th September,2026

For and on behalf of the Board
J P Chowdhary
Executive Chairman

ANNEXURE DR-1

Form No. AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part -A: Subsidiaries

Name of the Subsidiaries	Titagarh Firema Engineering Services Private Limited	Titagarh Naval Systems Limited
Date since when subsidiary was acquired	14.02.2025	11.08.2025
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of Foreign Subsidiaries	N.A.	N.A.
	(Rs. in Lakhs)	**(Rs. in Lakhs)**
Share capital	600	11988.10
Reserves & surplus	(355.04)	(346.53)
Total Assets	289.08	19165.92
Total Liabilities	44.12	7524.35
Investments	-	-
Turnover	801.85	1688.88
Profit/(Loss) before taxation	126.79	(582.11)
Provision for taxation/Tax Expenses	172.44	(130.85)
Profit/(Loss)after taxation	(45.65)	(451.26)
% of shareholding	66	100

Notes:

1. Names of subsidiaries which are yet to commence operations: None
2. Titagarh Singapore Pet. Ltd. Ceased: to be wholly owned subsidiary effective may 5,2026, which was not during the FY 2025-26.
3. The above numbers have been taken from Standalone Financial Statements of the respective subsidiaries (The above does not include any inter Company eliminations).

Part–B: Associates and Joint Ventures

Statement pursuant to Section 129(3)of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. in Lakhs, except no. of shares and % of shareholding)

		Joint Ventures		
Sl.No.		1	2	3
Name of Associates/ Joint ventures		Titagarh Mermec Private Limited	Ramkrishna Titagarh Rail Wheels Limited	Shivaliks Mercantile Limited
1.	Latest audited Balance Sheet Date	31/03/2026	31/03/2026	31/03/2026
2.	Date on which the Associate or Joint Venture was associated or acquired	18/07/2018	09/06/2023	24/01/2024
3.	Shares of Associates or Joint Ventures held by the Company on the year end:			
-	No.	5,000	23,51,98,750	10,00,00,000
-	Amount of investment in Associates or Joint Ventures (INR)	50,000	2,35,19,87,500	1,00,00,00,000
-	Extent of Holding (%)	50%	49%	44.63%
4.	Description of how there is significant influence	50% of the paid-up equity capital is held by the Company	49% of the paid-up equity capital is held by the Company	44.63% of the paid-up equity capital is held by the Company
5.	Reason why the associate/ joint venture is not consolidated	N.A.	N.A.	N.A.
6.	Net worth attributable to Shareholding as per latest Audited Balance Sheet	(1.67)	45358.33	(3250.55)
7.	Profit/(Loss) for the year	NIL	(3500.14)	7112.42
i.	Considered in Consolidation	NIL	(1715.07)	3174.28
ii.	Not Considered in Consolidation	NIL	(1785.07)	3938.15

Notes:

1. Names of associates or joint ventures which are yet to commence operations: Ramkrishna Titagarh Rail Wheels Limited.
2. Names of associates or joint ventures which have been liquidated or sold during the year: Titagarh Firema Italy (TFA) is under liquidation.

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited

J P Chowdhary Executive Chairman	**Umesh Chowdhary** Vice Chairman and Managing Director	**Atul Joshi** Independent Director
Anil Kumar Agarwal Deputy Managing Director	**Saurav Singhania** Chief Financial Officer	**Aditya Purohit** Company Secretary

Place: Kolkata/Mumbai
Date: 7th September, 2026

ANNEXURE DR-2

Form No.AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis**
   Not Applicable.
2. **Details of material contracts or arrangement or transactions at arm's length basis**

Sl.No.	Name (s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
NIL						

For and on behalf of the Board

Place: Kolkata
Date: 7th September, 2026

J P Chowdhary
Executive Chairman

ANNEXURE DR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST, DAY OF MARCH, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
TITAGARH RAIL SYSTEM LIMITED
Poddar Point, 10th Floor, 113
Park Street, Kolkata - 700016,

We have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **Titagarh Rail System Limited** (here in after called "**the Company**"). Secretarial Audit was conducted in a manner that provided us are asonable basis for revaluating the Corporate Conducts/Statutory Compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized represent atives 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** complied with the statutory provisions listed hereunder except for the matters mentioned by us in this report, if any and also that the Company has proper Board-processes and compliance-

mechanism in place.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2026** according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder;
II. Secretarial Standards as issued by the Institute of Company Secretaries of India;
III. Listing Agreement(s) with the Stock Exchange(s);
IV. The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
V. The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
VI. Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
VII. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable:
    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
    (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliance under other applicable Acts, Laws and Regulations.

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

i. The Secretarial Standards (SS - 1 and SS - 2) issued by the Institute of Company Secretaries of India (ICSI).

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

I. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
II. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
III. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

The other laws specifically applicable to the Company, as per the representations made by the Management, are:

(i) Factories Act, 1948 and The Industrial Disputes Act, 1947 read with respective applicable rules;
(ii) Relevant statutes prevalent in the State of West Bengal and Rajasthan, where the Registered office/factory(ies) of the Company are situated, amongst others;
(iii) Water (Prevention & Control of Pollution) Act, 1974 and Water (Prevention & Control of Pollution) Rules, 1975;
(iv) Air (Prevention & Control of Pollution) Act, 1981 and Rules made thereunder,
(v) The Environment (Protection) Act, 1986

During the period under review, based on my examination and verification of the books, papers, Memorandum and Articles of Association, minutes, forms and returns which were required to be examined by me for this report and according to the information and explanations provided to me in the course of my audit by the Company, I report that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

During the year under review the following changes in Key Managerial Personnel and composition of the Board took place:

(a) Re-appointment of Ms. Nayantara Palchoudhuri as Non-Executive Independent Director of the Company for a second term of upto 5 years w.e.f 22nd June 2025.
(b) Re-appointment of Mr. Krishna Kumar Jalan as Non-Executive Independent Director of the Company for a second term of upto 5 years w.e.f 13th August 2025.
(c) Re-appointment of Mr. Sushil Kumar Roongta as Non-Executive Independent Director of the Company for a second term of upto 5 years w.e.f 22nd June 2025.
(d) Re-Appointment of Mr. Umesh Chowdhary as Vice Chairman & Managing Director of the Company for another term of five years w.e.f 1st October, 2025.
(e) Retirement of Mr. Dinesh Arya from the post of Company Secretary with the effect from the 31st May, 2025.
(f) Appointment of Mr. Aditya Purohit as Company Secretary with effect from 01st June, 2025.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board and Key Managerial Personnel mentioned above were carried out in compliance with the provisions of the Act during the year under review.

Adequate Notice is given to all Directors to schedule the Board/ Committee Meetings for which proper procedures as laid under the Act and Standards were followed. Information and circulation of the agenda with detailed information thereof, convening of meetings was done in compliance with the applicable laws, rules, regulations and guidelines. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

Resolutions were carried through majority decisions. The minutes of the meetings held during the audit period did not reveal any dissenting members views.

We further report that there are a dequate systems andprocesses in the Company commen surate with the size and operation sof the Company to monitorand ensure compliance with applicable laws, Rules, regulations and guidelines as also represented by the Management.

We further report that during the period under review the following major events took place:

(a) The Board of Directors in its meeting held on 30th May 2025 has granted 1,15,000 Options to eligible employees of the Company at Rs. 860/- per options exercisable into equivalent number of equity shares of Rs. 2/- each fully paid up of the Company in accordance with TRSL Employees Stock Option Scheme 2023
(b) The Board of Directors in its meeting held on 30th May 2025 has approved for increase in number of Stock Option by increasing 5,00,000 Options of face value of Rs. 2/- each fully paid up to 15,00,000 Options and received the in principal approval from NSE and BSE on 19th August 2025.
(c) The Board of Directors, at its meeting held on 9th July 2025, approved the issuance of up to 21,11,932 warrants on a preferential basis. This was subsequently approved by the shareholders at the Extra-Ordinary General Meeting held on 8th August 2025.
(d) The Board of Directors, at its meeting held on 31st December 2025, granted 7,50,000 stock options to eligible employees at an exercise price of ₹750 per option. Each option is exercisable into one equity share of face value ₹2 each, fully paid-up, under the TRSL Employees Stock Option Scheme 2023.
(e) The company has acquired 100% Paid up equity share capital of Titagarh Naval Systems Limited and the Company has become its wholly-owned Subsidiary.
(f) The Company has made investments, from time to time, in the shares of its wholly-owned subsidiary, Titagarh Naval Systems Limited.
(g) The Company declared a dividend of Re. 1 per equity share (face value ₹2 each) at its Annual General Meeting.

Place: Kolkata
Date: 07/08/2026
Peer Review Certificate No: 2042/2022
UDIN: F011511H001049671

For Prateek Kohli & Associates
Company Secretaries

Prateek Kohli
Partner
Membership No.: F11511
C.P.No.: 16457

ANNEXURE DR-4

Details under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rule	Particulars			
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a.	Shri J P Chowdhary, Executive Chairman	98.23
		b.	Shri Umesh Chowdhary, Vice Chairman & Managing Director	98.23
		c.	Shri Anil Kumar Agarwal, Deputy Managing Director	48.67
		d.	Shri Prithish Chowdhary, Deputy Managing Director	33.23
		e.	Shri Saket Kandoi, Director & CEO (Shipbuilding & Maritime Systems)*	21.93
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a.	Shri J P Chowdhary, Executive Chairman	Nil
		b.	Shri Umesh Chowdhary, Vice Chairman & Managing Director	Nil
		c.	Shri Anil Kumar Agarwal, Deputy Managing Director	Nil
		d.	Shri Prithish Chowdhary, Deputy Managing Director	23.55%
		e.	Shri Saurav Singhania, Chief Financial Officer	7.41%
		f.	Shri Aditya Purohit, Company Secretary & Compliance Officer	Nil
(iii)	The percentage increase in the median remuneration of employees in the financial year			Nil
(iv)	The number of permanent employees on the rolls of the Company			1327
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel for the financial year 2025-26 was 7.5%.The increase is an outcome of the Company's performance and standard industry practices aligned with the Remuneration Policy of the Company.			
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company			

*Ceased to be director w.e.f 13.02.2026.

For and on behalf of the Board

Place: Kolkata
Date: 7th September, 2026

J P Chowdhary
Executive Chairman

ANNEXURE DR-5

Particulars required under Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy:

a) Energy conservation measures inter alia include:

1. Commissioning of Additional Rooftop Solar Capacity

The Company commissioned an additional 1.8 MW rooftop solar power plant, enhancing the utilization of renewable energy. The solar installation has been generating clean electricity, contributing to reduced dependence on grid power and lowering greenhouse gas emissions.

2. Commissioning of Electric Heat Treatment Furnaces

Existing Light Diesel Oil-operated heat treatment furnaces were progressively replaced with electric furnaces, resulting in reduced fossil fuel consumption, improved energy efficiency and lower carbon emissions.

3. Installation of Laser Cutting Machine

A high-precision laser cutting machine was commissioned to replace conventional oxy-fuel cutting processes wherever technically feasible, reducing fuel consumption, improving material utilization, minimizing emissions and enhancing cutting quality.

4. Installation of Effluent Treatment Plant (ETP)

The Company initiated installation of an Effluent Treatment Plant (ETP) to ensure environmentally compliant treatment and disposal/reuse of industrial wastewater, supporting sustainable water management.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

1. Continued modernization of manufacturing infrastructure through the adoption of energy-efficient production technologies and automation.

2. Ongoing initiatives to optimize renewable energy utilization and improve overall resource efficiency across manufacturing operations.

ii) Steps taken by the Company for utilizing alternate sources of energy:

The expansion of the solar power plant from 2 MW to 4 MW, coupled with energy-efficient equipment upgrades, is expected to yield significant savings from non-renewable power sources, contributing to a lower carbon footprint.

iii) Capital investment on energy conservation equipment:

The Company has committed capital investments amounting to approximately ₹9.65 crore towards energy and resource conservation measures up to March 2027, with specific allocations for solar expansion, machine modernization, water recycling, and energy-efficient ventilation systems.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption:

a) Programmable Logic Controller (PLC) - Based Automation of ARC Furnaces

One ARC furnace was commissioned with PLC-based automation and an advanced pollution control system to improve process efficiency, reduce particulate emissions and enhance operational reliability. Upgradation of additional furnaces is under progress.

b) Advanced Fume Extraction System in Paint Booths

Controlled fume extraction systems were installed in paint booths to capture paint fumes and improve workplace air quality while minimizing environmental emissions.

c) Modern Air Circuit Breakers (ACBs)

Conventional electrical protection systems were upgraded with modern Air Circuit Breakers to improve electrical safety, operational reliability and energy management.

d) Operational Performance of Automated Shot Blasting Booths

The automated shot blasting booths installed under the modernization programme became operational during the year, improving process efficiency and reducing dust emissions.

Efforts, in brief, made towards technology absorption, adaptation and innovation:

a) The Company continued to strengthen automation, digital process control and cleaner manufacturing technologies across its production facilities, with emphasis on improving operational efficiency, environmental performance and sustainable manufacturing practices.

b) Introduced ventilation and operational flow improvements that contribute to both productivity and environmental benefits.

ii) **Benefits derived like product improvement, cost reduction, product development or import substitution:**

These technological interventions are expected to enhance product quality, improve manufacturing efficiency, reduce production cycle time and operating costs, and minimize environmental impact. While the quantitative benefits will become more evident over future operational cycles, the initiatives undertaken during the year have already contributed to increased utilisation of renewable energy, reduced fossil fuel consumption and greenhouse gas emissions, improved manufacturing precision and product quality, enhanced energy efficiency and operational reliability, better air quality and environmental compliance, and more efficient resource utilisation, thereby promoting sustainable manufacturing practices.

Future plan of action:

The Company will continue to focus on:

- Completion and stabilization of the 4 MW captive solar power project.
- Commissioning and optimization of the Effluent Treatment Plant (ETP).
- Completion of PLC automation of the remaining ARC furnaces.
- Expansion of energy-efficient and digitally controlled manufacturing technologies.
- Strengthening environmental infrastructure to support long-term sustainability objectives.
- Implementing rainwater harvesting and drainage infrastructure upgrades.
- Launching a large-scale tree plantation initiative to enhance biodiversity and carbon sequestration.

Total Planned Capital Commitment (till March 2027):

₹9.65 crore, focused exclusively on energy/resource conservation, operational efficiency, and modernization.

i) **In case of Imported Technology (imported during the last three years reckoned from the beginning of the Financial Year):** N/A

a) **The details of the technology imported:** Specialised Robotic welding machine, Special Purpose Machine (Catedral), has been imported from China and South Korea and this is used for manufacturing of Rolling Stock.

b) **Year of import:** 2023

c) **Whether the technology has been fully absorbed:** absorbed fully

d) **If not fully absorbed, areas where this has not taken place, reasons thereof:** N/A

ii) **Expenditure on R & D:**

(Rs. in Lakhs)

	2025-26	2024-25
Capital	Nil	Nil
Recurring	Nil	Nil
Total	Nil	Nil
Total R & D Expenditure as a percentage of total turnover	0.00%	0.00%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) **Activities relating to exports, initiatives taken to increase exports, development of new export markets and export plans:** The Company is exploring development of new markets including exports.

b) **Total foreign exchange earned and used:** Inflow Rs. 37.78 crore and outflow Rs. 602.05 crore.

For and on behalf of the Board

Place: Kolkata
Date: 7th September, 2026

J P Chowdhary
Executive Chairman

ANNEXURE DR-6

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2025-26

1. Brief outline on the CSR Policy of the Company:

Corporate Social Responsibility (CSR) at Titagarh Rail Systems Limited ('Titagarh') has been a part of its existence long before social responsibility became mandatory by law and Titagarh aspires to continue making consistently increasing improvement in the life of beneficiaries of Titagarh's CSR initiatives. The Company actively contributes to the social and economic development of the communities in which it operates and continuously endeavours towards building a better, sustainable way of living for the weaker sections of society and thus participate in raising the country's human development index. It also promotes education, including employment enhancing vocation skills especially among children, women, elderly, and the differently abled; and livelihood enhancement projects and setting up interventions in academic institutions with the objective of assisting economically backward but meritorious students in their studies, eradicating hunger, poverty and malnutrition and also promotes the healthcare including preventive health care and making available safe drinking water. Titagarh also strives to promote gender equality, empowering women, setting up measures for reducing inequalities faced by socially and economically backward groups. Titagarh's CSR initiatives are also aimed at ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.

To further strengthen its CSR framework, Titagarh has established the **Titagarh Group Foundation**, a charitable trust that serves as the primary vehicle for implementing the Company's CSR programmes. The Foundation operates through a centralized, transparent, and accountable governance framework, ensuring effective implementation, rigorous monitoring, and compliance with the provisions of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, and the Company's CSR Policy.The Company's CSR initiatives are aligned with the activities prescribed under **Schedule VII of the Companies Act, 2013**, with a focus on education, nutrition, healthcare, safe drinking water, livelihood enhancement, women's empowerment, rural development, environmental sustainability, animal welfare, preservation of cultural heritage, and community development. Through these initiatives, Titagarh seeks to contribute to the nation's socio-economic progress while supporting the achievement of the Sustainable Development Goals (SDGs).

The Company's CSR initiatives are implemented through four flagship thematic programmes:

Gyan Jyoti

Focused on promoting quality education, nutrition, vocational training and holistic development of underprivileged children through support to educational institutions, scholarship initiatives, mid-day meal programmes and allied educational interventions.

Jeevan Nirog

Dedicated to improving access to preventive and primary healthcare, nutrition, sanitation and safe drinking water through support to hospitals, healthcare institutions, medical assistance programmes and public health initiatives.

Shail Ganga

Focused on providing sustainable access to safe drinking water, improving community infrastructure and supporting rural development initiatives for enhancing the quality of life in underserved communities.

Parvaah

Focused on environmental sustainability, preservation of cultural heritage, promotion of traditional art and craftsmanship, animal welfare, and community development initiatives that contribute towards inclusive and sustainable growth.

Titagarh's CSR initiatives are planned with various monitoring mechanisms and control points to increase their effective delivery. A suitable organizational structure is constituted to steer the CSR Projects/activities of the Company, at the corporate level. Keeping in view the importance of CSR Projects/activities, the Divisional Heads carry out due diligence and also discuss the modalities, monitor the progress of CSR Projects/activities during their periodical interactions. The role/ function of every employee involved in planning, implementing and monitoring of the CSR Projects /programs is monitored to bring the desired clarity and accountability. At the end of every financial year, the CSR Committee is required to submit its Report to the Board.

2. Composition of CSR Committee

Sl. 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.	Smt. Rashmi Chowdhary	Chairperson, Non-Executive Director	2	2
2.	Shri J P Chowdhary	Member, Executive Chairman	2	2
3.	Ms. Nayantara Palchoudhuri	Member, Independent Director	2	2
4.	Shri Krishan Kumar Jalan	Member, Independent Director	2	2

3. The web-links where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

a. Web-link where CSR policies and projects are disclosed: https://www.titagarh.in/storage/report/actual/CORPORATE%20SOCIAL%20RESPONSIBILITY%20(CSR)%20POLICY.pdf

b. Web-link where the composition of CSR Committee is disclosed: https://www.titagarh.in/storage/report/actual/1618812855_emub3_committeepdf.pdf

4. The executive summary along with web-links 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: Not Applicable

5. (a) **Average net profit of the Company as per section 135(5):** Rs. 311.39 Crores

(b) **Two percent of average net profit of the Company as per section 135(5):** Rs. 6.23 Crores

(c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

(d) **Amount required to be set off for the financial year, if any:** Nil

(e) **Total CSR obligation for the financial year (5b+5c+5d):** Rs. 6.23 Crores

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other then Ongoing Project):** Rs. 6.52 Crores

(b) **Amount spent in Administrative Overheads:** Nil

(c) **Amount spent on Impact Assessment, if applicable:** Not Applicable

(d) **Total amount spent for the Financial Year (6a+6b+6c):** Rs.6.52 Crores

(e) **CSR amount spent or unspent for the financial year:**

(Rs.in Crores)

Total Amount Spent for the Financial Year	Amount Unspent				
	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 fund	Amount	Date of transfer
6.52	NIL	NA	NIL	NIL	NA

(f) **Excess amount for set off, if any** NIL

Sl.No.	Particular	Amount (Rs.inCrores)
(i)	Two percent of average net profit of the company as per section 135(5)	6.23
(ii)	Total amount spent for the Financial Year	6.52
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(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)]	NIL

7. Details of Unspent CSR amount for the preceding three financial years:

(Rs.in lakhs)

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6)	Balance Amount in Unspent CSR Account under section 135(6)	Amount spent in the Financial Year	Amount transferred to a Fund specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of Transfer		
1.	2022-23	Not Applicable						
2.	2023-24	Not Applicable						
3.	2024-25	Not Applicable						

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year: No

If yes, enter the number of Capital assets created/ acquired: Not Applicable.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable.

9. 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.

For and on behalf of the Board

Place: Kolkata
Date: 7th September, 2026

Umesh Chowdhary
Vice Chairman & Managing Director

Rashmi Chowdhary
Chairperson, CSR Committee

Management Discussion & Analysis

1. **Overview: Indian Railways as the Backbone of National Infrastructure**

India's railway sector continued to witness sustained policy support and capital investment during FY 2025–26, reinforcing its position as a key driver of the country's infrastructure-led economic growth. Supported by the Government's continued emphasis on modernisation, capacity augmentation, safety enhancement and indigenous manufacturing under the *Make in India and Atmanirbhar Bharat* initiatives, the railway ecosystem continues to offer significant long-term opportunities for rolling stock manufacturers.

Indian Railways remains one of the world's largest rail networks and continues to play a critical role in passenger mobility and freight logistics. Continued investments in Dedicated Freight Corridors (DFCs), metro rail systems, Vande Bharat trains, station redevelopment and advanced signalling technologies are expected to sustain demand for modern rolling stock and railway systems.

The Union Budget for FY 2026–27 provided the Ministry of Railways with a record Gross Budgetary Support of approximately ₹2.78 lakh crore, compared with approximately ₹2.52 lakh crore in the previous year, reflecting the Government's continued commitment towards railway infrastructure, rolling stock, safety and network expansion.

2. **Freight Rail Segment**

Freight transportation continues to remain the principal source of revenue for Indian Railways. During FY 2025–26, freight loading reached approximately **1.67 billion tonnes**, supported by continued infrastructure expansion and improved network efficiency.

The commissioning of the Eastern and Western Dedicated Freight Corridors has significantly enhanced freight movement capacity and operational efficiency. The Government's long-term objective of increasing rail's share in freight transportation is expected to support sustained demand for freight wagons.

3. **Passenger Rolling Stock and High-Speed Rail Developments**

The passenger rolling stock segment continued to witness strong momentum during FY 2025–26 with the expansion of **Vande Bharat, Amrit Bharat**, metro rail and regional rapid transit projects. The commercial introduction of the **Vande Bharat Sleeper** train marked another important milestone in India's railway modernisation programme.

The continued expansion of metro rail systems across major cities and ongoing investments in regional rapid transit infrastructure are expected to generate sustained demand for passenger coaches, propulsion systems and Train Control and Management Systems (TCMS).

4. **Urban Transit and Metro Rail Segment**

India's metro and regional-rail ecosystem expanded meaningfully through FY26. The country's operational metro network have spread across more than 20 cities.

5. **Safety and Technology Modernisation**

Indian Railways continues to prioritise safety-led modernisation through the implementation of Kavach, indigenous train protection systems, electronic interlocking, digital inspection technologies and digital signalling infrastructure. Government data indicates that the continued deployment of these technologies has contributed to further improvements in railway safety during FY 2025–26.

6. **Make in India, Self-Reliance (Atmanirbhar Bharat) and Private-Sector Participation**

Union Budgets have reinforced indigenous rolling-stock manufacturing as a strategic priority, both to reduce import dependence for critical sub-systems (propulsion, traction motors, converters, train-control systems) and to build export capability. During FY26, the Ministry of Railways continued to encourage local value-addition in signalling, TCMS and metro-coach manufacturing, while also formalising a Wagon Leasing Company (WLC) framework intended to bring private capital into wagon ownership and fleet management a scheme under which Titagarh received registration approval in February 2026, unleashing and reopening leasing and maintenance revenue stream beyond outright wagon sale, an expected game changer.

7. **Positioning of Titagarh Rail Systems Limited ("Titagarh/TRSL") within the Industry**

Against this backdrop, Titagarh Rail Systems Limited is well positioned to capitalise on the sector's long-term growth opportunities. The Company remains the only private sector manufacturer in India with integrated capabilities across Freight Rail Systems and Passenger Rail Systems, covering freight wagons, metro coaches, Vande Bharat coaches, propulsion systems, Train Control and Management Systems (TCMS), steel castings and other railway components.

During the year, the Company further strengthened its strategic positioning through registration as a Wagon Leasing Company, continued progress in the Ramkrishna Titagarh Rail Wheels joint venture, the proposed maintenance joint venture for Vande Bharat trains and a technology transfer arrangement for advanced TCMS solutions, reinforcing its transformation into an integrated rail mobility solutions provider globally.

8. **Outlook**

The long-term outlook for the Indian rail sector remains favourable, supported by sustained Government investment in railway infrastructure, increasing emphasis on passenger rail modernisation, expansion of metro and regional rapid transit networks, and continued focus on indigenous manufacturing under the *Atmanirbhar Bharat and Make in India* initiatives. These structural drivers are expected to generate sustained demand across freight rolling stock, passenger coaches, metro systems and railway technologies.

With a diversified order book, expanding manufacturing capabilities, continued investments in technology and backward integration, and a balanced presence across freight and passenger rail businesses, the Company believes it is well positioned to create sustainable long-term value for its stakeholders while remaining focused on operational excellence, prudent capital allocation and disciplined execution.

OPPORTUNITIES AND THREATS

Opportunities

The Indian railway sector continues to benefit from sustained policy support, infrastructure investment and technological advancement, creating long-term opportunities across freight and passenger rail systems. The principal opportunities for the Company include:

- **Rail Infrastructure Investment:**

  Continued Government investment in railway infrastructure, including rolling stock, signalling, dedicated freight corridors and station modernisation, is expected to support sustained demand for the Company's products and services.

- **Passenger Mobility:**

  Expansion of Vande Bharat, Amrit Bharat, metro rail and regional rapid transit projects is expected to drive demand for passenger coaches, propulsion systems and Train Control and Management Systems (TCMS).

- **Freight Growth:**

  Increasing rail freight capacity, supported by Dedicated Freight Corridors and the Government's objective of enhancing rail's share in freight transportation, is expected to sustain demand for freight wagons.

- **Business Diversification:**

  The Company's initiatives in wagon leasing, maintenance services and domestic forged wheel manufacturing are expected to diversify revenue streams, strengthen supply chain resilience and enhance operational efficiency. The Company has hived off its Shipbuilding division into its wholly owned subsidiary, enabling the Company to focus on its core railway systems business while allowing TNSL to pursue growth opportunities in the shipbuilding sector.

- **Technology and Localisation:**

  Greater adoption of indigenous railway technologies, advanced signalling systems and digital train control solutions provides opportunities to expand the Company's value-added product portfolio.

- **Export Potential:**

  Growing recognition of Indian-manufactured rolling stock as a cost-competitive, quality-assured alternative in South Asian, African and South-East Asian markets offers a longer-term avenue for revenue diversification beyond the domestic public-sector customer base.

Threats

Alongside these opportunities, the industry and the Company are exposed to external threats that could affect the pace or profitability of growth. These industry-level threats are summarised briefly;.

- Budgetary and policy dependence, and the possibility that spending priorities shift away from conventional rolling-stock procurement toward other heads such as the high-speed rail programme.
- Sector-wide supply-chain disruption, particularly in forged wheels and select imported inputs, which has already constrained industry-wide production schedules during FY26.
- Tender-driven, price-competitive procurement, which can compress margins across the industry during periods of raw-material cost inflation.
- Technology and specification risk, as Indian Railways periodically revises technical standards (wheel/axle specifications, Kavach versions), requiring continuous re-investment in design and certification by manufacturers.
- Macroeconomic and interest-rate sensitivity, given the capital-intensive nature of rolling-stock manufacturing and its dependence on both public capital expenditure cycles and input-cost trends.

RISKS AND CONCERNS

The Company has instituted a structured risk-management framework to identify, assess and mitigate risks that could affect its business, financial condition or results of operations. Risk oversight is integrated into the Company's governance framework, with periodic review by the Board of Directors and the Risk Management Committee.

The key risks and the Company's mitigation measures are summarised below:

1. **Customer Concentration Risk**

A significant proportion of the Company's revenue is derived from Indian Railways, metro rail corporations, DFCCIL and other government or public-sector-linked entities. Any slowdown in public capital expenditure, delay in project sanctioning, or change in procurement policy could have a disproportionate impact on order inflow relative to a business with a more diversified private-sector customer base. The Company seeks to mitigate this through expansion into wagon leasing, exports and, over time, a larger share of private-sector and international customers.

2. **Input Availability and Wheelset Supply Risk**
The Indian rolling-stock industry has faced an industry-wide shortage of forged wheels during FY26 and also on account of technical calibrations i.e. wheel specifications, which can challenge existing inventory with technical specifications change. The Company's joint venture, Ramkrishna Titagarh Rail Wheels Limited, is intended to progressively reduce this dependence by building a large-scale domestic forged-wheel facility, with initial supply commitments to Indian Railways scheduled from FY27.

3. **Working Capital and Receivables Risk**
Extended payment cycles from public-sector customers can elongate the Company's working-capital cycle, particularly during periods of rapid scale-up in the passenger rail business. Prolonged receivable cycles could constrain the Company's liquidity and increase reliance on external financing.

4. **Execution and Scale-Up Risk**
The Company's strategic shift toward a larger share of Passenger Rail Systems revenue involves scaling up coach and metro production meaningfully from a smaller historical base. During FY26, actual passenger coach dispatches (63 units) in compared to previous year's dispatch of (12 units) reflects ramp up in production.

5. **Raw Material and Input Cost Risk**
The Company's cost structure is exposed to fluctuations in the price of steel and other specialty inputs used in wagon and coach manufacturing. Where contracts do not carry adequate price-variation clauses, sustained increases in input costs could compress margins, particularly on fixed-price orders won through competitive tender.

6. **Policy and Budgetary Dependence**
Demand for the Company's products is closely linked to the scale and pace of the Ministry of Railways' annual capital expenditure programme and to metro/urban-transit budgets of state governments and city authorities.

7. **Competitive Intensity**
Railway and metro procurement in India is conducted principally through competitive tendering, which can result in aggressive pricing, particularly for standardised wagon types where technical differentiation is limited. Sustained pricing pressure in tender-driven segments could affect realisations and margins over time.

8. **Geopolitical and Import-Dependence Risk**
Certain critical inputs and components used across the industry including forged wheels and select technology sub-systems continue to be sourced internationally. Geopolitical developments, government restrictions, or logistics disruptions affecting these supply routes could create operational risk for manufacturers, including the Company, until domestic capacity for these inputs is fully established.

9. **Foreign Operations and Currency Risk**
The Company has historically maintained certain overseas operations and associate investments. During FY26, the Company completed a full exit from its Italian associate, Titagarh Firema S.p.A., following a comprehensive provisioning of its exposure, reflecting the financial and operational risks that can arise from managing overseas manufacturing operations, including currency fluctuation, differing regulatory regimes and demand-cycle mismatches. The Company's exit is expected to reduce this category of risk going forward. 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 and borrowings. Such foreign currency exposures are primarily hedged by the Company through use of foreign currency forward contracts. The Company has a treasury team which continuously monitors the foreign exchange fluctuations on a continuous basis and advises the management on any material adverse effect on the Company of any material movements in interest rate management measures to be taken.

10. **Regulatory and Compliance Risk**
The Company's products are subject to stringent design, safety and quality certification requirements set by Indian Railways, metro authorities and, where applicable, international standards bodies. Changes in technical specifications including evolving Kavach versions, axle-load norms or emission and safety standards require continuous investment in design upgrades, testing and certification, and any delay in obtaining requisite approvals could affect the timely execution of orders.

The risks set out above are not exhaustive. Additional risks not presently known, or currently considered immaterial, may also adversely affect the Company's business, financial condition and results of operations. This section should be read together with the Industry Structure and Developments section and the Company's audited financial statements for the year ended 31 March 2026.

The Company continually reviews its risk management framework to respond to changes in the business environment. While the risks outlined above may influence future performance, the Company believes that its diversified business portfolio, integrated manufacturing capabilities, strong governance practices and disciplined risk management framework position it to effectively manage these risks while pursuing sustainable growth.

SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

The Company's operations are organised into two continuing reportable business segments, Freight Rail Systems and Passenger Rail Systems. Following the transfer of the Shipbuilding & Maritime Systems business to the Company's wholly owned subsidiary, Titagarh Naval Systems Limited ("TNSL"), effective 1 January 2026, this business is now presented as a discontinued operation for FY 2025-26 and is discussed separately below for continuity with prior-year reporting.

1. **Freight Rail Systems**
The Freight Rail Systems (FRS) segment comprising freight wagons, steel castings, bogies and ancillary freight rolling-stock products remained the Company's largest segment by revenue,. Segment revenue stood at ₹2,604.25 crore for the year. Wagon dispatches for the full year stood at 7,019 units, and the segment continued to account for the majority of the Company's near-term deliverable pipeline, with approximately 6,500 wagons pending delivery to Indian Railways and private customers as of 31 March 2026, scheduled largely for FY27.

The segment delivered several strategic milestones during the year, including the supply of specialised BRNA flat wagons and hopper wagons to the Dedicated Freight Corridor Corporation of India Limited (DFCCIL), and the Company's first-ever order for the design, manufacture, supply, testing and commissioning of Rail Borne Maintenance Vehicles (RBMV) for Indian Railways, a diversification into railway maintenance-equipment manufacturing. The Company also completed a foundry capacity upgrade to 50,000 metric tonnes per annum, enabling near-complete backward integration for steel castings used in wagon manufacturing. The Company has the capacity of 12,000 wagons per annum (1,000 wagons per month) and the same can be attained depending upon orders and execution plans.

2. **Passenger Rail Systems**
The Passenger Rail Systems (PRS) segment comprising metro coaches, Vande Bharat and other high-speed coach-sets and propulsion electrical components systems was the standout performer of FY26 and the Company's principal growth engine. Segment revenue rose to ₹539.33 crore, up approximately 109–111% over ₹255.55 crore in FY25, marking the segment's highest-ever annual turnover. Coach dispatches increased to 63 units for the full year from 12 units in FY25, while traction motor dispatches for the full year rose to 891 units from 636 units in the corresponding period of FY25. Segment profitability improved meaningfully as scale increased, with the segment recording a particularly strong 19% EBIT margin in the fourth quarter, aided by execution progress on a Bengaluru Metro contract;

As at 31 March 2026, the Passenger Rail Systems segment represented approximately 77% of the Company's standalone order book, reflecting its growing significance to the Company's future revenue pipeline. To support the planned production ramp-up, the Company is strengthening its manufacturing capabilities through the development of an integrated facility at Uttarpara, including a 1.6 km test track, strategic technology collaboration with ABB for TCMS, and investments in backward integration, including an under-development aluminium metro-coach manufacturing line.

3. **Shipbuilding & Maritime Systems (Discontinued Operation)**
Effective 1 January 2026, the Company transferred this business in its entirety to its wholly-owned subsidiary, Titagarh Naval Systems Limited (TNSL), via a slump sale a step intended to sharpen the Company's focus on its core rail manufacturing operations while continuing to build shipbuilding capability at arm's length through a dedicated subsidiary. TNSL is separately setting up a brownfield shipyard at Falta, West Bengal, and has secured government support of approximately ₹169 crore under the Shipbuilding Financial Assistance Scheme; production at the new yard is expected to commence during FY27.

4. **Standalone Financial Summary to be read with published financial statements and notes.**

Particulars (Standalone)	FY 2025-26	FY 2024-25
Revenue from Operations	₹3,143.58 crore	₹3,747.38 crore
Freight Rail Systems	₹2,604.25 crore	₹3,491.83 crore*
Passenger Rail Systems	₹539.33 crore	₹255.55 crore*
Profit Before Tax	₹237.64 crore	₹154.63 crore
Net Profit / (Loss) for the year	₹150.70 crore	₹76.97 crore
Basic EPS (continuing operations)	₹12.17	₹6.73
Total Order Book incl. WOS (standalone)	₹14,240 crore	₹11,200 crore
Total Order Book incl. share in JVs & Subsidiary	₹27,540 crore	₹24,526 crore
Dividend recommended	₹1.00 per share (50%)	₹1.00 per share (50%)

*FY 2024-25 segment figures are as re-presented on a comparable basis following the FY26 discontinuation of the Shipbuilding & Maritime Systems segment and are sourced from published quarterly result commentary; these should be reconciled with the restated segment note in the audited financial statements. Consolidated figures (including subsidiaries and joint ventures) may differ from standalone figures shown above and should be read together with the Company's audited consolidated financial statements.

The figures for the previous year have been restarted as detailed in Note 35 of the financial statements.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place a robust internal control systems and processes commensurate with the size, scale and complexity of its operations, designed to provide reasonable assurance regarding the reliability of financial reporting, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of accounting records, and compliance with applicable laws and regulations.

1. **Internal Financial Controls Framework**
In line with the requirements of **Section 134(5)(e)** and **Section 143(3)(i)** of the Companies Act, 2013 and **Regulation 17(8)** of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a robust Internal Financial Controls (IFC) framework comprising entity-level, process-level and information technology controls across key business processes. The adequacy and operating effectiveness of these controls are periodically assessed, with identified gaps, if any, being addressed under the oversight of the Audit Committee.

2. **Statutory and Internal Audit**
The Company's statutory audit for FY 2025–26 was conducted by its Joint Statutory Auditors. The Company also has an

independent, risk-based internal audit function that reports to the Audit Committee, which periodically reviews audit findings and the status of management's corrective actions.

3. **Audit Committee Oversight**
   The Audit Committee Comprises of Independent Directors, oversees the Company's financial reporting process, the adequacy of internal controls, related-party transactions, and the scope and findings of both statutory and internal audits. It also reviews whistle-blower complaints and monitors the utilisation of funds raised through capital-raising activities undertaken during the year, including the promoter warrant issue in FY26.

4. **Risk Management, Compliance and Governance Policies**
   The Company's internal control environment is supported by a Board-approved Policies ,on risk management, vigil Mechanism / Whistle Blower Policy, Related Party Transaction Policy a Code of Conduct for Prevention of Insider Trading in compliance with SEBI (Prohibition of Insider Trading) Regulations, a, and a Policy for Fair Disclosure of Unpublished Price Sensitive Information.

5. **Information Technology and Process Controls**
   The Company leverages an integrated ERP platform across its operations to strengthen business processes, financial reporting, internal controls and operational efficiency, supported by defined approval hierarchies and system-based controls.

   Based on the evaluations carried out during the year and the reports of the internal and statutory auditors, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively, commensurate with the size and nature of its business during FY 2025–26.

   This assessment should be read together with the detailed disclosures on internal financial controls contained in the Board's Report and the Independent Auditors' Report forming part of this Annual Report.

HUMAN RESOURCES

The Company recognises its people as a key driver of sustainable growth and continued to invest in talent, capability building and employee engagement to support the expansion of its Freight Rail Systems and Passenger Rail Systems businesses. during FY 2025-26.

1. **Workforce and Talent Investment**
   During FY 2025–26, the Company strengthened its workforce to support capacity expansion and operational growth, particularly in the passenger rail segment. Consolidated employee benefit actions are reflected through talent additions and retention. To align employee interests with long-term value creation, the Company granted ESOPs under its Employee Stock Option Scheme.

2. **Skilling, Apprenticeship and Employability Initiatives**
   The Company continued to invest in workforce development through the National Apprenticeship Promotion Scheme (NAPS) and vocational training initiatives at its Industrial Training Institute (ITI) established under the Public-Private Partnership model, supporting the development of a skilled talent pipeline for its manufacturing operations.

3. **Industrial Relations**
   Industrial relations remained cordial across all manufacturing locations during the year, supported by continuous employee engagement and established consultative mechanisms.

4. **Corporate Social Responsibility and Community Engagement**
   During the year, the Board approved the incorporation of a dedicated CSR arm i.e a trust to implement the Titagarh Group's Corporate Social Responsibility activities under the name Titagarh Group Foundation in accordance with Section 135 of the Companies Act, 2013 and applicable CSR Rules, with the objective of promoting the cultural and social welfare of underserved communities and economically weaker sections. The Company's CSR engagement spans education, healthcare and skilling initiatives, including support extended through philanthropic organisations, and complements its apprenticeship and ITI programmes described above. Detailed disclosures on CSR activities and spend for the year are provided separately in the Annual Report on CSR Activities annexed to the Board's Report.

5. **Recognition**
   The Company's human-capital and leadership practices received external recognition during the year: Titagarh was featured in the Burgundy Private Hurun India 500 list of India's leading companies; the Company's Deputy Managing Director was conferred the "Business Leader of the Year" award at the HRD India Awards 2025 in Kolkata for his contribution to mobility innovation and leadership; and a Non-Executive Director of the Company, who also chairs the CSR Committee, was honoured with the Anantya Award by FICCI FLO for her contribution to philanthropy.

   The Company believes that a stable, skilled and motivated workforce supported by structured apprenticeship pipelines, competitive employee ownership programmes and a strong safety and compliance culture across its manufacturing plants will remain an important enabler as it scales up its passenger rail, metro and forged-wheel manufacturing capacities over the coming years.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Overview

The Company's financial performance in FY 2025-26 closely mirrored the operational shifts described in the Segment-wise/ Product-wise Performance section above. On a standalone basis, revenue from operations stood at ₹3,143.58 crore, the profit before tax rose to ₹237.64 crore and profit after tax rose to ₹150.70 crore.

Key Financial Ratios

In accordance with Regulation 34(3) read with Schedule V (Part A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the table below sets out the Company's key financial ratios for FY 2025-26 as compared with FY 2024-25, along with explanations for any significant change (i.e., a change of 25% or more) as compared to the immediately preceding financial year.

Ratio	FY 2025-26	FY 2024-25	% Change	Remarks
Debtors Turnover Ratio (No. of days)	74.98	58.59	27.97%	Variation is mainly due to decrease in revenue during the current year.
Inventory Turnover Ratio (No. of days)	84.40	65.66	28.55%	Variation is mainly due to decrease in consumption during the current year.
Interest Coverage Ratio (times)	5.20	6.81	(23.70%)	No Significant variation (less than 25%). The marginal decline was primarily due to lower earnings before interest and tax (EBIT), despite a reduction in finance costs during the year
Current Ratio (times)	1.73	1.66	4.36%	No significant variation. Computed as Current Assets ÷ Current Liabilities.
Debt-Equity Ratio (times)*	0.15	0.22	(33.24)	Variation due to increase in cash & cash equivalents, issue of share warrants and increase in profitability during the current year.
Operating Profit Margin (%)**	11.63%	13.29%	(12.49%)	No significant variation (less than 25%). The marginal decline was primarily attributable to a decrease in operating profitability during the year.
Net Profit Margin (%)	4.79%	2.05%	133.40%	Variation is due to increase in profitability and decrease in revenue during the current year
Return on Net Worth (%)	6.31%	3.40%	85.35%	Variation is mainly due to increase in profitability and issue of share warrants during the current year

*Debt represents of net debts
**Before exceptional items

Explanation for Significant (≥25%) Changes

Net Profit Margin and Return on Net Worth both increased between FY25 and FY26, representing a change materially in excess of the 25% threshold. This was mainly due to:

- The net profit margins has increased from 2.05% to 4.79% on account of exceptional item considered in previous year amounting to ₹270.25 crore as against ₹57.58 crore in the current year. After removing the impact of exceptional items the Net margin has gone down in FY 26 due to reduction in overall volume.
- Increase in return on net worth is mainly due to increase in profitability as explained above and issue of share warrants during the year under review.

Forward Looking Statement

The statements in this report describing the Company's policy, strategy, projections, estimation and expectations may appear forward looking statements within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events and the actual results could materially differ from those expressly mentioned in this Report or implied for various factors including those mentioned in the paragraph "Risks and Concerns" herein above and subsequent developments, information or events

Sources: Union Budget documents (2025-26 and 2026-27) and PIB releases of the Ministry of Railways; PRS Legislative Research, Demand for Grants Analysis Railways; Ministry of Railways press statements and year-end review (December 2025); Indian Infrastructure sector reports; the Company's investor presentations, earnings-call transcripts and stock-exchange filings; and contemporaneous business-media coverage (The Economic Times, Business Standard, Business Today, Metro Rail Today, Railway Supply, and others) published through FY 2025-26.

Corporate Governance Report

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the report contains the details of Corporate Governance systems and processes at Titagarh Rail Systems Limited ("TRSL" or "the Company").

Titagarh Rail Systems Limited (TRSL's) Philosophy on Code of Governance

Titagarh Rail Systems Limited ('TRSL' or 'the Company') is committed to conducting its business in accordance with the highest ethical standards and in full compliance with applicable laws and regulations. TRSL's corporate culture is deeply imbued with integrity, accountability and transparency, values that are embedded across every tier of the organisation and expressed through sound, pragmatic corporate policies established by its dynamic Board of Directors.

At the core of TRSL's governance philosophy lie two foundational principles: team-work and professionalism. These principles are operationalised through robust systems, policies, processes and people practices that shape the way the Company conducts itself with its stakeholders including customers, employees, investors, regulators and the communities in which it operates.

TRSL's governance framework reflects the Company's enduring commitment to value creation for all its stakeholders, while simultaneously discharging its responsibilities towards the environment, society and the broader objective of good governance. Corporate Governance, in the Company's view, is not a compliance exercise, it is a strategic imperative that enables the Board and Management to pursue long-term sustainable goals, responsibly, transparently and with full accountability to all stakeholders.

Guiding Philosophy

TRSL believes that the sustainable and long-term growth of every stakeholder, shareholders, employees, customers, vendors, lenders and the community at large depends upon the judicious and effective use of available resources, consistent endeavour to achieve operational excellence and active participation in the growth of society. Accordingly, the Company integrates the following cardinal principles into its governance practices:

Principle	Description
Independence	Board composition and decision-making are free from undue external influence, safeguarding objective oversight.
Accountability	Every level of the organisation is answerable for its actions to the appropriate authority and to our stakeholders.
Responsibility	Management acts as stewards of stakeholder capital, exercising prudent judgment in resource allocation and risk management.
Transparency	Timely, accurate and complete disclosure of financial and non-financial information to all relevant stakeholders.
Fairness	Equitable treatment of all shareholders, including minority and foreign shareholders, and all stakeholder categories.
Credibility	Consistent adherence to commitments, building trust through reliable performance and ethical conduct.
Sustainability	Integration of environmental, social and governance considerations into strategy and operations for enduring value creation.

These principles serve as the means for implementing the philosophy of Corporate Governance in both letter and in spirit across all the Company's operations and decisions. TRSL continuously evaluates and benchmarks its governance practices against global best practices to ensure that its framework remains robust, relevant and aligned with the evolving expectations of its stakeholders.

Governance Structure

The Company has established a robust governance framework with clearly defined roles, responsibilities and accountability to ensure effective oversight, strategic direction, operational excellence and risk management. Shareholders appoint the Board of Directors, which oversees the Company's affairs, provides strategic guidance and upholds high standards of governance, transparency and ethics. The Chairman facilitates the effective functioning of the Board and its Committees, while the Company Secretary supports the Board and all Committees. The senior management is responsible for day-to-day operations under powers delegated by the Board, including review of operational and financial risks, governance practices and compliance matters, ensuring effective coordination between the Board and the Company's operating units.

Board of Directors

The Board of Directors of the Company (the"Board"), is the apex body constituted by the shareholders, to achieve an effective Board in accordance with the corporate governance policy of the Company.TRSL's Board as on March 31,2026 comprise deleven directors including Executive Chairman, Vice Chairman & Managing Director, two Deputy Managing Directors,being the four Executive Directors, seven Non-Executive Directors including six Non-Executive Independent Directors (including one Independent Woman Director) and during the year, the Director & CEO Shipbuilding & Maritime Systems ceased to be a Director of the Company to focus on Shipbuilding & Maritime Systems.

The composition of the Board is in compliance with the provisions of the Companies Act, 2013 and Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('ListingRegulations'). The Managing Director(s), the Whole-time Director(s) and the Non-Executive Director(s) (except Independent Directors) areliable to retire by rotation.

None of the Directors on the Board hold the office of Director in more than 20 companies, including more than10 public companies. None of the Independent Directors serve as Independent Directors in more than seven listed entities. None of the Directors on the Board is a member of more than 10 committees and/or Chairman of more than 5 committees, reckoned in terms of Regulation 26 of the Listing Regulations. Furthermore, none of the Whole-Time Directors of the Company serve as Independent Directors in more than three listed entities.

Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company submits a quarterly compliance report on Corporate Governance to the Recognised Stock Exchanges in the format as specified by SEBI, within 30 days from the end of every quarter.

The following table illustrates composition of the Board, attendance of the Directors at the Board Meetings held during the year under review and at the last Annual General Meeting ('AGM'), number of directorships and committee positions held in other public companies, their shareholding in the Company's shares or other convertible instruments and names of other listed entities in which Directorships are held, including category of Directorships, as on March 31, 2026.

Sl. No.	Name of Directors & DIN	Designation & Category of the Directors	No. of Board Meetings during the year 2025-26		Attendance at last AGM held on 15-09-2025	No. of shares held (Face valueof Rs. 2 each)	No. of other Diretor-ships held (all except this co.)	Chairmanship in other committee (listed & unlisted public co.)	
			Held	Attended				Chairman	Member
1.	Shri J P Chowdhary DIN: 00313685	Promoter & Executive Chairman	13	13	Present	70,700	Nil	Nil	Nil
2.	Shri Umesh Chowdhary DIN: 00313652	Promoter & Vice Chairman and Managing Director	13	13	Present	77,530	5	Nil	1
3.	Shri Anil Kumar Agarwal DIN: 01501767	Deputy Managing Director	13	13	Present	100,000	2	Nil	Nil
4.	Shri Prithish Chowdhary DIN: 08509158	Promoter & Deputy Managing Director	13	12	Present	Nil	3	Nil	Nil

Sl. No.	Name of Directors & DIN	Designation & Category of the Directors	No. of Board Meetings during the year 2025-26		Attendance at last AGM held on 15-09-2025	No. of shares held (Face valueof Rs. 2 each)	No. of other Diretor-ships held (all except this co.)	Chairmanship in other Committee (listed & unlisted public co.)	
			Held	Attended				Chairman	Member
5.	Smt. Rasmi Chowdhary DIN: 06949401	Promoter Group & Non-Independent & Non-Executive	13	12	Present	1,01,22,630	Nil	Nil	Nil
6.	Shri Atul Joshi DIN: 03557435	Independent & Non-Executive	13	13	Present	Nil	1	1	Nil
7.	Shri Krishan Kumar Jalan DIN: 01767702	Independent & Non-Executive	13	13	Present	Nil	5	5	6
8.	Shri Sushil Kumar Roongta DIN: 00309302	Independent & Non-Executive	13	13	Present	Nil	7	1	6
9.	Ms. Nayantara Palchoudhuri DIN: 00581440	Independent & Non-Executive	13	13	Present	Nil	6	Nil	6
10.	Shri Bontha Prasada Rao DIN: 01705080	Independent & Non-Executive	13	13	Present	Nil	5	Nil	5
11.	Shri Debanjan Mandal DIN: 00469622	Independent & Non-Executive	13	01	Present	Nil	7	Nil	5

Notes:

1. None of the Directors, except Shri J P Chowdhary, Shri Umesh Chowdhary, Smt. Rashmi Chowdhary and Shri Prithish Chowdhary have any relationship inter-se. Shri Umesh Chowdhary is the son of Shri J P Chowdhary. Smt. Rashmi Chowdhary is the wife of Shri Umesh Chowdhary. Shri Prithish Chowdhary is the son of Shri Umesh Chowdhary and Smt. Rashmi Chowdhary.
2. Independent Directors meet the criteria of their Independence as mentioned in Regulation16(1)(b)of the Listing Regulations.
3. Other directorships does not include directorship in Private Limited Companies, Foreign Companies and Section 8 companies.
4. Chairmanships/ Memberships of Board Committees include Audit and Stakeholders' Relationship Committees only.

Details of Directorships in other Listed Entities as at 31st March, 2026:

Name and Category of the Director	Details of Directorships of other Listed Entities and Category of Directorship	
Shri J P Chowdhary, Executive Chairman	Nil	N.A.
Shri Umesh Chowdhary, Vice Chairman and Managing Director	Nil	N.A.
Shri Anil Kumar Agarwal, Deputy Managing Director	Nil	N.A.
Shri Prithish Chowdhary, Deputy Managing Director	Nil	N.A.
Smt. Rashmi Chowdhary, Non-Executive Director	Nil	N.A.
Shri Atul Joshi, Independent Director	Nil	N.A.

Details of Directorships in other Listed Entities as at 31st March, 2026: (Contd.)

Name and Category of the Director	Details of Directorships of other Listed Entities and Category of Directorship	
Shri Krishan Kumar Jalan, Independent Director	PNC Infratech Limited	Independent Director
	Asit C Mehta Financial Services Limited	Independent Director
	Panacea Biotec Limited	Independent Director
	Pipan Oils Limited	Independent Director
Shri Sushil Kumar Roongta, Independent Director	J K Paper Limited	Non-Executive Director
	Jubilant Pharmova Limited	Independent Director
	Jubilant Ingrevia Limited	Independent Director
	Shree Cement Limited	Independent Director
	JSW Steel Limited	Independent Director
Ms. Nayantara Palchoudhuri, Independent Director	Rossell India Limited	Independent Director
	Nicco Parks & Resorts Limited	Independent Director
	International Combustion (India) Limited	Independent Director
	Jay Shree Tea and Industries Limited	Independent Director
Shri Bontha Prasada Rao, Independent Director	Havells India Limited	Independent Director
	Power Mech Projects Limited	Independent Director
	Cupid Limited	Independent Director
Shri Debanjan Mandal, Independent Director	CESC Limited	Independent Director
	Spencer's Retail Limited	Independent Director
	Graphite India limited	Independent Director

Board Meeting and Procedure

Meeting of Independent Directors

As stipulated under the Code for Independent Directors under the Companies Act, 2013 and the Listing Regulations, separate meetings of the Independent Directors of the Company were held during the year under review. The Independent Directors met on February 12, 2026 and March 27, 2026, without the presence of Executive Directors or Management representatives. At these meetings, the Independent Directors reviewed the performance of the Non-Independent Directors (including the Chairman) and the Board as a whole, and assessed the quality, content, quantity and timeliness of the flow of information between the Management and the Board and its Committees, which is necessary for the Board to effectively and reasonably perform and discharge its duties. The Independent Directors also discussed issues arising out of Committee meetings and Board deliberations, and had a separate interaction with the Chairman of the Board to discuss any issues or concerns.In addition to these formal meetings, interactions between the Chairman and Independent Directors also take place outside of Board Meetings.

The Statutory Auditors have independent access to members of the Audit Committee to discuss internal audit effectiveness, the control environment and their general feedback. The Independent Directors also have access to the Secretarial Auditor, Cost Auditor and the Management for discussions and queries, as may be required.

The Company also convened a meeting of those Charged with Governance ("TCWG") on 27 May 2026.

Meeting Schedule and Agenda

The schedule of Board Meetings and Board Committee Meetings is finalised in consultation with the Board members and communicated to them well in advance. Additional meetings are convened, as and when necessary, to consider business matters requiring the Board's attention. All Committee recommendations placed before the Board during the year under review were unanimously accepted by the Board.

The Board devotes significant time to the evaluation of current and potential strategic issues and reviews the Company's business plans, corporate strategy and risk management framework, taking into account the markets in which TRSL operates, as well as prevailing global industry trends and developments in the rail and metro systems sector, with a view to achieving its long-term strategic objectives.

The Chief Financial Officer and other Senior Management members are invited to Board and Committee Meetings to present updates on matters being discussed. In addition, functional heads of various business segments and functions are also invited at regular intervals to apprise the Board of developments in their respective areas.

Availability of Information to the Board

All Board Meetings and Board Committee Meetings are conducted as per a well-designed and structured agenda, prepared by the Company Secretary in consultation with the Chairperson. All agenda items are backed by comprehensive background information and supporting documents to enable the Board to take informed decisions. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting with a specific reference to that effect in the agenda. Material information, including minutes of meetings of all Board Committees and Subsidiary companies, is circulated along with the agenda papers to facilitate meaningful and focused discussions. Agenda papers are circulated to the Directors in advance to the Board Meeting, in the defined agenda format.

Additional agenda items may be included under "Other Business" with the permission of the Chairperson. In special or exceptional circumstances, supplementary items on the agenda are permitted. In order to transact urgent business arising after the circulation of agenda papers, the same is placed before the Board. For business exigencies, resolutions are also passed by way of circulation and subsequently placed before the Board at the ensuing meeting.

The Board has complete and unfettered access to all relevant information within the Company, to the Senior Management and to all auditors of the Company. Detailed presentations are made at Board and Committee Meetings covering the financial performance and operations of the Company, business environment, growth opportunities, corporate strategy and risk management practices, including before taking on record the quarterly, half-yearly and annual financial results. All information as enumerated in Part A of Schedule II to the SEBI Listing Regulations is made available to the Board for discussion and consideration at every Board Meeting and the same mutatis mutandis apply to the committee meetings also.

The Board periodically reviews compliance reports of all laws applicable to the Company, as required under Regulation 17(3) of the SEBI Listing Regulations. A minimum of four pre-scheduled Board Meetings are held every year, and additional meetings are convened by giving appropriate notice to address specific needs of the Company. Important decisions taken at Board and Committee Meetings are communicated promptly to the concerned departments. An Action Taken Report on decisions taken at the meeting is placed at the immediately succeeding meeting of the Board or Committee for noting.

During the year, the Board accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board. Hence, the Company is in compliance of condition of clause 10 (i) of schedule V of the SEBI Listing Regulations.

Directors' Induction, Familiarization & Training of Board Members:

Pursuant to Regulation 25(7) of the Listing Regulation, the Company is required to familiarise its Independent Directors with the Company, their roles and responsibilities, the nature of the industry in which the Company operates, the business model of the Company and such other matters as may be relevant, and to disclose the details of such familiarisation programmes in the Annual Report.

In furtherance of the above, the Company has put in place a structured and ongoing familiarisation programme for its Independent Directors. The programme is designed to provide Independent Directors with a comprehensive understanding of the Company's business, operations, strategic priorities and regulatory environment, enabling them to discharge their duties and responsibilities effectively.

As part of the programme, Independent Directors are offered visits to the Company's manufacturing plants, where the respective Plant Heads apprise them of the operational, safety, quality, sustainability and CSR aspects of the facilities. These visits are intended to provide Independent Directors with a first-hand understanding of the Company's activities and the initiatives undertaken across key operational areas, during the year under review.

At various Board Meetings during the year, structured presentations are made to the Board covering, inter alia, safety, health, environment and sustainability, risk management, Company policies, changes in the regulatory environment applicable to the corporate sector and to the rail and metro systems industry, areas of improvement and other relevant matters. Quarterly operational presentations made to the Board encompass business performance, market share, financial parameters, working capital management, fund flows, senior management changes, major litigation, statutory compliances, subsidiary information, regulatory developments and other significant matters.

The details of the familiarization programs imparted to the Independent Directors during the year are available on the Company's website and may be accessed at: https://www.titagarh.in/storage/report/actual/FAMILIARISATION%20PROGRAMME%20FOR%20INDEPENDENT%20DIRECTORS.pdf

Skills/expertise/competence of the Board of Directors

Pursuant to Para C (2) of Schedule V to the Listing Regulations, the Board has identified the following core skills/expertise/ competencies required in the context of business of the Company for its effective functioning:

Sl. No.	Coreskills/ expertise/competencies	Whether such Core skills/ expertise/ competencies are available with the Company's Board	Name of the directors as on March 31, 2026 having the required set of skills/ expertise/ competencies
1	Expertise in Freight and Passenger Rolling Stock, Ship building, Bridges and Special Projects for Defense including respective value chain and engineering	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Prithish Chowdhary Shri Anil Kumar Agarwal Shri Prithish Chowdhary Shri B. P. Rao
2	Experience in strategy formulation, planning and devising corporate policies, corporate governance including risk management, finance, tax and legal compliances	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Atul Joshi Smt. Rashmi Chowdhary Ms. Nayantara Palchoudhuri Shri K.K. Jalan Shri Sushil Kumar Roongta Shri Prithish Chowdhary Shri B. P. Rao Shri Debanjan Mandal
3	Leadership qualities and in depth knowledge and experience in general management of organization	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Atul Joshi Smt.Rashmi Chowdhary Ms. Nayantara Palchoudhuri Shri K.K. Jalan Shri Sushil Kumar Roongta Shri Prithish Chowdhary Shri B. P. Rao Shri Debanjan Mandal
4	Interpersonal relations, human resources management, communication, corporate social responsibility including environment and sustainability	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Atul Joshi Smt.Rashmi Chowdhary Ms. Nayantara Palchoudhuri Shri K.K. Jalan Shri Sushil Kumar Roongta Shri Prithish Chowdhary Shri B. P. Rao Shri Debanjan Mandal

Sl. No.	Coreskills/ expertise/competencies	Whether such Core skills/ expertise/ competencies are available with the Company's Board	Name of the directors as on March 31, 2026 having the required set of skills/ expertise/ competencies
5	Expertise in technology including design, research and innovation and digitalization	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Prithish Chowdhary Shri Anil Kumar Agarwal Shri B. P. Rao
6	Contribute to organizational mission and vision, stakeholder value creation and culture growth.	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Atul Joshi Smt.Rashmi Chowdhary Ms. Nayantara Palchoudhuri Shri K.K. Jalan Shri Sushil Kumar Roongta Shri Prithish Chowdhary Shri B. P. Rao Shri Debanjan Mandal

Evaluation of the Board's Performance:

The Board had adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & Committees, experience and competencies, performance of specific duties and obligations, governance issues etc.

A separate exercise was carried out to evaluate the performance of individual Director including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc. The Board considers the oral assessments provided by the individual Directors during interaction(s) and carries out the evaluation of individual Directors including the Independent Directors, with each Director present in the meeting withdrawing from the meeting at the time of his/her evaluation. Criteria for evaluation of Board is annexed hereto – **Annexure CG – 1**.

Independent Directors:

All Independent Directors of the Company have confirmed that they meet the criteria of "independence" as prescribed under Section 149(6) of the Companies Act, 2013 read with Schedule IV thereto, Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations. In terms of Regulation 25(8) of the Listing Regulations, each Independent Director has further confirmed that they are not aware of any circumstance or situation, existing or reasonably anticipated, that could impair or impact their ability to discharge their duties with objectivity and independence. Based on the declarations received, the Board is satisfied that the Independent Directors fulfil the prescribed conditions of independence and are independent of the Management.

The number of directorships held by each Independent Director is within the limits prescribed under Regulation 17A of the Listing Regulations, and their committee memberships are in compliance with Regulation 25 thereof. All Independent Directors have also confirmed their enrolment in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs, in terms of the applicable provisions.

As on March 31, 2026, the Board comprises six Non-Executive Independent Directors, including one Independent Woman Director. The Company issues a formal letter of appointment to each Independent Director at the time of their appointment or re-appointment, setting out the terms and conditions of their engagement. The terms and conditions of appointment of Independent Directors, along with a specimen letter of appointment, are available on the Company's website.

Changes in the Board during the FY 2025-26:

During the year under review, the following re-appointments were made by the Board of Directors, pursuant to the recommendations of the Nomination and Remuneration Committee and approved by the Members through Special Resolutions passed via Postal Ballot, the results of which were declared on June 19, 2025:

- Ms. Nayantara Palchoudhuri (DIN: 00581440) —

  Re-appointed as Non-Executive Independent Director for a second consecutive term of five years with effect from June 22, 2025.

- Mr. Krishan Kumar Jalan (DIN: 01767702) —

  Re-appointed as Non-Executive Independent Director for a second consecutive term of five years with effect from August 13, 2025.

- Mr. Sushil Kumar Roongta (DIN: 00309302) —

  Re-appointed as Non-Executive Independent Director for a second consecutive term of five years with effect from January 1, 2026.

- Shri Umesh Chowdhary (DIN: 00313652) —

  Re-appointed as Vice Chairman and Managing Director for a further term of five years with effect from October 1, 2025.

The terms and conditions of re-appointment of the Independent Directors and the material terms of re-appointment of the Vice Chairman and Managing Director are available on the Company's website.

Mr. Saket Kandoi (DIN: 02308252) ceased to be an Director & CEO (Shipbuilding & Maritime Systems) of the Company w.e.f 13th February, 2026 consequent to execution of Business Transfer Agreement.

Board Meetings held during the Financial Year ended 31st March, 2026

Thirteen(13) Meetings of the Board of Directors were held during the financial year ended 31st March, 2026 i.e. on 7th April, 2025, 30th May, 2025, 07th July, 2025, 09th July, 2025, 11th August, 2025, 23rd August, 2025, 05th September, 2025, 13th November, 2025, 31st December, 2025, 13th February 2026, 26th February 2026, 19th March 2026 and 27th March, 2026.

Appointment/ Re-appointment of Directors

The Directors are appointed / re- appointed by the Board on the recommendation of the Nomination and Remuneration Committee and approval of the Shareholders at the General Meeting(s) or through means of Postal Ballot. In accordance with the Articles of Association of the Company and provisions of the Act, all the Directors, except the Executive Chairman and Independent Directors, of the Company, are liable to retire by rotation at the Annual General Meeting ("AGM")each year and, if eligible, offer their candidature for re-appointment.

The Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of employment with the Company.

In compliance with Regulation 17A and 26 of the SEBI Listing Regulations, none of the Directors is a director of more than 10 (Ten) public companies or acts as an Independent Director in more than 7 (Seven) Listed Companies.

Further, none of the Directors on the Company's Board is a member of more than 10 (Ten) Committees and Chairperson of more than 5 (Five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding committee positions held by them in other companies.

Board Committees

The Board has constituted various Committees to support the effective discharge of its responsibilities and to strengthen the Company's corporate governance framework. These Committees focus on specific areas of governance and business oversight, enabling detailed deliberations and timely decision-making on matters within their respective mandates. Each Committee operates under clearly defined terms of reference approved by the Board and in accordance with the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws.

The recommendations and decisions of the Committees are placed before the Board for its review, noting or approval, as applicable. The Board retains overall responsibility for the oversight of the Committees and regularly reviews their functioning to ensure effective governance. The minutes of all Committee meetings are circulated to the members of the Board, facilitating transparency and informed decision-making.

As on March 31, 2026, the Board had constituted the following Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Finance Committee and Internal Complaints Committee.

Audit Committee

As at 31st March, 2026, the Audit Committee comprises Shri Atul Joshi, Shri Krishan Kumar Jalan and Shri Bontha Prasada Rao, all Independent Directors. Shri Atul Joshi, a double graduate in Commerce and Economics from Bombay University and a Chartered Accountant, chairs the Committee. The Company Secretary acts as Secretary to the Audit Committee.

The Audit Committee functions in accordance with the roles and duties defined by the Board of Directors, in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In addition to its statutory mandate, the Committee exercises such powers and discharges such duties as may be delegated to it by the Board from time to time.

At least one meeting of the Audit Committee was held in every quarter and the time gap between two consecutive meetings of the Audit Committee did not exceed 120 days during the financial year 2025-26.

Terms of Reference of Audit Committee are broadly as follows:

The terms of reference of the Audit Committee are as per the guidelines set out in Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013. These broadly include (i) overseeing the financial reporting process (ii) review of financial statements (iii) ensuring compliance with the regulatory guidelines (iv) compliance with listing and other legal requirements concerning financial statements (v) scrutiny of inter-corporate loans and investments (vi) review of internal audit reports (vii) recommending appointment and remuneration of auditors to the Board of Directors and (viii) to review adequacy of internal control systems and internal audit function and other matters specified for Audit Committee under the Listing Regulations and Section 177 of the Act. The Audit Committee also reviews the information as per the requirement of Part C of Schedule II of the Listing Regulations.

Attendance of the Directors at the Audit Committee Meetings held:

During the year, 11(eleven) meetings of the Audit Committee of the Company were held i.e. on 7th April, 2025, 5th May, 2025, 30th May, 2025, 9th July, 2025, 11th August, 2025, 5th September, 2025, 13th November, 2025, 31st December, 2025, 13th February 2026, 26th February 2026, 27th March, 2026.

The attendance of Directors at these meetings was as under:

Sl. No.	Name of Director	Designation	No. of meetings attended
1.	Shri Atul Joshi	Chairman	11
2.	Shri Krishan Kumar Jalan	Member	11
3.	Shri Bontha Prasada Rao	Member	11

Representatives of the Statutory Auditors are permanent invitees to the quarterly Audit Committee meetings convened to approve the financial results. The Chief Financial Officer, and Internal Auditor attend as special invitees, along with executives from the Accounts, Finance, Secretarial and departments, as required. Minutes of each Audit Committee meeting are placed before the Board at its next meeting.

The Chairman of the Audit Committee attended the last Annual General Meeting held on September15, 2025, to respond to shareholders' queries.

Stakeholders' Relationship Committee

Stakeholders' Relationship Committee which considers and resolves the grievances of the security holders of the Company is headed by Shri Krishan Kumar Jalan*, an Independent Director, with Shri Umesh Chowdhary and Ms. Nayantara Palchoudhuri being the other members as at 31st March, 2026. The date of Stakeholders' Relationship Committee meetings held during the year and attendance thereat is depicted in the following table:

Attendance of the Directors at the Stakeholders' Relationship Committee Meeting held:

During the year only one meeting of the Stakeholders' Relationship Committee of the Company was held i.e.on 12th February, 2026. The attendance of Directors at this meeting is as under:

Sl. No.	Name of Director	Designation	No. of meetings attended
1.	Shri Krishan Kumar Jalan	Chairman	1
2.	Shri Umesh Chowdhary	Member	1
3.	Ms. Nayantara Palchoudhuri#	Member	1

*#As on date of the approval of this report Ms. Nayantara Palchoudhuri is the Chairperson of the Stakeholders' Relationship Committee

The Company Secretary acts as the Secretary to the Committee. The minutes of each SRC meeting are placed in the next meeting of the Board.

The Chairman of the Stakeholders' Relationship Committee attended the last AGM held on September15, 2025.

Compliance Officer

In terms of the requirement of SEBI Listing Regulations, Mr. Aditya Purohit, Company Secretary, is the Compliance Officer of the Company and acts as the Secretary to all the Committees of the Board of Directors.

In aggregate 7 (seven) cases of Investors' Grievances were received during the Financial Year 2025-2026 pertaining to Non-receipt of Shares, Non-updation of KYC, Dividendand other miscellaneous grievance which were duly redressed in time and no Investors' Grievance is pending as at 31st March, 2026. There was also no Investor complaint pending against the Company as at 31st March, 2026 on SCORES, the webbased complaint redressal system of SEBI. The Company is encouraged to develop the practice of follow-up, preferably by phone/email wherever available, with the concerned shareholder to get the feedback on satisfactory redressal of their query/complaint.

Share transfers and requests for other services were disposed of by the Registrar and Share Transfer Agent within the time stipulated in the Listing Regulations.

Nomination and Remuneration Committee

Nomination and Remuneration Committee (NRC) comprises of Shri Krishan Kumar Jalan, Shri Bontha Prasada Rao and Shri Sushil Kumar Roongta, all Independent Directors and Shri J P Chowdhary, Executive Chairman, and is headed by Shri Krishan Kumar Jalan as on 31st March, 2026.

Terms of Reference of NRC are broadly as follows:

The NRC shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations and shall be responsible for:

i) Formulating the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;

ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

iii) Devising a policy on diversity of Board of Directors;

iv) 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.

v) Decide in consultation with the Board of Directors whether to extend or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of independent directors.

vi) Recommend to the Board, all remuneration in whatever form payable to senior management.

Attendance of the Directors at the Nomination & Remuneration Committee Meetings held:

During the year 5 (five) meetings of the NRC of the Company were held i.e. on 07th April, 2025, 30th May, 2025,11th August, 2025, 31st December, 2025 and 12th February, 2026.

The attendance of Directors at these meetings is as under:

Sl. No.	Name of Director	Designation	No. of meetings attended
1.	Shri Krishan Kumar Jalan	Chairman	5
2.	Shri JP Chowdhary	Member	5
3.	Shri Bontha Prasada Rao	Member	5
4.	Shri Sushil KumarRoongta	Member	5

Remuneration Policy:

The Company's Remuneration Policy is designed to attract, retain and motivate high-caliber talent, in line with prevailing industry trends. Market-led in its approach, the Policy is directed towards rewarding performance based on periodic review of achievements, thereby leveraging performance appropriately and ensuring an optimum level and composition of remuneration for Directors.

The remuneration of Non-Executive Directors is determined by the Nomination and Remuneration Committee (NRC) in accordance with this Policy and as approved by shareholders. Through it, the Company seeks to develop and motivate executives of high caliber, incentivising them to implement the Group's strategy effectively, thereby enhancing business value and sustaining a high-performance workforce.

The Remuneration Policy is attached hereto - **Annexure CG-2**.

i) Remuneration to Non-Executive Directors:

The Members at the AGM held on September15, 2025 approved the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act for financial year 2025-2026. Pursuant to this, the remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors. In addition to commission, the eligible Directors are paid sitting fees of Rs. 50,000 for attending Board and Audit Committee meetings and Rs. 25,000 for attending other Committees along with actual reimbursement of expenses, incurred for attending each meeting of the Board and Committees.

The criteria for making payments to Non-Executive Directors have been placed on the website of the Company under the web link:

https://www.titagarh.in/storage/report/actual/POLICY%20ON%20REMUNERATION%20OF%20DIRECTORS.pdf

The Company has taken a Directors' & Officers' Liability Insurance Policy.

ii) Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. The indicative factors considered for evaluation include a Director's participation and contribution at meetings, level of commitment, effective deployment of knowledge and expertise, ability to manage stakeholder relationships, integrity and maintenance of confidentiality, and independence of behaviour and judgement.

iii) **Remuneration to Executive Directors:**

The remuneration of Executive Directors is recommended by the Nomination and Remuneration Committee to the Board, based on criteria such as industry benchmarks, the Company's performance relative to the industry, responsibilities shouldered, individual performance/track record, and a macro-economic review of remuneration packages offered by other organisations to executives in comparable roles. The pay structure incorporates appropriate success and sustainability metrics.

On the recommendation of the Nomination and Remuneration Committee, the remuneration paid/payable to Executive Directors comprising salary, perquisites and allowances (fixed component), and incentive and/or commission (variable component) is approved by the Board of Directors and by the Members in the General Meeting, within the limits prescribed under the Companies Act, 2013. Executive Directors are not paid sitting fees for attending meetings of the Board or its Committees.

Remuneration of Managing and Whole time Directors for the financial year ended the 31stMarch, 2026 and their shareholding in the Company:

(Rs. in Crores)

Particulars	Shri J P Chowdhary	Shri Umesh Chowdhary	Shri Anil Kumar Agarwal	Shri Saket Kandoi*	Shri Prithish Chowdhary
Salary and Perquisites	3.57	3.57	1.77	0.69	1.21
Commission	Nil	Nil	Nil	Nil	Nil
Total	**3.57**	**3.57**	**1.77**	**0.69**	**1.21**
Stock Option Granted	Nil	Nil	50,000	25,000	Nil
Period for which appointed by the Board	5 years w.e.f. 08/01/2022	5 years effective from 01/10/2025	3 years w.e.f. 29/05/2024	5 years w.e.f. 17/03/2023	5 years w.e.f. 13/08/2022
Appointment by share holders on	24th AGM held on 27/09/2021	By way of Postal Ballot on 19thJune, 2025	27thAGM held on 27th August 2024	By way of Postal Ballot on 26th April, 2023	25th AGM held on 15/09/2022
No. of shares	70,700	77,530	1,00,000	Nil	Nil

*Ceased as Director w.e.f. 13.02.2026

Remuneration to Non-Executive Directors (in Rs.):

Name of the Director	Sitting Fees	Salary & Perquisites	Commission	Total
Shri Atul Joshi	13,75,000	NIL	13,33,333	27,08,333
Smt.Rashmi Chowdhary	6,50,000	NIL	NIL	6,50,000
Ms. Nayantara Pal choudhuri	8,25,000	NIL	10,00,000	18,25,000
Shri Krishan Kumar Jalan	16,25,000	NIL	13,33,333	29,58,333
Shri Sushil Kumar Roongta	10,50,000	NIL	10,00,000	20,50,000
Shri. Bontha Prasada Rao	15,50,000	NIL	13,33,334	28,83,334
Shri Debanjan Mandal	75,000	NIL	Nil	75,000
Total	**71,50,000**	**NIL**	**60,00,000**	**1,31,50,000**

Other than sitting fee, participation fee and commission paid to Non-Executive Directors, there were no pecuniary relationships or transactions by the Company with any of the Non-Executive Directors of the Company. The Company has not granted stock options to Non-Executive Directors.

Corporate Social Responsibility Committee

Smt. Rashmi Chowdhary heads the Corporate Social Responsibility (CSR) Committee and Shri J P Chowdhary, Ms. Nayantara Palchoudhuri and Shri Krishan Kumar Jalan are the other members as at 31st March, 2026. CSR policy adopted by the Board is available on the website of the Company - https://www.titagarh.in/storage/report/actual/CORPORATE%20SOCIAL%20RESPONSIBILITY%20(CSR)%20POLICY.pdf

During the year, 2(two) meetings of the CSR Committee of the Company were held i.e. on 30th May, 2025 and11th August, 2025.

Attendance of the directors at the Corporate Social Responsibility Committee meetings:

Sl. No.	Name of Director	Designation	No. of meetings attended
1.	Smt. Rashmi Chowdhary	Chairperson	2
2.	Shri J P Chowdhary	Member	2
3.	Ms. Nayantara Palchoudhuri	Member	2
4.	Shri Krishan Kumar Jalan	Member	2

Finance Committee

Finance Committee comprised of Shri Atul Joshi, Independent Director as Chairman, Shri Umesh Chowdhary, Vice Chairman & Managing Director and Shri Anil Kumar Agarwal, Deputy Managing Director as on 31st March, 2026.

The terms of reference of the Committee have been defined by the Board based on the recommendations of the Audit Committee. The role of the Committee is broadly outlined as follows:

i) To accept and execute renewals of working capital facilities within the approved borrowing limits, including modifications to terms and creation/continuation of security as considered appropriate.

ii) To open, operate, modify, and close bank accounts with consortium banks, including updating authorized signatories as required.

iii) To execute all necessary agreements, documents, deeds, and undertakings, including affixing the Common Seal wherever applicable, for implementing the Committee's decisions.

iv) To delegate authority to one or more officials of the Company for carrying out the Committee's functions.

v) To exercise such other powers and perform such functions as may be delegated by the Audit Committee or the Board from time to time.

Attendance of the Directors at the Finance Committee Meeting held:

During the year only one meeting of the Finance Committee of the Company was held i.e. on 12th December, 2025. The attendance of Directors at this meeting is as under:

Sl. No.	Name of Director	Designation	No. of meetings attended
1.	Shri Atul Joshi	Chairperson	1
2.	Shri Umesh Chowdhary	Member	1
3.	Shri Anil Kumar Agarwal	Member	1

Risk Management Committee

Risk Management Committee comprised of Shri Atul Joshi, Independent Director as Chairman, Shri Sushil Kumar Roongta, Shri Debanjan Mandal, Independent Directors and Shri Prithish Chowdhary, Deputy Managing Director as on31st March, 2026.

The terms of reference of the Committee are as specified in Part D of Schedule II read with Regulation 21 of the Listing Regulations. The role of the Committee is broadly outlined as follows:

(i) To formulate a detailed risk management policy which shall include:

(a) A frame work for identification of internal and external risks including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

(iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

(iv) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

(v) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken

During the year, 2 (two) meetings of the Risk Management Committee of the Company were held i.e. on 22nd October, 2025 and 27th March, 2026.

Attendance of the directors at the Risk Management Committee meetings:

Sl. No.	Name of Director	Designation	No. of meetings attended
1.	Shri Atul Joshi	Chairperson	2
2.	Shri Debanjan Mandal	Member	1
3.	Shri Sushil Kumar Roongta	Member	2
4.	Shri Prithish Chowdhary	Member	2

Internal Complaints Committee

The Committee has been formed by the Board as per the requirement of Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee was re-constituted during the year as follows:

IC Role	Name	Role in the Company
Presiding Officer	Ms. Puja Banerjee	Assistant General Manager – HR
Members	Ms. Rekha Yadav	Senior General Manager - Project
	Ms. Parmjeet Walia	Deputy General Manager
	Mr. Jojo Joy	Senior General Manager - HR
	Ms. Swati Patel	Manager - HR
	Mr. Satyajit Bandyopadhyay	Head- Security and Vigilance
	Ms. June Sabita Coelho	Manager
External Member	Ms. Rohini Banerjee	Head of Programme – South Kolkata Hamari Muskan

There was no complaint of any issue which comes under the purview of the Committee during the Financial Year ended 31st March, 2026.

Succession Planning:

The NRC works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience, within the organization and the Board, in an endeavour to introduce new perspectives, whilst maintaining experience and continuity. By integrating workforce planning with strategic business planning, the Company deploys the necessary financial and human resources to meet its objectives. Succession planning and elevation within the organization, fuel the ambitions of its talent force, to earn future leadership roles. The Company has put in place a structure to identify crucial job skills, knowledge, social relationship and organisational practice and to pass them to prepare next generation of workforce, thereby ensuring seamless movement of talent within the organisation. Succession planning is also an important part of review by the Risk Management Committee.

Senior Management

Particulars of Senior Management

Sl. No.	Name	Designation
1	Saurav Singhania	Chief Financial Officer
2	Aditya Purohit	Company Secretary & Compliance Officer
3	Sunil Kumar Jha	Chief Technology Officer
4	Vijay Subramanian	Chief Executive Officer (Passenger Rail Systems)
5	Pranab Ghosal	Chief Commercial Officer
6	Ravi Agarwal	Chief Program Delivery Officer
7	Shrija Chandak	Chief Human Resource Office & Chief Digitalisation Officer

General Body Meetings

Annual General Meetings (AGM):

Annual General Meetings held during the last three years are as follows:

Year	Annual General Meeting (AGM)	Venue	Date	Time	No. of Special Resolutions passed
2024-25	28th AGM	756 Anandapur, E.M. Bypass, Kolkata – 700107 through Video Conferencing or other Audio Visual Means ("OAVM")	15.09.2025	11.30 A.M	One
2023-24	27th AGM	756 Anandapur, E.M. Bypass, Kolkata – 700107 through Video Conferencing or other Audio Visual Means ("OAVM")	27.08.2024	11.00 A.M	Three
2022-23	26th AGM	756 Anandapur, E.M. Bypass, Kolkata – 700107 through Video Conferencing or other Audio Visual Means ("OAVM")	29.09.2023	11.00 A.M	Eight

Remote e-voting and e-voting at AGM

To allow the shareholders to vote on the Resolutions proposed to be passed at the AGM, Company provided for remote e-voting facility. The Company engaged the services of NSDL to provide for e-voting facility to all the members. Members whose names appear on the Register of Members as on the cut-off date mentioned in the Notice of AGM shall be eligible to participate in the e-voting. The facility for e-voting will also be made available during the AGM and the members who have not already cast their vote by remote e-voting will be able to cast their vote at AGM.

Extraordinary General Meeting (EGM):

Extraordinary General Meeting held during the year are as follows:

Year	Venue	Date	Time	Reason for passing Special Resolutions
2025-26	756 Anandapur, E.M. Bypass, Kolkata – 700107 through Video Conferencing or other Audio Visual Means ("OAVM")	08.08.2025	11:30 A.M.	Issuance of up to 21,11,932 Warrants Convertible into Equity Shares of the Company to Members of Promoter group of the Company on Preferential Basis

Postal Ballot including e-voting:

During the year 2025-26, the Company had sought the approval of the Shareholders by way of Postal Ballot vide Postal Ballot Notice dated 20th May 2025 for passing the below Ordinary and Special Resolutions respectively:

Sl. No.	Resolution(s) passed through Postal Ballot	Votes in favour/against the resolution (% of total number of valid votes)
1	Re-Appointment Ms. Nayantara Palchoudhuri (DIN: 00581440) as Non-Executive Independent Director of the Company for a second term of 5 (five) years-Special Resolution	Votes in favour: 97.7713% Votes against: 2.2287%
2	Re-Appointment Shri Krishan Kumar Jalan (DIN: 01767702) as Non-Executive Independent Director of the Company for a second term of 5 (five) years-Special Resolution	Votes in favour: 97.8269% Votes against: 2.1731%
3	Re-Appointment Shri Sushil Kumar Roongta (DIN: 00309302) as Non-Executive Independent Director of the Company for a second term of 5 (five) years-Special Resolution	Votes in favour: 89.3379% Votes against: 10.6621%
4	Re-Appointment of Shri Umesh Chowdhary (DIN: 00313652) as Vice Chairman and Managing Director [VCMD] of the Company-Ordinary Resolution	Votes in favour: 97.1141% Votes against: 2.8859%
5	Amendment(s) to Titagarh Rail Systems Limited – Employees Stock Option Scheme 2023-Special Resolution	Votes in favour: 79.3729% Votes against: 20.6271%
6	Approve grant of stock options to the employees of group company(ies) including subsidiary company(ies), in India or outside India-Special Resolution	Votes in favour: 79.3294% Votes against: 20.6706%

The remote e-voting period for the above Postal Ballot commenced on Wednesday, 21st May, 2025at 9.00 a.m. (IST) and ended on Thursday, 19th June, 2025 at 5.00 p.m. (IST), through NSDL.

CS Sushil Goyal (Membership No. FCS-3969) of M/s Sushil Goyal & Co.,Practising Company Secretaries, was appointed as the Scrutinizers to scrutinize the postal ballot process by voting through electronic means only (e-voting/ remote e-voting) in a fair and transparent manner. The report on the result of the postal ballot through remote e-voting approving the aforementioned Resolutions was provided by the Scrutiniser on 20th June, 2025. The voting results by the Shareholders can be accessed on the Company's website at www.titagarh.in. The members of the Company approved the abovementioned resolutions by requisite majority.

Procedure for Postal Ballot:

The Postal Ballot was conducted by the Company as per the provisions of Regulation 44 of Listing Regulations, Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular Nos. 14/2020 dated 08 April, 2020, 17/2020 dated 13 April, 2020 and various subsequent circulars issued, read with Circular No. 9/2024 dated 19 September, 2024 issued by MCA.

Details of Special Resolution proposed to be conducted through postal ballot:

There is no immediate proposal for passing any resolution through postal ballot.However, if required, the same shall be passed in compliance with the provisions of Companies Act, 2013 and Listing Regulations or any other applicable laws.

Other Disclosures

(i) Related Party Transactions:

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year 2025-26 were in the ordinary course of business and on arm's length basis. Suitable disclosures as required by applicable Accounting Standard have been made in the Financial Statements which are self-explanatory. The Board has approved a policy for related party transactions which can be accessed at the Company website link: https://www.titagarh.in/storage/report/actual/POLICY%20ON%20RELATED%20PARTY%20TRANSACTIONS.pdf

(ii) Compliance with Accounting Standards:

In the preparation of the financial statements, the Company has followed the Accounting Standards specified under Section 133 of the Companies Act, 2013 read withwith Companies (Indian Accounting Standards) Rules, 2015 together with Ind AS issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

(iii) Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large:

Details of transactions with the related parties as specified in applicable Accounting Standard have been reported in the Financial Statements. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

(iv) Certificate on Corporate Governance:

A certificate has been obtained from M/S Prateek Kohli and Associates, Practising Company Secretary Firm, confirming that none of the Directors of the Company have been debarred or disqualified by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of the Company and the same is appended to this Report.

(v) Compliance with requirements of Corporate Governance pursuant to the Listing Regulations:

The Company has complied with all the mandatory requirements of Corporate Governance of the Listing Regulations.

The following is the status of compliance with non-mandatory recommendations of Part E of Schedule II as mentioned in Regulation 27(1) of the Listing Regulations:

a) **Shareholders' Rights:**
The Company's quarterly and half-yearly financial results are published in newspapers with QR code and also made available on the Company's website and the websites of the stock exchanges where its equity shares are listed. Accordingly, these results are not circulated separately to shareholders. The Company ensures timely and equitable dissemination of all material information on a non-discretionary basis, including press releases, investor presentations, and recordings and transcripts of earnings calls.

b) **Audit Qualifications:**
The Company's financial statements for the financial year 2025–26 do not contain any audit qualifications. The Statutory Auditors have expressed an unmodified opinion on the financial statements.

c) **Reporting of Internal Auditor:**
The Internal Auditors of the Company directly report to the Audit Committee and attend meetings for reporting their findings of the Internal Audit to the Audit Committee members.

(vi) Fees paid to Statutory Auditor:

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Price Waterhouse & Co Chartered Accountants LLP and M/s Salarpuria& Partners, Chartered Accountants, Statutory Auditors and all entities in the network firm/ network entity of which they are part, are as follows:

Particulars	Amount (in Cr.)
Audit Fee	0.68
Limited Review	0.27
Other Certification Services	0.10
Reimbursement of Expenses	0.12
Total	**1.17**

(vii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years:There has been no instance of non-compliance by the Company and no penalty and/ or stricture has been imposed by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(viii) Observations/ remarks of the Company:

Not Applicable

(ix) Whistle-Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulation, the Company has framed a Vigil Mechanism/Whistle Blower Policy and the same has also been placed on the website of the Company. The Company affirms that no personnel has been denied access to the Audit Committee. The Audit Committee monitors and reviews the investigations of the whistle blower complaints. Vigil Mechanism Policy is available on the website of the Company at www.titagarh.in. No grievance has been reported to the Audit Committee during the year. The Board has approved a policy for the same which can be accessed at the Company website link: *https://www.titagarh.in/storage/report/actual/VIGIL%20MECHANISM_%20WHISTLE%20BLOWER%20POLICY.pdf*

(x) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company is compliant with all the mandatory requirements of the Listed Regulations for 2025-26. The non-mandatory requirement under Listing Regulations which has been adopted is mentioned below: The Internal Auditors of the Company directly make presentation to the Audit Committee on their reports.

(xi) Annual Secretarial Compliance Report:

Pursuant to Regulation 24A of Listing Regulations read with SEBI Master Circular no. SEBI/H/CFD/PoD2/CIR/P/2023/120 dated 11th July 2023, the Company has obtained an Annual Secretarial Compliance Report from M/S Prateek Kohli and Associates, Practicing Company Secretary, confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder andas applicable to the Company. The report is annexed hereto – **Annexure CG-3**.

(xii) Code of Conduct

The Company has received confirmation from the Board and the Senior Management regarding their adherence to the Code of Conduct. A certificate by the Vice Chairman and Managing Director, on compliance declarations as received from the Board and Senior Management forms part of this Report. The Code has been hosted on the Company's website and the link for the same is as follows:*https://www.titagarh.in/storage/report/actual/CODE%20OF%20CONDUCT%20FOR%20DIRECTORS%20AND%20SENIOR%20MANAGEMENT.pdf*

(xiii) Code of Conduct to Regulate, Monitor and Report Trading by Insiders

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). These Codes govern the handling, communication and dissemination of UPSI, regulate trading in the Company's securities by Designated Persons and their immediate relatives, and prescribe measures for the prevention of insider trading. Both the Codes are hosted on the Company's website.

The Company has also established robust procedures, including the maintenance of a Structured Digital Database, to ensure compliance with the applicable regulatory requirements. A quarterly report on insider trading compliance, covering trading by Designated Persons and the implementation of the PIT Regulations, is placed before the Audit Committee for its review and oversight.

(xiv) Code of Conduct for Independent Directors

The Board has adopted the Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013 and Listing Regulations.

(xv) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

During the year, the Company and its subsidiaries has not given any Loan and advance to any firm/ company in which directors are interested.

(xvi) Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The disclosures regarding the complaints of sexual harassment are given in the Board's Report forming part of this Integrated Annual Report.

(xvii) Means of Communication

Quarterly results:

The Company's quarterly/half-yearly/annual financial results are sent to the Stock Exchanges and published inEnglish(Business Standard and/or Financial Express)and Vernacular (Ekdin or Aajkal) dailies. They are also available on the website of the Company.

News/Press releases:

Official news/press releases and official media releases are generally sent to Stock Exchanges and are also available on the website of the Company.

Website:

The Company's website *www.titagarh.in* contains a separate dedicated section 'Investors' where shareholders' information is available.

Presentations to institutional investors/analysts:

Detailed presentations are made to institutional investors and financial analysts on the Company's quarterly, half-yearly as well as annual financial results and are sent to the Stock Exchanges. These presentations, audio recordings and transcript of the meetings are available on the website of the Company.

General Shareholder Information

Annual General Meeting	
Day, Date and Time	Wednesday, 30th September, 2026 at 1:30 P.M.
Venue	Online platform of NSDL (Deemed venue: 756 Anandapur, E.M.Bypass, Kolkata– 700107)
Financial Year	2025-2026
Record Date for Dividend	Wednesday, 23rd September, 2026

Dividend Payment Date:

Dividend of 50% i.e. INR 1 per equity share of face value of Re. 2/- each for the financial year 2025-26 has been recommended by the Board of Directors to the members for their approval. If approved, dividend shall be paid within 30 days from the date of declaration to such members whose names appear in the register of members of the Company as at Wednesday, 23rd September, 2026.

Financial Calendar	Tentative Date
First Quarter Results	12th August, 2026
Second Quarter Results	On or before 14th November, 2026
Third Quarter Results	On or before 14th February, 2027
Fourth Quarter Results	On or before 30th May, 2027

(xviii) Listing on Stock Exchanges and Stock Codes

Shares of the Company are listed at the BSE Limited and the National Stock Exchange of India Limited (NSE) [ScripCode: 532966 & Symbol: TITAGARH respectively]. Annual Listing fees for the year 2026-27 has been paid by the Company to both BSE and NSE.ISIN for dematerializationis INE615H01020.

(xix) Details of unclaimed shares pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations

Pursuant to the Scheme of Amalgamation of Cimmco Limited ('Cimmco') with the Company sanctioned by Hon'ble NCLT, Kolkata, by its Order dated 30th September, 2020, the Company had on 7th November, 2020 allotted 45,210 equity shares of Rs.2/- each of the Company, against the 89,498 equity shares (comprised of 9961 folios)of Cimmco held in Unclaimed Suspense Account maintained with Karvy Stock Broking Limited. The said

Account by way of execution of corporate action was debited with 89,498 equity shares of Cimmco and credited with 45,210 equity shares of the Company. Further, the 2,173 equity shares of Rs.2/-each of the Company allotted on 7th November, 2020 to 25 shareholders of Cimmco which could not be credited to their Demat accounts since rejected at the time of execution of Corporate action on the ground of accounts having been closed or dormant or other procedural issues, and were transferred to the Unclaimed Suspense Account of the Company maintained with Axis Securities Limited. The Company has been from time to time transferring shares from the said Account to the Demat accounts of concerned shareholders as and when claim application from them are received and processed after necessary compliances applicable thereto. As at 31st March, 2026,46,454 equity shares of Rs. 2/- each (comprising 20 shareholders) were held in the said Account with Axis Securities Limited. The voting rights on these shares shall remain frozen till the rightful owner(s) of such shares claim(s) the shares.

(xx) Disclosure with respect to Demat Suspense Account/ Unclaimed Suspense Account

During the financial year 2025-26, pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ("IEPF Rules"), your Company transferred the unclaimed and unpaid dividend pertaining to the financial year 2017-18, aggregating to ₹1,96,476.00, to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

In accordance with the provisions of Section 124(6) of the Companies Act, 2013 read with the IEPF Rules, the Company also transferred 8,820 equity shares in respect of which dividends had remained unclaimed for a continuous period of seven consecutive years or more to the demat account of the IEPF Authority during the year under review.

Shareholders whose unclaimed dividend amounts and/or corresponding equity shares have been transferred to the IEPF may claim the same from the IEPF Authority by submitting anapplication in **Form IEPF-5**, along with the requisite documents, in accordance with the applicable provisions of the Companies Act, 2013 and the IEPF Rules.

Further, in accordance with the IEPF Rules, the Board of Directors has appointed Nodal Officer and Deputy Nodal Officers of the Company for the purposes of verification of claims of shareholders pertaining to shares transferred to IEPF and/or refund of dividend from IEPF Authority and for coordination with IEPF Authority. The details of Mr. Aditya Purohit, Nodal Officer and Ms. Devanshi Bagrodia, Deputy Nodal Officer are available on the website of the Company.

(xxi) Share Transfer System & Registrars and Transfer Agent (‘RTA’)

The Company has engaged the services of Maheshwari Datamatics Pvt. Ltd., as the RTA. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders which shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialization request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary document.The Company is in the process of dispatching letter as intimation to all its shareholders holding shares in physical mode, asking them to submit Forms ISR-1, ISR-2 and ISR-3 or SH 13 or SH 14 as prescribed by SEBI vide its circular dated November 3, 2021 & December 14, 2021.

(xxii)Introduction of Online Dispute Resolution Portal (“ODR Portal”) by SEBI

SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated 31st July, 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated 4th August, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/ CIR/2023/145 dated 31st July, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal (“ODR Portal”) for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login) and the same can also be accessed through the Company’s website *www.titagarh.in*.

(xxiii) Categories of Shareholding as at the 31st March, 2026

Category	No. of Equity Shares held	% of Total Shares
• **Promoter & Promoter Group**	5,44,86,861	40.46
• **Indian Public**		
Mutual Funds & UTI	1,25,65,140	9.33
Financial Institutions & Banks	42,05,724	3.13
Private Corporate Bodies	28,93,148	2.15
Individuals/Others	4,40,50,598	32.71
Non-Residents		
Foreign Institutional Investors/Non-Residents/ Foreign National	1,58,91,946	11.80
ClearingMembers	4,75,763	0.35
IEPF& Central Government	1,04,588	0.08
TOTAL	**13,46,73,768**	**100**

(xxiv) Dematerializationof shares and liquidity:

99.84% of total equity shares of the Company have been dematerialized as on 31st March, 2026.

(xxv) Distribution of Shareholding as on 31st March, 2025:

Range of Shares	No. of Holders	% to Holders	No. of Shares	% to Equity
1 to 5000	559166	99.876	40111873	29.7845
5001 to 10000	351	0.0627	2516473	1.8686
10001 to 20000	173	0.0309	2470565	1.8345
20001 to 30000	45	0.008	1120637	0.8321
30001 to 40000	20	0.0036	723773	0.5374
40001 to 50000	12	0.0021	532721	0.3956
50001 to 100000	36	0.0064	2518350	1.87
100001 & above	57	0.0102	84679376	62.8774
TOTAL	**559860**	**100**	**134673768**	**100**

(xxvi) Equity Shares of the Company have not been suspended from trading by the SEBI and/or Stock Exchanges

(xxvii) Policy for Determining Material Subsidiary:

During the year, the Company did not have any material subsidiary. In line with the requirements of the Listing Regulations a policy to determine a material subsidiary has been framed and the same may be accessed on the Company’s website at the link: *https://www.titagarh.in/storage/report/actual/POLICY%20FOR%20DETERMINING%20MATERIAL%20SUBSIDIARIES.pdf*

(xxviii) Credit rating:

In April 2026, CRISIL Ratings has reaffirmed its outlook on long-term bank facilities of the Company to CRISIL AA-/Stable and for short term banking facilities reaffirms the rating at CRISIL A1+.

(xxix) **Outstanding convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or any convertible instruments during the financial year 2025–26. However, the Company has issued 21,11,932 convertible warrants, to the promoter and promoters group and are yet to be converted into equity shares of the Company as on closing date of this financial year.

(xxx) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

During the year under review the Company issued warrants through preferential allotmentas specified under Regulation 32(7A).

Pursuant to the approval of Shareholders at their meeting held on 8th August, 2025 followed by Board Meeting held on 9th July, 2025, and on approval of BSE Ltd and National Stock Exchange, the Company has allotted 21,11,932 warrants to promoter and promoter group @ price of Rs. 947/- per warrant. The said warrant shall be convertible into equal no. of equity shares within 18 months of the allotment.

Proceeds from issue if equity shares made during the year have been used utilized in the following manner:

(In Crores)

Item Head	Amount as Proposed	Utilised during FY 25-26	Balance to be utilised
Working Capital Loan Repayment	100.00	0	100.00
General Corporate Purpose	49.99	0	49.99
Reimbursement of Capex	50.00	50.00*	0

*The proceeds credited to the Preferential Issue account stood at INR 49.99 Crore as on 31st March 2025 as only 25% of the proceeds have been received against the warrants. Hence, Actual unutilized proceeds is INR 49.99 Crore.

The Company affirms that there has been no deviation or variation in the utilisation of issue proceeds. The Company appointed CARE Ratings Limited as the Monitoring Agency. Care Ratings provided a quarterly Monitoring Agency Report, which the Company submitted to the Stock Exchanges, in compliance with Regulation 32(6) of the SEBI Listing Regulations and Regulation 173A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(xxxi) **Commodity price risk or foreign exchange risk and Commodity hedging activities**

Your Company enters into contracts that involve multiple foreign currencies and the Company is exposed to the risk of exchange rate fluctuation on these inflows and outflows of foreign currencies. As forex markets are dynamic and volatile and also since there are possible timing mismatch on the inflows and outflows, your Company is managing the adverse impact of currency fluctuation by entering into forward hedging contracts.The Company has in place a robust risk management framework for identification and monitoring and mitigation of foreign exchange risks. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management framework.

(xxxii) The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable, with regard to Corporate Governance. The Company is committed to continuously scale up the Corporate Governance standards by way of practicing good Governance to ensure transparency in the affairs of the Company.

Plant Locations: The Company's plants are located at:

Wagons and Shipbuilding
12/9/1.R.K. Deo Path, PO & PS: Titagarh,
24 Paraganas (N), West Bengal - 700119

Metro Coaches, Train Electricals & Steel Casting
2, Hindmotor Road, PO: Hindmotor, PS: Uttarpara,
Hooghly, West Bengal - 712233

Steel Castings Division
1 Abdul Quddus Road, PO & PS: Titagarh,
24 Paraganas (N), West Bengal - 700119

Wagons & Heavy Engineering Division
Mal Godown Road, PO: Bharatpur – 321001,
Rajasthan

Address for Correspondence:

Registered Office:
Titagarh Rail Systems Limited
Poddar Point, 10th Floor, 113 Park Street,
Kolkata, West Bengal – 700016
Fax: 91 33 4019 0823
Email: investors@titagarh.in

Corporate Office:
Titagarh Rail Systems Limited
Titagarh Towers, 756 Anandapur, E.M. Bypass,
Kolkata, West Bengal – 700107
Telephone: 91 33 4019 0800
Email: investors@titagarh.in

Registrar & Shares Transfer Agent (RTA):
Maheshwari Datamatics Pvt Ltd.
23, R.N. Mukherjee Road, 5th Floor,
Kolkata, West Bengal – 700001
Telephone: 033 2243 5029/2248 2248
Email For Investors Complaints: contact@mdplcorporate.com

For and on behalf of the Board

Place: Kolkata
Date: 7th September, 2026

J P Chowdhary
Executive Chairman

Declaration Affirming Compliance of Provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I here by affirm that all the Board members and the senior management personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended 31st March, 2026.

For Titagarh Rail Systems Limited

Place: Kolkata
Date: 7th September, 2026

Umesh Chowdhary
Vice Chairman and Managing Director& CEO

Certificate on Corporate Governance

To
The Members
Titagarh Rail Systems Limited
Poddar Point, 10th Floor, 113 Park Street,
Kolkata-700016

I have examined the compliance of conditions of Corporate Governance by Titagarh Rail Systems Limited (CIN:L27320WB1997PLC084819) for the year ended on 31st March, 2026, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company ensuring for compliance of the conditions of Corporate Governance. It is neither an audit nor expression of the opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has generally complied with the conditions of Corporate Governance, as stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

I 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 Prateek Kohli & Associates
Company Secretaries
Prateek Kohli
Partner
CP No. 16457

Place: Kolkata
Date: August 17, 2026
Peer Review Certificate No. 2042/2022
UDIN: F011511H001135018

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors

Titagarh Rail Systems Limited

We have reviewed the financial statements read with cash flow statement of Titagarh Rail Systems Limited for they ear ended on the 31st day of March, 2026 and to the best of our knowledge and belief, we state that:

a) These statements do not contain any materially untrue statement or omit any material fact or contain statements, that might be misleading;

b) 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.

c) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegalor violative of the Company's code of conduct;

d) We accept responsibility for establishing and maintaining internal controls and that we have evaluated theeffectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are awareand steps taken or proposed to be taken for rectifying the sedeficiencies;

e) We have indicated to the auditors and the Audit Committee:

i) Significant changes in internal control during the year;

ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

iii) Instances of significant fraud of which they have become aware and the involvement therein, ifany, of the management or an employee having a significant role in the Company's internal control system.

Place: Kolkata
Date: 7th September, 2026

Umesh Chowdhary
Vice Chairman and Managing Director & CEO

Saurav Singhania
CFO

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 of
Titagarh Rail Systems Limited
'Poddar Point', 10th Floor,
113 Park Street, Kolkata 700016

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **TITAGARH RAIL SYSTEMS LIMITED** having CIN: L27320WB1997PLC084819 and having registered office at 'Poddar Point', 10th Floor, 113 Park Street, Kolkata 700016(hereinafter referred to as 'the Company'), produced before me 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 my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I 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, the Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in the Company
1	JAGDISH PRASAD CHOWDHARY	00313685	24/09/2009
2	UMESH CHOWDHARY	00313652	03/07/1997
3	ANIL KUMAR AGARWAL	01501767	29/05/2019
4	ATUL RAVISHANKER JOSHI	03557435	24/01/2018
5	BONTHA PRASADA RAO	01705080	04/09/2023
6	DEBANJAN MANDAL	00046922	04/09/2023
7	KRISHAN KUMAR JALAN	01767702	13/08/2020
8	NAYANTARA PALCHOUDHURI	00581440	22/06/2020
9	PRITHISH CHOWDHARY	08509158	01/01/2021
10	RASHMI CHOWDHARY	06949401	14/08/2014
11	SUSHIL KUMAR ROONGTA	00309302	01/01/2021

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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 Prateek Kohli & Associates
Company Secretaries
Prateek Kohli
Partner
CP No. 16457

Place: Kolkata
Date: August 17, 2026
Peer Review Certificate No. 2042/2022
UDIN: F011511H001134985

ANNEXURE CG–1

Criteria for Performance Evaluation of Board & Independent Directors

An effective Board consciously creating a culture of leadership and transparent corporate governance with a long term vision and requisite strategies to enable the Company to become a responsible entity working for maximization of the stakeholders' value while contributing to society is at the core of its approach. Towards this Titagarh Rail Systems Limited ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

Titagarh Rail Systems Limited also recognizes the importance of Independent Directors in achieving the effectiveness of the Board andaims to have an optimum combination of Executive, Non-Executive and Independent Directors.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board carries out an annual evaluation of its own performance, as well as the evaluation of the working of its Committees and Individual Directors. The performance evaluation of all the Directors were carried out by the Board. The performance evaluation was carried out in accordance with the Remuneration Policy framed by the Company with in the frame work of applicable laws.

QUALIFICATION AND CRITERIA OF INDEPENDENCE

- The Board shall review on an annual basis appropriate skills, knowledge and experience required of the Board as a whole and its individual members.
- The Nomination and Remuneration Committee (NRC) shall also assess the independence of the directors at the time of appointment/ reappointment and the Board shall assess the same annually.
- The Board shall reassess determinants of independence when any new interestor relationships are disclosed by a Director.
- In evaluating the suitability of the individual members NRC may take into account factors such as, general understanding of the Company's business dynamics, global business and social perspective.

The Board may review and update the criteria from time to time as it may deem appropriate.

ANNEXURE CG–2

Remuneration Policy

Titagarh Rail Systems Limited recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Remuneration policy is designed to attract, motivate and retain talented employees in a competitive market.

Therefore, the Remuneration Policy has been formulated with the following objectives and features:

a. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees, to run the Company successfully.

b. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

c. Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.

d. Aligning the remuneration of Directors, KMPs and Senior Management Personnel with the Company's financial positionas well as with trends in the industry to the extent applicable to the Company.

e. Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.

f. Ensuring Board Diversity.

g. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down.

POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL

- The Board on the recommendation of the Nomination & Remuneration Committees hall review and approve the remuneration payable to the directors/KMP which shall be within the limits approved by the shareholders.
- It is to be ensured that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.

REVIEW

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board, from time to time as may be necessary.

The Remuneration Policy is available on the Company's website under the following web link: *https://www.titagarh.in/storage/report/actual/POLICY%20ON%20REMUNERATION%20OF%20DIRECTORS.pdf*

ANNEXURE CG–3

Annual Secretarial Compliance Report

ANNUAL SECRETARIAL COMPLIANCE REPORT OF TITAGARH RAIL SYSTEMS LIMITED
For the financial year ended 31st March 2026

To,
The Members
Titagarh Rail Systems Limited

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Titagarh Rail Systems Limited**, having its registered Office at Poddar Point, 10th Floor,113 Park Street, Kolkata - 700016, Kolkata, West Bengal, India, 700016. Secretarial Review wasconducted in a manner that provided us a reasonable basis forevaluating the corporate conducts/statutory compliances and to provide our observations thereon.

Based on our verification of the **Titagarh Rail Systems Limited** (the listed entity hereinafter referred to as theentity') books, papers, minutes books, forms and returns filed and other records maintainedby the entity and also the information provided by the entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the entity has, during the review period covering the financial year ended on 31.03.2026 complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter :

'We, Prateek Kohli & Associates, firm of Practicing Company Secretaries have examined:

(a) all the documents and records made available to us and explanation provided by **Titagarh Rail Systems Limited**, CIN: L27320WB1997PLC084819 ("the listed entity herein after referred to as the entity"),

(b) the filings/ submissions made by the entity to the stock exchange, in connection to theabove,

(c) website of the entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended 31st March, 2026 ("Review Period") in respect of compliance with the provisions of:

a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations,circulars, guidelines issued thereunder; and

b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include, to the extent applicable: -

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, to the extent as applicable;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Buy back of Securities) Regulations,2018; Not Applicable

e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; Not Applicable

g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

h) Securities and Exchange Board of India (Depositories and Participants) Regulations,2018;

i) Other regulations as applicable.

and circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below: — The entity has complied with all the applicable regulations, circulars and guidelines as and when required.

Sr. No	Compliance Requirement	Regulation/ Circular No.	Deviations	Action Taken By	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										

(b) The listed entity has taken the following actions to comply with the observations made inprevious reports: No observations have been made in the previous report.

Sr. No	Observations / Remarks of the Practicing Company Secretary (PCS) in the previous report(s)	Observations made in the secretarial compliance report for the year ended 31.03.2026	Compliance Requirement	Details of violation/ deviations and actions taken/penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of PCS on the actions taken by the listed entity
NA						

We hereby report that, during the review period the compliance status of the entity is appended as below:

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
1	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	Yes	-
2	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated, as per the regulations/circulars/guidelines issued by SEBI	Yes	-
3	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website	Yes	-
4	**Disqualification of Director:** None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013.	Yes	-

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
5	**Details related to Subsidiaries of listed entities have been examined w.r.t.:** (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	N.A	(a) It is stated that the Company has no material subsidiaries during the period under review. (b) The Company ceased to have its wholly ownedforeign subsidiary with effect from 27 March 2026 and presently has one Domestic subsidiary and one wholly owned domestic Subsidiary
6	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015	Yes	-
7	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	-
8	**Related Party Transactions:** (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) In case no prior approval obtained; The listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit Committee.	Yes No such cases	-
9	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s), to the extent applicable under Regulation 30 along with Schedule III - of SEBI LODR Regulations, 2015 as amended from time to time within the time limits prescribed thereunder.	Yes	-
10	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	-
11	**Actions taken by SEBI or Stock Exchange(s), if any:** No Actions taken against the entity, its promoters and directors either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	No	As per the review of records no Action has been taken by SEBI, NSE or BSE against the Entity or its promoters or Directors
12	**Resignation of statutory auditors from the listed entity or its material subsidiaries:**	NA	-
13	**Additional non-compliances, if any:** No any additional non-compliances observed for all SEBI regulation/circular/guidance note etc.	No	No, Non- Compliances was observed for SEBI regulation/circular/guidance note during the period under review.

Compliance as per provisions of Regulation 3(5) and 3(6) of Securities and Exchange Board India(Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) is appended as below:

Sr.No	Compliance Requirement	Yes/No	Observation/Remark
1.	Whether the Company has a Structured Digital Database in Place?	Yes	-
2.	Whether control exists as to who can access the SDD?	Yes	-
3.	Whether all the UPSI disseminated in the previous quarter have been captured in the Database?	Yes	-
4.	Whether nature of UPSI has been captured along with date and time?	Yes	-
5.	Whether the database has been maintained internally?	Yes	-
6.	Whether audit trail is maintained?	Yes	-
7.	Whether the database is non-tamperable and has the capacity to maintain the records for 8 years?	Yes	-

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Prateek Kohli & Associates
Company Secretaries

Date: 13/05/2026
Place: Kolkata
UDIN: F011511H000345735
Peer Review Certificate No: 2042/2022

Prateek Kohli
Partner
Membership No: F11511
C.P. no. 16457

Grant Thornton Bharat LLP

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Independent practitioner's reasonable assurance report on Identified Sustainability Information included in Titagarh Rail Systems Limited's Business Responsibility and Sustainability Report

To the Board of Directors of Titagarh Rail Systems Limited

1. We have been engaged to perform a reasonable assurance engagement for Titagarh Rail Systems Limited (the 'Company'), vide our engagement letter dated 03 July 2026 in respect of non-financial information pertaining to core attributes of Business Responsibility and Sustainability Report (BRSR) listed below (the "Identified Sustainability Information") prepared by the Company's management in accordance with the Criteria stated below. This Identified Sustainability Information is included in the BRSR section in the Annual Report of the Company for the financial year ended 31 March 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and engineers.

Identified Sustainability Information

2. The Identified Sustainability Information for the financial year ended 31 March 2026 is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	• Total energy consumption • % of energy consumed from renewable sources • Energy intensity
Water footprint	Principle 6 – 3 & 4	• Total water consumption • Water consumption intensity • Water Discharge by destination and levels of Treatment
Greenhouse (GHG) footprint	Principle 6 – 7	• Greenhouse gas (GHG) emissions (Scope 1 and Scope 2 emissions) • GHG Emission Intensity (Scope 1 and Scope 2)

Attribute	Principle	Key Performance Indicator
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	• Spending on measures towards well-being of employees and workers (including permanent and other than permanent) – cost incurred as a % of total revenue of the company
	Principle 3 – 11	Safety related incidents (for employees and workers): • Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) • Total recordable work-related injuries • No. of fatalities • High consequence work-related injury or ill-health (excluding fatalities)
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 • Total Complaints on Sexual Harassment (POSH) reported • Complaints on POSH as a % of female employees / workers Complaints on POSH upheld
Enabling Inclusive Development	Principle 8 – 4	Percentage of input material (inputs to total inputs by value) sourced from suppliers - Directly sourced from MSMEs/ small producers and from within India
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events

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Attribute	Principle	Key Performance Indicator
Open-ness of business	Principle 1 – 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties

3. The reporting boundary covers the Company's corporate office, registered office, branch offices and manufacturing facilities in India. For Principle 6 (Essential Indicators 1, 3, 4 and 7) and Essential Indicator 11 under Principle 3, the reporting boundary is limited to the following manufacturing units: PRS location at Uttarpara, FRS location at Bharatpur and Titagarh (foundry unit).
4. Our reasonable assurance engagement is with respect to the Identified Sustainability Information for the reporting boundary as mentioned above for financial year ended 31 March 2026 only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any opinion thereon.

Criteria

5. The criteria used by the Company to prepare the Identified Sustainability Information is summarised below (hereinafter referred to as 'Criteria'):

   Regulation 34(2)(f) of the Securities and Exchange Board of India (the "SEBI") (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('LODR Regulations') as amended, read with SEBI Master circular HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30 January 2026 and BRSR Core Reporting Standard formulated by Industry Standards Forum.

Management's Responsibilities

6. The Company's management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

7. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Practitioner's Independence and Quality Control

8. We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code') issued by the International Ethics Standards Board for Accountants' ('IESBA'), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and we have and have the required competencies and experience to conduct this assurance engagement.

9. Our firm applies International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Practitioner's Responsibility

10. Our responsibility is to express a reasonable assurance in the form of an opinion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.
11. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board ("IAASB"). This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria.
12. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.
13. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.
14. Given the circumstances of the engagement, in performing the procedures listed above, we:
    - Physically visited the site at the corporate office and PRS manufacturing unit at Uttarpara, West Bengal, for walkthrough and discussion with individual data owners for understanding business processes, data management processes, and to verify data and documents;
    - Carried out discussions at the corporate office and manufacturing facilities for data and document verification;
    - Interviewed senior executives to understand the reporting process, governance, systems and controls in place during the reporting period;
    - Reviewed the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company, its associates and joint ventures to support relevant performance disclosures within our scope;
    - Evaluated the suitability and application of Criteria and that the Criteria have been applied appropriately to the Identified Sustainability Information;
    - Selected key parameters and representative sampling, based on statistical audit sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.;
    - Re-performed calculations to check accuracy of claims;
    - Reviewed data from independent sources, wherever available;

- Reviewed data, information about sustainability performance indicators and statements in the report;
- Reviewed and verified information/ data as per the Criteria;
- Reviewed accuracy, transparency and completeness of the information/ data provided.

15. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Exclusions:

Our reasonable assurance engagement scope excludes the following and therefore we do not express an opinion on the same:

- Operations of the Company other than those mentioned in the paragraph 2 and 3 above on Scope of Assurance
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the Identified Sustainability Information.
- Data and information outside the defined reporting period i.e., 01 April 2025 to 31 March 2026.
- Data related to Company's financial performance, strategy and other related linkages expressed in Identified Sustainability Information.
- The statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company.
- Assertions related to Intellectual Property Rights and other competitive issues
- Mapping of the Identified Sustainability Information with reporting frameworks other than those mentioned in Criteria above.
- While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.
- The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Opinion

16. Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Information included in the BRSR for the financial year ended 31 March 2026 is prepared in all material respects, in accordance with the Criteria.

Other Matter(s)

17. The information pertaining to the financial year ended 31 March 2025, included as comparative information in the Identified Sustainability Information, has been certified by the management and was not subjected to limited / reasonable assurance engagement.

    Our opinion is not modified with respect to this matter.

Restriction on use

18. Our reasonable assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on the Company's sustainability performance and activities. Accordingly, this report may not be suitable for any other purpose and should not be used by any other party other than Board of Directors of the Company. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom this report is shown or into whose hands it may come without our prior consent in writing.

Grant Thornton Bharat LLP

Abhishek Tripathi
Partner

Place: Noida
Date: 19 August 2026

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SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	Details
1.	**Corporate Identity Number (CIN) of the Listed Entity**	L27320WB1997PLC084819
2.	**Name of the Listed Entity**	TITAGARH RAIL SYSTEMS LIMITED
3.	**Year of incorporation**	1997
4.	**Registered office address**	Poddar Point, 10th Floor, 113 Park Street, Kolkata 700016
5.	**Corporate office address**	Titagarh Towers 756 Anandapur, E.M Bypass, Kolkata 700107
6.	**Email**	corp@titagarh.in;
7.	**Telephone**	033 40190800
8.	**Website**	www.titagarh.in
9.	**Financial year for which reporting is being done**	2025-2026 (April 2025 to March 2026)
10.	**Name of the Stock Exchange(s) where shares are listed**	1. BSE Limited 2. National Stock Exchange of India Limited
11.	**Paid-up capital (INR)**	Rs. 26,93,47,536/- as on 31st March, 2026
12.	**Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report**	Mr Aditya Purohit Company Secretary & Compliance Officer - TRSL Phone: 8910833639 Email: aditya.purohit@titagarh.in
13.	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	Disclosures under this report are made on standalone basis for Titagarh Rail Systems Limited Note: For the purpose of reporting Environmental, Health and Safety disclosures under Principle 3 (Essential Indicator 11) and Principle 6 (Essential Indicators 1, 3, 4, 7 and 9), management has identified locations with a significant environmental and/or safety footprint and included them within the reporting boundary for the aforesaid disclosures. The reporting boundary is limited to the following manufacturing units: PRS location at Uttarpara, FRS location at Bharatpur and Titagarh (foundry unit)
14.	**Name of assurance provider**	Grant Thornton Bharat LLP
15.	**Type of assurance obtained**	Reasonable Assurance on BRSR Core attributes

II. Products/services

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

Sr. No.	Description of Main Activity	Description of Business Activity	Percentage of Turnover of the entity
1	Freight Rail Systems	Consists of manufacturing of Wagons, Loco Shells, bogies, couplers, its components, designing and construction of Warships, Passenger Vessels, Tug and specialised equipment for Defence, Bridges Girders etc.	82.84
2	Passenger Rail Systems	Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.	17.16

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

Sr. No.	Product/Service	NIC Code	Percentage of total Turnover contributed
1	Manufacturing of Wagons, Loco Shells, bogies, couplers and construction of Warships, Passenger Vessels, Tug.	3020	82.84
2	Manufacturing of Metro Coaches, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors	3020	17.16

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	4	10	14
International	Nil	Nil	Nil

19. Markets served by the entity:

a. Number of location

Locations	Total
National (No. of States)	PAN India
International (No. of Countries)	5

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

Response: NIL

c. A brief on types of customers

Response: Titagarh Rail Systems Limited (TRSL) caters to a diverse customer base across both domestic and international markets. Our customers primarily include government entities such as Indian Railways, Metro Corporations, Defence, National Institute of Ocean Technology and Shipping Corporation of India, as well as private sector clients engaged in freight logistics. Internationally, we serve various national railway operators and private clients across Bangladesh, Africa, Myanmar, Australia and Europe. Our products and service portfolio are tailored to meet the specialized requirements of rolling stock, metro coaches, propulsion systems, defense products and shipbuilding products to meet the specialized requirements of each segment, fostering long-term relationships built on quality, innovation, and reliability.

IV. Employees

20. Details as at the end of Financial Year: (FY 2025-2026)

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			Employees			
1	Permanent (D)	932	869	93.24	63	7.76
2	Other than Permanent (E)	245	226	92.24	19	7.75
3	**Total employees (D + E)**	1177	1095	93.03	82	6.97

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Workers						
4	Permanent (F)	120	120	100	0	0
5	Other than Permanent (G)	5550	5505	99.18	45	0.81
6	**Total workers (F + G)**	5670	5625	99.20	45	0.79

b. **Differently abled Employees and workers:**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently abled Employees						
1	Permanent (D)	0	0	0	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	**Total differently abled employees (D + E)**	0	0	0	0	0
Differently abled Workers						
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	**Total differently abled workers (F + G)**	0	0	0	0	0

21. Participation/ Inclusion/ Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	2	18.18
Key Management Personnel (other than managing/wholetime Directors)	2	0	0

22. Turnover rate for permanent employees and workers:

	Turnover rate of current FY 2025-26 (%)			Turnover rate of previous FY 2024-25 (%)			Turnover rate of the year prior to the previous FY 2023-24 (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15.47	24.72	16.03	11.26	20.63	11.80	21	44	65

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	Percentage 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	Titagarh Mermec Private Limited	Joint Venture	50.00	No
2	Titagarh Firema Engineering Services Private Limited	Subsidiary	66.00	No
3	Titagarh Naval Systems Limited	Subsidiary	100.00	No
4	Ramkrishna Titagarh Rail Wheels Limited	Joint Venture	49.00	No
5	Shivaliks Mercantile Limited	Joint Venture	44.63	No

VI. CSR Details:

24. (i) **Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes

(ii) **Turnover (INR in Crore):** Rs. 3143.58

(iii) **Net worth (INR in Crore):** Rs. 2482.97

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 (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide weblink for grievance redress policy)	FY 2025-26 Number of complaints filed during the year	FY 2025-26 Number of complaints pending resolution at close of the year	FY 2025-26 Remarks	FY 2024-25 Number of complaint filed during the year	FY 2024-25 Number of complaints pending resolution at close of the year	FY 2024-25 Remarks
Communities	Yes. For shareholders: the Company has a dedicated email ID: investors@titagarh.in	Nil	Nil	Nil	Nil	Nil	Nil
Investors (Other than shareholders)	Email ID of the Registrar & Share Transfer Agent is: contact@mdplcorporate.com	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders (SCORES)		6*	Nil	Nil	3	Nil	Nil
Employees and workers	For other stakeholders we have a Vigil Mechanism policy/Whistle Blower Policy and the same has been uploaded on website of the Company.	Nil	Nil	Nil	Nil	Nil	Nil
Customers	The email address is: vigil.auditcommittee@titagarh.in.	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Further, all stakeholders can also email to ethics.compliance@titagarh.in.	Nil	Nil	Nil	Nil	Nil	Nil
Others (Contract Employees)	The Board has approved policies which can be accessed at weblink: https://titagarh.in/policies-and-codes	Nil	Nil	Nil	Nil	Nil	Nil

*Note: All grievances were resolved within prescribed timeline

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.

Sr. No	Material issue Identified	Indicate whether risk or opportunity (R/O)	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	Economic Performance	Opportunity & Risk	The core purpose of a business organization is to generate long-term economic value for all stakeholders. Sustained profitability and growth are essential not only for shareholder returns but also for positively impacting employees, customers, partners, and the broader community. Achieving this requires a commitment to sustainable and resilient financial performance, underpinned by the integration of environmental, social, and governance (ESG) principles into business strategy and operations.	The company maintains a strong focus on cost leadership, unit cost optimization, revenue enhancement, and healthy liquidity management. These financial priorities are critical in navigating challenges such as margin pressures arising from inflation, environmental regulations, and supply chain disruptions. The company is committed to aligning financial discipline with robust ESG practices, ensuring long-term resilience and value creation.	**Positive:** Increased investor confidence, access to sustainable finance, operational efficiency, and improved market valuation.
2	Sustainable Supply Chain	Opportunity	By embedding strong ESG principles across the value chain, organizations unlock opportunities to empower local businesses, significantly reduce their environmental footprint, and inspire responsible governance among partners. This proactive approach creates a future-ready supply chain that is not only resilient and transparent but also a powerful driver of long-term, sustainable growth.	Embed ESG principles into procurement processes, empower suppliers through capability-building, and drive greater traceability for a more responsible and transparent supply chain.	**Positive:** Cost efficiencies, improved supplier performance, enhanced trust and brand reputation.
3	Product Safety and Quality	Opportunity	Effective resource management is fundamental to delivering safe, high-quality products that meet customer expectations and enhance our brand reputation. Leveraging our diverse product portfolio and innovative solutions positions us to address evolving market demands and stakeholder requirements confidently. A strong commitment to product safety safeguards consumer health, fosters enduring trust, and drives sustainable business growth. Through rigorous quality control and transparent practices, we create meaningful value for customers, reinforce investor confidence, and support long-term organizational success.	We have implemented comprehensive quality control measures throughout the manufacturing, assembly, and maintenance processes to ensure all products consistently meet stringent safety and quality standards. Each product is subject to rigorous testing and certification by relevant authorities, confirming its safety and performance. This dedication to quality enables us to foster customer loyalty, differentiate our brand in competitive markets, and pursue growth opportunities in premium segments with high safety and quality expectations. Moreover, ongoing process enhancements contribute to waste reduction and operational efficiency.	**Positive:** Investing in quality control infrastructure and training delivers strong financial returns by reducing costs associated with product failures and recalls. These improvements lower our risk profile, resulting in potential insurance savings. Additionally, a strengthened brand reputation and increased customer satisfaction drive higher revenues and improved profit margins. This creates opportunities for premium pricing, enhances market positioning, and reduces legal and compliance costs, contributing to sustained financial growth.
4	Innovation and R&D	Opportunity	We are focused on advancing sustainable growth and innovation., we expect that ongoing development of sustainable products, processes, and technologies will enhance our market position, create lasting value, and support positive environmental and social impact. We will continue to adapt to emerging challenges and evolving stakeholder expectations to build a resilient and responsible business over the long term.	Adopting innovation as a core approach enables organizations to adapt to a rapidly evolving market landscape and mitigate risks associated with obsolescence. Through focused research and development, companies can advance sustainable products, cleaner technologies, and more efficient processes that meet stakeholder expectations and regulatory requirements. This proactive strategy helps safeguard market position, ensures compliance with sustainability benchmarks, and supports long-term resilience.	**Positive:** Developing eco-efficient and socially responsible products creates opportunities to enter new markets and drive revenue growth. Sustainable innovation enhances customer loyalty and strengthens brand reputation, contributing to long-term competitive advantage. It also improves access to green financing and public R&D grants or subsidies. Additionally, process innovations lead to operational efficiencies and significant cost savings, further supporting financial performance.
5	Regulatory Compliance	Opportunity and Risk	Maintaining alignment with applicable laws, regulations, and industry standards across environmental, social, and governance (ESG) areas is fundamental. This commitment helps protect the organization from legal penalties and supports a strong, positive reputation. Upholding these standards also strengthens relationships with regulators, business partners, and other key stakeholders.	The company has implemented a robust management system to ensure compliance with all applicable laws, regulations, standards, and ethical practices. This proactive approach enables the organization to effectively adapt to evolving regulatory requirements. By maintaining strong compliance mechanisms, the company mitigates risks related to financial penalties, legal actions, license revocations, and reputational damage. This commitment is essential for sustaining stakeholder trust, securing the license to operate, and strengthening investor confidence.	**Positive:** By implementing a robust management system for compliance, the company significantly reduces the risk of fines, sanctions, or litigation arising from regulatory breaches. This approach helps prevent operational disruptions or delays caused by non-compliance with environmental permits, labor laws, or other regulatory requirements. It also minimizes the risk of exclusion from public tenders or markets with stringent compliance standards, while addressing increased scrutiny from regulators, investors. Overall, this proactive compliance strategy strengthens the company's resilience and supports sustainable business growth.
6	Corporate Governance and Ethics	Opportunity as it Enhances trust & value and also has a degree of Risk	Strong corporate governance and ethical practices are fundamental to building stakeholder trust, enhancing brand reputation, and securing investor confidence. By fostering transparency, accountability, and ethical conduct, organizations strengthen public perception and maintain a solid industry standing. This commitment enables the company to achieve sustainable growth, attract long-term investment, and reinforce its position as a responsible and trusted leader in the market.	Adhering to robust regulatory frameworks and industry best practices, the company ensures transparency, responsibility, compliance, ethics, and trust across all business processes. To uphold accountability to stakeholders, comprehensive policies, a Code of Conduct, and various management systems have been established. Strengthened board oversight with diverse and independent membership supports effective governance. The company promotes a culture of integrity by encouraging open communication and providing clear channels for reporting concerns. Continuous monitoring and transparent communication ensure alignment with evolving regulations and stakeholder expectations, effectively mitigating governance risks and reinforcing ethical business conduct.	**Positive:** Investor confidence, lower cost of capital, and better risk management. **Negative:** Exposure to legal risks.

Sr. No	Material issue Identified	Indicate whether risk or opportunity (R/O)	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)
7	Energy and Emission Management	Risk	Promoting efficient energy use and managing greenhouse gas (GHG) emissions across operations and the value chain are essential steps in addressing climate change. Embracing low-carbon technologies not only supports the organization's efforts to mitigate environmental impact but also positions it to meet evolving regulations and potential carbon-related costs. This proactive approach strengthens sustainability and operational resilience.	The company has implemented energy-efficient practices in operations and maintenance to reduce energy consumption and emissions, alongside integrating renewable energy sources into its operations. As climate change remains a critical global challenge, businesses face growing expectations from regulators, investors, and customers to minimize their carbon footprint. Efficient energy management not only lowers operating costs—particularly in energy-intensive industries—but also enhances emission performance, a vital metric in ESG ratings and sustainability reporting.	**Positive :** • Reduced operating costs through energy-efficient practices • Enhanced ESG performance and improved sustainability disclosures • Strengthened brand reputation and stakeholder trust • Better preparedness for future regulatory requirements • Competitive positioning in low-carbon and sustainability-focused markets **Negative :** • Rising carbon costs (e.g., carbon taxes, emissions trading schemes) • Potential reputational impact if emissions are perceived as excessive • Regulatory penalties for non-compliance with emissions or energy efficiency standards • Risk of supply chain disruptions due to energy or emissions-related constraints
8	Water Use and Recycling	Risk	Water is a vital and finite resource essential to sustainable business operations. In the face of climate change and increasingly unpredictable weather patterns, ensuring a reliable and sufficient water supply has become more challenging. The company is committed to the responsible management of water through efficient consumption, effective wastewater treatment, and recycling practices—reducing environmental impact while safeguarding long-term resource availability.	Water scarcity is an escalating concern, particularly in water-stressed regions, and presents growing challenges for industries with high water dependency, such as manufacturing. Companies face operational and reputational risks due to excessive water use or the degradation of local water sources. In response, regulators and stakeholders increasingly expect transparent water usage reporting and effective risk mitigation strategies. The company has adopted a structured and forward-looking approach to water management, consistently monitoring and improving conservation practices. Key initiatives are aimed at achieving a positive water balance, with a strong emphasis on replenishing local water tables and capturing and reusing rainwater. These actions support operational continuity, reduce environmental impact, and reflect the company's commitment to long-term water stewardship and responsible corporate citizenship.	**Positive:** Rainwater reuse and water table replenishment can reduce long-term water procurement and treatment costs and **Strong stewardship** may improve ESG scores, enhancing access to green financing and lowering cost of capital.

Sr. No	Material issue Identified	Indicate whether risk or opportunity (R/O)	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)
9	Waste Management	Opportunity & Risk	The company prioritizes effective management, reduction, recycling, and responsible disposal of waste generated throughout operations and supply chains to minimize environmental impact and ensure compliance with regulatory requirements. By proactively aligning with emerging waste management standards, the company demonstrates its strong commitment to sustainability while mitigating potential financial risks such as fines and penalties. Robust waste management practices also enhance operational efficiency and support uninterrupted product manufacturing.	In alignment with regulatory requirements and industry best practices, the company ensures responsible waste management across its operations. Waste is effectively segregated, with certain streams repurposed as raw material for the Foundry division, supporting resource efficiency and circularity. Hazardous waste is safely handled and disposed of through authorized vendors, ensuring full compliance and environmental protection. These initiatives lead to cost savings through reduced raw material use and optimized waste handling. The company also benefits from potential revenue streams via recycling resale of by-products, and upcycling efforts. Circular economy practices strengthen brand value, enhance customer trust, and contribute to improved ESG performance—further attracting responsible investors and reinforcing the company's commitment to sustainable growth.	**Positive :** Continued enhancement of waste management systems and recycling infrastructure can lead to meaningful long-term benefits. These efforts may help lower raw material and disposal costs, support revenue generation through the reuse of secondary materials, and foster industrial symbiosis. Additionally, maintaining compliance with environmental regulations can reduce the likelihood of legal expenses and remediation efforts—contributing to operational efficiency and overall business resilience.
10	Community Development	Opportunity /Risk	Supporting communities enhances social license to operate and fosters long-term regional stability.	Partner with local stakeholders for education, health, and livelihood initiatives.	**Positive:** Strengthened local relationships, reputational enhancement, and community harmony.
11	Employment	Opportunity	Employment generation supports social equity and builds a skilled, motivated workforce. Promotes inclusive hiring, skill development, with fair labor practices.	N.A.	**Positive:** Improved productivity, and stronger employer brand of the Company- "Titagarh".
12	Occupational Health and Safety	Risk	Occupational Health and Safety (OHS) is a core component of responsible business conduct and is essential for ensuring employee well-being and maintaining operational continuity. A strong safety culture not only supports compliance with labor laws and industry standards but also enhances workforce productivity, morale, and retention. Prioritizing health and safety helps prevent workplace incidents, reduces the risk of legal or regulatory consequences, and minimizes disruptions to business operations—ultimately contributing to sustained performance, safety of the workforce and stakeholder confidence.	The Company is committed to maintaining a robust Occupational Health and Safety (OHS) framework through regular internal audits, strict enforcement of safety standards, and adherence to globally recognized certifications such as ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018. Safety awareness and preparedness are reinforced through ongoing programs and the provision of appropriate protective equipment to all employees and workers. A strong safety culture contributes to improved workforce productivity, morale, and retention. It also supports reduced insurance premiums and lowers the incidence of compensation claims. These practices enhance the company's brand reputation, foster stakeholder trust, and strengthen its ability to attract talent in safety-conscious industries.	**Positive :** A well-established safety culture helps reduce accident-related downtime, legal expenses, and insurance claims. It also supports regulatory compliance, minimizing the risk of fines or business disruptions. Ultimately, this contributes to enhanced workforce productivity, resilience, and smooth operational continuity.

Sr. No	Material issue Identified	Indicate whether risk or opportunity (R/O)	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)
13	Respect for Human Rights	Risk	The Company is committed to upholding and advancing fundamental human rights across its operations and value chain. This includes safeguarding labour rights, promoting an inclusive and non-discriminatory workplace, and ensuring freedom from any form of exploitation or unethical practices.	Compliance with human rights principles and laws strengthens the Company's legal standing and reinforces its commitment to ethical business practices. Upholding the standards applicable enhances stakeholder trust, supports a resilient and transparent supply chain, and contributes to a positive brand reputation. Strong human rights performance can attract and retain responsible investors and improve ESG ratings, further driving long-term business value.	**Positive:** The company's steadfast commitment to respecting human rights throughout its operations and supply chain fosters a culture of integrity and responsibility. This dedication enhances stakeholder confidence, strengthens partnerships, and attracts ESG-conscious investors and customers. By embedding human rights principles into business practices, the company mitigates potential risks and drives sustainable, long-term value creation, reinforcing its position as a responsible and trusted leader in the industry.
14	Industrial Labour Relations	Opportunity/Risk	Strong industrial relations are essential for fostering a stable and engaged workforce, enhancing productivity, and supporting smooth operational continuity. Effective labour practices help the organization maintain compliance with regulations, avoid potential disputes, and empower employees, contributing to a positive workplace culture and long-term business success.	Positive and collaborative labor relations contribute to enhanced productivity and employee morale. Strong partnerships with unions support labor peace, helping to prevent disruptions such as strikes. This approach strengthens the company's reputation as a preferred employer, attracting and retaining top talent. The company maintains full compliance with all labor laws and regulations, strictly prohibiting forced, child, or compulsory labor. Our comprehensive policy framework is designed to promote a diverse, safe, and empowered workforce.	**Positive :** Investments in labor negotiations, compliance with agreements, and ongoing union engagement foster a stable and motivated workforce. These efforts contribute to cost savings through reduced employee turnover and enhanced morale. Over the long term, the company benefits from minimized risks of strikes, litigation, and reputational impacts, supporting sustained operational efficiency and a strong employer brand.I.e. Titagarh

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 Section	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)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.titagarh.in/investors-information								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	The policies are based on prescribed principles, conformance to the spirit of international standards like ISO 9000, ISO 14001, ISO 45001, UNGC guidelines, GRI – standards etc. relevant and applicable								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	The Company is engaged in identifying relevant areas and key performance indicators for each principle that would aid in laying roadmap for attaining short, medium- and long-term goals and target.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	The Company is actively engaged in identifying relevant focus areas and key performance indicators (KPIs) for each principle, which will serve as a foundation for establishing a roadmap toward achieving its short-, medium-, and long-term goals and targets. We maintain a strict 'Zero Tolerance' policy toward any violations of human rights and have set internal goals and targets aligned with each principle. Additionally, we have taken a strategic decision to enhance and document the natural habitats in and around our operational areas.								
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)	**Titagarh Rail Systems Limited (TRSL)** places sustainability and ethical responsibility at the core of its business strategy. As a provider of integrated transport solutions for freight and passenger mobility, the Company is mindful of the environmental and social impacts of its operations and is firmly committed to responsible governance. Understanding the unique environmental challenges associated with the manufacturing sector, TRSL emphasizes the efficient use of natural resources and actively supports inclusive growth in the communities surrounding its operational facilities. The Company has launched a variety of initiatives focused on promoting workplace safety, advancing employee health and well-being, fostering a culture of diversity and inclusion, and engaging meaningfully with local communities. TRSL upholds a strong corporate governance model built on openness, ethical decision-making, and accountability at all levels. Its leadership is dedicated to embedding sustainable business practices across all functions. With a Board that reflects a diverse range of perspectives, TRSL ensures that environmental, social, and governance (ESG) principles are fully integrated into strategic planning and policymaking. This includes proactive efforts to manage climate impacts, reduce energy and water usage, minimize waste, and enhance resource efficiency. Guided by foundational documents such as the Titagarh Code of Conduct, its Sustainability Policy, and CSR Policy, the Company strives to deliver value not only to customers but also to society and the environment. These policies reinforce TRSL's commitment to human rights, fair business conduct, and the broader goal of creating long-term positive impact through every aspect of its operations.								

Disclosure Section	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Shri J.P. Chowdhary - Executive Chairman; (DIN 00313685) Shri Umesh Chowdhary - Vice Chairman & Managing Director; (DIN 00313652) Shri Prithish Chowdhary- Deputy Managing Director (DIN 08509158) Shri Anil Kumar Agarwal- Deputy Managing Director (DIN 01501767)								
9. Does the entity have a specified Committee of the Board/ Directors responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, TRSL has constituted various Board committees, which are responsible for and have a remit over key sustainability related policies, as below: The Corporate Social Responsibility ('CSR') Committee of the Board formulates and recommends CSR budget, activities and expenditure including Environment, Social and Governance performance and oversees the implementation of relevant policies and strategies The Stakeholders' Relationship ('SRC') Committee of the Board evaluates the statutory compliances and services concerning dividend payments, security holders, and performance of the Registrar and Transfer Agents. The Risk Management ('RM') Committee of the Board supports the Board in directing the risk management process, the controls and risk tolerance including strategic, financial, operational, sectoral, sustainability (Environmental, Social and Governance) related risks, information & cyber security and compliance risks. It makes recommendations related to risk mitigation and reviews the Company's risk governance system. Audit Committee reviews financial risks and controls and monitors mitigation measures. For the other policies, the Company has adequate internal control for its review and implementation								

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.	Performance against above mentioned policies and follow up action is reviewed on ongoing basis by respective Department heads/ Senior management and related briefs are placed before Board of Directors. The review by Board of Directors or Board Committees is carried out on need basis to align with updates in applicable regulatory laws. The Company has in place a vigil mechanism as defined in the Whistle-Blower Policy which provides a formal mechanism for all Directors and employees of the Company to approach the management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protected disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. Risk Management Committee of the Board frames, implements, monitors and reviews the Risk Management plan and ensures its effectiveness. The Audit Committee has an additional oversight on the financial risks and controls.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with the statutory requirements as applicable.																	

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.

Response: 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
1. The entity does not consider the Principles material to its business (Yes/ No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2. The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/ No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3. The entity does not have the financial or/ human and technical resources available for the task (Yes/ No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4. It is planned to be done in the next financial year (Yes/ No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	2	Updates and awareness related to: 1) Regulatory requirements 2) Strategy update 3) Industry outlook and changes 4) Business update 5) Code of Conduct are conducted for the Board of Directors.	100
Key Managerial Personnel	5	At Titagarh Rail Systems Limited (TRSL), leadership is cultivated through a structured focus on integrity, compliance, and professional excellence. The Company has implemented a comprehensive set of policies and training initiatives to strengthen ethical behaviour, operational efficiency, and domain-specific expertise across all levels. Key initiatives include: 1) Anti-Bribery and Anti-Corruption Framework – Promotes a zero-tolerance approach to unethical practices and reinforces transparency in business dealings. 2) Corporate Communication– Ensures clear, consistent, and responsible communication aligned with TRSL's brand and values. 3) Cybersecurity Awareness Programs – Educate employees on digital risks and promote safe practices in an increasingly connected environment. 4) POSH (Prevention of Sexual Harassment at Workplace) – Upholds a respectful, inclusive, and safe workplace for all employees. 5) Safety Induction Training – Mandatory orientation focused on health, safety, and emergency response preparedness. 6) TRSL Code of Conduct Observance – Regularly commemorated and reinforced to embed ethical values into the Company's culture. 7) Process-Oriented Thinking – Encourages employees to adopt systematic and quality-driven approaches in everyday operations. Additionally, leadership and professional development at TRSL encompasses ongoing learning across critical business functions such as: • Corporate Law & Compliance • Financial Management & Taxation • Strategic Marketing • Operational Excellence • Industry-Specific Technical Domains These efforts are aimed at nurturing capable, ethical leaders equipped to drive TRSL's mission forward in a dynamic and responsible manner.	100
Employees other than BoD and KMPs	7	1) Sustainability Leadership Series 2) Anti-bribery and anti-corruption awareness 3) TRSL Code of Conduct Observance – Regularly commemorated and reinforced to embed ethical values into the Company's culture. 4) Prevention of Sexual Harassment at Workplace (POSH) 5) Corporate communications	100
Workers	5	1) Diversity, Equity and Inclusion (DEI) Training 2) TRSL Code of Conduct Observance – Regularly commemorated and reinforced to embed ethical values into the Company's culture. 3) Stakeholder Engagement 4) Training on sustainability 5) Anti-bribery and anti-corruption awareness	100

Note: All the principles laid down in BRSR are covered by TRSL's mandatory training which is availed by Board of Directors, Key Managerial Personnel, and all employees.

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					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
N/A					

Non-monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	N/A				
Punishment					

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
N.A.	N.A.

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.**

Response: Yes, our business code of conduct (Titagarh Code of Conduct) covers anti-corruption or anti-bribery related requirements. The Company has a Vigil Mechanism framed under Section 177 of Companies Act, 2013, to deal with any instances of corruption or bribery.

Weblink: https://titagarh.in/storage/report/actual/1679458487_G9qJH_titagarh-code-of-conductpdf.pdf

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

	FY 2025-26	FY 2024-25
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

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

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.

Response: NA.

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

	FY 2025-26	FY 2024-25
Number of days of accounts payables	46	30.95

Note: The average trade payables used for the disclosure have been derived based on the ratio/calculation adopted from the standalone financial statements.

9. Open-ness of business

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	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	NA	NA
	b. Number of dealers/ distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	NA	NA
Share of RPT in	a. Purchases (Purchases with related parties/ Total Purchases) (%)	.46%	.006%
	b. Sales (Sales to related parties/ Total Sales)	N/A	.00155
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	N/A	N/A
	d. Investments (Investments related parties/ Total Investments made) (%)	100%	.498%

Note: Design and Development Expenses, CSR Expenditure, and Reimbursement of Expenses Received have been classified as procurement of third-party services and are accordingly included within Purchases from Related Parties. Rates and Taxes, Commission to Non-Whole-Time Directors, Directors' Sitting Fees, Reimbursement of Expenses, Proviston for Doubtful Debts and Advances, Loss on Sale of Investment Property, and CSR Expenditure have been classified as procurement of third-party services and are accordingly included within Total Purchases.

Leadership Indicators:

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Titagarh Rail Systems Limited (TRSL) actively collaborates with its value chain partners to promote responsible and sustainable business practices. As part of this engagement, the Company shares informative materials—such as posters and awareness content—highlighting the nine principles of the National Guidelines on Responsible Business Conduct (NGRBC) and their alignment with the Sustainable Development Goals (SDGs). This initiative helps build shared understanding and commitment across the value chain toward ethical, inclusive, and sustainable growth.

Total number of awareness programmes held	Topics / principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	All 9 NGRBC principles	100%

2. 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.

Response: Yes, Titagarh Rail Systems Limited (TRSL) has in place a well-defined Code of Conduct for Directors and Senior Management, which mandates that all Board members and senior personnel avoid situations that could give rise to actual or perceived conflicts of interest. The Code emphasizes ethical behaviour, transparency, and accountability in all business dealings.

To further strengthen its governance framework, the Company has adopted a robust Related Party Transaction Policy, which provides clear guidelines for identifying, disclosing, and managing transactions with related entities. All such transactions are conducted in the ordinary course of business and strictly on an arm's length basis, ensuring fairness and compliance with applicable regulations.

In line with best practices, the Company obtains an annual declaration from each member of the Board of Directors and Senior Management Personnel, detailing their interests in other entities. Based on these disclosures, TRSL ensures that all necessary statutory approvals are obtained in advance, wherever required, before entering into any transactions with such entities.

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.**

	FY 2025-26 in crs.	FY 2024-25 in crs.	Details of improvements in environmental and social impacts
R&D	NIL	1.44	The Company has established a structured mechanism to monitor research and development (R&D) expenses and capital investments in targeted technologies. R&D efforts primarily involve employee contributions toward the development of innovative metro coach designs, which are intended to enhance public mobility and generate meaningful social impact. In line with its commitment to sustainable growth, the Company also invests in capital projects that support both environmental responsibility and community well-being. These initiatives reflect the Company's focus on advancing technology while aligning with broader ESG goals.
Capex	NIL	124.37	

2. a. Does the entity have procedures in place for sustainable sourcing?

Response: Yes, The Company follows a structured sustainable sourcing procedure, under which all new and existing supply chain partners are mandatorily evaluated on key parameters such as environmental impact, health & safety standards, and overall sustainability prior to onboarding. Robust quality assurance and inspection systems are in place to ensure that all goods and services supplied by the Company remain safe and environmentally responsible throughout their life cycle. The Company places strong emphasis on techno-commercial considerations, ensuring that procurement decisions align with both performance expectations and sustainability goals.

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

Response: The Company sources materials and components in accordance with customer specifications and gives preference to vendors who can consistently meet performance requirements, wherever feasible.

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:**

Response: Yes, The Company has established structured procedures for the safe reclamation, recycling, and disposal of its products and packaging materials at end-of-life, in line with environmental regulations and sustainability commitments. For plastic waste, including packaging, it complies with Extended Producer Responsibility (EPR) by collaborating with authorized recyclers and Producer Responsibility Organizations (PROs), and also facilitates reverse logistics through take-back programs. E-waste is managed in accordance with applicable E-Waste Management Rules, with authorized recyclers handling safe collection and recycling. Hazardous waste is clearly identified, segregated, and managed by CPCB/WBPCB-approved handlers under a manifest tracking system, with trained personnel and emergency protocols in place. Regular audits ensure ongoing compliance. Non-hazardous waste is handed over to authorized municipal or private agencies. All activities are documented, and the Company discloses relevant waste data annually through its sustainability and ESG reports.

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.**

Response: Yes, The Company has implemented an Extended Producer Responsibility (EPR) initiative as part of its commitment to minimizing waste and promoting sustainable practices. The EPR strategy focuses on the responsible collection and management of waste generated from its products. A structured waste collection plan has been established to ensure environmentally sound handling and disposal. In addition, the Company prioritizes product design that supports recyclability and reusability, helping to reduce overall environmental impact. To strengthen execution, the Company collaborates with authorized waste collectors and recyclers, ensuring waste is managed efficiently and in line with sustainability goals.

Leadership Indicators:

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? N.A.**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Nil					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product /Service	Description of the risk /concern	Action Taken
N.A.		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material (%)	
	FY 2025-26	FY 2024-25
Returns from Foundry	16.64	16.64

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Particulars	FY 2025-26 Current Financial Year			FY 2025-26 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	2.64	0	0	38.77
E-waste	0	0	0	0	0	5.6
Hazardous waste	0	6530	3804.90	0	0	55
Other waste	70704.32	0	70001.37	8044	0	0

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packing materials as % of total products sold in respective category
Not Applicable	

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	Percentage 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	960	960	100	0	0	0	0	960	100	0	0
Female	60	60	100	0	0	60	100	0	0	0	0
Total	1020	1020	100	0	0	60	100	960	100	0	0
Other than Permanent Employees											
Male	162	162	100	0	0	0	0	162	100	0	0
Female	25	25	100	0	0	25	100	0	0	0	0
Total	187	187	100	0	0	25	100	162	100	0	0

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

Category	Percentage of workers 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	120	120	100	120	100	0	0	**0**	0	229	100
Female	0	0	0	0	0	0	0	0	0	0	0
Total	120	120	100	120	100	0	0	0	0	0	0
Other than Permanent Workers											
Male	5505	5505	100	5505	100	0	0	0	0	0	0
Female	45	45	100	45	100	0	0	0	0	0	0
Total	5550	5550	100	5550	100	0	0	0	0	0	0

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

Particulars	FY 2025-2026	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.045%	2.17%

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

Benefits	FY 2025-2026			FY 2025-2026		
	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 percentage of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	94.7	100	Y	100	100	Y
Gratuity	94.7	100	Y	100	100	Y
ESI (eligible employees/ workers)	16.90	95	Y	21	81	Y
Others- please specify	0	0	N.A	0	0	N.A

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. HR**

Response: Yes, most of the office buildings and operation locations are accessible to differently abled employees and workers, We ensure that the persons with disabilities enjoy the right to equality, life with dignity and respect for his or her integrity equally with others.

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.**

Response: The Company is committed to provide equal employment opportunities without any discrimination on the grounds of age, colour, origin, nationality, disability, religion, race, caste, gender, sex etc. The Company believes that diversity at workplace is an instrument for economic growth, sustainable competitive advantage and societal progress.

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

Benefits	Permanent Employees (%)		Permanent Workers (%)	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	100	NA	NA
Female	100	100	NA	NA
Total	100	100	NA	NA

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.**

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Male Female **Total**	Yes. TRSL has a grievance redressal mechanism available to the employees and workers. The intent of the mechanism is to ensure that the grievance is dealt in a fair and just manner whilst being in compliance with the Company's Policies. The Company's practices encourage fair resolution of the grievances, and the aim is to promote a positive work environment. The Company's Vigil mechanism encourages employees to report unethical business practices at workplace without reprisal. The Employees both at corporate and factory level, can report their grievances to the HR team. In case any grievance is unresolved, the same can be escalated to the CHRO/ Compliance Officer. We conduct periodic welfare meeting, safety committee meeting, for effective grievance redressal and ensuring a healthy workplace environment. Unit meetings are periodically held for both contractual and non-contractual workers and employees to discuss any concerns or grievances. We have a robust 'Whistle Blower Policy' in place which acts as a mechanism for employees, workers and senior management

7. **Membership of employees and worker in association(s) or unions recognised by the listed entity:**

Category	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total Permanent Workers						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0

8. **Details of training given to employees and workers:**

Category	FY 2025-26					FY 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/D)
Employees										
Male	1122	1122	100	1122	100	818	588	71.88	127	15.53
Female	85	85	100	85	100	99	36	36.36	23	23.23
Total	1207	1207	100	1207	100	917	624	68.05	150	16.36
Workers										
Male	120	129	100	129	100	2189	1091	49.84	567.00	25.90
Female	0	0	0	0	0	67	26	38.81	44.00	65.67
Total	**120**	**129**	**100**	**129**	**100**	**2256**	**1117**	**49.51**	**611.00**	**27.08**

9. **Details of performance and career development reviews of employees and workers: HR**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	1122	640	57.04	1173	475	40.49
Female	85	40	47.06	99	37	37.37
Total	**1207**	**680**	**56.34**	**1272**	**512**	**40.25**
Workers*						
Male	120	N/A	N/A	147	N.A.	N.A.
Female	0	N/A	N/A	0	N.A.	N.A.
Total	**120**	**N/A**	**N/A**	**147**	**N.A.**	**N.A.**

Note: The numbers disclosed include only permanent workers. The performance and career development reviews are not applicable for other than permanent workers.

The performance of all management staff employees is managed through a performance appraisal process. The performance management process facilitates open communication between managers and employees to clarify expectations, communicate organizational goals, provide feedback, and offer continuous coaching for improving performance. This system employs a structured cascade of balanced scorecard objectives all the way down to individual targets, ensuring alignment across the organization. It integrates performance and leadership behaviour appraisal, with rewards based on both company performance and individual contributions. Compensation reviews consider performance, leadership behaviour, and market comparisons, ultimately aiming to enhance business outcomes by defining and achieving goals effectively.

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?

Response: Titagarh has established a comprehensive Occupational Health and Safety (OHS) Management System that underscores its unwavering commitment to the health, safety, and overall well-being of its employees and workers. The Company's OHS practices are aligned with internationally recognized standards, with three out of six manufacturing plants certified under ISO 45001. Additionally, Titagarh's environmental management practices are certified under ISO 14001:2015 and ISO 14001:2018. These certifications are supported by regular internal audits and periodic third-party external assessments to ensure continued compliance, effectiveness, and continual improvement.

The Company's approach to occupational health and safety is guided by its Business Responsibility and Sustainability Report (BRSR) Policy and detailed Standard Operating Procedures (SOPs), which outline clear protocols for hazard identification, risk mitigation, emergency preparedness, and compliance with applicable legal requirements. Titagarh promotes a strong safety culture by conducting regular safety training sessions, awareness programs, and capacity-building initiatives for all employees and contract workers across its operations.The Company's proactive stance on occupational health and safety aims to create a zero-harm work environment and foster long-term well-being for all its personnel.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Response : At, TRSL, occupational health and safety risk assessment is an integral component of the Company's change management and operational planning processes. Routine safety assessments are conducted by the designated Safety Officer to proactively identify potential work-related hazards and risks across all work areas. In alignment with a culture of continuous improvement, regular safety committee meetings are held to review safety performance, share learnings, and discuss preventive measures. The Company follows a systematic approach to hazard prevention and control that includes gathering existing information on potential risks, conducting workplace inspections, investigating incidents, identifying hazards related to emergencies and non-routine operations, characterizing hazards, defining control measures, and prioritizing risks based on severity and likelihood of exposure. This structured process ensures early identification, timely mitigation, and effective control of workplace hazards. TRSL maintains strict compliance with applicable safety regulations, including the West Bengal Factories Rules, 1958. A comprehensive Safety Manual and Standard Operating Procedures (SOPs) are in place to guide safe work practices, emergency response, and legal compliance. The ongoing monitoring and review of these procedures help ensure a safe and healthy work environment for all employees and workers.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Response: TRSL L has a system in place that allows employees and workers to report any work-related hazards they may encounter.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Response: Yes, all the employees/workers have access to non-occupational medical and healthcare services. All our plants have either dedicated occupational health centres (OHC) or medical consultants, visiting specialist doctors, and trained paramedic staff to ensure uninterrupted emergency medical services round the clock.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	14.92
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
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

* Including the contract workforce

Note: The reporting boundary is limited to the following manufacturing units: PRS location at Uttarpara, FRS location at Bharatpur and Titagarh (foundry unit)

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

Response: TRSL places the highest priority on ensuring the health, safety, and well-being of its employees and workers across all operational sites. The Company has implemented structured internal processes to regularly evaluate the effectiveness of its Occupational Health and Safety (OHS) systems and ensure compliance with all applicable legal and regulatory requirements. A wide range of proactive measures have been adopted to create and sustain a safe working environment.

All new employees and workers undergo a comprehensive induction program that covers safety protocols, workplace hazards, and emergency procedures. In addition, periodic departmental safety trainings are conducted to reinforce role-specific safety practices. TRSL provides appropriate Personal Protective Equipment (PPE)—including helmets, gloves, safety shoes, and goggles—based on job roles and risk profiles. Safety awareness is continually reinforced through prominently displayed OHS posters and monthly safety meetings with employees and contract workers.

TRSL has developed a robust emergency response plan covering potential incidents such as fires, explosions, and chemical leaks. This plan is tested through quarterly mock drills at the plant level to ensure preparedness. First-aid facilities are available at all plant locations, and regular health check-ups are conducted for employees and workers to monitor physical well-being and identify potential health issues early.

The Company also undertakes periodic external audits—covering safety, electrical systems, and structural integrity—through accredited third-party agencies to proactively identify and mitigate workplace hazards. Preventive maintenance is carried out routinely on equipment, tools, and machinery to reduce the risk of mechanical failure and accidents. TRSL remains fully compliant with the West Bengal Factories Rules, 1958, and follows other relevant safety regulations, including implementation of toolbox talks, operational SOPs, and continuous workplace inspections.

Through these integrated efforts, TRSL ensures a safe, compliant, and health-conscious workplace, fostering a strong culture of safety and continuous improvement across its operations.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2025-26			FY 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	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

Particulars	Percentage 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 and safety practices and working conditions.

Response: TRSL gives utmost importance to maintaining a safe and healthy work environment for all its employees and workers. To support this commitment, the company has implemented structured internal mechanisms to assess the performance of its occupational health and safety (OHS) systems and to ensure full compliance with relevant laws, standards, and regulations. Several initiatives have been put in place to enhance workplace safety and employee well-being. These include the development of a comprehensive emergency response plan to address incidents such as fires and monthly safety meetings involving both employees and contract workers to discuss safety practices and concerns; and the widespread circulation of OHS awareness posters outlining key safety guidelines. Regular mock drills are conducted to evaluate emergency preparedness, and first-aid facilities are maintained at the plant level to respond to health emergencies. In addition, TRSL provides continuous safety training to all employees and workers and conducts periodic health check-ups to monitor and promote their physical well-being.

<u>Leadership Indicators EHS</u>

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(a) Employees (Y/N): Yes, Suitable benefit is extended by TRSL on a case-to-case basis.

(b) Workers (Y/N): Yes, Suitable benefit is extended by TRSL on a case-to-case basis.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Response: The Company's internal audit team regularly reviews and verifies that all statutory dues owed by service providers for their employees are fully remitted on time. Before any payment is released, service providers must submit supporting documentation, which is then vetted by the audit team. Additionally, spot checks are conducted by cross-referencing records with the relevant authority's online portals to ensure compliance.

3. **Provide the number of employees / workers having suffered high consequence work related injury /ill-health /fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Particulars	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	0	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)Yes.**

   Response: Yes, The Company continually invests in human capital development which includes building skills and capabilities that are contemporary while providing employees with a diversity of experiences.

5. **Details on assessment of value chain partners:**

Particulars	Percentage of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We actively engage with our value chain partners to ensure adherence to applicable health, safety, and working condition standards and practices.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners:**

   Response: The Company's guidelines are communicated to all value chain partners. TRSL personnel conduct periodic site visits to these partners to assess any health and safety risks or concerns. During these visits, any identified issues are addressed, and corrective actions are collaboratively discussed to ensure continuous improvement in safety practices.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Response: TRSL recognizes the vital role stakeholders play in shaping its long-term success and aligns its engagement approach with its BRSR Policy. The Company places strong emphasis on engaging stakeholders meaningfully to support effective decision-making, enhance accountability, and build long-term relationships. Key stakeholder groups are identified and periodically reviewed by senior management based on well-defined criteria such as strategic relevance, financial impact, dependency, immediacy, responsibility, and influence. Structured and ongoing engagement with these stakeholders is a priority for TRSL, enabling the organization to foster trust, improve transparency across business operations, and manage emerging risks proactively. This approach not only reinforces stakeholder confidence but also ensures alignment with the Company's sustainability objectives.

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 Marginalized 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
Vendors	No.	Email, Meetings and Website	Need based/ any time as per mutual convenience/ monthly/ quarterly	The Company is committed to transparency and timely disclosure, along with the efficient and sustainable use of natural resources across its operations. Efforts are continuously made to optimize inputs, support small and medium enterprises, and invest in competency development to build a more inclusive and resilient value chain.
Employees	No.	Regular unit level interactions, annual appraisal, celebration of events	Need based/ any time as per mutual convenience/ monthly/ quarterly	The Company cultivates a culture of empathy and attentiveness by addressing concerns thoughtfully, providing ongoing training, and encouraging increased involvement from all employees. Regular discussions on updated SOPs, policies, programs, and events ensure transparent communication and foster a sense of inclusion and shared purpose throughout the organization.
Shareholders and Investors		E-mail, Meetings and Website	Analysts meet -Quarterly One to one investoras and when requested.	To review the Company's performance and secure the necessary consent or approval from shareholders as required by law, ensuring seamless business operations. The process also emphasizes open and transparent communication to address investor inquiries and uphold strong corporate governance standards.
Customers		Email, Meetings and Website	Need based/ any time as per mutual convenience/ monthly/ quarterly	Understanding customer requirements, enhancing service delivery, upgrading infrastructure, conducting satisfaction assessments, providing timely updates, addressing grievances promptly, promoting products, exchanging feedback, and fostering interactive communication.

Leadership Indicators:

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Response: At TRSL, executive management is entrusted with the responsibility of engaging with stakeholders on key economic, environmental, and social matters. Feedback and insights gathered through these engagements are formally communicated to the Board via the CSR Committee. The Company has implemented a transparent and structured process for stakeholder engagement, particularly on issues related to social and community development. TRSL ensures that stakeholder voices are considered in strategic decision-making and integrated into the Company's broader sustainability efforts.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Response: Yes, experts are consulted for identifying environmental related aspects. The stakeholder groups, especially the workmen and employees are consulted for identification of issues. The Company conducts its operations keeping in mind the concerns of the communities around its plant operations based on the inputs and feedback received from community representatives and employees.

3. **Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable/ marginalized stakeholder groups.**

   Response: Chairperson of CSR Committee engages with the stakeholders concerned for implementing the projects to benefit the marginalized stakeholder groups, Various CSR activities undertaken by the company is testimony to its commitment to addressing the concerns of vulnerable stakeholder groups.

PRINCIPLE 5

Businesses should respect and promote human rights.

Essential Indicators:

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of Employees/ Workers covered (B)	% (B/A)	Total (A)	No. of Employees/ Workers covered (B)	% (B/A)
Employees						
Permanent	1020	1020	100	723	680	94
Other than Permanent	187	187	100	190	179	94
Total	**1207**	**1207**	**100**	**913**	**859**	**94**
Workers						
Permanent	120	120	100	147	137	93
Other than Permanent	5550	5550	100	1634	1095	67
Total	**5670**	**5670**	**100**	**1781**	**1232**	**69**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2025-26					FY 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										
Male	960	0	0	960	100	898	0	0	898	100
Female	60	0	0	60	100	55	0	0	55	100
Other than Permanent										
Male	162	0	0	162	100	109	0	0	109	100
Female	25	0	0	25	100	20	0	0	20	100
Workers										
Permanent										
Male	120	0	0	120	100	372	0	0	372	100
Female	0	0	0	0	0	19	0	0	19	0
Other than Permanent										
Male	5505	0	0	5505	100	1600	1600	100	0	0
Female	45	0	0	45	100	30	30	100	0	0

3. **Details of remuneration/salary/wages, in the following format:**

   a. **Median remuneration/ wages:**

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In INR)	Number	Median remuneration/ salary/ wages of respective category (In INR)
Board of Directors (BoD)	9	2958333/-	2	1237500/-
Key Managerial Personnel	2	2891204/-	0	0
Employees other than BoD and KMP	1116	500000/-	85	520032/-
Workers	120	306336/-	0	0

   b. **Gross wages paid to females as % of total wages paid by entity, in the following format:**

Particulars	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	5.53%	4.18%

Note: Only permanent employee, other than permanent employees and permanent workers have been considered for the calculation of gross wages paid to female employees.

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)**

   Response: Yes, HR team is authorized to monitor the human rights impact or issues caused or contributed to by the business and report to CSR Committee through CHRO/ Compliance Officer.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   Response: The Company is committed to fostering a diverse and inclusive environment that upholds and promotes human rights. To safeguard the rights of its employees, vendors, and service providers, the Company has established a comprehensive Code of Conduct that aligns with applicable national laws and relevant international standards. These policies are designed to ensure that the Company's operations and business activities respect the rights of all individuals, including those who may be impacted by its operations. The Code of Conduct and Corporate Social Responsibility (CSR) policies clearly define acceptable behavior within the organization and include strict disciplinary measures for any violations.Human Resource and Industrial Relations personnel at each facility and the Head Office are responsible for addressing any grievances related to human rights.

6. **Number of Complaints on the following made by employees and workers:**

Particulars	FY 2025-26			FY 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	N/A	0	0	N/A
Discrimination at workplace	0	0	N/A	0	0	N/A
Child Labour	0	0	N/A	0	0	N/A
Forced Labour/Involuntary Labour	0	0	N/A	0	0	N/A
Wages	0	0	N/A	0	0	N/A
Other human rights related issues	0	0	N/A	0	0	N/A

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, in the following format:**

Particulars	FY 2025-26	FY 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 employees/ workers	0	0
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   Response: The Company has established a robust grievance redressal mechanism to address concerns related to discrimination, harassment, and workplace misconduct. All reported matters are directed to the appropriate internal authority for timely and impartial resolution. In its ongoing efforts to promote a respectful and inclusive work environment, the Company conducts regular awareness sessions and internal discussions to educate employees on the prevention of sexual harassment and reinforce expectations for workplace conduct. TRSL is committed to maintaining a workplace where every employee feels safe to voice concerns. Through its Whistle Blower Policy, employees are encouraged to report unethical practices, violations of policy, or misconduct without fear of retaliation. The policy ensures that whistleblowers are protected from any form of victimisation or unfair treatment, and the Company strongly denounces any retaliatory actions or discriminatory behaviour. Further, TRSL maintains a zero-tolerance stance on harassment of any kind, including sexual harassment. The Company fosters a culture of openness and accountability, encouraging employees to report any incidents of inappropriate conduct. To support this, Internal Complaints Committees have been constituted in accordance with applicable legal requirements to investigate complaints related to sexual harassment and recommend necessary actions, ensuring due process and protection for all parties involved.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Response: Yes All contracts bear the affirmation from the awardee about adherence to the Titagarh Code of Conducts wherein the Company's policy on human rights is defined.

10. Assessments for the year:

Particulars	Percentage of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Child Labour	100, the Company's operational areas are subject to periodic assessment and process control reviews. The Company's internal team verifies that that policies and procedures are being followed according to defied processes, and ensure that human rights aspects, such as child labour, sexual harassment, and minimum wages, are properly justified and reported.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Response: N.A

Leadership Indicators:

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
Response : The Company has not encountered any concern requiring a change in our business processes because of addressing human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Response: The Company is implementing robust human rights due diligence across its operations.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

Response: Yes

4. Details on assessment of value chain partners:

Particulars	Percentage of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	The Company has established a proactive approach to evaluating value chain partners against key human rights standards. Human rights considerations are now being integrated into supplier assessment and engagement practices, reinforcing the Company's alignment with regulatory developments and its commitment to responsible and ethical business conduct.
Discrimination at workplace	
Child Labour	
Forced/involuntary labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Response: None

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameters	FY 2025-26 (GJ)	FY 2024-25 (GJ)
From renewable sources		
Total electricity consumption (A)	1720.38	4104
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**1720.38**	**4104**
From non-renewable sources		
Total electricity consumption (D)	122204.18	153484
Total fuel consumption (E)	8920.19	145739
Energy consumption through other sources (F)	0	0
Total energy consumed from non- renewable resources (D+E+F)	**131124**	**299223**
Total energy consumed (A+B+C+D+E+F)	**132844.74**	**303327**
Energy intensity per rupee of turnover		
(Total energy consumed/ Revenue from operations) (GJ/ INR lac)	0.00000042 GJ/INR	0.7807 GJ/LAKH
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)		
(Total energy consumed/ Revenue from operations adjusted for PPP) (GJ/ INR lac adjusted for PPP)	0.00000860 GJ/INR	15.61GJ/ LAKH
Energy intensity in terms of physical output	4.90	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	7.96 GJ

For India, the PPP conversion factors (national currency per international dollar) are as follows: **FY 2025–26**: ₹20.33 and FY 2024-25: ₹22.17, conversion rate available at https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND

Note: Indicate if any independent assessment/ evaluation/ assurance has been performed byan external agency. If yes, name of the external agency.: Yes

Note: *The reporting boundary is limited to the following manufacturing units: PRS location at Uttarpara, FRS location at Bharatpur and Titagarh (foundry unit)*

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.

Response: The Company is not classified as a Designated Consumer (DC) under India's Perform, Achieve and Trade (PAT) Scheme. Consequently, questions regarding achievement of PAT targets or implementation of remedial actions are not applicable to our business operations.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	17543.5	0
(ii) Groundwater	84132.50	85560
(iii) Third party water	0	32400
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**101675.91**	**117960**
Total volume of water consumption (in kilolitres)	**101675.91**	**50040**
Water intensity per rupee of turnover (Total Water consumption/Revenue from operation) (KL/ INR lac)	0.000000323 KL/INR	0.1287KL/₹ lakh
Water intensity per rupee of turnover adjusted from Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operation adjusted for PPP) (KL/ INR lac)	0.000006579 KL/INR	2.85 KL/₹ lakh
Water intensity in terms of physical output	3.75	8.01
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: For India, PPP conversion factor is 20.34 and 22.17 for the years 2026 and 2025 respectively as per Implied PPP conversion rate available at *https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND*

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.: Yes

Note: *The reporting boundary is limited to the following manufacturing units: PRS location at Uttarpara, FRS location at Bharatpur and Titagarh (foundry unit)*

4. Provide the following details related to water discharged:

Parameters	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface Water		
- No treatment	0	0
- With treatment – please specify level of treatment	N.A	N.A
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	N.A	N.A
(iii) To Seawater		
- No treatment	0	54960
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**0**	**54960**

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.:Yes

Note: *The reporting boundary is limited to the following manufacturing units: PRS location at Uttarpara, FRS location at Bharatpur and Titagarh (foundry unit)*

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Response: Yes, TRSL has implemented several measures to support the objective of Zero Liquid Discharge (ZLD), ensuring that water is reused and not discharged externally. The following key systems are in place:

- **Drip Trays Installed:**
  Drip trays are provided under machines, valves, and pipe joints to capture any leakages and prevent contamination. Collected fluids are safely disposed or reused after treatment.
- **Water Recycling Reservoir – Shower Test Area:**
  Water used in the shower test area is collected in a dedicated reservoir, treated, and recirculated for repeated use, significantly reducing freshwater consumption.
- **Bunding for Chemical Storage Areas:**
  Containment bunds are provided around chemical storage areas to prevent any potential spills from contaminating the soil or drains.
- **Reuse of RO Reject Water:**
  RO reject water is reused in non-critical applications such as toilet flushing and housekeeping to minimize overall water wastage.
- **Zero Discharge Monitoring:**
  Internal checks and documentation are maintained to ensure that no untreated or excess water is discharged outside the premises.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
Nox	µg/ m^3	9709.00	9001.63
Sox	µg/ m^3	3164.55	5762.62
Particulate Matter (PM)	µg/Nm^3	59660	22067.17
Persistent organic pollutants (POP)	N.A	0	0
Volatile organic compounds (VOC)	N.A	0	0
Hazardous air pollutants (HAP)	N.A	0	0
Others – please specify	N.A	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.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format

Parameter	Unit	FY2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	614.14	35985
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	24101.38	30539
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	Metric tonnes of CO2 equivalent/ INR	0.000000079 tCO2e/INR	0.000000172252719
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)	Metric tonnes of CO2 equivalent/ INR	0.00000160 tCO2e/INR	0.0003848
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO2 equivalent/MT	0.91	4.40 tCO_2e / coach
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: *The reporting boundary is limited to the following manufacturing units: PRS location at Uttarpara, FRS location at Bharatpur and Titagarh (foundry unit)*

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Response: At Titagarh Rail Systems Limited, we take our responsibility to reduce greenhouse gas emissions seriously. We implemented several initiatives to advance this goal, including replacing conventional office and factory lighting with energy-efficient LEDs. A key highlight is the commissioning of an 803 kW rooftop solar plant across our TWL and TSL facilities. This plant generated 841,537 kWh and 834,634 kWh respectively, accounting for approximately 15 % and 4 % of these.annual electricity consumption. Beyond reducing costs, this clean energy production significantly lowers our carbon footprint and reinforces our commitment to sustainability.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Plastic waste (A)	2.64	38.77
E-waste (B)	0	5.66
Bio- medical waste (C)	0	0
Construction and demolition waste (D)	21999.72	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste Please specify, if any (G)	10334.90	55
Other Non-hazardous waste generated (H). Please specify, if any		
(Break-up by composition i.e. by materials relevant to the sector)	79996.8867	13620
Total (A+B+C+D+E+F+G+H) (in metric tonnes)	**112334.1467**	**13720**
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations) (Metric tonne/ INR lac)	3.5734 MT/₹ lakh	0.00000035525634
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/ Revenue from operations adjusted for PPP) (metric tonne/ INR lac adjusted for PPP)	72.9769 MT/₹ lakh	0.7909 MT/LAKH
Waste intensity in terms of physical points	**24.8813 MT/tonne**	**3.532**
Water intensity (optional) – the relevantmetric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	70704.32	16500
(iii) Other recovery operations	5716.80	0
Total	**76421.1175**	**0**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	309.51	1.3
(ii) Landfilling	0	0
(iii) Other disposal operations	29073.52	19.9
Total	**29383.03**	**21.2**

Note: For India, PPP conversion factor is 22.4 and 22.17 for the years 2024 and 2023 respectively as per Implied PPP conversion rate available at https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND

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

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.**

Titagarh adheres to a robust waste management policy in full compliance with the State Pollution Control Board (SPCB) regulations, especially concerning hazardous waste. The company secures SPCB authorization under Form 2 for hazardous waste generation and disposal, maintains clear segregation and storage in secure, designated areas to prevent environmental contamination, and coordinates with only SPCB approved agencies for final disposal. Additionally, Titagarh submits the mandatory annual return (Form 4) to the SPCB by June 30 each year, detailing the volume and handling of hazardous waste, ensuring full transparency and regulatory adherence

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)
1	Mal Godown Road, Bharatpur	Fabrication work	Yes

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 weblink
NA					

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). If not, provide details of all such non-compliances, in the following format:**

Sl. 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
The Company has stringent internal controls for ensuring compliance to all guidelines and standards set by CPCB / SPCBs. The Company aims at surpassing the minimum standards at every manufacturing stage.				

Leadership Indicators

1. **Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):**
For each facility / plant located in areas of water stress, provide the following information:
(i) Name of the area
(ii) Nature of operations
(iii) Water withdrawal, consumption, and discharge in the following format:

Response:

Parameter Water withdrawal by source (in kilolitres)	FY 2025-2026 Current Financial Year	FY 2024-2025 Previous Financial Year
(i) Surface water	17238	26372
(ii) Ground water	87213	82516.1
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	**104451**	**95916**
Total volume of water consumption (in kilolitres)	**47956.84**	**95916**
Water intensity per rupee of turnover (Water consumed / turnover)	0.000001526	0.00000248358364
Water intensity (optional) - the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	34377.24	0
- With treatment - please specify level of treatment	420	0
(ii) Into Groundwater		
- No treatment	0	113325.75
- With treatment - please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
Total water discharged (in kiloliters)	**34797.24**	**113325.75**

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency

2. **Please provide details of total Scope 3 emissions and its intensity, in the following format: EHS**
Response: Not available

Parameter	Unit	FY 2025-2026 Current Financial Year	FY 2024-2025 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	281.51tCO_2 e	2.78
Total Scope 3 emissions per rupee of turnover	-	-	0.00000000007198
Total Scope 3 emission intensity (optional) the relevant metric may be selected by the entity	-	-	-

3. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**
Response: No Significant Direct or Indirect impact

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative	Outcome of the initiative
1.	APCD (Air Pollution control Device)	APCD has been installed in various facility	As per statutory

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**
Response: Yes, Titagarh Rail Systems Limited has established a Business Continuity Plan (BCP) and Disaster Management Plan (DMP) to ensure operational resilience and safety during unforeseen events. The plans outline procedures for risk assessment, emergency response, and recovery of critical functions in case of natural disasters, fire, cyberattacks, or operational disruptions. Regular mock drills, employee training, backup systems, and coordination with local emergency services are part of the strategy. The company also has designated teams for crisis communication, evacuation, and restoration. The plans are periodically reviewed and updated to align with evolving risks and regulatory requirements, ensuring minimal disruption to operations.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**
Response: Titagarh Rail Systems Limited engaged in manufacturing passenger rolling stock, freight rolling stock acknowledges its commitment to fostering a sustainable and environmentally responsible value chain. The company actively promotes the use of sustainable materials and encourages suppliers to adhere to environmental norms, integrating green guidelines into purchase orders. To enhance environmental performance, TRSL engages in regular audits and collaborates with suppliers through environmental awareness programs. Additionally, the company implements initiatives such as bulk transportation, GPS tracking, and the in-house use of battery-operated vehicles to further reduce its environmental footprint across the value chain.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**
Response: 90%

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.**
Response: 4 [Four]

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.**

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chamber of Commerce & Industry	National
2	Confederation of Indian Industry	National
3	Indian Chamber of Commerce	National
4	Bharat Chamber of Commerce	State

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. A.P**

Name of authority	Brief of the case	Corrective action taken
None	Not Applicable	Not Applicable

Leadership Indicators:

1. **Details of public policy positions advocated by the entity:**
Response: The Company's BRSR covers on Responsible Advocacy. It provides the guideline for necessary interface with Government/ Regulatory Authorities on matters concerning the industry/sector in which the Company operates.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

Essential Indicators: EHS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Sr. No.	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
N.A						

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 INR)
During the financial year 2025–2026, none of the projects undertaken by the entity required rehabilitation and resettlement (R&R) interventions. There was no displacement of local populations or acquisition of inhabited land, and therefore, the question is not applicable (NA). The entity remains committed to upholding human rights and ensuring that its operations do not adversely impact local communities.						

3. **Describe the mechanisms to receive and redress grievances of the community.**
Response: Titagarh Rail Systems Limited has established a structured approach to community engagement, particularly in the vicinity of its manufacturing facilities. Personnel at these sites are trained to collaborate with local communities, facilitating the receipt and resolution of grievances. In alignment with its Corporate Social Responsibility (CSR) initiatives, the company is involved in the development and support of four schools located near its manufacturing facilities in Titagarh. These educational institutions are being assisted under CSR activities, with Titagarh Municipality serving as the implementation partner. To effectively address any concerns related to these programs, designated personnel are available to engage with the community and provide necessary support. This approach underscores the company's commitment to fostering positive relationships with the local community and ensuring the success of its CSR endeavours.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers (%)	21.09%	41.97
Directly from within India (%)	74.78%	51.76

Note: *The percentages reported for MSME sourcing and sourcing from within India have been computed based on procurement data maintained by the Procurement team. The underlying data includes all categories of procurement expenditure, including raw materials, services, and capital expenditure (CapEx) items.*

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: HR

Location	FY 2025-26	FY 2024-25
Rural	0	4.86
Semi-urban	0	12.04
Urban	59.44	31.02
Metropolitan	40.56	52.08

(Location categorised as per RBI classification System – rural/ semi urban/ urban/ metropolitan)

Note: *Only permanent employees, other than permanent employees and permanent workers have been considered for the calculation of job creation.*

Leadership Indicators:

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**
   Response: Not Applicable
2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**
   Response: Not Applicable
3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No): ENS**
   Response: Yes. At TRSL, the policy is not to discriminate between the suppliers based on their size and provide equal opportunities to all.
   (b) From which marginalized /vulnerable groups do you procure?
   Response: MSMEs, local vendors etc.
   (c) What percentage of total procurement (by value) does it constitute?
   Response: Not Applicable
4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**
   Response: Not Applicable
5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**
   Response: Not Applicable
6. **Details of beneficiaries of CSR Projects: As disclosed in the Annual Report**

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1.	Muskan School	58	100%
2.	Apprentice Under Naps	94	100%
3.	South Kolkata Hamari Muskan	280	100%
4.	Annamrita	1000	100%
5.	Chhaya Animal Hospital & Shelter	12299	100%

Note: * Noise Pollution Device for PCB facilitated research on noise created by various firecrackers to enable it to formulate/adjust its policy on noise pollution and help improve the environment. Public at large would be the beneficiaries.

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.**
   Response: On receipt of customer complaints and feedback, the same is shared with the Quality and Warranty Departments. Quality and Warranty Depts. analyses the complaints for check on warranty obligations, warranty limitations in terms of period of warranty. Thereafter, communication with the customer is imparted with necessary visits and obligations are being imparted. On completion a joint note is prepared and the same is closed.
2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. **Number of consumer complaints in respect of the following:**

Particulars	FY 2025-26			FY 2024-25		
	Received during the year	Pending Resolution at end of year	Remarks	Received during the year	Pending Resolution at end of year	Remarks
Data privacy	0	0	Not Any	0	0	Not Any
Advertising	0	0	Not Any	0	0	Not Any
Cyber-security	0	0	Not Any	0	0	Not Any
Delivery of essential services	0	0	Not Any	0	0	Not Any
Restrictive Trade Practices	0	0	Not Any	0	0	Not Any
Unfair Trade Practices	0	0	Not Any	0	0	Not Any
Other	0	0	Not Any	0	0	Not Any

4. **Details of instances of product recalls on account of safety issues:**

Particulars	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

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**
   Response: Yes at https://www.titagarh.in/investors-information
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.**
   Response: Nil
7. **Provide the following information relating to data breaches:**
   a. **Number of instances of data breaches:** Nil
   b. **Percentage of data breaches involving personally identifiable information of customers:** Nil
   c. **Impact, if any, of the data breaches:** NA

Leadership Indicators:

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**
   Response: www.titagarh.in
2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**
   Response: Not Applicable
3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**
   Response: The company's operations and products/services do not qualify under essential services - hence this is not applicable for the Company.
4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**
   Response: The Company ensures all that is manufactured is displayed with appropriate markings and labels as prescribed by the guidelines set forth by the Indian Railways, & any other prominent regulatory bodies
5. **Provide the following information relating to data breaches:**
   a. Number of instances of data breaches along-with impact
   b. Percentage of data breaches involving personally identifiable information of
   Response: NA. No such instance of breach has happened.

Independent Auditor's Report

To the Members of Titagarh Rail Systems Limited
Report on the Audit of the Standalone Financial Statements

Opinion

1. We have jointly audited the accompanying standalone financial statements of Titagarh Rail Systems Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2026, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our joint audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 35A to the standalone financial statements regarding the restatement of prior period comparative financial information by correcting certain prior period errors in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" as more fully described in the aforesaid Note.

   Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgement, 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.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition - appropriateness of estimation of contract cost and contract revenue (Refer to Note 4.6 and 5.9 – "Revenue Recognition", Note 3(a) – "Critical Estimates and Judgements – Accounting for revenue from contracts wherein company satisfies performance obligation and recognises revenue over time" and Note 26 – "Revenue from operations") In respect of certain contracts with customers, the Company recognises revenue over a period of time in accordance with its accounting policy. Revenue from these contracts is measured based on the stage of completion, determined primarily with reference to the proportion of contract costs incurred to date relative to the estimated total contract costs. This involves exercise of significant judgement by the management in making forecasts of future cost to complete the contract considering future activities to be carried out in the contract, and the related assumptions and also determining total contract revenue including variation claims and liquidated damages. This has been considered as a key audit matter in view of the significant management judgements and complexities involved in determining future costs to complete the contracts and total contract revenue.	Our audit procedures included the following: • Obtained an understanding, evaluated the design, and tested the operating effectiveness of key controls around determination of contract revenue and estimation of future costs to complete the contracts. • Inquired with the management the status of the contracts, the basis for estimates of future cost to complete the contracts and other factors such as consideration of any specific identified risks. • Verified on a sample basis the contract revenue with the underlying contracts and other relevant terms and conditions as appropriate. • Tested on a sample basis the actual costs incurred during the year with supporting documents. • Tested on a sample basis the future cost to complete the contracts with orders placed with vendors, and other relevant supporting documents, as appropriate. • Recomputed the percentage of completion based on the total budgeted contract cost and the total actual cost incurred and the revenue recognized based on the percentage of completion. • Evaluated the adequacy of the disclosures made in the standalone financial statements.

Other Information

6. 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 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 will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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 and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

7. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

10. 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.

11. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 control 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 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 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 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.

12. 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 control that we identify during our audit.

13. 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.

14. 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

15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. As required by Section 143(3) of the Act, 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.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) 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.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above and paragraph 16(h)(vi) below.

(g) 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**".

(h) 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 19 and Note 42 to the standalone financial statements;

ii. The Company has made provision as at March 31, 2026, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts - Refer Note 19 and Note 36.2 to the standalone financial statements. The Company did not have any long-term derivative contracts as at March 31, 2026.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note53(vi)(A) to the standalone financial statements, 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, whether 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, as disclosed in the Note 53(vi)(B) to thestandalone financial statements, 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, whether 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; and

(c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.

v. The dividend declared and paid by the Company during the year in respect of the prior year ended March 31, 2025 is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividenduntil the date of this audit report.

As stated in Note 49(b) to thestandalone financial statements, the Board of Directors of theCompany has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting and is in accordance with Section 123 of the Act, to the extent applicable.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that in case of one accounting software, the audit log of modification does not contain the pre-modified values at the database level. During the course of performing our procedures except the aforesaid instance, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

17. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E / E-300009

Pramit Agrawal
Partner
Membership Number: 099903
UDIN:26099903IQWKNI6423
Place: Kolkata
Date: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership Number: 069367
UDIN: 26069367CMBRIV2688
Place: Kolkata
Date: May 31, 2026

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g)of the Independent Auditor's Report of even date to the members of Titagarh Rail Systems Limited on the standalone financial statements as of and for the year ended March 31, 2026

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Titagarh Rail Systems Limited ("the Company") as of 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 Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("the Guidance Note") 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 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to providea basis for our qualified audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to 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 controls with reference to 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, ordisposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become in adequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. According to the information and explanations given to us and based on our audit, material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with respect to review of impairment assessment of investments in an associate and a joint venture, assessment of loss allowance on loan given to a joint venture and provision towards collateral given against loan taken by an associate in accordance with the relevant Indian Accounting Standards. The said controls are quarterly controls and did not operate for a sufficient period of time, but they operated as at March 31, 2026.
9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

10. In our opinion, except for the effects of the material weaknesses described in the Basis for Qualified Opinion paragraph above on achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.
11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2026, and the material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E / E-300009

Pramit Agrawal
Partner
Membership Number: 099903
UDIN:26099903IQWKNI6423
Place: Kolkata
Date: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership Number: 069367
UDIN: 26069367CMBRIV2688
Place: Kolkata
Date: May 31, 2026

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Titagarh Rail Systems Limited on the standalone financial statements as of and for the year ended March 31, 2026

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 6.1, Note 6.3, Note 6.6 and Note 37 to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. in crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Freehold Land	1.43	Titagarh Shipyard Limited	No	April 1, 2015	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata Bench passed on July 12, 2016, erstwhile Titagarh Shipyard Limited got merged with the Company with the appointed date as April 1, 2015. The Company is yet to submit an application to the relevant authority for changing the name.
Freehold Land	33.91	Titagarh Steels Limited	No	April 1, 2009	Pursuant to order of Hon'ble High Court Calcutta passed on September 14, 2009, erstwhile Titagarh Steels Limited got merged with the Company with the appointed date as April 1, 2009. The Company has already submitted an application to the relevant authority for changing the name which is pending.
Freehold Land	47.35	M/s Birla Brothers Ltd.	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata Bench passed on September 30, 2020, erstwhile Cimmco Limited (earlier known as M/S Birla Brothers Ltd and subsequently Cimmco Birla Limited) got merged with the Company with the appointed date as April 1, 2019. The Company has physical possession of the said land parcels, though the ownership / leasehold rights are being contested by the Company. Also refer Note 6.1 (e) to the standalone financial statements.
Leasehold Land	27.59	Cimmco Birla Limited	No	April 1, 2019	
Leasehold Land	169.65	Cimmco Birla Limited	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata Bench passed on September 30, 2020, erstwhile Cimmco Limited (earlier known as M/S Birla Brothers Ltd and subsequently Cimmco Birla Limited) got merged with the Company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending.
Building	1.17	Ms. Savitri Devi Chowdhary	Relative of promoter	March 28, 2001	The Company is yet to initiate the process for transfer of property.
Investment Property	3.19	Cimmco Birla Limited	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata Bench passed on September 30, 2020, the erstwhile Cimmco Limited (earlier known as M/S Birla Brothers Ltd and subsequently Cimmco Birla Limited) got merged with the Company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending.
Investment Property (disclosed under assets held for sale)	1.17				

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or Intangible Assets does not arise.

(e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements, does not arise.

ii. (a) The physical verification of inventory excluding stock lying with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate.In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. Further, the Company has not filed the returns for the quarter ended March 31, 2026 and, accordingly, the question of our commenting under clause 3(ii)(b) to that extent, does not arise.

iii. (a) The Company has made investments in two companies and granted unsecured loans to one company during the year.The Company has not granted secured loans or secured/unsecured advances in the nature of loans or stood guarantee or provided security to any parties during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loan to a joint venture is as per the table given below:

Particulars	Loans (Rs in crores)
Aggregate amount granted/ provided during the year	
- Joint Venture	58.01
Balance outstanding as at balance sheet date in respect of the above case	
- Joint Venture	58.01 (against this loan, loss allowance of Rs 58.01crores has been made as at March 31, 2026)

Also, refer Note 9 to the standalone financial statements.

(b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest. In respect of the aforesaid loan aggregating Rs. 58.01 crores granted during the year and balance outstanding of Rs. 58.01 crores as at March 31, 2026 (against which loss allowance of Rs 58.01 crores has been made as at March 31, 2026), is in our opinion prejudicial to the Company's interests on account of borrower's financial condition and therefore its potential inability to repay the loan. (Refer Note 9(c) to the standalone financial statements).

(c) In respect of the loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. As stipulated,the repayment of principal is not due as at year end and the party is not paying interest as applicable.

Name of the entity	Amount (Rs in crores)	Due Date	Date of payment	Extent of delay (Days)	Remarks (if any)
Shivaliks Mercantile Limited	0.62	June 30, 2025	Not paid	275	The Company has not received any interest during the year.Also, refer Note 46(e) to the standalone financial statements.
	1.22	September 30, 2025		183	
	1.28	December 31, 2025		91	
	1.29	March 31, 2026		1	

(d) In respect of loan, the total amount of overdue interest for more than ninety days as at March 31, 2026 is Rs. 3.12 crores. In our opinion,the Company has not taken steps for recovery of the interest.

No. of cases	Principal Amount Overdue (Rs in crores)	Interest Overdue (Rs in crores)	Total Overdue (Rs in crores)	Remarks (if any)
3	Nil, as amount is not due as at year end.	3.12	3.12	The Company has recognised loss allowance of Rs 58.01 crores, being the full principal value of the loan as at year end and no interest has been received by the Company on such loan during the year.

Also, refer Note 46(e) to the standalone financial statements.

(e) There were no loans /advances in nature of loans which have fallen due during the year and were renewed/ extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

(f) The loans granted during the year to a related party had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.There were no advances in nature of loans which were granted during the year to related parties and there were no loans/advances in nature of loans which were granted during the year to promoters.

iv. In our opinion, the Company has complied with the provisions of Sections 186 of the Act in respect of the investments made and loans granted by it. The Company has not provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act and has not granted loans to parties covered under Section 185 of the Act, and accordingly, to this extent, reporting under clause 3(iv) of the Order is not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the books of account maintained by the Company pursuant to the said requirement,and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, goods and services tax and labour welfare fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cessand other statutory dues, as applicable, with the appropriate authorities. Also, refer Note 52 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund. However, there are no arrears of statutory dues outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.

(b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2026 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Net of payment) (Rs. in crores)	Amount of payment (Rs. in crores)	Period to which the amount relates	Forum where the dispute is pending
The Income-Tax Act, 1961	Income Tax	43.04	-	AY 2015-2016, AY 2016-2017,	CIT(A)
				AY 2017-2018,	
				AY 2018-2019,	
				AY 2022-2023 to AY 2024-2025	
		0.80	-	AY 2005-2006	Income Tax Appellate Tribunal
The Custom Act, 1962	Custom Duty	0.31	-	1992-1993	Additional Commissioner Customs
		0.20	-	1986-1987, 1998-1999, 2000-2001	Deputy Director of Enforcement
		2.07	3.67	Oct-23	CESTAT, Kolkata
		1.77	-	2012-13	High Court
The West Bengal Sales Tax Act, 1944	Sales Tax	0.05	-	2004-2005	The West Bengal Taxation Tribunal
The Rajasthan Sales Tax Act	Sales Tax	0.20	-	2015-2016 to 2017-2018	Deputy Commissioner Appeal
		1.12	-	2013-2014	Rajasthan Tax Board
		3.32	0.23	2017-2018	The Additional Commissioner, Appellate Authority
The Orrisa Sales Tax Act	Sales Tax	1.18	-	1999-2001	High Court
The West Bengal Value Added Tax Act, 2003	Value Added Tax	14.99	1.51	2012-2013 to 2017-2018	The West Bengal Taxation Tribunal
		0.17	-	2010-2011	Additional Commissioner of Commercial Tax West Bengal
Foreign Trade Development and Regulation Act, 1992	Terminal Excise Duty	6.93	-	2008-2010	Directorate General of Foreign Trade
Orissa Entry Tax Act	Entry Tax	0.16	-	1999-2001	High Court
		0.08	-	2013-2014	Appellate Authority
The Central Excise Act, 1944	Excise Duty	2.51	0.08	1999-2000, 2007-2009, 2010-2017, 2020-2021	Customs, Excise and Service Tax Appellate Tribunal
		3.94	0.05	2011-2015	Additional Commissioner of Central Excise and Service Tax
		0.75	0.05	2009-2011, 2014-2016	Assistant Commissioner of Central Excise and Service Tax
		29.80	0.06	1995-1996, 2006-2007 to 2013-2014	Commissioner of Central Excise and Service Tax

Name of the statute	Nature of dues	Amount (Net of payment) (Rs. in crores)	Amount of payment (Rs. in crores)	Period to which the amount relates	Forum where the dispute is pending
		1.23	0.06	2007-2008 to 2013-2014	Commissioner of Central Excise and Service Tax (Appeal)
		0.27	0.01	2014-2017	Commissioner (Appeal)
		3.29	0.13	2013-2015	Joint Commissioner of Central Excise and Service Tax
		1.26	-	1989-1994	Supreme Court
		1.23	0.08	2015-2016	High Court
CGST Act, 2017	Goods and Service Tax	1.17	2.02	2020-2021, 2021-2022	Commissioner of Central Goods and Service Tax (Appeal)
		3.14	0.52	2017-2018, 2018-2019, 2022-2023	Commissioner of Goods and Service Tax (Appeal)
		21.56	-	2017-2018 to 2022-2023	High Court
		-	0.05	2025-2026	Joint Commissioner
		0.99	-	2024-2025	Assistant Commissioner
		0.58	0.79	2021-2022 2023-2024	Additional Commissioner

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied for the purposes for which they were obtained and there was no unutilised balance of term loan obtained in earlier years as on April 1, 2025. Also, refer Note 18 to the standalone financial statements.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has made a preferential allotment of share warrants during the year in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which the funds were raised. Other than the aforesaid preferential allotment of share warrants, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed by us, as statutory auditors, with the Central Government. Further, no such report has been filed by any other auditor appointed by the Company under the Act. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with the director(s). Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, the Group as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025 does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and, accordingly, the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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 that the 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. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E / E-300009

Pramit Agrawal
Partner
Membership Number: 099903
UDIN:26099903IQWKNI6423
Place: Kolkata
Date: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership Number: 069367
UDIN: 26069367CMBRIV2688
Place: Kolkata
Date: May 31, 2026

TITAGARH RAIL SYSTEMS LIMITED

Standalone Balance Sheet as at March 31, 2026

Particulars	Notes	As at March 31, 2026 Rs. in Crores	As at March 31, 2025 (Restated) (Refer Note 35) Rs. in Crores
I. ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	6.1	1,072.47	818.86
b) Right-of-Use Assets	6.6	71.72	83.00
c) Capital Work-in-Progress	6.4	69.98	39.61
d) Investment Properties	6.3	3.19	8.21
e) Intangible Assets	6.2	80.87	69.42
f) Intangible Assets under Development	6.5	122.44	83.63
g) Financial Assets			
i) Investments	7	421.83	230.31
ii) Other Financial Assets	10	24.28	80.12
h) Deferred tax assets (Net)	21	31.93	25.11
i) Contract Assets	12	0.35	3.41
j) Non-current Tax Asset (Net)	11	28.37	24.58
k) Other Non-current Assets	13	22.16	59.74
Total Non-current Assets		**1,949.59**	**1,526.00**
Current Assets			
a) Inventories	14	563.33	495.84
b) Financial Assets			
i) Trade Receivables	8	620.93	670.57
ii) Cash and Cash Equivalents	15.1	151.78	17.36
iii) Bank Balances Other than (ii) above	15.2	143.56	442.13
iv) Loans	9	–	–
v) Other Financial Assets	10	163.82	142.15
c) Contract Assets	12	282.79	119.76
d) Other Current Assets	13	138.18	168.10
Total Current Assets		**2,064.39**	**2,055.91**
Assets held for sale	37	30.41	127.10
TOTAL - ASSETS		**4,044.39**	**3,709.01**
II. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	16	26.93	26.93
b) Other Equity	17	2,456.04	2,266.35
Total Equity		**2,482.97**	**2,293.28**
Liabilities			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18	169.95	24.93
ii) Lease Liabilities	6.6	80.17	89.47
iii) Other Financial Liabilities	23	4.24	3.43
b) Contract Liabilities	24	104.64	37.46
c) Provisions	19	7.91	6.11
Total Non-Current Liabilities		**366.91**	**161.40**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18	351.91	504.41
ii) Lease Liabilities	6.6	9.97	7.82
iii) Trade Payables	22		
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		65.40	43.30
b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		254.90	183.96
iv) Other Financial Liabilities	23	95.77	37.53
b) Contract Liabilities	24	196.29	274.07
c) Other Current Liabilities	25	14.05	6.65
d) Provisions	19	184.87	176.43
e) Current Tax Liabilities (Net)	20	21.35	7.35
Total Current Liabilities		**1,194.51**	**1,241.52**
Liabilities held for sale	36	–	12.81
TOTAL - LIABILITIES		**1,561.42**	**1,415.73**
TOTAL - EQUITY AND LIABILITIES		**4,044.39**	**3,709.01**

The above Standalone Balance Sheet should be read in conjunction with the accompanying notes.
This is the Standalone Balance Sheet referred to in our Report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Date: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership No. 069367
Place: Kolkata
Date: May 31, 2026

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Date: May 31, 2026

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Date: May 31, 2026

Atul Ravishanker Joshi
Independent Director
DIN: 03557435
Place: Mumbai
Date: May 31, 2026

Anil Kumar Agarwal
Deputy Managing Director
DIN: 01501767
Place: Kolkata
Date: May 31, 2026

Saurav Singhania
Chief Financial Officer
Place: Kolkata
Date: May 31, 2026

Aditya Purohit
Company Secretary
Place: Kolkata
Date: May 31, 2026

TITAGARH RAIL SYSTEMS LIMITED

Standalone Statement of Profit and Loss for the year ended March 31, 2026

Particulars	Notes	For the year ended March 31, 2026 Rs. in Crores	For the year ended March 31, 2025 (Restated) (Refer Note 35) Rs. in Crores
Income			
Revenue from Operations	26	3,143.58	3,747.38
Other Income	27	47.17	75.25
Total Income		**3,190.75**	**3,822.63**
Expenses			
Cost of Raw Materials & Components Consumed	28	2,318.21	2,870.42
Changes in Inventories of Finished Goods, Work in progress and Saleable Scrap	29	(27.88)	(36.41)
Employee Benefits Expense	30	101.84	78.96
Finance Costs	31	70.37	73.14
Depreciation and Amortisation Expense	32	50.22	29.03
Other Expenses	33	382.77	382.61
Total Expenses		**2,895.53**	**3,397.75**
Profit before exceptional items and tax		**295.22**	**424.88**
Exceptional items	35	57.58	270.25
Profit Before Tax from continuing operations		**237.64**	**154.63**
Income Tax Expense	34		
Current Tax (Including Earlier Years)		79.35	99.53
Deferred Tax - Charge / (Credit)		(5.62)	(35.47)
Total Tax Expense		**73.73**	**64.06**
Profit for the Year After Tax from continuing operations		**163.91**	**90.57**
Discontinued Operations	36		
Loss before tax from discontinued operations		(14.82)	(13.32)
Tax expense/ (credit) of discontinued operations		(1.61)	0.28
Loss for the year from discontinued operations		**(13.21)**	**(13.60)**
Profit for the year		**150.70**	**76.97**
Other Comprehensive Income			
Item that will not be reclassified to Profit or Loss in subsequent periods:			
Remeasurement Gains / (Losses) on Defined Benefit Plans		1.36	(1.96)
Income Tax on above		(0.34)	0.49
Other Comprehensive Income for the Year (Net of Taxes)		**1.02**	**(1.47)**
Total Comprehensive Income for the Year		**151.72**	**75.50**
Earnings per Equity Share			
[Nominal Value of Share Rs. 2/- (March 31, 2025: Rs 2/-)]			
For continuing operations	38		
Basic (in Rs.)		12.17	6.73
Diluted (in Rs.)		12.16	6.72
For discontinued operations	38		
Basic (in Rs.)		(0.98)	(1.01)
Diluted (in Rs.)		(0.98)	(1.01)
For continuing and discontinued operations	38		
Basic (in Rs.)		11.19	5.72
Diluted (in Rs.)		11.18	5.71

The above Standalone Statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the Standalone Statement of Profit and Loss referred to in our Report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Date: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership No. 069367
Place: Kolkata
Date: May 31, 2026

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Date: May 31, 2026

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Date: May 31, 2026

Atul Ravishanker Joshi
Independent Director
DIN: 03557435
Place: Mumbai
Date: May 31, 2026

Anil Kumar Agarwal
Deputy Managing Director
DIN: 01501767
Place: Kolkata
Date: May 31, 2026

Saurav Singhania
Chief Financial Officer
Place: Kolkata
Date: May 31, 2026

Aditya Purohit
Company Secretary
Place: Kolkata
Date: May 31, 2026

TITAGARH RAIL SYSTEMS LIMITED

Standalone Statement of Cash Flows for the year ended March 31, 2026

	Particulars	For the year ended March 31, 2026 Rs. in Crores	For the year ended March 31, 2025 (Restated) (Refer Note 35) Rs. in Crores
A.	**Cash Flows from Operating Activities**		
	Profit before Tax from:		
	Continuing operations	237.64	154.63
	Discontinued operations	(14.82)	(13.32)
	Profit before Tax	**222.82**	**141.31**
	Adjustments for:		
	Depreciation and Amortisation Expense	50.22	29.50
	Finance Cost	70.37	73.14
	Loss on sale of investment property	4.60	-
	Profit on sale of Investment	(0.18)	-
	Unrealised Foreign Exchange Fluctuations (Gain)/ Loss (net)	2.05	(2.24)
	Provision for Doubtful Debts and Advances	22.82	5.24
	Guarantee Commission Income	(2.52)	(0.85)
	Provision for Onerous Contract	-	8.11
	Net (Gain)/ Loss on Disposal of Property, Plant and Equipment	(0.49)	(0.23)
	Fair Value Gain on Investment - FVTPL	(2.22)	(15.38)
	Interest Income	(34.00)	(51.52)
	Interest unwinding in respect of security deposit for leases	(0.33)	(0.33)
	Employee Stock Option Expenses	1.44	0.22
	Exceptional Items - Non Cash Portion	57.58	270.25
	Operating Profit before Changes in Operating Assets and Liabilities	**392.16**	**457.22**
	(Decrease) in Trade Payables	97.19	(85.15)
	(Decrease) in Contract Liabilities	(10.60)	(126.83)
	Increase/(Decrease) in Other Non-current and Current Financial and Non-financial Liabilities and Provisions	93.63	(1.11)
	(Increase) in Trade Receivables	12.44	(139.20)
	(Increase)/ Decrease in Inventories	(79.35)	0.40
	(Increase)/Decrease in Contract Assets	(159.97)	(106.41)
	(Increase)/Decrease in Other Non-current and Current Financial and Non-financial Assets	34.92	(4.36)
	Cash Generated From/ (Used) in Operations	**380.42**	**(5.44)**
	Income Taxes Paid (Net of Refunds)	(69.14)	(95.71)
	Net Cash From/ (Used) in Operating Activities	**311.28**	**(101.15)**
B.	**Cash Flows from Investing Activities**		
	Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress	(310.56)	(219.59)
	Payments for Acquisition of Intangible Assets and Intangible Assets under development	(57.50)	(16.49)
	Proceeds from Disposal of Property, Plant and Equipment	1.03	5.91
	Addition to investment property	(1.47)	-
	Proceeds from sale of investment property	0.71	-
	Loans to Joint ventures	(58.01)	-
	Investments in Subsidiaries	(5.00)	-
	Investments in Joint Ventures	(66.15)	(109.80)
	Fixed Deposits Made	(374.24)	(1,106.60)
	Fixed Deposits Matured	692.77	836.05
	Interest Received	52.54	29.63
	Net Cash used in Investing Activities	**(125.88)**	**(580.89)**
C.	**Cash Flows from Financing Activities**		
	Proceeds from issue of Share warrants	50.00	-
	Repayment of Long-term Borrowings	(37.50)	(12.51)
	Long Term Borrowings - Receipts	169.95	-
	Principal Payment of Lease Liabilities	(12.53)	(12.64)
	Interest Payment of Lease Liabilities	(4.87)	(2.76)
	Short Term Borrowings - Receipts/ (Payments) (net)	(141.88)	474.86
	Finance Costs Paid	(60.70)	(63.67)
	Dividend Paid	(13.45)	(10.77)
	Net Cash From/ (Used) in Financing Activities	**(50.98)**	**372.51**
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**134.42**	**(309.53)**
	Cash and Cash Equivalents - Opening Balance (Refer Note 15.1)	17.36	326.89
	Cash and Cash Equivalents - Closing Balance (Refer Note 15.1)	**151.78**	**17.36**
	The above Cash flow includes following related to discontinued operation		
	Net Cash Used in Operating Activities	31.87	(45.43)
	Net Cash Used in Investing Activities	0.07	(0.03)
	Net Cash Generated from Financing Activities	0.02	-

The above cash flow excludes following in the nature of non cash expenses:

1) Rs 2.52 crores in respect to the Guarantee Commission relating to investment in joint venture.
2) Rs 114.88 crores in respect to the transfer of business to a wholly owned subsidiary i.e. Titagarh Naval Systems Limited (""TNSL"") (Refer Note 36) wherein the consideration was discharged by way of issuance of shares of TNSL.
   a) The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
   b) Refer Note 50 for Debt Reconciliation.

The above Standalone Statement of Cash Flows should be read in conjunction with the accompanying notes.
This is the Standalone Statement of Cash Flows referred to in our Report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Date: May 31, 2026

Sarvesh Kumar Singh
Partner
Membership No. 069367
Place: Kolkata
Date: May 31, 2026

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Date: May 31, 2026

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Date: May 31, 2026

Atul Ravishanker Joshi
Independent Director
DIN: 03557435
Place: Mumbai
Date: May 31, 2026

Anil Kumar Agarwal
Deputy Managing Director
DIN: 01501767
Place: Kolkata
Date: May 31, 2026

Saurav Singhania
Chief Financial Officer
Place: Kolkata
Date: May 31, 2026

Aditya Purohit
Company Secretary
Place: Kolkata
Date: May 31, 2026

TITAGARH RAIL SYSTEMS LIMITED

Standalone Statement of Changes in Equity for the year ended March 31, 2026

A) Equity Share Capital (Refer Note 16)

(Rs. in Crores)

Particulars	Number in Crores	Amount
Balance as at April 1, 2024	**13.47**	**26.93**
Changes in Equity Share Capital	-	-
Balance as at March 31, 2025	**13.47**	**26.93**
Changes in Equity Share Capital	-	-
Balance as at March 31, 2026	**13.47**	**26.93**

B) Other Equity

(Rs. in Crores)

Particulars	Other Equity (Refer Note 17)							
	Securities Premium Account	General Reserve	Capital Reserve	Hedge Reserve Account	Employee Stock Option Outstanding Account	Money received against share warrants	Retained Earnings	Total
Balance as at April 1, 2024	**1,382.30**	**54.12**	**56.92**	**(0.11)**	**-**	**-**	**708.06**	**2,201.29**
Profit for the Year (Restated, refer Note 35)	-	-	-	-	-	-	76.97	76.97
Reclassified to profit and loss and included in profit for the year	-	-	-	0.11	-	-	-	0.11
Other Comprehensive Income (Net of Tax) - Remeasurement Gains/(Losses) on Defined Benefit Plans	-	-	-	-	-	-	(1.47)	(1.47)
Total Comprehensive Income for the year	**-**	**-**	**-**	**0.11**	**-**	**-**	**75.50**	**75.61**
Recognition of Share Based Payment	-	-	-	-	0.22	-	-	0.22
Dividend paid	-	-	-	-	-	-	(10.77)	(10.77)
Balance as at March 31, 2025 (Restated, refer Note 35)	**1,382.30**	**54.12**	**56.92**	**-**	**0.22**	**-**	**772.79**	**2,266.35**
Profit for the Year	-	-	-	-	-	-	150.70	150.70
Reclassified to profit and loss and included in profit for the year	-	-	-	-	-	-	-	-
Other Comprehensive Income (Net of Tax) - Remeasurement Gains/(Losses) on Defined Benefit Plans	-	-	-	-	-	-	1.02	1.02
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**151.72**	**151.72**
Recognition of Share Based Payment	-	-	-	-	1.44	-	-	1.44
Dividend paid	-	-	-	-	-	-	(13.47)	(13.47)
Money received against share warrants	-	-	-	-	-	50.00	-	50.00
Balance as at March 31, 2026	**1,382.30**	**54.12**	**56.92**	**-**	**1.66**	**50.00**	**911.04**	**2,456.04**

The above Standalone Statement of Changes in Equity should be read in conjunction with the accompanying notes.
This is the Standalone Statement of Changes in Equity referred to in our Report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Date: May 31, 2026

Sarvesh Kumar Singh
Partner
Membership No. 069367
Place: Kolkata
Date: May 31, 2026

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Saurav Singhania
Chief Financial Officer
Place: Kolkata
Date: May 31, 2026

Aditya Purohit
Company Secretary
Place: Kolkata
Date: May 31, 2026

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026

1 (a) Corporate Information

Titagarh Rail Systems Limited (the Company) is a public limited company incorporated and domiciled in India. The registered office of the Company is located at Poddar Point, 113 Park Street, 10th Floor, Kolkata – 700016 and its manufacturing facilities are located in West Bengal and Rajasthan. The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The Company is mainly engaged in the manufacturing and selling of Freight Wagons, Passenger Coaches, Metro Trains, Train Electricals, Steel Castings, Specialised Equipments & Bridges, Ships, etc. The Company caters to both domestic and export market.

The functional and presentation currency of the Company is Indian Rupee ("Rs.").

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest crores as per the requirements of Schedule III, unless stated otherwise. Rs 0.00 across the standalone financial statements represents figures below rounding off norm.

1 (b) Basis of Preparation

(i) Compliance with Indian Accounting Standards

The standalone financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments)
- assets held for sale – measured at fair value less cost to sell
- Defined benefits plan – plan assets measured at fair value
- share based payments

(iii) Current versus Non-current Classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

2 (a) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated May 7, 2025 and August 13, 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2025:

(i) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the Company changed its accounting policy for the classification of borrowings:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of the company's borrowings. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

(ii) Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

As a result of the adoption of the amendments to Ind AS 7 and Ind AS 107, the Company provided new disclosures for liabilities under supplier finance arrangements in note 18 and note 29(B).

(iii) International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12

The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdictions in which the Company operates.

(iv) Lack of Exchangeability – Amendments to Ind AS 21

The amended Ind AS 21 have added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not.

These amendments did not have any material impact on the amounts recognised in prior periods and current period and are not expected to significantly affect the future periods.

2 (b) New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1 - This amendment also includes specific provisions that will take effect for reporting periods beginning on or after April 1, 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8.

The company does not expect this amendment to have any material impact on its operations or financial statements.

3 Critical Estimates and Judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving critical estimates or judgements are:

a) Accounting for revenue from contracts wherein company satisfies performance obligation and recognises revenue over time- Notes 4.6 and 26

For contracts wherein performance obligation are satisfied over time, an entity recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation, in order to depict an entity's performance in transferring control of goods or services promised to a customer. This method requires estimates of the final revenue and costs of the contract, as well as measurement

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

of progress achieved to date as a proportion of the total work to be performed. This involves determination of margin to be recognised on the contract, which are dependent on the total costs to complete contracts, that is, the cost incurred till date and estimation of future cost to complete the contract and price variations etc. This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the contract, and the related assumptions etc. Experience, reduces but does not eliminate the risk that estimates may change significantly.

b) Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 5.11 and 39

Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

c) Estimation of Expected Useful Lives of Property, Plant and Equipment, Right of use Assets and Intangible Assets— Notes 4.1, 4.2, 6.1, 6.2 and 6.6

Management reviews its estimate of the useful lives of property, plant and equipment, right-of-use assets and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment, right of use assets and intangible assets.

d) Litigations, Claims and Contingencies — Notes 5.14, 5.15 and 42

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Company often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Company consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

e) Warranties — Notes 5.14 and 19

The Company's product warranty obligations and estimations thereof are determined using historical information of claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.

Changes in estimated frequency and amount of future warranty claims, can materially affect warranty expenses.

f) Impairment of Investments in Subsidiaries, Associates and Joint Ventures — Notes 4.5 and 7

Determining whether the investments in subsidiaries, associate and joint ventures are impaired requires an estimate of the value in use of investments. In considering the value in use, the management anticipates the future commodity prices, capacity utilisation of plant, order book position, operating margins, discount rates and other factors of the underlying businesses / operations of the subsidiaries, associate and joint ventures.

g) Fair Value Measurements — Notes 5.5(vii) and 47

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

4 Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of the Financial Statements and have been consistently applied to all periods presented unless otherwise indicated.

4.1 Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation Method, Estimated Useful Lives and Residual Values

Depreciation is calculated on pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual value, over their estimated useful lives. The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to Companies Act 2013 in respect of factory buildings / other buildings , plant and equipment and railway sidings, in order to reflect the actual usage of assets. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

The useful lives of the property, plant and equipment as estimated by the management are as follows:

Particulars	Useful Life
Factory Buildings / Other Buildings	30 / 35 / 60 / 65 years
Plant and Equipments	15 / 20 / 30 years
Railway Sidings	15 / 30 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	8 years
Vehicles	8 years

Leasehold land is amortised on straight - line basis over the primary lease period of 99 years or its estimated useful life, whichever is shorter. Leasehold improvement are amortised on straight - line basis over the primary lease period (ranging from 2 to 10 years) or their estimated useful lives, whichever is shorter.

4.2 Intangible Assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Computer Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of computer software includes license fees and cost of implementation/ system integration services, where applicable.

Designs

Designs represents cost incurred towards development of aluminium and stainless steel car body for passenger rail segment, traction converters and electric multiple unit propulsions.

Licenses

Licenses represents cost incurred towards registration as a Wagon Leasing Company (WLC) under Wagon Leasing Scheme (WLS) of Indian Railways.

Amortisation Method and Period

Intangible assets are amortised on a pro-rata basis using the straight-line method over its estimated useful life as mentioned below. The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to Companies Act 2013. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Particulars	Useful Life
Designs	3/10 years
Licenses	35 years
Computer Software	5 years

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

4.3 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost are assigned to individual items of inventory on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.4 Leases

As a Lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payment:-

a) Fixed payments (including in substance fixed payments) less any lease incentive receivable.

b) Variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date.

c) Amount expected to be paid by the Company as under residual value guarantees.

d) Exercise price of a purchase option if the Company is reasonably certain to exercise that option.

e) Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

To determine the incremental borrowing rate, the Company:

a) Where possible, use recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received

b) use a built up approach that starts with risk free interest rate adjusted for credit risk of leases held by the Company, which does not have recent third party financing.

The incremental borrowing rate considered by the Company is in the range of 7% - 8%

Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following :-

i) the amount of the initial measurement of lease liability

ii) any lease payment made at or before the commencement date less any lease incentive received

iii) any initial direct cost and

iv) restoration costs.

Right of use of assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Payment associated with short-term leases of equipment and all the leases of low value assets are recognised on a straight line basis as an expenses in the statement of profit and loss. Short term leases are leases with a lease term of less than 12 months or less.

4.5 Investments in Subsidiaries, Associate and Joint Ventures

Investments in subsidiaries, associate and joint ventures are carried at cost less provision for impairment, if any. Investment in subsidiaries, associate and joint ventures are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

4.6 Revenue Recognition

Sale of Products

Revenue for sale of products mainly comprises of wagons/locomotive shells and related items, where revenue is recognised at a point in time, when control of the asset is transferred to the customer, which generally occurs on receipts of dispatch memo / inspection certificate from customer as per terms of contract. On receipt of same, the title of goods passes on to the customer basis the laid down criteria under the standard.

Revenue from sale of specialized products

Revenue from specialized products mainly consists of defense related products (i.e Bailey bridge, Shelters etc.), Ship building, Metro Trains, Train Electricals, Mainline electric multiple unit and Electric multiple unit in respect of which revenue is recognised over a period of time as performance obligations are satisfied over time as per criteria laid down under the standard and specified above.

Sale of Services

Revenue from service contracts are recognised in the accounting period in which the services are rendered. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling price and revenue is recognised at point in time on fulfilment of respective performance obligation. In case, the service contracts include one performance obligation revenue is recognised based on the actual service provided to the end of the reporting period as proportion of the total services to be provided. This is determined based on the actual expenditure incurred to the total estimated cost.

Revenue from services rendered is recognised as the services are rendered and is booked based on agreement / arrangements with the concerned parties.

4.7 Hedging activities

Cash flow hedges that qualify for hedge accounting The effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, within other gains/ (losses).

When forward contracts are used to hedge forecast transactions, the company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, as follows:

– If the cash flow hedge of a forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

4.8 Share Based Payments

Share-based compensation benefits are provided to employees via the Titagarh Rail Systems Limited Employee Stock Option Scheme namely Titagarh Rail Systems Limited Employee Stock Option Scheme 2023. Employees receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Employee Stock Options Outstanding Account in equity, over the period in which the performance and/or service conditions are fulfilled, in Employee Benefit Expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

5 Other Accounting Policies

5.1 Property, Plant and Equipment

Cost of item of property, plant and equipment includes purchase price, taxes, non- refundable duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. Borrowing cost incurred during the period of construction is capitalised as a part of qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital Advances' under 'Other Non-current Assets' and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

5.2 Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably.

5.3 Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

5.4 Inventories

Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of work-in-progress and finished goods comprises

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost of raw materials and components consumed is a derived figure out of opening stock, closing stock and purchases including adjustment if any during the period.

5.5 Investments (other than Investments in Subsidiaries, Associate and Joint Ventures) and Other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Equity Instruments

The Company subsequently measures all equity investments (other than investments in subsidiaries, associate and joint ventures) at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Gain / (Losses)' in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 48(II) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Modification of Financial Instruments

The Company if renegotiates or otherwise modifies the contractual cash flows of financial instrument, the Company assesses whether or not the new terms are substantially different to the original terms.

If the terms are substantially different, the original financial instrument is derecognised and recognizes a 'new' instrument at fair value and recalculates a new effective interest rate for the instrument. Differences in the carrying

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the management recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) Income Recognition

Interest Income

Interest income on financial assets at amortised cost is accrued on a time proportion basis using the effective interest rate method and is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(vii) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

5.6 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

5.7 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of liability for at least 12 months after the reporting period.

5.8 Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held with banks / financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

5.9 Revenue Recognition

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the financial statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c) The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.

Revenue is measured at transaction price (net of variable consideration, if any). The transaction price is the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government. Revenue also includes adjustments made towards liquidated damages, normal product warranty and price variations wherever applicable.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

In respect of contract wherein revenue is recognised over time, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose, total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc.

The outcome of a construction contract is considered as estimated reliably when (a) all approvals necessary for commencement of the project have been obtained; (b) the stage of completion of the project reaches reasonable level of development. The stage of completion is

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

determined as a proportion that contract costs incurred for work performed up to the closing date bear to the estimated total costs of respective project. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc. For determining the expected cost to completion of the contracts, cost of steel, labour and other related items are considered at current market price based on fixed cost purchase orders placed or firm commitments received from suppliers / contractors as these purchase orders and future firm commitments are enforceable over the period of the contracts.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probably recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When contract costs incurred to date plus recognised profit less recognised losses exceed progress billing, the surplus is shown as unbilled revenue. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as liability as advance from customer. Amounts received before the related work is performed are included as a liability as advance from customer. Amounts billed for work performed but not yet paid by customer are included under trade receivables.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract Liabilities are recognised when there is billing in excess of revenue and advance received from customers.

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less. The Company adjusts the promised amount of consideration if the contract contains significant financing component.

5.10 Foreign Currency Transactions and Translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

5.11 Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment Benefits

<u>Defined Benefit Plans</u>

The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

<u>Defined Contribution Plans</u>

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long-term Employee Benefits

Long-term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, done at the end of each financial year. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iv) Termination Benefits

Termination benefits, in the nature of voluntary retirement benefits, are recognised as expense in the Statement of Profit and Loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

5.12 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

5.13 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

5.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranties

Provisions for warranty related costs are recognised when the product is sold. Initial recognition is based on historical experience i.e. claims received up to

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims. The initial estimate of warranty related costs is revised annually.

Liquidated Damages

Liquidated damages on supply of materials are provided based on the contractual obligations, deduction made by the customers, as the case may be based on management's best estimate of the expenditure required to settle the obligations.

Litigations, Claims and Contingencies

The management estimates the provisions for pending litigations, claims and demands based on its assessment of probability for these demands crystalising against the Company in due course. Also refer Note 5.15.

Onerous Contract

Provision is recognised for the contract, where unavoidable cost of meeting the obligation under the contract exceeds the economic benefits expected to be received. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

5.15 Contingencies

A disclosure for contingent liabilities is made 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 embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

5.16 (a) Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

(b) Derivative Instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income' / 'Other Expenses'.

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Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

6.1 Property, Plant and Equipment

(Rs. in Crores)

Particulars	Freehold Land [Refer (a) below]	Leasehold Land [Refer (a) below]	Leasehold Improvement	Buildings [Refer (a) below]	Plant and Equipments	Railway Wagons	Railway Sidings	Furniture and Fixtures	Office Equip-ments	Computers	Vehicles	Total
Gross Carrying Amount												
As at March 31, 2024	234.14	208.74	0.71	114.81	167.41	4.06	7.72	5.48	4.13	6.18	5.18	758.56
Classified as Held for Sale (Refer Note 36)	-	(8.14)	-	(0.28)	(4.53)	-	-	-	(0.02)	(0.18)	(0.08)	(13.23)
Additions	-	2.45	-	50.44	137.31	-	1.28	1.47	6.37	1.19	4.94	205.45
Disposals	(0.09)	-	-	-	-	(4.06)	-	-	-	-	(1.90)	(6.05)
Transfer In/(Out)	(109.19)	109.19	-	-	-	-	-	-	-	-	-	-
As at March 31, 2025	**124.86**	**312.24**	**0.71**	**164.97**	**300.19**	**-**	**9.00**	**6.95**	**10.48**	**7.19**	**8.14**	**944.73**
Additions	-	137.29	-	25.85	117.64	-	-	1.82	0.55	0.70	0.70	284.55
Disposals	-	-	-	(0.53)	-	-	-	-	-	-	-	(0.53)
As at March 31, 2026	**124.86**	**449.53**	**0.71**	**190.29**	**417.83**	**-**	**9.00**	**8.77**	**11.03**	**7.89**	**8.84**	**1,228.75**
Accumulated Depreciation												
As at March 31, 2024	-	15.14	0.71	19.98	59.69	0.21	2.11	3.25	1.89	4.53	2.31	109.82
Classified as Held for Sale (Refer Note 36)	-	(0.16)	-	(0.01)	(0.87)	-	-	-	(0.00)	(0.04)	(0.02)	(1.10)
Charge for the year	-	1.66	-	2.52	9.36	-	0.37	0.48	0.59	0.77	0.70	16.45
Disposals	-	-	-	-	-	(0.21)	-	-	-	-	(0.16)	(0.37)
As at March 31, 2025	**-**	**16.64**	**0.71**	**22.49**	**68.18**	**-**	**2.48**	**3.73**	**2.48**	**5.26**	**2.83**	**124.80**
Charge for the year	-	3.79	-	4.79	17.47	-	0.45	0.54	1.73	0.91	0.74	30.42
Disposals	-	-	-	(0.01)	-	-	-	-	-	-	-	(0.01)
As at March 31, 2026	**-**	**20.43**	**0.71**	**27.27**	**85.65**	**-**	**2.93**	**4.27**	**4.21**	**6.17**	**3.57**	**155.21**
Impairment												
As at March 31, 2024	-	-	-	-	1.07	-	-	-	-	-	-	1.07
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2025	**-**	**-**	**-**	**-**	**1.07**	**-**	**-**	**-**	**-**	**-**	**-**	**1.07**
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2026	**-**	**-**	**-**	**-**	**1.07**	**-**	**-**	**-**	**-**	**-**	**-**	**1.07**
Net Carrying Amount												
As at March 31, 2025	**124.86**	**295.60**	**-**	**142.48**	**230.94**	**-**	**6.52**	**3.22**	**8.00**	**1.93**	**5.31**	**818.86**
As at March 31, 2026	**124.86**	**429.10**	**-**	**163.02**	**331.11**	**-**	**6.07**	**4.50**	**6.82**	**1.72**	**5.27**	**1,072.47**

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Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

6.1 Property, Plant and Equipment (Contd.)

a) The title deeds of immovable properties, as disclosed above are held in the name of the Company (including erstwhile name Titagarh Wagons Limited), except for the following:

Particulars	Gross Carrying Amount (Rs. in Crores)		Title deeds held in the name of	Whether the title deed holder is a promoter, director or relative of promoter/ director of employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
	As at March 31, 2026	As at March 31, 2025				
Freehold Land	47.35	47.35	Original copy of title deeds not available with the Company. Photocopy available in the name of M/S Birla Brothers Ltd	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata Bench passed on September 30, 2020, erstwhile Cimmco Limited (earlier known as M/S Birla Brothers Ltd and subsequently Cimmco Birla Limited) got merged with the Company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending. Also refer Note 6.1 (e) to the standalone financial statements.
Freehold Land	33.91	33.91	In the name of erstwhile Titagarh Steels Limited, which got merged with the Company	No	April 1, 2009	Pursuant to order of Hon'ble High Court Calcutta passed on September 14, 2009, erstwhile Titagarh Steels Limited got merged with the Company with the appointed date as April 1, 2009. The Company has already submitted an application to the relevant authority for changing the name which is pending.
Freehold Land	1.43	1.43	In the name of erstwhile Titagarh Shipyard Limited, which got merged with the Company	No	April 1, 2015	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata Bench passed on July 12, 2016, erstwhile Titagarh Shipyard Limited got merged with the Company with the appointed date as April 1, 2015. The Company is yet to submit an application to the relevant authority for changing the name.
Leasehold Land [Refer note (d) below]	169.65	169.65	In the name of erstwhile Cimmco Birla Limited, which got merged with the Company	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata Bench passed on September 30, 2020, erstwhile Cimmco Limited (earlier known as M/S Birla Brothers Ltd and subsequently Cimmco Birla Limited) got merged with the Company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending.
Leasehold Land	27.59	27.59	In the name of erstwhile Cimmco Birla Limited, which got merged with the Company	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata Bench passed on September 30, 2020, erstwhile Cimmco Limited (earlier known as M/S Birla Brothers Ltd and subsequently Cimmco Birla Limited) got merged with the Company with the appointed date as April 1, 2019. The Company has physical possession of the said leasehold land, though the leasehold rights is disputed and is being contested by the Company. Also refer Note 6.1 (e) to the standalone financial statements.
Building	1.17	1.17	Mrs. Savitri Devi Chowdhary	Relative of Promoter	March 28, 2001	The Company is yet to initiate the process for transfer of property.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

6.1 Property, Plant and Equipment (Contd.)

b) Refer Note 41 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.

c) Refer Note 18 for information on Property, Plant and Equipment pledged as security by the Company.

d) Assets pledged as security for term loans availed by an associate company.

The Company had in earlier years provided pari pasu security of its land at Bharatpur (Gross book value of Rs. 169.65 Crores) against a term loan of Euro 50 million and overdraft facility of Euro 30 million sanctioned by Bank of Baroda to Titagarh Firema S.p.A, an associate of the Company. Also refer note 35.

e) The Company has freehold land having gross and net carrying value as at March 31, 2026 of Rs. 47.35 Crores (March 31, 2025: Rs 47.35 Crores) respectively and it was also vested with leasehold land having gross and net carrying value as at March 31, 2026 of Rs. 27.59 Crores and Rs. 23.06 Crores (March 31, 2025: Rs 27.59 Crores and Rs. 23.47 Crores) respectively, through erstwhile Cimmco Birla Limited (subsequently Cimmco Limited), since merged with the Company pursuant to order dated September 30, 2020 of Hon'ble National Company Law Tribunal Board with the appointed date as April 1, 2019. The land was allotted on lease for a period of 99 years in 1963. In the year 1998, the said land was erroneously recorded by the revenue department as land belonging to the State, a parcel of which was subsequently allotted to another party. The Company filed a writ petition before Hon'ble High Court, Madhya Pradesh against the said erroneous allotment of parcel of the land which was set aside. The aggrieved party filed an appeal before Hon'ble Supreme Court which was dismissed in 2018. The Company had submitted an application to the relevant authority for changing the name which was not allowed and an appeal against the same was preferred before SDO. Further, the Company has approached the Hon'ble High Court, Gwalior for restoration of the Company's name in the record of rights and complete the mutation proceedings in a time bound manner, since its appeal for the aforesaid was pending for long time with concerned authority. The Hon'ble High Court, Gwalior vide its Order dated May 2, 2023 directed the concerned authority to decide on the Company's representation within a period of four weeks. Pending action on the aforesaid Order, the Company received a notice issued by District Industry Centre (DIC), Gwalior cancelling the said lease. Subsequently, the Company filed an appeal before the Commissioner Industries, MSME, Bhopal, who dismissed the said appeal on October 9, 2023. The Company had preferred an appeal against the same on November 3, 2023 before Principal Secretary, Bhopal which was withdrawn later and a review application was filed in February 2024 with Commissioner Industries, which was decided in favour of the Company by an order dated August 2, 2024.

In the matter of restoration of name in the record of rights, the concerned authority dismissed the appeal by an order dated May 9, 2023 against which an appeal was filed before Divisional Commissioner. However, the same was dismissed by an order dated December 15, 2023 against which the Company filed a review petition on April 15, 2024 which was withdrawn due to some misunderstanding and a restoration of the said review was filed before the Commissioner, Gwalior Division which was allowed vide order dated February 11, 2026 and the said review was restored. The said restoration order was challenged by a third party which is pending for hearing before the Commissioner and is scheduled on June 19, 2026.

No suit of recovery has been filed till date by the State and the Company continues to have physical possession of said freehold land and leasehold land. The Company has also obtained legal opinion which supports its view that the Company continues to enjoy substantial subsisting right of said land which is not yet extinguished and that the Company can have its name entered in the record of rights.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

6.2 Intangible Assets

(Rs. in Crores)

Particulars	Intangible Assets					
	Computer Software	Brand	Designs	Prototype	Licenses	Total
Gross Carrying Amount						
As at March 31, 2024	7.31	2.28	16.98	8.80	-	35.37
Additions	1.99	-	66.77	-	-	68.76
Disposals	-	-	-	-	-	-
As at March 31, 2025	**9.30**	**2.28**	**83.75**	**8.80**	**-**	**104.13**
Additions	0.58	-	14.01	-	5.00	19.59
Disposals	-	-	-	-	-	-
As at March 31, 2026	**9.88**	**2.28**	**97.76**	**8.80**	**5.00**	**123.72**
Accumulated Amortisation						
As at March 31, 2024	6.72	2.28	15.67	3.96	-	28.63
Charge for the year	0.25	-	0.76	-	-	1.01
Disposals	-	-	-	-	-	-
As at March 31, 2025	**6.97**	**2.28**	**16.43**	**3.96**	**-**	**29.64**
Charge for the year	0.58	-	7.53	-	0.03	8.14
Disposals	-	-	-	-	-	-
As at March 31, 2026	**7.55**	**2.28**	**23.96**	**3.96**	**0.03**	**37.78**
Impairment						
As at March 31, 2024	0.23	-	-	4.84	-	5.07
Charge for the year	-	-	-	-	-	-
As at March 31, 2025	**0.23**	**-**	**-**	**4.84**	**-**	**5.07**
Charge for the year	-	-	-	-	-	-
As at March 31, 2026	**0.23**	**-**	**-**	**4.84**	**-**	**5.07**
Net Carrying Amount						
As at March 31, 2025	**2.10**	**-**	**67.32**	**-**	**-**	**69.42**
As at March 31, 2026	**2.10**	**-**	**73.80**	**-**	**4.97**	**80.87**

6.3 Investment Properties

(Rs in Crores)

Particulars	Freehold Land
Carrying Amount as at March 31, 2024	8.21
Additions / (Deletion)	-
Carrying Amount as at March 31, 2025	**8.21**
Additions / (Deletion)	(5.02)
Carrying Amount as at March 31, 2026	**3.19**

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

6.3 Investment Properties (Contd.)

a) The title deeds of immovable properties, as disclosed above are held in the name of the Company (including erstwhile name Titagarh Wagons Limited), except for the following:

Particulars	Gross Carrying Amount (Rs. in Crores)		Title deeds held in the name of	Whether the title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
	As at March 31, 2026	As at March 31, 2025				
Investment Properties	3.19	8.21	Original copy of title deeds not available with the Company. Photocopy available in the name of erstwhile Cimmco Birla Limited, which got merged with the Company	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata Bench passed on September 30, 2020, The erstwhile Cimmco Limited (earlier known as M/S Birla Brothers Ltd and subsequently Cimmco Birla Limited) got merged with the Company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending.

Information regarding Investment Properties

The Company's Investment Properties consists of two parcels of land situated at Bharatpur and Malanpur respectively. During the year, one parcel of land situated at Bharatpur has been sold while the remaining portion of land at Bharatpur has been classified as Assets Held for Sale as at March 31, 2026 subsequent to the approval for sale by the Board of Directors in their meeting held on March 27, 2026. Accordingly, the land situated at Malanpur continues to be classified as Investment Property. As at March 31, 2026, fair valuation of the Malanpur land is estimated to be Rs. 7.40 Crores (March 31, 2025: Rs. 13.94 Crores, the amount representing the fair value of both parcels of land situated at Bharatpur & Malanpur). These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3.

The Company has no restrictions on the realisability of its Investment Properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. There is no income earned or expenditure incurred by the Company in relation to the Investment Properties.

Significant Increase/(Decrease) in circle rate of land will result in significant higher/(lower) fair valuation of properties.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2026 and March 31, 2025 are as shown below:

Significant unobservable inputs	Sensitivity of the input to Fair Value
For 5% change in Market Rate for Land	5% Increase (Decrease) in the Market Rate would result in Increase (Decrease) in fair value by Rs. 0.37 Crores (March 31, 2025: Rs. 0.70 Crores)

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

6.4 Capital Work in Progress

(i) Movement in Capital Work in Progress

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	39.61	107.80
Additions during the year	198.17	124.37
Capitalised during the year	(167.80)	(192.56)
Balance at the end of the year	**69.98**	**39.61**

Capital work in progress primarily includes construction of offices and factory sheds and ongoing installation of new machineries etc. in the factories located in West Bengal in the current year as well as previous year.

(ii) Age Analysis of Capital Work in Progress

As on March 31, 2026

Particulars	Amounts in Capital Work-in-Progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	43.97	26.01	-	-	69.98
Total	**43.97**	**26.01**	**-**	**-**	**69.98**

As on March 31, 2025

Particulars	Amounts in Capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	39.61	-	-	-	39.61
Total	**39.61**	**-**	**-**	**-**	**39.61**

(a) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and as at March 31, 2025.

(b) There are no projects which are temporarily suspended as at March 31, 2026 and as at March 31, 2025.

6.5 Intangible Assets Under Development

(i) Movement in Intangible Assets Under Development

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	83.63	66.91
Additions during the year	52.82	85.09
Capitalised during the year	(14.01)	(68.37)
Balance at the end of the year	**122.44**	**83.63**

(ii) Age Analysis of Intangible Assets Under Development

As on March 31, 2026

Particulars	Amounts in Intangible Assets Under Development for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	55.72	49.40	17.32	-	122.44
Total	**55.72**	**49.40**	**17.32**	**-**	**122.44**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

6.5 Intangible Assets Under Development (Contd.)

As on March 31, 2025

Particulars	Amounts in Intangible Assets Under Development for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	61.43	22.20	-	-	83.63
Total	**61.43**	**22.20**	**-**	**-**	**83.63**

(a) There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and as at March 31, 2025.

(b) Intangible assets under development primarily represents designs relating to various products under Passenger Rail Systems segment in the current year as well as previous year.

(c) There are no projects which are temporarily suspended as at March 31, 2026 and as at March 31, 2025.

6.6 Right-of-Use Assets and Leases

The Company's leasing arrangement includes land and building having a fixed lease term ranging between 2 to 10 years.

(i) Amounts recognised in balance sheet

Particulars	Land	Building	Total
Gross Carrying Amount			
As at March 31, 2024	111.47	-	111.47
Additions	-	4.94	4.94
Disposals	-	(0.68)	(0.68)
As at March 31, 2025	**111.47**	**4.26**	**115.73**
Additions	-	0.89	0.89
Disposals	-	-	-
As at March 31, 2026	**111.47**	**5.15**	**116.62**
Accumulated Depreciation			
As at March 31, 2024	20.77	-	20.77
Charge for the year	11.19	0.92	12.11
Disposals	-	(0.15)	(0.15)
As at March 31, 2025	**31.96**	**0.77**	**32.73**
Charge for the year	11.19	0.98	12.17
Disposals	-	-	-
As at March 31, 2026	**43.15**	**1.75**	**44.90**
Net Carrying Amount			
As at March 31, 2025	**79.51**	**3.49**	**83.00**
As at March 31, 2026	**68.32**	**3.40**	**71.72**
Lease liabilities	**Non-Current**	**Current**	**Total**
As at March 31, 2025	89.47	7.82	97.29
As at March 31, 2026	**80.17**	**9.97**	**90.14**

(ii) Amounts recognised in the Statement of Profit and Loss

The Statement of Profit and Loss shows the following amounts relating to leases:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation charge on right of use assets (Refer Note 32)	11.66	11.57
Interest expense (included in finance costs) (Refer Note 31)	8.13	8.77
Expenses relating to short term leases (included in other expenses, Refer Note 33)	2.27	3.16
Total	**22.06**	**23.50**

(iii) The total cash outflow for leases for the year was Rs. 17.40 Crores (March 31, 2025 Rs. 15.40 Crores)

(iv) Extension and Termination Options :

Extension and termination options are included in the Company's lease contract. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable by mutual consent of both the lessor and the lessee.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

7 Investments (Non-Current)

Particulars	No of Shares / Units As at March 31,		Face Value Per Share / Unit (Rs.)	As at March 31, 2026	As at March 31, 2025
	2026	2025		Rs. in Crores	Rs. in Crores
Investment in Equity Shares					
In Subsidiary Companies (Unquoted) (at Cost)					
Titagarh Wagons AFR (a) and also refer note 44	70,00,500	70,00,500	EURO 1	-	-
[Net of impairment of Rs. 48.84 Crores (March 31, 2025: Rs. 48.84 Crores)]					
Titagarh Singapore Pte Limited (a) and also refer note 35	-	10,00,000	USD 1	-	-
[Net of impairment of Rs. 120.24 Crores (March 31, 2025: Rs.127.44 Crores)]					
Titagarh Firema Engineering Services Private Limited	39,60,000	39,60,000	10.00	3.96	3.96
Titagarh Naval Systems Limited (e)	11,98,81,000	-	10.00	119.88	-
In Associate Companies (Unquoted) (at Cost)					
Titagarh Firema S.p.A (^), (a) and also refer note 35	1,64,00,000	1,64,00,000	EURO 1	-	-
[Net of impairment of Rs. 12.73 Crores (March 31, 2025: Rs.12.73 Crores)]					
In Joint Ventures (Unquoted) (at Cost)					
Titagarh Mermec Private Limited	5,000	5,000	10.00	0.01	0.01
Ramkrishna Titagarh Rail Wheels Limited (d)	23,51,98,750	16,90,48,750	10.00	243.40	173.98
Shivaliks Mercantile Limited (formerly Shivaliks Mercantile Private Limited) (Refer note 35)	10,00,00,000	10,00,00,000	10.00	-	-
[Net of impairment of Rs. 100.00 Crores (March 31, 2025: Rs.100.00 Crores)]					
In Others (Quoted) (at FVTPL) (b)					
Orissa Sponge Iron & Steel Limited (#)	550	550	10.00	0.00	0.00
In Others (Unquoted) (at FVTPL) (b) (^^)					
Titagarh Enterprises Limited	49,32,960	49,32,960	1.00	52.19	50.00
Titagarh Industries Limited	56,850	56,850	10.00	2.39	2.36
				421.83	**230.31**
National Savings Certificate (at Amortised Cost) (Unquoted) @				0.00	0.00
				421.83	**230.31**
Total - Non Current Investments					
Aggregate book value of quoted investments				0.00	0.00
Aggregate book value of unquoted investments, net of impairment				421.83	230.31
Market value of quoted investments				0.00	0.00
Aggregate amount of impairment in the value of investments				281.81	289.01

^ Includes 3 million equity shares pledged by the Company for the loan taken by Titagarh Firema S.p.A (TFA) from Bank of Baroda U.K branch.

\# Quotation not available, since suspended due to penal reason.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

7 Investments (Non-Current) (Contd.)

^^ Represents following shares pledged with the banks for the cash credit and working capital facility availed by the Company {Also refer note 18} :

Name of Investments	No of Shares / Units As at March 31,		Face Value Per Share / Unit (Rs.)	Amount Pledge March 31, 2026	Amount Pledge March 31, 2025
	2026	2025		Rs. in Crores	Rs. in Crores
Titagarh Enterprises Limited	49,32,960	49,32,960	1	0.49	0.49
Titagarh Industries Limited	56,850	56,850	10	0.06	0.06
				0.55	**0.55**

@ Pledged with the Commercial Tax Officer, Bharatpur as Security Deposit

(a) Valued at exchange rate prevailing on the date of transaction.

(b) Refer Note 47 for determination of fair values.

(c) Refer Note 48 for credit risk and market risk on investments.

(d) During the year the Company has made further investment of Rs. 66.15 Crores in Ramkrishna Titagarh Rail Wheels Limited (RTRWL), which is yet to commence commercial operations as the manufacturing facility is under construction. The Company had in earlier years also given an undertaking to the consortium bankers of RTRWL whereby in the event of any default or shortfall in repayment of loans taken by RTRWL, the Company in proportion to its holding, arrange/bring in funds to meet any shortfall in cash flow towards repayment of the facility/payment of interest and any shortfall in cash flow, which at year-end is Rs. 504.21 Crores (March 31, 2025: Rs.169.74 Crores) for Company's share. Accordingly, Rs. 8.02 Crores representing the difference between the fair value of the financial undertaking and the nil fee charged by the Company for such financial undertaking has been recognized as deemed investment.

(e) During the year ended March 31, 2026, the Company considered indicators of impairment such as decline in operational performance, changes in outlook of future profitability among other potential indicators for investments held in Titagarh Naval Systems Limited (TNSL). The recoverable value of investments held in TNSL, a wholly owned subsidiary of the Company is the value in use (VIU) of the underlying business. The VIU computation uses cash flow forecasts based on most recently approved financial budgets and strategic forecasts which cover a period of 9 years and future projections taking the analysis out into perpetuity based on a steady state, sustainable cash flow. Key assumptions for the value in use computations are those regarding the discount rates, exchange rates, order book etc. The projections are based on both past performance and the expectations of future performance and assumptions therein. The Company estimates discount rates using post-tax rates that reflect the current market rates. The weighted average post-tax discount rates used for discounting the cash flows projections is 14%. Beyond the specifically forecasted period, a growth rate of 5% is used to extrapolate the cash flow projections. The outcome of the impairment assessment did not result in recognition of an impairment loss. The Company has also conducted sensitivity analysis on the impairment tests at year end including sensitivity in respect of discount rates. The management believes that no reasonably possible change in any of the key assumptions used in the assessment would cause the carrying value of investments to exceed its recoverable value.

(f) Refer Note 46(f)

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

8 Trade Receivables (At Amortised Cost)

Particulars	Current	
	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores
Trade Receivables		
Trade receivables from contract with customers	643.75	671.61
Trade receivables from contract with customers – related parties (Refer Note 46)	-	7.09
	643.75	678.70
Less: Loss allowance [Refer Note 48(II) (c)]	22.82	8.13
Total Receivables	**620.93**	**670.57**
Break-up of Security Details		
Trade receivables considered good – secured	-	-
Trade receivables considered good – unsecured	643.75	678.70
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	-
Total	**643.75**	**678.70**
Loss Allowances [Refer Note 48(II) (c)]	22.82	8.13
Total trade recievables	**620.93**	**670.57**

Trade Receivable Ageing Schedule

Particulars	Outstanding As at March 31, 2026					
	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Undisputed Trade Receivables						
Considered Good	387.73	9.35	20.53	17.78	21.57	456.96
Disputed Trade Receivables						
Considered Good	-	-	-	-	7.10	7.10
Total	**387.73**	**9.35**	**20.53**	**17.78**	**28.67**	**464.06**
Undisputed Unbilled - Considered Good						179.69
Total						**643.75**
Loss Allowances						22.82
Total						**620.93**

Particulars	Outstanding As at March 31, 2025					
	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Undisputed Trade Receivables						
Considered Good	142.35	107.25	78.72	22.10	4.64	355.06
Disputed Trade Receivables						
Considered Good	-	-	-	-	6.41	6.41
Total	**142.35**	**107.25**	**78.72**	**22.10**	**11.05**	**361.47**
Undisputed Unbilled - Considered Good						317.23
Total						**678.70**
Loss Allowances						8.13
Total						**670.57**

a) Refer Note 18 for information on trade receivables pledged as security by the Company and Note 48 for information about credit risk and market risk on trade receivables.

b) There are no outstanding receivables due from directors or other officers of the Company.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

9 Loans (At Amortised Cost)

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Considered Good- Secured	-	-	-	-
Considered Good- Unsecured	-	-	-	-
Having significant increase in credit risk	-	-	-	-
Credit Impaired	-	-	58.01	-
Total	**-**	**-**	**58.01**	**-**
Less: Loss Allowances	-	-	58.01	-
	-	**-**	**-**	**-**

Notes:

(a) The details of loans given to related parties are as below:

Type of Borrower	As at March 31, 2026		As at March 31, 2025	
	Amount outstanding	Percentage to the total loans and advances in the nature of loans	Amount outstanding	Percentage to the total loans and advances in the nature of loans
Joint Venture	-	100%	-	100%

(b) Loan given to joint venture is unsecured and carries interest @ 9% p.a with principal repayable after one year from the date of receipt of loan by the joint venture and and interest payable quarterly.

(c) The above loans given in current year have been given for onward infusion to Titagarh Firema S.p.A, an associate of the Company to help it to tide over its financial situation. Also refer note 35 and note 53(vi)(A).

(d) Also refer note 46 for disclosures on related parties.

(e) The company has not granted any loans to its promoters, directors, key management personnel and related parties (as defined under companies Act, 2013) which are repayable on demand or without specifying any terms or periods of repayment.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

10 Other Financial Assets

(Unsecured, Considered Good Unless Stated Otherwise) (Measured at Amortised Cost)	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Security Deposits*	5.65	4.71	3.14	1.75
Bank Deposits @	17.77	73.95	115.58	79.35
Receivable from Related Parties (Refer Note 46)				
Considered Good	-	-	0.53	0.07
Considered Doubtful	-	-	2.36	2.36
	-	**-**	**2.89**	**2.43**
Less: Provision for Doubtful Recoverable from Related Parties	-	-	2.36	2.36
	-	**-**	**0.53**	**0.07**
Interest Accrued on:				
Fixed Deposits with Banks	0.63	0.98	13.24	21.13
Loans to Subsidiaries and Joint Ventures (Refer Note 46)				
Considered Good	-	-	-	-
Considered Doubtful	-	-	1.40	1.40
	-	**-**	**1.40**	**1.40**
Less: Provision for Doubtful Interest Accrued on Loan to Subsidiaries and Joint Ventures	-	-	1.40	1.40
	-	**-**	**-**	**-**
Balance with Government Authorities	-	-	-	8.95
Charges Recoverable	-	-	9.80	7.81
Others (Refer Note (a) below)	0.23	0.48	20.70	23.09
Derivative Assets	-	-	0.83	-
Total	**24.28**	**80.12**	**163.82**	**142.15**

* Includes security deposit given to related parties Rs. 3.67 Crores (March 31, 2025: Rs. 3.36 Crores) (Refer Note 46)

@ Includes deposits of Rs. 99.12 Crores (March 31, 2025: Rs. 46.66 Crores) held as margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.

(a) Mainly comprises of receivables of Rs. 10.73 Crores (March 31, 2025: Rs. 11.47 Crores) from a customer on account of labour cess deducted under the provisions of the Building and the Other Construction Workers Welfare Cess Act, 1996, and claims receivable of Rs. 9.51 Crores (March 31, 2025: Rs. 9.51 Crores) (including interest of Rs. 7.56 Crores for the period from January 2002 to December 2024) from another customer against an arbitration award in favour of the Company which has also been upheld by the Honb'le Supreme Court of India in Company's favour.

11 Tax Assets (Net)

Particulars	Non-Current	
	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores
Advance Tax (Including Tax Deducted at Source)	28.37	24.58
(Net of provision for tax Rs. 493.12 Crores ; March 31, 2025: Rs. 395.04 Crores)		
	28.37	**24.58**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

12 Contract Assets

(Unsecured, Considered Good Unless Stated Otherwise)	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Retention money held by customers	0.35	3.41	5.24	0.86
Unbilled revenue	-	-	277.55	118.90
	0.35	**3.41**	**282.79**	**119.76**

13 Other Assets

(Unsecured, Considered Good Unless Stated Otherwise)	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Capital Advances	12.11	38.47	-	-
Security Deposits	6.78	4.21	-	-
Advances Recoverable in Cash or in Kind				
Considered Good - Related Parties [Refer Note (a) below]	-	-	-	0.30
Considered Good - Others	-	-	79.81	114.70
Considered Doubtful - Others	-	-	3.50	2.91
	-	**-**	**83.31**	**117.91**
Less: Provision for doubtful advances - Others	-	-	3.50	2.91
	-	**-**	**79.81**	**115.00**
Balance with Government Authorities	-	-	44.73	15.42
Prepaid expenses	3.27	17.06	13.64	37.68
Total	**22.16**	**59.74**	**138.18**	**168.10**

a) Represents Rs. 0.30 Crores (March 31, 2025: Rs. 0.30 Crores) recoverable from Directors of the Company. Also Refer Note 46.

14 Inventories

(Valued at Lower of Cost and Net Realisable Value)	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores
Raw materials and components [Includes Goods in transit Rs. 4.16 Crores (March 31, 2025: Rs 12.97 Crores]	396.32	384.67
Work in progress	78.67	68.78
Finished goods	17.81	-
Saleable scrap	11.73	11.54
Stores and spares	58.80	30.85
Total	**563.33**	**495.84**

a) Refer Note 18 for information on inventories pledged as security by the Company

b) Value of inventories of raw materials and stores and spares is stated after provisions (net of reversal) of Rs. 3.63 Crores (March 31, 2025: Rs. 4.12 Crores) for write-down to net realisable value which resulted in net increase of provision in Statement of Profit and Loss of Rs. 1.02 Crores during the year (March 31, 2025: net reversal of Rs. 3.88 Crores).

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

15 Cash and Bank Balances

Particulars	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores
15.1 Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	122.35	16.56
Bank Deposits with original Maturity of Less than three months #	28.67	-
Cash on hand	0.76	0.80
	151.78	**17.36**
15.2 Other Bank Balances		
Balances with Banks:		
On Unpaid Dividend Accounts	0.12	0.10
On Unpaid Fractional Share Entitlement Accounts	0.09	0.09
Bank deposits with original maturity of more than three months but less than twelve months #	143.35	441.94
	143.56	**442.13**
Total	**295.34**	**459.49**

Includes deposits of Rs.104.78 Crores (March 31, 2025: Rs. 243.25 Crores) held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.

16 Equity Share Capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares in Crores	Rs. in Crores	No. of shares in Crores	Rs. in Crores
Authorised Shares				
Equity Shares of Rs. 2/- each (March 31, 2025: Rs. 2/- each)	129.05	258.10	129.05	258.10
Preference Shares of Rs. 10/- each (March 31, 2025: Rs.10/- each)	12.70	127.00	12.70	127.00
		385.10		**385.10**
Issued, Subscribed and Paid-up Shares				
Equity Shares of Rs. 2/- (March 31, 2025: Rs. 2/-) each, fully paid-up	13.47	26.93	13.47	26.93
	13.47	**26.93**	**13.47**	**26.93**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	2025-26		2024-25	
	No. of shares in Crores	Rs. in Crores	No. of shares in Crores	Rs. in Crores
Equity Shares				
Outstanding at the beginning of the year	13.47	26.93	13.47	26.93
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	**13.47**	**26.93**	**13.47**	**26.93**

b) Terms and Rights Attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2025: Rs. 2/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

16 Equity Share Capital (Contd.)

c) Details of Shareholders Holding More Than 5% Shares in the Company

Name of the Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2/- (March 31, 2025: Rs. 2/-) each fully paid				
Titagarh Capital Management Services Private Limited	2,40,71,588	17.87%	2,40,71,588	17.87%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	1,82,01,875	13.52%	1,82,01,875	13.52%
Rashmi Chowdhary	1,01,22,630	7.52%	1,01,22,630	7.52%

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 legal ownership of shares.

d) Details of Shareholding of Promoters

Promoter Name	As at March 31, 2026			As at March 31, 2025		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Titagarh Capital Management Services Private Limited	2,40,71,588	17.87%	0.00%	2,40,71,588	17.87%	0.00%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	1,82,01,875	13.52%	0.00%	1,82,01,875	13.52%	0.00%
Jagdish Prasad Chowdhary	70,700	0.05%	0.00%	70,700	0.05%	0.00%
Umesh Chowdhary	77,530	0.06%	0.00%	77,530	0.06%	0.00%
Rashmi Chowdhary	1,01,22,630	7.52%	0.00%	1,01,22,630	7.52%	-2.00%
Vinita Bajoria	32,051	0.02%	0.00%	32,051	0.02%	0.00%
Bimla Devi Kajaria	2,000	0.00%	0.00%	2,000	0.00%	0.00%
Titagarh Logistics Infrastructures Pvt. Ltd.	19,08,487	1.42%	0.00%	19,08,487	1.42%	0.00%

17 Other Equity

Particulars	As at March 31, 2026 Rs. in Crores	As at March 31, 2025 Rs. in Crores
a. Securities Premium Account (Refer note 17.1)		
Balance at the beginning of the year	1,382.30	1,382.30
Movement during the year	-	-
Balance at the end of the year	**1,382.30**	**1,382.30**
b. General Reserve (Refer Note 17.2)		
Balance at the beginning of the year	54.12	54.12
Movement during the year	-	-
Balance at the end of the year	**54.12**	**54.12**
c. Capital Reserve		
Balance at the beginning of the year	56.92	56.92
Movement during the year	-	-
Balance at the end of the year	**56.92**	**56.92**
d. Employee Stock Options (ESOPs) Outstanding Account (Refer note 17.6 and 40)		
Balance at the beginning of the year	0.22	-
Recognition of Share Based Payment (Refer Note 30)	1.44	0.22
Balance at the end of the year	**1.66**	**0.22**
e. Retained Earnings (Refer Note 17.3)		
Balance at the beginning of the year	772.79	708.06
Profit for the Year	150.70	76.97
Item of Other Comprehensive Income recognised directly in Retained Earnings		
- Remeasurements Gains on Defined Benefit Plan (Net of Tax)	1.02	(1.47)
Dividend paid	(13.47)	(10.77)
Net surplus in the statement of profit and loss	**911.04**	**772.79**
f. Cash Flow Hedge Reserve Account (Refer Note No. 17.4 and 17.5)		
Balance at the beginning of the year	-	(0.11)
Changes in fair value recognised during the year	-	-
Tax impact on above	-	-
Reclassified to profit and loss and included in profit for the year	-	0.11
Balance at the end of the year	**-**	**-**
g. Money received against share warrants (Refer Note No. 17.7)		
Balance at the beginning of the year	-	-
Money received against share warrants during the year	50.00	-
Balance at the end of the year	**50.00**	**-**
Total Other Equity	**2,456.04**	**2,266.35**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

17 Other Equity (Contd.)

17.1 Securities Premium Account:- Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve is to be utilised in accordance with the provisions of Section 52 of the Act.

17.2 General Reserve:- Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

17.3 Retained Earnings:- Retained earnings are the profits/ (loss) that the Company has earned / incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earning includes Remeasurements (Gain) / Loss on defined benefit plan, net of taxes that will not be reclassified to Statement of Profit and Loss.

17.4 Cash Flow Hedge Reserve Account:- The Company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks. The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item.

17.5 During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to Rs. Nil Crores (March 31, 2025: Rs. 0.11 Crores).

17.6 Employee Stock Options (ESOPs) Outstanding Account:- Employee Stock Options Outstanding Account relates to stock options granted by the Company to the employees under the Company's ESOP Scheme. This Account is transferred to Securities Premium or Retained Earnings on exercise or lapse of vested options.

17.7 Pursuant to approval of the shareholders at the Extra-Ordinary General Meeting held on August 8, 2025, for the issue of 21,11,932 convertible warrants of Rs. 947/- each (Issue) to members of the promoter group on a preferential basis (Warrants) aggregating Rs 199.99 crore ('Consideration') followed by the in-principle listing approval received from BSE and NSE on October 24, 2025, the Management Committee duly authorised by the Board in this regard, allotted the said Warrants on November 4, 2025 against receipt of Rs. 49.99 crores being the application money equivalent to 25% of the Consideration in cash (balance 75% payable within 18 months from the date of allotment of Warrants) and the said amount has been utilized by the Company in accordance with the objects of the Issue. On payment of full Consideration, the Warrants are convertible into equivalent number of Equity Shares of face value of Rs. 2/- each fully paid at a premium of Rs. 945/- per equity share, subject to necessary approvals, as may be required.

18 Borrowings

Particulars	Non-Current		Current	
	As at March 31, 2026 Rs. in Crores	As at March 31, 2025 Rs. in Crores	As at March 31, 2026 Rs. in Crores	As at March 31, 2025 Rs. in Crores
Secured				
Indian Rupee Term Loan from banks	169.95	24.93	-	12.42
Cash Credits and Working Capital Demand Loans	-	-	258.88	301.74
Liabilities under Supplier Finance Arrangement	-	-	60.87	89.66
Buyers Credit	-	-	32.16	100.59
	169.95	**24.93**	**351.91**	**504.41**

Notes:

(a) During the year the Company has availed a new term loan facility of Rs 500.00 crores out of which Rs. 169.95 Crores (March 31, 2025: Nil) was disbursed during the year carrying interest @ 7.17 % p.a. (March 31, 2025: Nil) linked to 91 days T-Bill plus spread of 190 bps and is repayable in 31 quarterly instalments from September 2027 to March 2035. Above term loan is secured by way of first pari passu charge over movable fixed assets, both present and future and land at Uttarpara (74.85 acres), Titagarh (16.07 acres) and Anandapur (19.38 Cottah). Negative lien on all that pieces and parcels of land measuring about 9.56 Acres & 9.72 Acres, at Mouza; Titagarh.

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)
18 Borrowings (Contd.)

(b) During the year the Company has pre-closed an existing term loan of Rs 37.35 crores carrying interest @ 9.40 % p.a. linked to 1 year MCLR which was repayable in 16 equal quarterly instalments from June 2024 to March 2028. Above term loan was secured by way of first pari passu charge over movable fixed assets, both present and future and immovable properties at Uttarpara (34.84 acres), Titagarh (16.07 acres) and Anandapur (19.38 Cottah). Negative lien on all that pieces and parcels of land measuring about 9.56 Acres & 9.72 Acres, at Mouza; Titagarh

(c) Cash Credits and Working Capital Demand Loans of Rs. 258.88 Crores (March 31, 2025: Rs. 301.74 Crores) were secured by:

1) First charge over entire stocks of raw materials, semi-finished and finished goods, including book debts, bills, receivables, both present and future, ranking pari passu with other participating banks.
2) Second charge over movable fixed assets, both present and future and immovable properties at Uttarpara (34.84 acres), Titagarh (16.07 acres) and Anandapur (19.38 Cottah).

   Negative lien on all that pieces and parcels of land measuring about 9.56 Acres & 9.72 Acres, at Mouza; Titagarh. The above facilities have also been secured by way of first pari passu pledge & charge on investment in 4,932,940 equity shares of Titagarh Enterprises Limited and 56,850 equity shares of Titagarh Industries Limited. All the mortgages and charges created in favour of the above lenders rank Pari passu with consortium member banks.

(d) Cash Credits is repayable on demand and carry an interest rate ranging between 6.80% to 9.85% p.a. (March 31, 2025: 8.05% to 11.25% p.a.) linked with MCLR.

(e) Working Capital Demand Loans carry interest ranging from 6.30% to 7.75% p.a. (March 31, 2025: 7.55% to 10.25% p.a.) and are repayable on demand.

(f) Buyers Credit carry an interest rate ranging from 4.06 % to 4.24% p.a. (March 31, 2025: 4.95 % to 5.14% p.a.) and is linked to Secured Overnight Financing Rate (SOFR). The same is repayable over a period of 3 to 6 months.

(g) The Company had been using Supplier Finance Arrangement as part of its non-fund based borrowings sanctioned by the consortium banks. Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts that an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, when suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date. Key terms and conditions of the arrangement are:

- The Company makes payment to the financier within a period of 30 to 90 days from the invoice date.
- The financing terms are negotiated by the Company, and it bears interest in the range of 7.00%–8.50%.
- Range of payment due dates for Liabilities under supplier finance arrangement is 30 to 90 days after invoice date and for comparable trade payables that are not part of the supplier finance arrangement (same line of business) is 30 days after invoice date.
- Liabilities under supplier finance arrangement is Rs. 60.87 crores (March 31, 2025: Rs. 89.66 crores) of which the supplier has received payment from the finance provider of Rs. 60.87 crores (March 31, 2025: Rs. 89.66 crores).

(h) As at March 31, 2026, the register of charges of the Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified for entities which got amalgamated into the Company pursuant to National Company Law Tribunal Orders in earlier years. There are certain charges which are historic in nature and it involves practical challenges in obtaining no-objection certificates (NOCs) from the charge holders of such charges, despite repayment of the underlying loans. Further, certain charges wherein the outstanding loans have been repaid and the Company has also filed the related Form 17 for satisfaction of Charge in respect thereof in earlier years, but the same has not been updated in the MCA records. The Company is following up these matters and is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.

(i) Term Loans obtained in earlier years have been applied for the purpose for which it has been obtained.

(j) Refer Note 48 for information about market risk and liquidity risk on borrowings.

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

19 Provisions

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Provisions for Employee Benefits:				
Gratuity [Refer Note 39 (i)]	7.91	6.11	3.23	1.56
Leave Benefits [Refer Note 39 (iii)]	-	-	5.42	3.65
	7.91	**6.11**	**8.65**	**5.21**
Other Provisions:				
Warranties [Refer (a) below for Movement]	-	-	16.82	11.82
Loss on Onerous Contract	-	-	-	-
Litigations, Claims and Contingencies [Refer (a) below for movement and Note 35 and Note 42(i)]	-	-	159.40	159.40
	-	**-**	**176.22**	**171.22**
Total	**7.91**	**6.11**	**184.87**	**176.43**

a) Movement of provisions for warranty, loss on onerous contracts and litigation, claims and contingencies are as follows:

Particulars	Warranties		Loss on Onerous Contract		Litigations, Claims and Contingencies	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
At the beginning of the year	11.82	6.53	-	-	159.40	2.32
Made during the year	5.00	5.77	-	-	-	157.52
Unused amounts reversed during the year	-	(0.48)	-	-	-	-
Amounts utilized during the year	-	-	-	-	-	(0.44)
At the end of the year	**16.82**	**11.82**	**-**	**-**	**159.40**	**159.40**

The above movement has been presented after adjusting figures for Shipbuilding & Maritime Systems. Also refer note 36.

Information about individual provisions and significant estimates

(i) Warranties

Provision is made for estimated warranty Claims in respect of products sold which are under warranty at the end of the reporting period. The warranty period ranges between 2 to 3 years. Management estimates the provision based on contractual terms, historical warranty claims information and any recent trends that may suggest future claims could differ from historical amounts.

(ii) Loss on Onerous Contract

Provision is made for contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Management estimates the provision based on contractual terms and the present obligation under the contract is recognised and measured as a provision.

(iii) Litigation, claims and contingencies

The amounts represent best possible estimates of pending litigations / claims filed by vendors, customers, labours etc and probable claims arising out of certain tax and other matters. The timing and probability of outflow and expected reimbursements, if any, with regard to these matters depends on the ultimate outcome of the legal process or settlement / conclusion of the matter with the relevant authorities / customers / vendors etc.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

20 Current Tax Liabilities

Particulars	As at March 31, 2026 Rs. in Crores	As at March 31, 2025 Rs. in Crores
Provision for Income Tax	21.35	7.35
(Net of Advance Tax and TDS Rs. 59.00 Crores; March 31, 2025 Rs. 90.49 Crores)		
Total	**21.35**	**7.35**

21 Deferred Tax Assets (Net)

Particulars	As at March 31, 2026 Rs. in Crores	As at March 31, 2025 Rs. in Crores
Deferred tax liabilities		
Arising out of temporary difference in Property, plant and equipments and Intangible assets	86.23	78.94
Arising out of temporary difference in respect of right-of-use assets	17.29	21.78
Unrealised Gain on fair value through profit and loss (FVTPL) equity securities	7.09	6.78
Gross Deferred tax liabilities	**110.61**	**107.50**
Deferred tax assets		
Provision for fall in value of Investment *	54.20	56.98
Provision for Doubtful Debts and Advances	12.13	4.66
Provision for Litigations, Claims and Contingencies *	40.12	40.12
Provision for Employee Benefits	4.46	3.19
Provision for Onerous Contract	-	0.94
Fair valuation of derivative assets	(0.21)	0.13
Lease Liabilities	22.69	24.49
Disallowance under section 43B(h) of the Income Tax Act, 1961	9.15	2.10
Gross Deferred tax assets	**142.54**	**132.61**
Net Deferred Tax Assets	**31.93**	**25.11**

The movement in deferred tax assets and liabilities during the year ended March 31, 2026 and March 31, 2025:

Particulars	As at April 1, 2024 Deferred Tax Asset / (Liability)	Credit / (Charge) in Statement of Profit and Loss #	As at March 31, 2025 Deferred Tax Asset / (Liability)	Credit / (Charge) in Statement of Profit and Loss #	As at March 31, 2026 Deferred Tax Asset / (Liability)
Arising out of temporary difference in Property, plant and equipments and Intangible assets	(62.02)	(16.92)	(78.94)	(7.22)	(86.16)
Arising out of temporary difference in respect of right-of-use assets	(23.60)	1.82	(21.78)	4.49	(17.29)
Unrealised Gain on fair value through profit and loss (FVTPL) equity securities	(5.07)	(1.71)	(6.78)	(0.31)	(7.09)
Total Deferred Tax Liabilities	**(90.69)**	**(16.81)**	**(107.50)**	**(3.04)**	**(110.61)**
Provision for fall in value of Investment *	47.50	9.48	56.98	(2.78)	54.20
Provision for Doubtful Debts and Advances	3.38	1.28	4.66	7.47	12.13
Provision for Litigations, Claims and Contingencies *	0.58	39.54	40.12	-	40.12
Provision for Employee Benefits	1.97	1.22	3.19	1.27	4.46
Provision for Onerous Contract	1.11	(0.17)	0.94	(0.94)	-
Fair valuation of derivative assets	0.05	0.08	0.13	(0.34)	(0.21)
Lease Liabilities	25.03	(0.54)	24.49	(1.80)	22.69
Disallowance under section 43B(h) of the Income Tax Act, 1961	0.50	1.60	2.10	7.05	9.15
Total Deferred Tax Assets	**80.12**	**52.49**	**132.61**	**9.93**	**142.54**
Net Deferred Tax Assets / (Liabilities)	**(10.57)**	**35.68**	**25.11**	**6.89**	**31.93**

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. 0.34 Crores [March 31, 2025: Rs. (0.49) Crores] included in Other Comprehensive Income.

* Includes tax impact on restatement of prior year figures amounting to Rs. 43.79 Crores. Also refer Note 35.

Deferred tax asset against capital loss for provision for fall in value of Investment in the previous year has been recognised to the extent of identifiable capital gains against which corresponding deferred tax liability is recognised.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

22 Trade Payables

Particulars	As at March 31, 2026 Rs. in Crores	As at March 31, 2025 Rs. in Crores
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 43)	65.40	43.30
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	254.90	183.96
	320.30	**227.26**

Trade Payables Ageing Schedule

Particulars	Outstanding as at March 31, 2026				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Undisputed Trade Payables					
Micro Enterprises And Small Enterprises	33.92	0.77	0.42	-	35.11
Others	73.38	9.84	-	-	83.22
Disputed Trade Payables					
Micro Enterprises And Small Enterprises	1.74	1.75	-	-	3.49
Others	-	-	-	-	-
Total	**109.04**	**12.36**	**0.42**	**-**	**121.82**
Undisputed Not Due					
Micro Enterprises And Small Enterprises	-	-	-	-	26.80
Others	-	-	-	-	144.93
Disputed Not Due					
Micro Enterprises And Small Enterprises	-	-	-	-	-
Others	-	-	-	-	-
Undisputed Unbilled					
Micro Enterprises And Small Enterprises	-	-	-	-	-
Others	-	-	-	-	26.75
Disputed Unbilled					
Micro Enterprises And Small Enterprises	-	-	-	-	-
Others	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**320.30**

Particulars	Outstanding as at March 31, 2025				
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
Undisputed Trade Payables					
Micro Enterprises And Small Enterprises	21.32	0.36	0.01	-	21.69
Others	70.62	1.00	-	-	71.62
Disputed Trade Payables					
Micro Enterprises And Small Enterprises	2.05	-	-	-	2.05
Others	-	-	-	-	-
Total	**93.99**	**1.36**	**0.01**	**-**	**95.36**
Undisputed Not Due					
Micro Enterprises And Small Enterprises	-	-	-	-	17.90
Others	-	-	-	-	65.13
Disputed Not Due					
Micro Enterprises And Small Enterprises	-	-	-	-	1.31
Others	-	-	-	-	-
Undisputed Unbilled					
Micro Enterprises And Small Enterprises	-	-	-	-	-
Others	-	-	-	-	47.21
Disputed Unbilled					
Micro Enterprises And Small Enterprises	-	-	-	-	0.35
Others	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**227.26**

(a) Trade Payables include dues to related parties of Rs. 2.13 Crores (March 31, 2025: Rs. 2.63 Crores). Refer Note 46 for details.

(b) Refer Note 48 for information about market risk and liquidity risk on trade payables.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

23 Other Financial Liabilities

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Measured at amortised cost				
Interest accrued and not due on borrowings	-	-	2.82	1.83
Investor education and protection fund will be credited by following amounts (as and when due)				
Unpaid dividends	-	-	0.12	0.10
Unpaid fractional share	-	-	0.09	0.09
Measured at Fair Value through OCI				
Derivative Liabilities #	-	-	-	1.76
Others (Measured at amortised cost)				
Employee Related Liabilities	-	-	2.63	4.36
Payable to Related Parties			52.83	-
Payable for Purchase of Property, Plant and Equipment:				
Dues to Micro enterprises and Small enterprises	-	-	7.31	4.58
Dues to Other than Micro Enterprises and Small Enterprises	-	-	5.83	9.09
Deferred Guarantee Income	4.24	3.43	1.06	0.72
Other Liabilities [Refer Note (a) below]	-	-	23.08	15.00
Total	**4.24**	**3.43**	**95.77**	**37.53**

Derivative instruments used by the Company is in nature of forward exchange contracts. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

(a) The Company has received arbitral awards in its favour in two separate matters aggregating Rs. 22.66 crores (March 31, 2025: Rs. 15.00 crores). In the first matter, arising from a dispute relating to breach of a design licence agreement for non-pressurised bulk powder cement wagons, an award of Rs. 15.00 crores was passed in favour of the Company, which has been received against furnishing of bank guarantee by the counterparty. In the second matter, arising from a dispute relating to liquidated damages withheld under a wagon supply contract, an award directing refund of Rs. 7.66 crores with interest and costs was passed in favour of the Company, which has also been received against furnishing of an equivalent bank guarantee. In both cases, the counterparties have challenged the respective awards before the appropriate courts, which are currently pending. Pending final disposal of these challenges, the amounts so received aggregating Rs. 22.66 crores have been treated as liabilities and classified accordingly in the books of accounts.

24 Contract Liabilities

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Advance from Customers	104.64	37.46	196.29	274.07
	104.64	**37.46**	**196.29**	**274.07**

25 Other Liabilities

Particulars	Current	
	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores
Statutory Dues	14.05	6.65
	14.05	**6.65**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

26 Revenue from Operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. in Crores	Rs. in Crores
Revenue from Contract with Customers:-		
Sale of products		
Finished Goods	3,112.56	3,674.86
Raw Materials and Components	6.05	9.85
Other operating revenues		-
Scrap sales	24.97	61.96
Others	-	0.71
Total	**3,143.58**	**3,747.38**

Disaggregation of revenue from operation between timing of revenue recognition is given below:-

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. in Crores	Rs. in Crores
Revenue recognised at a point in time	2,727.79	3,588.70
Revenue recognised over time	415.79	158.68
	3,143.58	**3,747.38**

Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. in Crores	Rs. in Crores
Contract price	3,041.20	3,553.58
Adjustment for:		
Liquidated Damages	(25.73)	(13.37)
Escalation	128.11	207.17
Revenue from Operations	**3,143.58**	**3,747.38**

27 Other Income

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
		Rs. in Crores	Rs. in Crores
27.1	**Interest Income**		
	From Financial Assets at Amortised Cost		
	Bank Deposits	34.00	42.86
	Interest unwinding in respect of Security Deposit for Leases	0.33	0.33
	Others #	3.70	8.66
		38.03	**51.85**
27.2	**Others**		
	Net Foreign Exchange Fluctuations and Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges ##	3.43	2.99
	Net Gain on Disposal of Property, Plant and Equipment	0.49	0.23
	Guarantee Commission	2.52	0.85
	Irrecoverable debts written off in earlier years, now recovered	-	1.23
	Insurance Claim	-	0.06
	Other Non-Operating Income*	0.48	2.66
		6.92	**8.02**
27.3	**Other Gains / (Losses)**		
	Fair Value Gain on Investment carried at FVTPL	2.22	15.38
		2.22	**15.38**
	Total	**47.17**	**75.25**

Includes interest on income tax refund Rs. 3.07 Crores. In respect of the previous year, the amount includes interest income against claims receivables of Rs. 7.56 Crores [refer note 10(a)], interest on income tax refund of Rs. 0.58 Crores, etc.

Foreign Exchange Fluctuations includes Rs. 4.94 Crores (March 31, 2025: Rs. 1.27 Crores) on account of cancellation of forward contracts during the year.

* Includes refund of certain charges Rs 0.44 Crores claims etc. In respect of the previous year, the amount includes claims receivable of Rs. 1.95 Crores [refer note 10(a)] etc.

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)
28 Cost of Raw Materials and Components Consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. in Crores	Rs. in Crores
Inventories at the beginning of the year	384.67	418.80
Add: Purchases	2,329.86	2,836.29
	2,714.53	**3,255.09**
Less: Inventories at the end of the year	396.32	384.67
Cost of raw materials and components consumed	**2,318.21**	**2,870.42**

29 Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
		Rs. in Crores	Rs. in Crores
Inventories at the beginning of the year			
Work-in-Progress		68.78	36.20
Saleable Scrap		11.54	7.71
	(A)	**80.32**	**43.91**
Inventories at the end of the year			
Finished Goods		17.81	-
Work-in-Progress		78.67	68.78
Saleable Scrap		11.73	11.54
	(B)	**108.20**	**80.32**
(Increase) / Decrease	(A-B)	**(27.88)**	**(36.41)**

30 Employee Benefits Expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. in Crores	Rs. in Crores
Salaries, Wages and Bonus*	84.43	68.47
Contribution to Provident and Other Funds* [Refer Note 39 (ii) and 52]	5.40	4.00
Employee Stock Option Expenses (Refer Note 40)	1.44	0.22
Gratuity Expense [Refer Note 39 (i)]	5.20	1.10
Staff Welfare Expenses	5.37	5.17
Total	**101.84**	**78.96**

* Presented net of Rs. 20.49 Crores (March 31, 2025: Rs. 16.11 Crores) capitalized to Intangible assets/ Intangible asset under development.

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)
31 Finance Costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. in Crores	Rs. in Crores
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, Interest on MSME, etc. (Refer note (a) below)	42.28	43.01
Interest & Finance Charges on Lease Liabilities (Refer note (b) below)	8.13	8.77
Bank charges, Other Borrowing Costs, etc.	19.96	21.36
Total	**70.37**	**73.14**
a) Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc includes Rs.Nil (March 31, 2025: Rs. 2.69 crores) representing cost of financing component @ 9% against long term advance from customer.		
b) Presented net of Rs. Nil (March 31, 2025: Rs. 0.19 crores) capitalized to Intangible assets/ Intangible asset under development.		

32 Depreciation and Amortisation Expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. in Crores	Rs. in Crores
Depreciation of Property, Plant and Equipments (refer Note 6.1)	30.42	16.45
Depreciation of Right of Use Assets* (refer Note 6.6)	11.66	11.57
Amortisation of Intangible Assets (refer Note 6.2)	8.14	1.01
Total	**50.22**	**29.03**

*Presented net of Rs. 0.51 Crores (March 31, 2025: Rs. 0.54 crores) capitalized to Intangible assets/ Intangible asset under development.

33 Other Expenses (Refer Note 33.3)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Rs. in Crores		Rs. in Crores	
Consumption of stores and spares		104.37		116.55
Job Processing and other machining charges (including contract labour charges)		112.81		116.25
Power and Fuel		54.45		59.53
Design and development expenses		2.64		2.30
Repairs :-				
Plant and machinery		5.69		5.12
Buildings		2.29		2.33
Others		1.49		0.64
Rent and Hire charges		2.27		3.16
Rates and Taxes		2.70		4.05
Insurance		3.88		2.12
Security Services		4.10		2.88
Advertising and sales promotion		3.28		3.26
Brokerage and commission		-		1.14
Travelling and conveyance		8.64		10.62
Legal and professional fees		11.71		11.41

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

33 Other Expenses (Refer Note 33.3) (Contd.)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Rs. in Crores		Rs. in Crores	
Commission to non-whole time directors		0.60		0.60
Directors sitting fees		0.72		0.55
Payment to Statutory Auditors				
As auditors				
Audit fee	0.68		0.68	
Limited review	0.27		0.27	
Tax Audit fee	-		-	
Other Certification services	0.10		0.03	
Reimbursement of expenses	0.12	1.17	0.12	1.10
Warranty Claims (net)	5.00		5.77	
Less: Adjusted with provision	-	5.00	0.48	5.29
Irrecoverable debts/ advances/ other receivables written off	-		0.06	
Less: Adjusted with provision	-	-	-	0.06
Provision for doubtful debts and advances		22.82		1.58
Loss on sale of Investment Property		4.60		-
Corporate Social Responsibility expenses (Refer Note 33.1)		6.52		3.77
Donation (Refer Note 33.2)		-		4.54
Miscellaneous expenses		21.02		23.76
Total		**382.77**		**382.61**

33.1 Corporate Social Responsibility Expenses

(a)	Amount required to be spent during the year	6.23	3.77
(b)	Amount spent during the year on		
	(i) Construction / acquisition of an asset	-	-
	(ii) On purposes other than (i) above (fully paid)	6.52	3.77
Total		**6.52**	**3.77**

33.2 Donation includes Rs. Nil (March 31, 2025: Rs. 4.50 Crores) towards contribution to Prudent Electoral Trust, an approved electoral trust as approved by the board of directors in compliance with the requirements of section 198 of the Companies Act 2013.

33.3 Presented net of Rs. 30.48 Crores (March 31, 2025: Rs. 54.38 Crores) capitalized to Intangible assets/ Intangible asset under development. The detail of such expenses are as follow:

Design and development expenses	21.52	48.64
Consumption of stores and spares	0.15	-
Job Processing and other machining charges (including contract labour charges)	0.62	0.47
Power and Fuel	-	1.81
Repair to Plant and machinery	1.20	-
Rent and Hire charges	0.31	-
Legal and professional fees	1.39	0.10
Travelling and conveyance	0.99	1.03
Miscellaneous expenses	4.30	2.33
	30.48	**54.38**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

34 Income Tax Expense / (Benefit)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. in Crores	Rs. in Crores
(A) Amount Recognised in the Statement of Profit and Loss		
Current Tax (including earlier years)	79.35	99.53
Deferred Tax	(5.62)	(35.47)
Tax expense/ (credit) of discontinued operations	(1.61)	0.28
Total Income Tax Expense Recognised in Statement of Profit and Loss	**72.12**	**64.34**
(B) Numerical Reconciliation of Income Tax Expense to Tax Payable		
Accounting Profit / (Loss) before Tax	222.82	141.31
At India's Statutory Income Tax Rate of 25.168% (March 31, 2025: 25.168%)	**56.08**	**35.57**
Adjustments:		
Expenses not allowed as deductions	17.29	3.01
Impact of lower tax rate (Capital Gains tax rate) on the sale of capital assets	-	0.03
Impact of restatement of prior year, refer Note 35	-	24.22
Tax pertaining to earlier years	(0.43)	0.64
Others	(0.82)	0.87
	72.12	**64.34**

35 Exceptional items

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. in Lacs	Rs. in Lacs
In respect of Titagarh Firema S.p.A as described in Note 35A below	64.78	270.25
In respect of Titagarh Singapore Pte Limited as described in Note 35B below	(7.20)	-
	57.58	**270.25**

35A In the year 2015, the Company incorporated Titagarh Firema S.p.A. ("Firema") as a subsidiary, which acquired on a going-concern basis the business of Firema Transporti, Italy (then under extraordinary administration). Firema Transporti was a leading producer of Metro and Passenger trains in Italy with good design capabilities, manufacturing know-how, and market credentials. Over the years, the Company made substantial fund infusion (directly and indirectly) into Firema by way of equity, loans and advances and also gave financial guarantees/ collateral security for the benefit of Firema.

With the help of this acquisition, the Company established its Passenger Rail Segment and in consortium with Firema, received its first contract for supplying 34 Metro trains for Pune from Maharashtra Metro Corporation in 2019. The Company, with technology and support from Firema, established a state-of-the-art plant in Kolkata for manufacturing passenger trains and supplied 31 out of the 34 trains from this plant under the make in India policy of the government.

In September 2022, Firema ceased to be a subsidiary of the Company pursuant to further capital raise where Government of Italy and other strategic investors infused fresh equity into Firema and accordingly Firema became an associate of the Company.

Despite multiple rounds of equity infusion and other financial assistance given to Firema by the Company (directly and indirectly) along with the Government of Italy and other investors, Firema continued to suffer huge losses (including arising out of Force Majure situations such as Covid-19, War in Ukraine etc) and accordingly filed for protection under the Crisis and Insolvency Code ("CNC") in the Court of Naples in Italy with objective of restructuring and/or to explore a potential investor/buyer. The Board of Directors of the Company decided not to infuse fresh equity into Firema, given that the Company had successfully established its Passenger Rail Systems business in India and has been awarded many contracts for both Metro and Vande Bharat trains (which are under execution). The Company is also independently qualified to participate in Indian tenders for Metro Coaches and Vande Bharat Trains.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

35 Exceptional items (Contd.)

Finally, on March 4, 2026, the business and assets relating to Firema's production activities were transferred on a going-concern basis to Ferrovie dello Stato Italiane S.p.A. ("FS Group"), Italy's state Railways. The consideration received from FS Group was applied towards partial settlement of secured and unsecured creditors, and no payment was made to the shareholders.

During the CNC proceedings, Firema was unable to submit its audited financial statements and had instead submitted Management accounts representing a loss of Euro 16.89 million (Rs. 152.93 crores), which was then audited by a component auditor for the limited purpose of consolidation of the Group's consolidated financial statements as at and for the year ended March 31, 2025. Subsequently on completion of the CNC proceedings, Firema has now submitted its duly audited financial statements prepared under IFRS along with statutory auditors report dated May 5, 2026 wherein the loss for the year ended March 31, 2025 has been reported as Euro 104.72 million (INR 948.24 crores). Due to this significant variation in the reported loss, the net worth of Firema turned negative as at March 31, 2025.

As a result of the above, the Company assessed the impact on previous period financial information and in accordance with the requirements of Ind AS 8 — Accounting Policies, Changes in Accounting Estimates and Errors, the Company has restated the comparative financial information for impairment of total carrying value of investments (directly and indirectly through Shivaliks Mercantile Limited) in Firema amounting to Rs.112.73 crores and provision towards collateral provided amounting to Rs.157.52 crores in the previous year.

Further, an aggregate loss allowances of Rs. 64.78 crores towards loans to Shivaliks Mercantile Limited and trade receivables from Firema has been accounted for in the current year.

All these amounts have been shown under Exceptional Items as they are a result of the decision of the Company to completely discontinue/exit from its European (Italian) operations.

The effect of above including tax thereon is tabled below:

Rs. In Crores

Particulars	Reported as at and for the year ended March 31, 2025	Restated as at and for the year ended March 31, 2025
Exceptional Items	-	270.25
Profit / (Loss) Before Tax (PBT)	424.88	154.63
Tax Expenses	107.85	64.06
Profit / (Loss) After Tax (PAT)	317.03	90.57
Investment	343.04	230.31
Provision	18.91	176.43
Deferred Tax Assets/ (Liabilities)	(18.68)	25.11

35B During the year ended March 31, 2026, the Company entered into a Share Purchase Agreement ("SPA") with a company in Singapore for the sale of its entire shareholding in Titagarh Singapore Pte. Ltd. ("TSPL"), a wholly owned subsidiary of the Company, for USD 154,707/- (equivalent to Rs. 1.46 crores). TSPL was incorporated in 2008 with a view to expanding the Company's overseas business; however, it has since been dormant and was no longer a part of the Company's strategic vision. Accordingly, the Board of Directors, at its meeting held on March 27, 2026, approved the divestment of the Company's entire stake in TSPL, subject to such approvals as may be applicable. Consequently, TSPL ceased to be a subsidiary of the Company subsequent to the year end. Since the entire investment in TSPL had been previously impaired, the amounts repatriated subsequent to the year end, by way of capital reduction and transfer of shares, aggregating Rs. 7.20 crores, have been recorded as a reversal of impairment and disclosed as an exceptional item in the financial results for the year ended March 31, 2026.

36 Discontinued Operations

Subsequent to in principle approval by the Board of Directors in their meeting held on August 11, 2025 and final approval accorded on December 31, 2025, the Shipbuilding & Maritime Systems ("SMS") business has been transferred to Titagarh Naval Systems Limited (formerly Titagarh Naval Systems Private Limited) ("TNSL", a wholly owned subsidiary of the Company) as a going concern on a slump sale basis through execution of a Business Transfer Agreement ("BTA") on the terms and conditions including consideration of Rs. 114.88 Crores which has been discharged by TNSL by issue of equity shares, as contained in the BTA, and is effective from January 01, 2026. The associated assets and labilities were consequently presented as held for sale in the financial statements for the year ended March 31, 2025.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

36 Discontinued Operations (Contd.)

The SMS business was sold on January 1, 2026 and has been reported as discontinued operation. Financial information relating to the discontinued operation for the period to the effective date is set out below.

36.1 Financial performance and cash flow information

The financial performance and cash flow information is for nine months ended December 31, 2025 (March 31, 2026 column) and the year ended March 31, 2025.

Particulars	For the period ended March 31, 2026	For the year ended March 31, 2025
	Rs. In Crores	Rs. In Crores
Total Income	25.42	118.44
Expenses:		
Cost of Raw Materials & Components Consumed	14.88	94.49
Changes in Inventories of Finished Goods, Work in progress and Saleable Scrap	-	0.35
Employee Benefits Expense	6.99	6.93
Finance Costs	0.30	-
Depreciation and Amortization Expense	0.75	0.47
Other Expenses	17.32	29.52
Total Expenses	40.24	131.76
Profit/(loss) before tax	**(14.82)**	**(13.32)**
Tax (expense)/credit	1.61	(0.28)
Profit/(loss) after tax	**(13.21)**	**(13.60)**
Gain from selling discontinued operations	-	-
Income tax on gain on sale of discontinued operations	-	-
Post-tax profit/(loss) from discontinued operations	**(13.21)**	**(13.60)**
Net cash inflow/(outflow) from operating activities	31.87	(45.43)
Net cash inflow/(outflow) from investing activities	0.07	(0.03)
Net cash inflow/(outflow) from financing activities	0.02	-
Net increase in cash generated from discontinued operations	**31.96**	**(45.46)**

36.2 The carrying amounts of assets and liabilities as at the date of sale (December 31, 2025) and details of assets and liabilities that have reclassified as held for sale in relation to the discontinued operations as at March 31, 2025 are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
	Rs. In Crores	Rs. In Crores
Property, plant and equipment	11.09	11.67
Right of use assets	12.29	-
Other non-current financial assets	-	0.09
Other non-current assets	-	0.47
Inventories	39.34	27.48
Trade Receivables	96.43	85.78
Cash and Cash equivalents	47.19	-
Other current financial assets	1.96	0.14
Other current assets	2.45	1.47
Total Assets	**210.75**	**127.10**
Deferred tax liabilities (net)	-	0.06
Lease liabilities	11.45	-
Trade Payables	11.72	7.09
Other current liabilities	63.42	0.02
Provisions *	9.44	5.64
Total Liabilities	**96.03**	**12.81**
Net assets	**114.72**	**114.29**
Assets classified as held for sale	210.75	127.10
Liabilities classified as held for sale	96.03	12.81

* Including loss on onerous contracts Rs. 6.09 crores (March 31, 2025: Rs. 3.84 crores)

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)
36 Discontinued Operations (Contd.)

36.3 The post-tax gain on disposal of discontinued operations was determined as follows:

particulrs	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. In Crores	Rs. In Crores
Consideration received	114.88	-
Net assets disposed	114.72	-
Pre-tax gain on disposal of discontinued operation	0.16	-
Income tax expense on gain	-	-
Gain on disposal of discontinued operation	**0.16**	**-**

37 Assets Held for Sale

As of March 31, 2026, assets held for sale include receivables totalling Rs 7.20 crores related to the sale of shares in Titagarh Singapore Pte Ltd and Rs 1.17 crores from the sale of an investment property located in Bharatpur. Additionally, assets held for sale comprise Rs 22.04 crores attributable to land situated in Falta, which is scheduled for transfer to Titagarh Naval Systems Limited (formerly Titagarh Naval Systems Private Limited) ("TNSL"), a wholly-owned subsidiary of the Company as per the terms of the Business Transfer Agreement (BTA). Following in-principle approval by the Board of Directors on August 11, 2025, and final approval granted on December 31, 2025, the Shipbuilding & Maritime Systems ("SMS") business was transferred to TNSL. This transfer was executed as a going concern on a slump sale basis through a Business Transfer Agreement ("BTA") effective January 1, 2026.

The title deeds of assets held for sale, as mentioned above are held in the name of the Company (including erstwhile name Titagarh Wagons Limited), except for the following:

Particulars	Gross Carrying Amount (Rs. in Crores) As at March 31, 2026	Title deeds held in the name of	Whether the title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Assets Held for Sale	1.17	Original copy of title deeds not available with the Company. Photocopy available in the name of erstwhile Cimmco Birla Limited, which got merged with the Company.	No	April 1, 2019	Pursuant to order of Hon'ble National Company Law Tribunal Board, Kolkata Bench passed on September 30, 2020, The erstwhile Cimmco Limited (earlier known as M/S Birla Brothers Ltd and subsequently Cimmco Birla Limited) got merged with the Company with the appointed date as April 1, 2019. The Company has already submitted an application to the relevant authority for changing the name which is pending.

Also refer note 6.3
For assets held for sale relating to previous year, refer Note 36.

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

38 Earnings Per Equity Share

	Particulars	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
(A)	**Basic**		
(i)	Number of Equity Shares at the Beginning of the Year	13,46,73,768	13,46,73,768
(ii)	Number of Equity Shares at the End of the Year	13,46,73,768	13,46,73,768
(iii)	Weighted Average Number of Equity Shares Outstanding during the year	13,46,73,768	13,46,73,768
(iv)	Face Value of Each Equity Share (Rs)	2.00	2.00
(v)	Profit after Tax Available from continuing operations for Equity Shareholders	163.91	90.57
(vi)	Profit after Tax Available from discontinued operations for Equity Shareholders	(13.21)	(13.60)
(vii)	Profit for the year Available for Equity Shareholders	150.70	76.97
(viii)	Basic Earnings per Equity Share		
	- for continuing operations (Rs)[(v)/(iii)]	12.17	6.73
	- for discontinued operations (Rs)[(vi)/(iii)]	(0.98)	(1.01)
	- for continuing and discontinued operations (Rs)[(vii)/(iii)]	11.19	5.72
(B)	**Diluted**		
(i)	Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	72,014	1,29,443
(i)	Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	13,47,45,782	13,48,03,211
(ii)	Diluted Earnings per Equity Share (Rs)		
	- for continuing operations (Rs)[A(v)/B(ii)]	12.16	6.72
	- for discontinued operations (Rs)[A(vi)/B(ii)]	(0.98)	(1.01)
	- for continuing and discontinued operations (Rs)[A(vii)/B(iii)]	11.18	5.71
	Basic and diluted earnings per share for the prior year have also been restated (refer note 35). The amount of the correction for basic and diluted earnings per share is decrease as follows:		
	Basic Earnings per Equity Share		
	- for continuing operations (Rs)	-	16.81
	- for discontinued operations (Rs)	-	-
	- for continuing and discontinued operations (Rs)	-	16.81
	Diluted Earnings per Equity Share		
	- for continuing operations (Rs)	-	16.80
	- for discontinued operations (Rs)	-	-
	- for continuing and discontinued operations (Rs)	-	16.80

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

39 Employee Benefits:

(i) Post-Employment Defined Benefit Plans:

Gratuity

The Company has a defined benefit gratuity plan which is unfunded (except for one unit where it is administered through a trust and funded with a bank through its special deposit scheme with State Bank of India). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favorable than the provisions of the Payment of Gratuity Act, 1972.

The following tables sets forth the particulars in respect of the gratuity plan.

(Rs. in Crores)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	0.09	0.04	1.93	0.69
Past Service Cost	0.20	-	2.40	-
Return on Plan Assets	-	-	(0.01)	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	0.01	0.01	0.58	0.36
Total	**0.30**	**0.05**	**4.90**	**1.05**
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	(0.10)	(0.05)	(1.26)	2.01
Total	**(0.10)**	**(0.05)**	**(1.26)**	**2.01**
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	0.63	0.41	10.85	7.58
Fair value of Plan Assets	0.34	0.32	-	-
Net Liability	**0.29**	**0.09**	**10.85**	**7.58**
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	-	-	3.23	1.56
Non-Current Liability (Long term)	0.29	0.09	7.62	6.02
	0.29	**0.09**	**10.85**	**7.58**
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	0.41	0.44	7.58	4.99
Current Service Cost	0.09	0.04	1.93	0.69
Interest Cost	0.03	0.04	0.58	0.36
Past Service Cost	0.20	-	2.40	-
Benefits Paid	-	(0.06)	(0.38)	(0.47)
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	0.02	0.06	0.40	1.26
Demographic Assumptions	(0.10)	0.03	(1.44)	0.37
Experience Variance	(0.02)	(0.14)	(0.22)	0.38
Closing Defined Benefit Obligation	**0.63**	**0.41**	**10.85**	**7.58**
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	0.32	0.35	-	-
Return on Plan Assets	-	-	(0.01)	-
Investment Income	0.02	0.03	0.01	-
Benefits Paid	-	(0.06)	-	-
Fair Value of Plan Assets at the end of the year	**0.34**	**0.32**	**-**	**-**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

39 Employee Benefits: (Contd.)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
The major categories of Plan Assets as a percentage of the Fair Value of Total Plan Assets are as follows:				
Special Deposit Scheme with State Bank of India	100%	100%	-	-
Maturity Profile of the Defined Benefit Obligation				
Weighted Average Duration of the Defined Benefit Obligation	4 years	6 years	4 years	5 years
Expected Benefit Payments for the year ending				
Not later than 1 year	0.16	0.04	3.23	1.56
Later than 1 year and not later than 5 years	0.38	0.21	6.10	3.49
Later than 5 year and not later than 10 years	0.21	0.18	3.58	3.41
More than 10 years	0.11	0.25	1.46	3.08
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	6.70%	6.55%	6.65%	6.50%
Rate of increase in Salary	10.77%	10.00%	10.77%	10.00%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2012-2014) published by the Institute of Actuaries of India.

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Company expects to contribute Rs. Nil (March 31, 2025: Rs.0.17 Crores) to the funded gratuity plans during the next financial year.

A quantitative sensitivity analysis of impact on defined benefit obligations for significant assumption on the gratuity plan is as shown below:

(Rs. in Crores)

Sensitivity level	Gratuity (Funded)				Gratuity (Unfunded)			
	As at March 31, 2026		As at March 31, 2025		As at March 31, 2026		As at March 31, 2025	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	0.66	0.61	0.44	0.38	11.27	10.45	8.02	7.19
Salary Growth Rate (- / + 1%)	0.61	0.65	0.39	0.43	10.49	11.21	7.24	7.96

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, The Industrial Relations Code, 2020, the Code of Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. 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 have been assessed and disclosed, consistent with the guidance provided by the Institute of Chartered Accountants of India. Accordingly, an incremental liability of Rs. 3.39 crores have been recognised during the year in respect of both gratuity and leave benefits. The Company continues to monitor the finalization of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

39 Employee Benefits: (Contd.)

(ii) Post-Employment Defined Contribution Plans:

Provident Fund and Employee State Insurance Scheme (ESI)

Certain categories of employees of the Company receive benefits from a provident fund and ESI, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company have no further obligations under the plan beyond its monthly contributions.

The amounts paid to Defined Contribution Plans are as follows:

Particulars	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
	Rs. in Crores	Rs. in Crores
Provident Fund (Refer Note 52)	5.14	3.75
ESI	0.26	0.25
Total	**5.40**	**4.00**

(iii) Leave Benefits

The Company provides for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Company towards these benefits as at year end was Rs. 5.42 Crores (March 31, 2025: Rs. 3.65 Crores). The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores
Leave provision not expected to be settled within the next 12 months	3.53	2.69

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

(a) Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

(b) Salary Growth Risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(c) Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company are exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

40 Employee Stock Option Scheme

40.1 The Board of Directors of the Company at its meeting held on March 21, 2023 approved the Employee Stock Option Scheme titled "Titagarh Rail Systems Limited Employees Stock Option Scheme 2023" for the employees. Subsequently, on April 26, 2023, the shareholders, by way of postal ballot approved the said Scheme. On February 13, 2025, the Board of Directors proposed modifications to this scheme, including an increase in the number of stock options from 500,000 to 15,00,000, subject to shareholder approval. According to the Scheme 2023, the employee selected by the ESOS Compensation

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

40 Employee Stock Option Scheme: (Contd.)

Committee from time to time will be entitled to the stock options. The total number of options granted should not exceed 15,00,000 options and will be granted in one or more tranches over a period of 5 years. Each option, when exercised, will be converted into 1 equity share of Rs 2.00 each (Face Value) fully paid up. Other terms are -

Particulars	Tranch 1	Tranch 2	Tranch 3
Vesting period	As stated below	As stated below	As stated below
Exercise period	Within a period of 6 months from the date of vesting	Within a period of 6 months from the date of vesting	Within a period of 6 months from the date of vesting
Grant Date	February 3, 2025	May 30, 2025	December 31, 2025
Exercise price	Rs 860.00	Rs 860.00	Rs. 860.00
Market price at Grant Date	Rs 956.00	Rs. 911.20	Rs. 878.50

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	10%	10%	10%
At the end of second year from the date of grant	15%	15%	15%
At the end of third year from the date of grant	20%	20%	20%
At the end of fourth year from the date of grant	25%	25%	25%
At the end of fifth year from the date of grant	30%	30%	30%

Particulars	**Tranch 4**
Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	December 31, 2025
Exercise price	Rs 750.00
Market price at Grant Date	Rs. 878.50

The vesting schedule of the options is as follows:

At the end of 15 months from the date of grant	15%
At the end of 27 months from the date of grant	25%
At the end of 39 months from the date of grant	20%
At the end of 51 months from the date of grant	20%
At the end of 63 months from the date of grant	20%

The movement of the option is summarised below:

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs.)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs.)
Tranch 1				
Outstanding at the beginning of the year	4,62,250	860.00	-	-
Granted during the year	-	860.00	4,62,250.00	860.00
Lapsed during the year	-	-	-	-
Forfeited during the year	1,94,250	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,68,000	860.00	4,62,250.00	860.00
Exercisable at the end of the year	26,800	860.00	-	-

The weighted average fair value of the option as on the grant date is Rs. 459.10 (March 31, 2025: 459.10) and weighted average contractual life of the option as at March 31, 2026 is 3.75 years (March 31, 2025: 3.75 years)

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

40 Employee Stock Option Scheme: (Contd.)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs.)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs.)
Tranch 2				
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	1,15,000	860.00	-	-
Lapsed during the year	-	-	-	-
Forfeited during the year	50,000	860.00	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	65,000	860.00	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs. 415.60 (March 31, 2025: Nil) and weighted average contractual life of the option as at March 31, 2026 is 3.75 years (March 31, 2025: NIL).

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs.)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs.)
Tranch 3				
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	1,24,500	860.00	-	-
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	1,24,500	860.00	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs. 382.10 (March 31, 2025: Nil) and weighted average contractual life of the option as at March 31, 2026 is 3.75 years (March 31, 2025: NIL).

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs.)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs.)
Tranch 4				
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	7,50,000	750.00	-	-
Lapsed during the year	-	-	-	-
Forfeited during the year	32,500	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	7,17,500	750.00	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of the option as on the grant date is Rs. 409.50 (March 31, 2025: Nil) and weighted average contractual life of the option as at March 31, 2026 is 3.55 years (March 31, 2025: NIL).

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

40 Employee Stock Option Scheme: (Contd.)

The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

Particulars	Tranch 1	Tranch 2	Tranch 3	Tranch 4
Grant Date	February 3, 2025	May 30, 2025	December 31, 2025	December 31, 2025
Share price (Rs)	956.00	911.20	878.50	878.50
Exercise price (Rs)	860.00	860.00	860.00	750.00
Risk-free interest rate	6.30%	5.70%	5.90%	5.80%
Expected volatility	52.20%	52.00%	49.50%	49.10%
Dividend yield	0.08%	0.10%	0.11%	0.10%
Expected life of the options	5 years	5 years	5 years	5 years 3 months

During the year ended, the company recorded an employee compensation expense of Rs. 1.44 Crores (March 31, 2025 : Rs. 0.22 Crores) in the statement of Profit and Loss.

41 Commitments

	Particulars	As at March 31, 2026	As at March 31, 2025
		Rs. in Crores	Rs. in Crores
a)	Estimated amount of contracts remaining to be executed on capital accounts and not provided for [net of advances Rs. 12.11 Crores (March 31, 2025: Rs. 38.51 Crores)]	205.57	77.41

42 Contingent Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores
(i) Claims against the Company not acknowledged as debt		
Disputed claims contested by the Company and pending at various courts/arbitration*	40.71	40.71
Matters under appeal with:		
Sales tax authorities	22.93	22.93
Income tax authorities	46.99	45.12
Customs and Excise Authorities	46.47	47.67
Goods and service tax Authorities	30.43	30.02
	187.53	**186.45**

*Includes Rs 13.60 Crores (March 31, 2025: Rs. 13.60 Crores) which in terms of BIFR order, even if decided against the Company, would stand at Rs 1.36 Crores (March 31, 2025: Rs 1.36 Crores) only.

In respect of above cases based on favorable decisions in similar cases/legal opinions taken by the Company/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in the financial statements.

In respect of above contingent liabilities, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.

Also, refer note 7(d) for financial undertaking given by the Company in respect of borrowings of RTRWL, one of its joint venture.

(ii) Further:

(a) Erstwhile Cimmco Limited (Since merged with the Company) had prior to year 2000, obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit/extended time limit (as extended pursuant to sanctioned scheme of BIFR) from the date of issuance of such licenses. However, in absence of complete list of licenses along with the imports made against each license, the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

42 Contingent Liabilities (Contd.)

(b) SBI Caps has raised a claim of Rs. 11.29 Crores on erstwhile Cimmco Limited (since merged with the Company) on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to erstwhile Cimmco Limited (since merged with the Company) which in turn has been sub leased to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai. As per the separate lease agreements entered between SBI CAPS, erstwhile Cimmco Limited (since merged with the Company) and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the above terms contained in the above agreements and also favorable ITAT judgments regarding the admissibility of the depreciation on the leased assets, the Company believes that there would not be any liability that would crystallise on account of the above.

(iii) In respect of land parcels at Gwalior, during the year, the Company has received a demand from the Office of the Municipal Commissioner, Gwalior for payment of municipal taxes of Rs. 7.24 crores, which is disputed by the Company and is accordingly considered as contingent liability. In view of the Company, the said land parcels are exempt from property tax under Section 136 of the Madhya Pradesh Municipal Corporation Act and such demand notices sent by the authorities are time-barred. Further, given that the ownership of the land parcels are under dispute [refer note 6.1(e)], the property tax demand by the Municipal Corporation is illegal and inappropriate.

43 Information Relating to Micro and Small Enterprises (MSEs):

Particulars		As at March 31, 2026	As at March 31, 2025
		Rs. in Crores	Rs. in Crores
(a)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end *	65.33	44.66
(b)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.47	2.04
(c)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	605.50	44.95
(d)	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(e)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(f)	Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	3.69	0.57
(g)	Interest accrued and remaining unpaid at the end of the accounting year	7.38	3.22
(h)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-
The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Company.			

* Includes dues of micro and small enterprises (MSE) included within other financial liabilities.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

44 List of Subsidiaries, Associate and Joint Venture of the Company

The Company has following Subsidiaries, Associate and Joint Ventures for which the Company prepares Consolidated Financial Statements as per Ind AS 110 "Consolidated Financial Statements". Investment in these subsidiaries, associate and joint ventures have been recognised at cost.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest	
		March 31, 2026	March 31, 2025
Titagarh Singapore Pte. Limited (TSPL) [Refer Note 35]	Singapore	100.00%	100.00%
Titagarh Firema Engineering Services Private Limited ("TFESPL") (w.e.f February 14, 2025)	India	66.00%	66.00%
Titagarh Wagons AFR (TWA) *	France	100.00%	100.00%
Titagarh Naval Systems Limited [Refer Note 7(e)]	India	100.00%	N/A
Titagarh Group Foundation **	India	N/A	N/A

* The Company holds 100% equity in TWA together with a wholly owned subsidiary company, TSPL. However, since TWA is under liquidation, the Company is no longer in control of TWA.

On June 4, 2019 the Commercial Court of Paris approved the start of Rehabilitation Procedure and from said date, the Company was no longer in control of TWA, under French Law. The Commercial Court of Paris vide its judgement dated August 13, 2019 approved a plan for transfer of business and assets of TWA to another bidder and ordered for liquidation of TWA. Currently TWA is under liquidation.

** Consolidated basis control established.

Name of the Associate	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest	
		March 31, 2026	March 31, 2025
Titagarh Firema S.p.A (TFA) [Refer Note 35]	Italy	25.43%	25.43%

Name of the Joint Venture	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest	
		March 31, 2026	March 31, 2025
Titagarh Mermec Private Limited	India	50.00%	50.00%
Ramkrishna Titagarh Rail Wheels Limited [Refer Note 7(d)]*	India	49.00%	49.00%
Shivaliks Mercantile Limited (formerly Shivaliks Mercantile Private Limited) [Refer Note 35]*	India	44.63%	44.63%

* Considering the terms of arrangement of these investments like unanimous consent of both Shareholders or there nominee directors for certain decisions including distribution of dividend, appointment and removal of Key managerial persons etc, the Company has assessed that these entities are joint ventures in terms of IND AS-28.

45 Segment Information

The operating segments based on the Company's products has been identified by the chief operating decision maker, being the Board of Directors, as "Freight Rail Systems" and "Passenger Rail Systems"

a) Freight Rail Systems - Consists of manufacturing of Wagons, Loco Shells, bogies, couplers, its components, designing and construction of Warships, Passenger Vessels, Tug and specialised equipment's for Defence, Bridge Girders etc.

b) Passenger Rail Systems - Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

45 Segment Information (Contd.)

Segment performance is evaluated based on profit or loss and is measured consistently with Profit or Loss in the Standalone Financial Statements. Also, the Company's borrowings (including finance costs to the extent not allocable to segments), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the Statement of Profit and Loss.

Segment Assets and Liabilities are measured in the same way as in the standalone financial statements.

These asset and liabilities are allocated based on the operations of the segment and physical location of assets.

Information About Operating Segments

For the year ended and as at March 31, 2026

(Rs. in Crores)

	Freight Rail Systems	Passenger Rail Systems	Total
Revenue from operations			
Segment revenue (external)	**2,604.25**	**539.33**	**3,143.58**
Major costs			
Cost of Raw Materials & Components Consumed	**1,960.43**	**357.76**	**2,318.19**
Additions to PPE, CWIP, ROU, Intangible Assets, Intangible Assets under development and Others			
Non-current assets (net of disposal)	21.65	253.64	275.29
Segment profit	**317.93**	**76.95**	**394.88**
Unallocated (income) / expenses			
Finance Costs			57.57
Interest Income			(38.03)
Interest Expense - Net			19.54
Depreciation and Amortisation Expense			3.46
Other Corporate Income			(1.05)
Other Corporate Expenses			77.71
Unallocable expenditure net of income			80.12
Profit / (Loss) before Exceptional Items and tax			**295.22**
Exceptional Items			57.58
Profit / (Loss) before tax			**237.64**
Tax expenses / (Credit)			73.73
Profit / (Loss) for the year from continuing operations			**163.91**
Loss for the Period/ Year after Tax from discontinued operations			(13.21)
Profit/ (Loss) after tax			**150.70**
Material Non-cash (Income) / Expenses:			
Depreciation and Amortisation Expense	23.70	23.06	46.76
Provision for Doubtful Debts and Advances	20.51	2.31	22.82
Segment assets	**1,566.22**	**1,365.23**	**2,931.45**
Unallocated assets			
Investments			421.81
Cash and cash equivalents			151.39
Other bank balances			143.55
Tax Assets (Net)			28.37
Deferred tax assets (Net)			31.93
Other unallocated assets			305.48
Total Reportable Segments			**4,013.98**
Assets held for sale			30.41
Total Assets			**4,044.39**
Segment liabilities	**371.84**	**408.18**	**780.02**
Unallocated liabilities			
Borrowings			521.86
Current Tax Liabilities (Net)			21.35
Other unallocated liabilities			238.19
Total Reportable Segments			**1,561.42**
Liabilities held for sale			-
Total liabilities			**1,561.42**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

45 Segment Information (Contd.)

For the year ended and as at March 31, 2025

(Rs. in Crores)

	Freight Rail Systems	Passenger Rail Systems	Total
Revenue from Operations			
Segment Revenue (External)	**3,491.83**	**255.55**	**3,747.38**
Major costs			
Cost of Raw Materials & Components Consumed	**2,701.22**	**169.20**	**2,870.42**
Additions to PPE, CWIP, ROU, Intangible Assets, Intangible Assets under development and Others			
Non-current assets (net of disposal)	49.74	163.94	213.68
Segment Profit	**450.96**	**21.14**	**472.10**
Unallocated (Income) / Expenses			
Finance Costs			58.72
Interest Income			(51.06)
Interest Expense - Net			7.66
Depreciation and Amortisation Expense			2.44
Other Corporate Income			(16.99)
Other Corporate Expenses			54.11
Unallocable expenditure net of income			39.56
Profit / (Loss) before Exceptional Items and tax			**424.88**
Exceptional Items			270.25
Profit / (Loss) before tax			**154.63**
Tax Expenses / (Credit)			64.06
Profit / (Loss) for the year from continuing operations			**90.57**
Loss for the Period/ Year after Tax from discontinued operations			(13.60)
Profit/ (Loss) after tax			**76.97**
Material Non-cash (Income) / Expenses:			
Depreciation and Amortisation Expense	20.87	5.72	26.59
Provision for Doubtful Debts and Advances	2.47	-	2.47
Segment Assets	**1,607.26**	**902.28**	**2,509.54**
Unallocated Assets			
Investments			230.31
Cash and Cash Equivalents			17.36
Other Bank Balances			442.13
Tax Assets (Net)			24.58
Deferred tax assets (Net)			25.11
Other Unallocated Assets			332.88
Total Reportable Segments			**3,581.91**
Assets held for sale			127.10
Total Assets			**3,709.01**
Segment Liabilities	**392.72**	**261.14**	**653.86**
Unallocated Liabilities			
Borrowings			529.34
Current Tax Liabilities (Net)			7.35
Other Unallocated Liabilities			212.37
Total Reportable Segments			**1,402.92**
Liabilities held for sale			12.81
Total liabilities			**1,415.73**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

45 Segment Information (Contd.)

Geographic Wise Disclosures:-

(a) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:-

The following table shows the distribution of the Company's sales by geographical market:

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
	Rs. in Crores	Rs. in Crores
India	3,143.58	3,741.55
Rest of the World	-	5.83
Total	**3,143.58**	**3,747.38**

(b) All non-current assets (excluding Financial Assets) of the Company are located in India.

(c) Total revenue from external customers which represents more than 10% of the total revenue of the Company is Rs 2,089.07 Crores, relating to one customer (March 31, 2025: Rs 2,576.16 Crores, relating to one customer).

(d) Also refer note 35.

46 Related Party Disclosures

Names of Related Parties and Related Party Relationship

Related parties where control exists:

Subsidiary Company:	Titagarh Singapore Pte. Limited (upto March 27, 2026) (Refer note 44) Titagarh Wagons AFR (Refer note 44) Titagarh Firema Engineering Services Private Limited (w.e.f February 14, 2025) Titagarh Naval Systems Limited (w.e.f August 11, 2025)
Joint Venture Companies:	Titagarh Mermec Private Limited Titagarh Firema Engineering Services Private Limited (upto February 13, 2025) Ramkrishna Titagarh Rail Wheels Limited Shivaliks Mercantile Limited (formerly Shivaliks Mercantile Private Limited)
Associate Company:	Titagarh Firema S.p.A, Italy
Trust:	Titagarh Group Foundation

Other related parties with whom transactions have taken place during the Year:

Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. Anil Kumar Agarwal - Deputy Managing Director & CEO (FTRS) (upto February 2, 2025) Mr. Anil Kumar Agarwal - Deputy Managing Director (w.e.f. February 3, 2025) Mr. Saurav Singhania- Chief Financial Officer Mr. Saket Kandoi - Director (Freight Rolling Stock) (upto February 2, 2025) Mr. Saket Kandoi - Director & CEO (Shipbuilding & Maritime Systems) (w.e.f. February 3, 2025 and upto February 13, 2026) Mrs. Rashmi Chowdhary - Non-Executive Director Mr. Prithish Chowdhary - Director (Marketing & Business Development) and Deputy CEO (PRS) (upto May 14, 2024) Mr. Prithish Chowdhary - Deputy Managing Director (w.e.f May 15, 2024) Mr. Atul Ravishanker Joshi - Independent Director Mr. Sushil Kumar Roongta - Independent Director Mr. Krishan Kumar Jalan - Independent Director Ms. Nayantara Palchoudhuri - Independent Director Mr. Bontha Prasada Rao - Independent Director Mr. Debanjan Mandal - Independent Director Mr. Dinesh Arya - Company Secretary and Chief Compliance Officer (upto May 31,2025) Mr. Aditya Purohit - Company Secretary and Chief Compliance Officer (w.e.f. June 1, 2025)
Close Family Members of the KMPs:	Mrs. Vinita Bajoria, Daughter of Mr. J P Chowdhary Mrs. Sumita Kandoi, Daughter of Mr. J P Chowdhary Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary
Enterprises over which KMP/ Shareholders/Close Family Members have significant influence:	Titagarh Capital Management Services Private Limited Titagarh Enterprises Limited Titagarh Industries Limited Nicco Eastern Private Limited Indistrokes Private Limited Titagarh Logistics Infrastructure Private Limited Chowdhary Foundation

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

46 Related Party Disclosures (Contd.)

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below:

(Rs. in Crores)

Nature of transactions	Year	Subsidiary Companies/ Trust	Joint Venture	Associate	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
In Relation to the Statement of Profit and Loss								
Sale of Products								
Titagarh Firema S.p.A	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	5.83	-	-	-	5.83
Interest Income on Loans								
Shivaliks Mercantile Limited (formerly Shivaliks Mercantile Private Limited) (Refer (e) below)	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	-	-	-	-	-
Purchase of Raw Materials and Components								
Titagarh Firema S.p.A	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	0.94	-	-	-	0.94
Nicco Eastern Private Limited	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	-	0.18	-	-	0.18
Indistrokes Private Limited	2025-26	-	-	-	1.60	-	-	1.60
	2024-25	-	-	-	0.86	-	-	0.86
Design and Development Expenses								
Titagarh Firema Engineering Services Private Limited	2025-26	8.02	-	-	-	-	-	8.02
	2024-25	1.06	5.33	-	-	-	-	6.39
Titagarh Firema S.p.A	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	0.19	-	-	-	0.19
Corporate Social Responsibility expenses								
Titagarh Group Foundation	2025-26	2.44	-	-	-	-	-	2.44
	2024-25	-	-	-	-	-	-	-
Purchase of Design in respect of Intangible assets/Intangible assets under development								
Titagarh Firema S.p.A	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	9.09	-	-	-	9.09
Reimbursement of Expenses received								
Titagarh Firema Engineering Services Private Limited	2025-26	0.19	-	-	-	-	-	0.19
	2024-25	-	0.22	-	-	-	-	0.22
Ramkrishna Titagarh Rail Wheels Limited	2025-26	-	-	-	-	-	-	-
	2024-25	-	0.08	-	-	-	-	0.08
Shivaliks Mercantile Limited (formerly Shivaliks Mercantile Private Limited)	2025-26	-	-	-	-	-	-	-
	2024-25	-	0.24	-	-	-	-	0.24
Titagarh Naval Systems Limited	2025-26	0.27	-	-	-	-	-	0.27
	2024-25	-	-	-	-	-	-	-
Titagarh Industries Limited	2025-26	-	-	-	0.01	-	-	0.01
	2024-25	-	-	-	-	-	-	-
Reimbursement of Expenses Paid								
Titagarh Firema Engineering Services Private Limited	2025-26	-	-	-	-	-	-	-
	2024-25	-	0.39	-	-	-	-	0.39
Titagarh Enterprises Limited	2025-26	-	-	-	0.56	-	-	0.56
	2024-25	-	-	-	0.11	-	-	0.11
Titagarh Naval Systems Limited	2025-26	52.83	-	-	-	-	-	52.83
	2024-25	-	-	-	-	-	-	-

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

46 Related Party Disclosures (Contd.)

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below: (Contd.)

(Rs. in Crores)

Nature of transactions	Year	Subsidiary Companies/ Trust	Joint Venture	Associate	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
Payment for Lease Rental (Refer Note 6.6)								
Titagarh Enterprises Limited	2025-26	-	-	-	16.96	-	-	16.96
	2024-25	-	-	-	14.29	-	-	14.29
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]								
Mr. J P Chowdhary	2025-26	-	-	-	-	3.57	-	3.57
	2024-25	-	-	-	-	3.57	-	3.57
Mr. Umesh Chowdhary	2025-26	-	-	-	-	3.57	-	3.57
	2024-25	-	-	-	-	3.57	-	3.57
Mr. Prithish Chowdhary	2025-26	-	-	-	-	1.11	-	1.11
	2024-25	-	-	-	-	1.02	-	1.02
Mr. Anil Kumar Agarwal	2025-26	-	-	-	-	1.54	-	1.54
	2024-25	-	-	-	-	1.94	-	1.94
Mr. Saket Kandoi	2025-26	-	-	-	-	0.54	-	0.54
	2024-25	-	-	-	-	0.83	-	0.83
Mr. Saurav Singhania	2025-26	-	-	-	-	0.89	-	0.89
	2024-25	-	-	-	-	0.96	-	0.96
Mr. Dinesh Arya	2025-26	-	-	-	-	0.08	-	0.08
	2024-25	-	-	-	-	0.48	-	0.48
Mr. Aditya Purohit	2025-26	-	-	-	-	0.25	-	0.25
	2024-25	-	-	-	-	-	-	-
Sitting Fees to Directors								
Mr. Atul Ravishanker Joshi	2025-26	-	-	-	-	0.14	-	0.14
	2024-25	-	-	-	-	0.10	-	0.10
Mrs. Rashmi Chowdhary	2025-26	-	-	-	-	0.07	-	0.07
	2024-25	-	-	-	-	0.04	-	0.04
Mr. Sushil Kumar Roongta	2025-26	-	-	-	-	0.11	-	0.11
	2024-25	-	-	-	-	0.08	-	0.08
Mr. Krishan Kumar Jalan	2025-26	-	-	-	-	0.16	-	0.16
	2024-25	-	-	-	-	0.13	-	0.13
Ms. Nayantara Palchoudhri	2025-26	-	-	-	-	0.08	-	0.08
	2024-25	-	-	-	-	0.06	-	0.06
Mr. Bontha Prasada Rao	2025-26	-	-	-	-	0.16	-	0.16
	2024-25	-	-	-	-	0.12	-	0.12
Mr. Debanjan Mandal	2025-26	-	-	-	-	0.01	-	0.01
	2024-25	-	-	-	-	0.02	-	0.02

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)
46 Related Party Disclosures (Contd.)
Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below: (Contd.)

(Rs. in Crores)

Nature of transactions	Year	Subsidiary Companies/ Trust	Joint Venture	Associate	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
Commission to non - whole time directors								
Mr. Atul Ravishanker Joshi	2025-26	-	-	-	-	0.13	-	0.13
	2024-25	-	-	-	-	0.11	-	0.11
Mr. Sushil Kumar Roongta	2025-26	-	-	-	-	0.10	-	0.10
	2024-25	-	-	-	-	0.11	-	0.11
Mr. Krishan Kumar Jalan	2025-26	-	-	-	-	0.13	-	0.13
	2024-25	-	-	-	-	0.11	-	0.11
Ms. Nayantara Palchoudhri	2025-26	-	-	-	-	0.10	-	0.10
	2024-25	-	-	-	-	0.11	-	0.11
Mr. Bontha Prasada Rao	2025-26	-	-	-	-	0.13	-	0.13
	2024-25	-	-	-	-	0.11	-	0.11
Mr. Debanjan Mandal	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	-	-	0.05	-	0.05
Payment of Dividend								
Mr. J P Chowdhary	2025-26	-	-	-	-	0.01	-	0.01
	2024-25	-	-	-	-	0.01	-	0.01
Mr. Umesh Chowdhary	2025-26	-	-	-	-	0.01	-	0.01
	2024-25	-	-	-	-	0.01	-	0.01
Mrs. Rashmi Chowdhary	2025-26	-	-	-	-	1.01	-	1.01
	2024-25	-	-	-	-	0.81	-	0.81
Mr. Anil Kumar Agarwal	2025-26	-	-	-	-	0.01	-	0.01
	2024-25	-	-	-	-	0.01	-	0.01
Mr. Saurav Singhania	2025-26	-	-	-	-	0.00	-	0.00
	2024-25	-	-	-	-	0.00	-	0.00
Mr. Dinesh Arya	2025-26	-	-	-	-	0.00	-	0.00
	2024-25	-	-	-	-	0.00	-	0.00
Mrs. Bimla Devi Kajaria	2025-26	-	-	-	-	-	0.00	0.00
	2024-25	-	-	-	-	-	0.00	0.00
Mrs. Vinita Bajoria	2025-26	-	-	-	-	-	0.00	0.00
	2024-25	-	-	-	-	-	0.00	0.00
Titagarh Capital Management Services Private Limited	2025-26	-	-	-	2.41	-	-	2.41
	2024-25	-	-	-	1.93	-	-	1.93
Titagarh Logistics Infrastructure Private Limited	2025-26	-	-	-	0.19	-	-	0.19
	2024-25	-	-	-	0.15	-	-	0.15
Chowdhary Foundation	2025-26	-	-	-	1.82	-	-	1.82
	2024-25	-	-	-	1.46	-	-	1.46
In relation to Balance Sheet Item Investments made								
Ramkrishna Titagarh Rail Wheels Limited [Refer note 7(d)]	2025-26	-	69.42	-	-	-	-	69.42
	2024-25	-	112.73	-	-	-	-	112.73
Titagarh Firema Engineering Services Private Limited	2025-26	-	-	-	-	-	-	-
	2024-25	2.00	-	-	-	-	-	2.00
Titagarh Naval Systems Limited [Refer note 7(e)]	2025-26	119.88	-	-	-	-	-	119.88
	2024-25	-	-	-	-	-	-	-

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

46 Related Party Disclosures (Contd.)

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below: (Contd.)

(Rs. in Crores)

Nature of transactions	Year	Subsidiary Companies/ Trust	Joint Venture	Associate	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
Loans given								
Shivaliks Mercantile Limited (formerly Shivaliks Mercantile Private Limited) # (Refer (e) below)	2025-26	-	58.01	-	-	-	-	58.01
	2024-25	-	-	-	-	-	-	-
Balances outstanding as at the year end								
Trade Receivables								
Titagarh Firema S.p.A [Net of Rs. 6.77 crores being provision for doubtful receivables (March 31, 2025: Rs. Nil)]	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	7.09	-	-	-	7.09
Trade Payables								
Titagarh Firema S.p.A	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	1.12	-	-	-	1.12
Indistrokes Private Limited	2025-26	-	-	-	0.34	-	-	0.34
	2024-25	-	-	-	0.38	-	-	0.38
Titagarh Firema Engineering Services Private Limited	2025-26	1.79	-	-	-	-	-	1.79
	2024-25	1.13	-	-	-	-	-	1.13
Loans (net carrying value)								
Shivaliks Mercantile Limited (formerly Shivaliks Mercantile Private Limited) # [Net of loss allowance of Rs. 58.01 Crores (March 31, 2025: Rs. Nil)] (Refer (e) below)"	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	-	-	-	-	-
Receivable from Related Parties								
Titagarh Wagons AFR [Net of Rs. 2.36 Crores being provision for doubtful receivables (March 31, 2025 Rs. 2.36 Crores)]	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	-	-	-	-	-
Titagarh Firema Engineering Services Private Limited	2025-26	0.25	-	-	-	-	-	0.25
	2024-25	0.07	-	-	-	-	-	0.07
Titagarh Naval Systems Limited	2025-26	0.27	-	-	-	-	-	0.27
	2024-25	-	-	-	-	-	-	-
Titagarh Industries Limited	2025-26	-	-	-	0.01	-	-	0.01
	2024-25	-	-	-	-	-	-	-
Payable to Related Parties								
Titaragh Naval Systems Limited	2025-26	52.83	-	-	-	-	-	52.83
	2024-25	-	-	-	-	-	-	-
Interest Accrued on Loans								
Titagarh Wagons AFR [Net of Rs. 1.40 Crores being provision for doubtful interest accrued on loans (March 31, 2024 Rs. 1.40 Crores)	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	-	-	-	-	-
Advances Recoverable in Cash or Kind								
Mr. Anil Kumar Agarwal	2025-26	-	-	-	-	0.30	-	0.30
	2024-25	-	-	-	-	0.30	-	0.30

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

46 Related Party Disclosures (Contd.)

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below: (Contd.)

(Rs. in Crores)

Nature of transactions	Year	Subsidiary Companies/ Trust	Joint Venture	Associate	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
Commission payable to non whole time directors								
Mr. Atul Ravishanker Joshi	2025-26	-	-	-	-	0.13	-	0.13
	2024-25	-	-	-	-	0.11	-	0.11
Mr. Sushil Kumar Roongta	2025-26	-	-	-	-	0.10	-	0.10
	2024-25	-	-	-	-	0.11	-	0.11
Mr. Krishan Kumar Jalan	2025-26	-	-	-	-	0.13	-	0.13
	2024-25	-	-	-	-	0.11	-	0.11
Ms. Nayantara Palchoudhri	2025-26	-	-	-	-	0.10	-	0.10
	2024-25	-	-	-	-	0.11	-	0.11
Mr. Bontha Prasada Rao	2025-26	-	-	-	-	0.13	-	0.13
	2024-25	-	-	-	-	0.11	-	0.11
Mr. Debanjan Mandal	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	-	-	0.05	-	0.05
Security Deposit								
Titagarh Enterprises Limited	2025-26	-	-	-	3.67	-	-	3.67
	2024-25	-	-	-	3.36	-	-	3.36
Investments								
Titagarh Wagons AFR [Net of Rs. 48.84 Crores impairment (March 31, 2025: Rs. 48.84 Crores)]	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	-	-	-	-	-
Titagarh Firema S.p.A # [Net of impairment of Rs. 12.73 Crores (March 31, 2025: Rs.12.73 Crores)]	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	-	-	-	-	-
Titagarh Enterprises Limited	2025-26	-	-	-	52.19	-	-	52.19
	2024-25	-	-	-	50.00	-	-	50.00
Titagarh Mermec Private Limited	2025-26	-	0.01	-	-	-	-	0.01
	2024-25	-	0.01	-	-	-	-	0.01
Titagarh Industries Limited	2025-26	-	-	-	2.39	-	-	2.39
	2024-25	-	-	-	2.36	-	-	2.36
Titagarh Firema Engineering Services Private Limited	2025-26	3.96	-	-	-	-	-	3.96
	2024-25	3.96	-	-	-	-	-	3.96
Ramkrishna Titagarh Rail Wheels Limited [Refer note 7(d)]	2025-26	-	243.40	-	-	-	-	243.40
	2024-25	-	173.98	-	-	-	-	173.98
Shivaliks Mercantile Limited (formerly Shivaliks Mercantile Private Limited) # [Net of impairment of Rs. 100 Crores (March 31, 2025: Rs.100 Crores)]	2025-26	-	-	-	-	-	-	-
	2024-25	-	-	-	-	-	-	-
Titagarh Naval Systems Limited	2025-26	119.88	-	-	-	-	-	119.88
	2024-25	-	-	-	-	-	-	-
Titagarh Singapore Pte Limited [Net of impairment of Rs. 120.24 Crores (March 31, 2025: Rs.127.44 Crores)] (Disclosed as Assets Held for Sale)	2025-26	7.20	-	-	-	-	-	7.20
	2024-25	-	-	-	-	-	-	-

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

46 Related Party Disclosures (Contd.)

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below: (Contd.)

(Rs. in Crores)

Nature of transactions	Year	Subsidiary Companies/ Trust	Joint Venture	Associate	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
Money received against share warrants								
Mr. Prithish Chowdhary	2025-26	-	-	-	-	12.50	-	12.50
	2024-25	-	-	-	-	-	-	-
Mrs. Rashmi Chowdhary	2025-26	-	-	-	-	37.50	-	37.50
	2024-25	-	-	-	-	-	-	-

Notes :

a) **Terms and Conditions of Transactions with Related Parties**
Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales / services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash.

b) **Compensation of Key Managerial Personnel**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-Term Employee Benefits	10.81	11.86
Contribution to Provident and Other Funds	0.49	0.51
Employee Stock Options Expense	0.16	0.05
	11.46	**12.42**

The remuneration to key managerial personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

c) The Company has provided letter of Financial support to one of its joint venture namely Titagarh Mermec Private Limited and Shivaliks Mercantile Limited (formerly Shivaliks Mercantile Private Limited).

d) During the year, the Company has made a provision against collateral security of its land at Bharatpur given against loan taken by Titagarh Firema S.p.A from Bank of Baroda. Refer Note 6.1(d) and Note 35 to the standalone financial statements.

e) During the year, loan was given to Shivaliks Mercantile Limited (SML) having an interest rate of 9.00% p.a., payable quarterly. In absence of recognition criteria, as per Ind AS 115, such interest income was not recognised and the loans receivable was fully impaired.

f) Impairment loss of Rs. 193.18 crores against investments in Titagarh Firema S.p.A had been recognised in earlier years when the said entity was a subsidiary of the Company.

\# Refer Note 35

47 Fair Values

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended March 31, 2026 and March 31, 2025.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

47 Fair Values (Contd.)

The following table provides the fair value measurement hierarchy of the Company's assets:

(Rs. in Crores)

Quantitative Disclosures Fair Value Measurement Hierarchy:	Date of Valuation	Level 1	Level 2	Level 3	Total
Assets Measured at Fair Value:					
Investments	March 31, 2026	-	-	54.58	54.58
	March 31, 2025	-	-	52.36	52.36
Derivative Financial Assets	March 31, 2026	-	0.83	-	0.83
	March 31, 2025	-	-	-	-
Total Financial Assets	**March 31, 2026**	**-**	**0.83**	**54.58**	**55.41**
	March 31, 2025	-	-	52.36	52.36
Derivative Financial Liabilities	March 31, 2026	-	-	-	-
	March 31, 2025	-	1.76	-	1.76
Total Financial Liabilities	**March 31, 2026**	**-**	**-**	**-**	**-**
	March 31, 2025	-	1.76	-	1.76

(ii) Fair value measurements using significant unobservable inputs (Level 3)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy (FVTPL assets in unquoted equity shares/units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2026 and March 31, 2025 are as shown below:

(Rs. in Crores)

Significant Unobservable Input - Weighted Average Cost of Capital / Discounting Rate *	March 31, 2026	March 31, 2025
Impact of 1% Increase	(0.97)	(1.23)
Impact of 1% Decrease	1.01	1.29

Significant Unobservable Input - Circle Rate for Land Owned by The Respective Investee Company #	March 31, 2026	March 31, 2025
Impact of 5% Increase	0.73	0.66
Impact of 5% Decrease	(0.73)	(0.66)

* For FVTPL assets in unquoted equity shares
\# For FVTPL assets in unquoted equity shares

(iii) Reconciliation of fair value measurement of financial instruments classified as FVTPL assets:

(Rs. in Crores)

Particulars	Investment in unquoted equity shares
Closing Balance As on March 31, 2024	**36.98**
Re-measurement recognised in Statement of Profit and Loss	15.38
Closing Balance As on March 31, 2025	**52.36**
Re-measurement recognised in Statement of Profit and Loss	2.22
Closing Balance As on March 31, 2026	**54.58**

(iv) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2025.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

47 Fair Values (Contd.)

The methods and assumptions were used to estimate the fair values:

(a) The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.

(b) The management assessed that the fair values of remaining financial assets and liabilities at amortised cost approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(c) For financial assets / liabilities carried at fair value, the carrying amounts are equal to their fair values.

(d) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimate technique. Therefore, for substantially all financial instruments, the fair value estimates are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

48 Financial Risk Management Objectives and Policies

The Company's financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investments and other financial assets.

The Company's Board of Directors ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Company and also reviews these risks and related risk management policy, which are summarised below.

I) Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk and other price risk, such as equity price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, borrowings, other receivables etc.

(i) 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 and borrowings. Such foreign currency exposures are primarily hedged by the Company through use of foreign exchange forward contracts. The Company has a treasury team which continuously monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on the Company, and any additional remedial measures to be taken.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

48 Financial Risk Management Objectives and Policies (Contd.)

The Company's foreign currency exposure at the end of the reporting period are as follows:

(Rs. in Crores)

PARTICULARS	March 31, 2026						March 31, 2025					
	JPY	NPR	USD	EURO	CNY	GBP	JPY	NPR	USD	EURO	CNY	GBP
Financial Assets												
Trade Receivables	0.33	-	30.93	20.70	-	-	13.93	-	20.08	75.24	-	-
Cash and Cash Equivalents	-	2.96	0.01	0.18	-	0.03	-	2.99	-	-	-	-
Other Financial Assets	-	-	-	3.76	-	-	-	-	-	3.76	-	-
Derivative Assets												
Foreign Exchange Forward Contracts	-	-	-	-	-	-	(19.47)	-	-	(73.44)	-	-
Net exposure to Foreign Currency Risk (Assets)	**0.33**	**2.96**	**30.94**	**24.64**	**-**	**0.03**	**(5.54)**	**2.99**	**20.08**	**5.56**	**-**	**-**
Financial Liabilities												
Trade Payables	-	-	0.61	13.35	0.01	0.16	-	-	1.35	3.86	1.47	0.65
Borrowings	-	-	32.16	-	-	-	1.35	-	100.59	-	-	-
Derivative Liabilities												
Foreign Exchange Forward Contracts	(6.77)	-	(61.45)	(16.35)	-	-	-	-	(161.69)	-	-	-
Net Exposure to Foreign Currency Risk (Liabilities)	**(6.77)**	**-**	**(28.68)**	**(3.00)**	**0.01**	**0.16**	**1.35**	**-**	**(59.75)**	**3.86**	**1.47**	**0.65**
Net Exposure to Foreign Currency Risk (Assets less Liabilities)	**7.10**	**2.96**	**59.62**	**27.64**	**(0.01)**	**(0.13)**	**(6.89)**	**2.99**	**79.83**	**1.70**	**(1.47)**	**(0.65)**

PARTICULARS	March 31, 2026	March 31, 2025
	SEK	SEK
Financial Assets		
Trade Receivables	-	-
Cash and Cash Equivalents	-	-
Other Financial Assets	-	-
Net Exposure to Foreign Currency Risk (Assets)	**-**	**-**
Financial Liabilities		
Trade Payables	-	0.17
Borrowings	-	-
Derivative Liabilities		
Foreign Exchange Forward Contracts	-	-
Net Exposure to Foreign Currency Risk (Liabilities)	-	0.17
Net Exposure to Foreign Currency Risk (Assets less Liabilities)	-	(0.17)

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

48 Financial Risk Management Objectives and Policies (Contd.)

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in JPY, NPR, USD, EURO, CNY, GBP and SEK exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Changes in JPY Rate	Foreign Currency (Payable) / Receivable (Net)	Effect on Profit before Tax	Changes in NPR Rate	Foreign Currency (Payable) / Receivable (Net)	Effect on Profit before Tax	Changes in USD Rate	Foreign Currency (Payable) / Receivable (Net)	Effect on Profit before Tax
	%	Rs. in Crores	Rs. in Crores	%	Rs. in Crores	Rs. in Crores	%	Rs. in Crores	Rs. in Crores
March 31, 2026	5%	7.10	0.36	5%	2.96	0.15	5%	59.62	2.98
	-5%		(0.36)	-5%		(0.15)	-5%		(2.98)
March 31, 2025	5%	(6.89)	(0.34)	5%	2.99	0.15	5%	79.83	3.99
	-5%		0.34	-5%		(0.15)	-5%		(3.99)

Particulars	Changes in EURO Rate	Foreign Currency (Payable) / Receivable (Net)	Effect on Profit before Tax	Changes in CNY Rate	Foreign Currency (Payable) / Receivable (Net)	Effect on Profit before Tax	Changes in GBP Rate	Foreign Currency (Payable) / Receivable (Net)	Effect on Profit before Tax
	%	Rs. in Crores	Rs. in Crores	%	Rs. in Crores	Rs. in Crores	%	Rs. in Crores	Rs. in Crores
March 31, 2026	5%	27.64	1.38	5%	(0.01)	(0.00)	5%	(0.13)	(0.01)
	-5%		(1.38)	-5%		0.00	-5%		0.01
March 31, 2025	5%	1.70	0.09	5%	(1.47)	(0.07)	5%	(0.65)	(0.03)
	-5%		(0.09)	-5%		0.07	-5%		0.03

Particulars	Changes in SEK rate	Foreign Currency (Payable) / Receivable (Net)	Effect on Profit before Tax
	%	Rs. in Crores	Rs. in Crores
March 31, 2026	5%	-	-
	-5%		-
March 31, 2025	5%	(0.17)	(0.01)
	-5%		0.01

(ii) Equity price risks

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Company only invests in the equity shares of the subsidiaries, associates, joint ventures and some of the group companies as part of the Company's overall business strategy and policy. The Company manages the equity price risk through placing limits on individual and total equity investment in each of the subsidiaries, associates, joint ventures and group companies based on the respective business plan of each of the companies. Reports on the investment portfolio along with the financial performance of the subsidiaries, associates, joint ventures and group companies are submitted to the Company's management on a regular basis. The Company's Board of Directors reviews and approves all investment decisions.

The Company's investment in quoted equity instruments (other than subsidiaries) is not material. For sensitivity analysis of Company's investments in equity instruments, Refer Note 47(ii).

TITAGARH RAIL SYSTEMS LIMITED
Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)
48 Financial Risk Management Objectives and Policies (Contd.)

(iii) Interest rate risks

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 risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. The Company continuously monitor the situation and takes remedial actions if required. The Company's investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores
Variable Rate Borrowings	521.86	529.34
Total Borrowings	**521.86**	**529.34**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on Profit before Tax	
	March 31, 2026	March 31, 2025
	Rs. in Crores	Rs. in Crores
Interest Rates - Increase by 100 Basis Points *	(5.22)	(5.29)
Interest Rates - Decrease by 100 Basis Points *	5.22	5.29

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for full financial year.

II) Credit risks

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) and from its investing activities (primarily deposits with banks). The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2026 and March 31, 2025 is their carrying amounts except for the financial guarantees.

(a) Trade receivables and contract assets

Customer credit risk is managed by the Company through established policy and procedures and controls relating to customer credit risk management. The Company applies the simplified approach to determine the expected credit loss (ECL) for trade and other receivables by considering historical credit loss experience (historical default rates) further adjusted for forward looking information. In addition Company also considers allowance for credit loss for trade and other receivable based on specific identification method on a case to case basis with reference to the customer's credit quality, prevailing market conditions etc. As the risk profiles of the receivables is diverse, to calculate expected credit loss, the Company groups its trade receivables and contract assets by category of customers i.e. passenger rolling stock, freight rolling stock, shipbuilding, bridges and defence and related parties. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. This change did not have a material impact on the profit for the year ended March 31, 2026.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

48 Financial Risk Management Objectives and Policies (Contd.)

For the current year and previous year, the Company has evaluated that the historical loss rate for passenger rolling stock and related party receivables is Nil. The historical loss rate for the other receivables are given below:

March 31, 2026

Freight rolling stock	Unbilled	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Gross Debtors	189.23	-	264.37	7.97	13.97	2.69	-	478.23
Contract Assets	-	-	-	-	-	-	-	-
Historical Loss Rates	3.58%	0.00%	0.54%	11.04%	26.27%	100.00%	-	-
Loss Allowance	6.77	-	1.44	0.88	3.67	2.69	-	15.45

Shipbuilding, bridges and defence	Unbilled	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Gross Debtors	-	-	2.85	-	-	12.83	10.20	25.88
Contract Assets	12.20	-	-	-	-	-	-	12.20
Historical Loss Rates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	9.09% - 100.00%	-
Loss Allowance	-	-	-	-	-	-	7.37	7.37

March 31, 2025

Freight rolling stock	Unbilled	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Gross Debtors	317.23	-	128.14	13.96	6.80	0.97	-	467.10
Contract Assets	-	-	-	-	-	-	-	-
Historical Loss Rates	0.02%	0.00%	0.05%	0.93%	7.21%	100.00%	-	-
Loss Allowance	0.06	-	0.06	0.13	0.49	0.97	-	1.71

Shipbuilding, bridges and defence	Unbilled	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Gross Debtors	-	-	-	-	16.08	3.14	6.70	25.92
Contract Assets	12.40	-	-	-	-	-	-	12.40
Historical Loss Rates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.67% - 100.00%	-
Loss Allowance	0.00	-	-	-	0.00	0.00	6.42	6.42

(b) Other Financial Assets and Deposits

Credit Risk from Balances with Banks, deposits, etc is managed by the Company's finance department. Investments of Surplus funds are made only with approved counterparties which have high credit worthiness in accordance with the Company's policy and hence the credit risk is limited.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

48 Financial Risk Management Objectives and Policies (Contd.)

(c) Reconciliation of loss allowance of trade receivables, contract assets and other financial assets:

(Rs. in Crores)

Particulars	Trade Receivables	Other Financial Assets
Opening Balance as at March 31, 2024	6.80	3.76
Provision made during the year ended March 31, 2025	1.71	-
Provision written back during the year ended March 31, 2025	(0.38)	
Closing Balance as at March 31, 2025	**8.13**	**3.76**
Provision made during the year ended March 31, 2026	14.69	-
Provision written back during the year ended March 31, 2026	-	-
Closing Balance as at March 31, 2026	**22.82**	**3.76**

The impairment provision as disclosed above are based on assumptions about risk of default and expected credit loss rates. The Company uses judgement in making these assumptions based on the Company's past history, counter party's ability to pay, existing market conditions as well as forward looking estimates at the end of each reporting period.

Movement of Liquidated Damages:

Particulars	Rs. in Crores
Opening Balance as at March 31, 2024	-
Provision made during the year ended March 31, 2025	13.37
Provision utilised / reversed during the year ended March 31, 2025	(13.37)
Closing Balance as at March 31, 2025	-
Provision made during the year ended March 31, 2026	25.73
Provision utilised / reversed during the year ended March 31, 2026	(25.73)
Closing Balance as at March 31, 2026	-

III) Liquidity Risks

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposits, which carry no market risk. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

48 Financial Risk Management Objectives and Policies (Contd.)

Maturity profile of Financial Liabilities

Maturity profile of all financial liabilities is as under:

(Rs. in Crores)

Particulars	March 31, 2026					March 31, 2025				
	Carrying Amount	Contractual Cash Flows	Upto 1 Year	1 - 3 Years	More than 3 Years	Carrying Amount	Contractual Cash Flows	Upto 1 Year	1 - 3 Years	More than 3 Years
Non-derivative Financial Liabilities										
Borrowings (including interest accrued and not due on borrowings) *	524.68	591.61	366.92	53.50	171.19	531.17	536.42	509.18	27.24	-
Trade Payables	320.30	320.30	320.30	-	-	234.34	234.34	234.34	-	-
Lease Liabilities	90.14	118.58	17.55	37.59	63.44	97.29	133.96	16.13	35.97	81.86
Other Financial Liabilities #	91.89	91.89	91.89	-	-	34.98	34.98	34.98	-	-
Total Financial Liabilities	**1,027.01**	**1,122.38**	**796.66**	**91.09**	**234.63**	**897.78**	**939.70**	**794.63**	**63.21**	**81.86**

* Includes transaction cost adjustment on borrowings and contractual interest payment based on interest rate prevailing at the end of the reporting period.

Excludes deferred guarantee income recognised during the year as there would be no contractual cash outflow.

48.1 The Company has made provision for material foreseeable losses on long-term contracts including derivative contracts in keeping with Company's accounting policy.

49 Capital Management

(a) Risk Management

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company.

The Company monitors capital on the basis of the net debt to equity ratio. Net debt are borrowings as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

Particulars	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores
Total Borrowings	521.86	529.34
Less: Cash and Cash Equivalents	151.78	17.36
Net Debt	**370.08**	**511.98**
Equity (Refer Note 35)	2,482.97	2,293.28
Total Capital (Equity + Net Debt)	**2,853.05**	**2,805.26**
Net Debt to Equity Ratio	**14.90%**	**22.33%**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

49 Capital Management (Contd.)

(b) Dividends on Equity Shares

Particulars	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
	Rs. in Crores	Rs. in Crores
Dividend Declared and Paid During the Year		
Final Dividend for the year ended March 31, 2025 paid of Rs. 0.50 (March 31, 2024 - Rs. 0.80) per fully paid share	13.47	10.77
Proposed Dividend		

The Board of Directors of the Company recommended a dividend of ₹1 /- per Ordinary (Equity) Share of ₹2/- each (50%) for the FY 2025-26 subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

50 Debt Reconciliation

This section sets out an analysis of debt and the movement in debt during the year.

(Rs. in Crores)

Particulars	March 31, 2026	March 31, 2025
Non-current Borrowings	169.95	24.93
Current Maturities of Long-term Debt	-	12.42
Current Borrowings	351.91	491.99
Interest Accrued and not due on borrowings	2.82	1.83
Lease Liabilities	90.14	97.29
Total	**614.82**	**628.46**

Particulars	Non-Current Borrowings	Current Borrowings	Lease Liabilities	Total
Debt as at March 31, 2024	**49.75**	**17.82**	**99.46**	**167.03**
New Leases	-	-	4.46	4.46
Finance Costs	4.36	60.01	8.77	73.14
Repayment of Leases	-	-	(15.40)	(15.40)
Repayment of Long-term Borrowings from Banks	(12.51)	-	-	(12.51)
Short-term Borrowings - Receipts/(Payments)	-	475.41	-	475.41
Finance Costs Paid	(4.25)	(59.42)	-	(63.67)
Debt as at March 31, 2025	**37.35**	**493.82**	**97.29**	**628.46**
New Leases	-	-	2.12	2.12
Finance Costs	0.15	61.69	8.13	69.97
Repayment of Leases	-	-	(17.40)	(17.40)
Long Term Borrowings - Receipts	169.95	-	-	169.95
Repayment of Long-term Borrowings from Banks	(37.50)	-	-	(37.50)
Exchange rate difference - Unrealised	-	1.80	-	1.80
Short-term Borrowings - Receipts/(Payments)	-	(141.88)	-	(141.88)
Finance Costs Paid	-	(60.70)	-	(60.70)
Debt as at March 31, 2026	**169.95**	**354.73**	**90.14**	**614.82**

* Includes Rs. 0.55 Crores (March 31, 2025: Rs 0.55 Crores) on account of unrealised foreign exchange gain/loss.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

51 Revenue recognised in relation to contract liability

	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores
Revenue recognised that was included in the contract liability balance at the beginning of the period	55.17	250.16

51.1 The aggregate amount of the transaction price allocated to the remaining performance obligation, which are partially or fully unsatisfied as at year end is Rs. 9,946.58 Crores (March 31, 2025 : Rs. 6,189.65 Crores) and the entity will recognize this revenue as the contract is completed and / or executed, which is expected to occur over the next 12–68 months.

Trade receivables in respect of contract with customers has been included in Note 12.

52 The Company has evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and in the assessment of the management, the exposure is not material.

53 **(i) Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or other lender

(iii) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) Compliance with number of layers of companies

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.

(v) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vi) Utilisation of borrowed funds and share premium:-

(A) 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 other than funds aggregating to Rs. 58.01 crores loaned by the Company to Shivaliks Mercantile Limited (SML) for onward infusion to Titagarh Firema S.p.A (TFA). Also refer Note 35.

(B) During the current year, the company 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 Company shall:

a. 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

b. Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(ix) Valuation of PPE, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(x) The Group as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025 does not have any CICs, which are part of the Group.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

54 Ratios

Particulars	March 31, 2026		March 31, 2025		Change %	Remarks
Current Ratio (times)		**1.73**		**1.66**	4.36%	
(Current Assets / Current Liabilities)						
Current Assets	2,064.39		2,055.91			
Current Liabilities	1,194.51		1,241.52			
Net Debt-Equity Ratio (times)		**0.15**		**0.22**	-33.24%	Variation is due to increase in cash & cash equivalents, issue of share warrants and increase in profitability during the current year.
(Total Debt / Equity)						
Net Debt	370.08		511.98			
[Net Debt = Total Debts - Cash & Cash Equivalents]						
Equity	2,482.97		2,293.28			
Debt Service Coverage Ratio (times)		**2.35**		**1.96**	19.96%	
(Earnings available for debt service / Debt service)						
Earnings available for debt service	271.29		179.14			
[Earning for Debt Service = Net Profit after taxes + Depreciation and Amortisation Expense+ Non Cash Items + Finance Costs]						
Debt service	115.60		91.57			
[Debt service = Finance Costs + Scheduled Principal Repayments of Long Term Borrowings including Lease payments]						
Return on Equity Ratio (%)		**6.31%**		**3.40%**	85.35%	Variation is mainly due to increase in profitability and issue of share warrants during the current year.
(Net profit after tax/ Shareholders equity)						
Net profit after tax	150.70		76.97			
Average Shareholders equity	2,388.13		2,260.75			
Inventory Turnover Ratio (in no. of days)		**84.40**		**65.66**	28.55%	Variation is mainly due to decrease in consumption during the current year.
(COGS / Average Inventory)						
COGS	2,290.33		2,834.01			
Average Inventory	529.59		509.78			

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

54 Ratios (Contd.)

Particulars	March 31, 2026		March 31, 2025		Change %	Remarks
Trade receivables turnover ratio (in no. of days)		**74.98**		**58.59**	**27.97%**	Variation is mainly due to decrease in revenue during the current year.
(Revenue from Operations / Average Trade Receivables)						
Revenue from Operations	3,143.58		3,747.38			
Average Trade Receivables	645.75		601.55			

Particulars	March 31, 2026		March 31, 2025		Change %	Remarks
Trade payables turnover ratio (in no. of days)		**46.30**		**30.95**	49.62%	Variation is mainly due to decrease in purchases and increase in trade payables during the current year.
(Purchase / Average Trade Payables)						
Purchase	2,712.76		3,224.15			
[Purchase = Purchase of Raw Materials + Purchase of Stores and Spares + Other Expenses]						
Average Trade Payables	344.11		273.35			

Particulars	March 31, 2026		March 31, 2025		Change %	Remarks
Net capital turnover ratio (in no. of days)		**101.00**		**79.32**	27.33%	Variation is mainly due to decrease in revenue and increase in current assets and decrease in current liabilities during the current year.
(Revenue from Operations / Working Capital)						
Revenue from Operations	3,143.58		3,747.38			
Working Capital	869.88		814.39			
[Working Capital = Current Assets - Current Liabilities]						

Particulars	March 31, 2026		March 31, 2025		Change %	Remarks
Net profit ratio (%)		**4.79%**		**2.05%**	133.40%	Variation is due to increase in profitability and decrease in revenue during the current year.
(Profit After Tax / Revenue from Operations)						
Profit After Tax	150.70		76.97			
Revenue from Operations	3,143.58		3,747.38			

Particulars	March 31, 2026		March 31, 2025		Change %	Remarks
Return on capital employed (%)		**9.68%**		**6.57%**	47.49%	Variation is mainly due to increase in profitability and increase in capital employed due to issue of share warrants, with later experiencing a larger rise.
(EBIT/Capital Employed)						
EBIT	287.86		183.66			
[EBIT = Profit before taxes + Finance Costs]						
Capital Employed	2,972.90		2,797.51			
[Capital Employed = Total Equity + Non Current Borrowings + Current Borrowings - Deferred Tax Liability]						

TITAGARH RAIL SYSTEMS LIMITED

Notes to Standalone Financial Statements as at and for the year ended March 31, 2026 (Contd.)

54 Ratios (Contd.)

Particulars	March 31, 2026		March 31, 2025		Change %	Remarks
Return on Investment (%)		**7.43%**		**5.30%**	40.20%	Variation is mainly due to increase in profitability during the current year.
(EBIT / Average Total Assets)						
EBIT	287.86		183.66			
[EBIT = Profit before Taxes + Finance Costs]						
Average Assets	**3,876.70**		**3,467.65**			

Previous year ratios have been recomputed based on restated numbers.

55 The standalone financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors in their meeting which commenced on May 30, 2026 and got concluded on May 31, 2026.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Date: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership No. 069367
Place: Kolkata
Date: May 31, 2026

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Date: May 31, 2026

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Date: May 31, 2026

Atul Ravishanker Joshi
Independent Director
DIN: 03557435
Place: Mumbai
Date: May 31, 2026

Anil Kumar Agarwal
Deputy Managing Director
DIN: 01501767
Place: Kolkata
Date: May 31, 2026

Saurav Singhania
Chief Financial Officer
Place: Kolkata
Date: May 31, 2026

Aditya Purohit
Company Secretary
Place: Kolkata
Date: May 31, 2026

Independent Auditor's Report

To the Members of Titagarh Rail Systems Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have jointly audited the accompanying consolidated financial statements of Titagarh Rail Systems Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company, its trust and its subsidiaries together referred to as "the Group"), its associate companyand joint ventures (refer Note 1 to the consolidated financial statements), 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 Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate company and joint ventures as at March 31, 2026, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our joint audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associate company and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 33 to the consolidated financial statements regarding the restatement of prior period comparative financial information by correcting certain prior period errors in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" as more fully described in the aforesaid Note.

   Our opinion is not modified in respect of this matter.

Key Audit Matters

5. 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.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition - appropriateness of estimation of contract cost and contract revenue. (Refer to Note 2.5(e) and 2.6(i) – "Revenue Recognition", Refer Note 2.4(a) – "Critical Estimates and Judgements – Accounting for revenue from contracts wherein Group satisfies performance obligation and recognises revenue over time" and Note 24 – "Revenue from operations") In respect of certain contracts with customers, the Holding Company recognises revenue over a period of time in accordance with its accounting policy. Revenue from these contracts is measured based on the stage of completion, determined primarily with reference to the proportion of contract costs incurred to date relative to the estimated total contract costs. This involves exercise of significant judgement by the management in making forecasts of future cost to complete the contract considering future activities to be carried out in the contract, and the related assumptions and also determining total contract revenue including variation claims and liquidated damages. This has been considered as a key audit matter in view of the significant management judgements and complexities involved in determining future costs to complete the contracts and total contract revenue.	Our audit procedures included the following in respect of the Holding Company: ● Obtained an understanding, evaluated the design, and tested the operating effectiveness of key controls around determination of contract revenue and estimation of future costs to complete the contracts. ● Inquired with the management the status of the contracts, the basis for estimates of cost to complete the contracts and other factors such as consideration of any specific identified risks. ● Verified on a sample basis the contract revenue with the underlying contracts and other relevant terms and conditions as appropriate. ● Tested on a sample basis the actual costs incurred during the year with supporting documents. ● Tested on a sample basis the future cost to complete the contracts with orders placed with vendors, and other relevant supporting documents, as appropriate. ● Recomputed the percentage of completion based on the total budgeted contract cost and the total actual cost incurred and the revenue recognized based on the percentage of completion. ● Evaluated the adequacy of the disclosures made in the consolidated financial statements.

Other Information

6. The Holding 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 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, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate company and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate company and joint ventures are responsible for maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate company and joint ventures, 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate company and joint ventures are responsible for assessing the ability of the respective companies 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 intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies included in the Group and of its associate company and joint ventures are responsible for overseeing the financial reporting process of the respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. 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.

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 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 control 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 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 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 and its associate company and joint ventures 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 and its associate company and joint ventures 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 and its associate company and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities 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 control that we identify during our audit.

13. 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.

14. 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.

Other Matter

15. The financial information of two subsidiaries (including one subsidiary prepared on liquidation basis, refer Note 34 on the consolidated financial results), reflect total assets of INR 198.97 crores and net assets of INR 123.62 crores as at March 31, 2026, total revenue of INR 16.89 crores, total comprehensive income (comprising of loss and other comprehensive income) of INR 3.44 crores and net cash flows amounting to INR 3.03 crores for the year ended on that date, has been considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of INR 17.09 crores for the year ended March 31, 2026 as considered in the consolidated financial statements, in respect of two joint ventures, whose financial statements have not been audited by us. The financial statements/ financial information of these subsidiaries and joint ventures have been audited by other auditors whose reports have been furnished to us by the other auditors, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and joint ventures, is based on the reports of the other auditors and the procedures performed by us.

16. We did not audit the financial information of one subsidiary and one trust whose financial information reflect total assets of INR 2.95 crores and net assets of INR 2.45 crores as at March 31, 2026, total revenue of INR 8.02 crores, total comprehensive income (comprising of loss and other comprehensive income) of INR 0.46 crores and net cash flows amounting to INR 0.87 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of INR Nil and INR Nil for the year ended March 31, 2026 as considered in the consolidated financial statements, in respect of one associate company and one joint venture respectively, whose financial information have not been audited by us. The financial information of this subsidiary, trust, associate company and joint venture are unaudited and have been furnished to us by the management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary, trust, associate company and joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on

Other Information insofar as it relates to the aforesaid subsidiary, trust, associate company and joint venture, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors and the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure B**, a statement on the matters specified in paragraph 3(xxi) of CARO 2020.

18. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and joint ventures incorporated in India whose audit under Section 143 of the Act has been completed, none of the directors of the Group companies and its joint ventures 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) With respect to the maintenance of accounts and other matters connected there with, reference is made to our remarks in paragraph 18(b) above and paragraph 18(h)(vi) below.

    (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in **Annexure A**.

    (h) 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, if any, of pending litigations on the consolidated financial position of the Group, its associate company and its joint ventures– Refer Note 18 and Note 40 to the consolidated financial statements.

        ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2026 – Refer Note 8 and Note 18 to the consolidated financial statements in respect of such items as it relates to the Group, its associate company and joint ventures.

        iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company. Further, in respect of its subsidiary and joint ventures incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2026.

        iv. (a) The respective managements of the Holding Company and its subsidiary and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in Note 49(vi)(A) to the consolidated financial statements, 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 Holding Company or any of such subsidiary and joint ventures 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, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (b) The respective managements of the Holding Company and its subsidiary and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and joint ventures respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 49(vi)(B) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary and joint ventures shall, whether 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, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

        v. The dividend declared and paid by the Holding Company during the year in respect of the prior year ended March 31, 2025 is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividend until the date of this audit report. The subsidiary and joint ventures incorporated in India have not declared or paid any dividend during the year. As stated in Note 45(b) to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting, and is in accordance with Section 123 of the Act, to the extent applicable.

        vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiary and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company, subsidiary and joint ventures have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software except that in respect of Holding Company and subsidiary, for one accounting software, the audit log of modification does not contain the pre-modified values at the database level.During the course of performing our procedures, in respect of the accounting software where the audit trail feature was enabled and operated during the year, we and the auditors of the subsidiary and joint venture, did not notice any instance of the audit trail feature being tampered with. Further, the audit trail, to the extent maintained in prior year has been preserved by the Group and a joint venture as per the statutory requirements for record retention. In respect of another joint venture, as reported by the other auditor, audit trail has not been preserved by the joint venture as per the statutory requirements for record retention.

19. The Holding Company and its subsidiary company have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Further, the joint ventures of the Holding Company have not paid any remuneration to its directors during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the joint ventures of the Holding Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E / E-300009

Pramit Agrawal
Partner
Membership Number: 099903

UDIN:26099903IQWKNI6423
Place: Kolkata
Date: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership Number: 069367

UDIN: 26069367JZNQGW1980
Place: Kolkata
Date: May 31, 2026

Annexure A to Independent Auditor's Report

Referred to in paragraph 18(g)of the Independent Auditor's Report of even date to the members of Titagarh Rail Systems Limited on the consolidated financial statements as of and for the year ended March 31, 2026

Report on the Internal Financial Controls with reference to Consolidated Financial Statementsunder clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to financial statements of Titagarh Rail Systems Limited (hereinafter referred to as "the Holding Company")and its subsidiary and two joint ventures, which are companies incorporated in India, as of that date.Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one subsidiary and one joint venture incorporated in India namely Titagarh Firema Engineering Services Private Limited and Titagarh Mermec Private Limited respectively, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary and joint ventures, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated inIndia, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("the Guidance Note") 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent applicable toan audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 financial statements was established and maintained andif such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness.Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation offinancial statements for external purposes in accordance with generally accepted accounting principles. A company's

internal financial control with reference to 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 financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, includingthe 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. According to the information and explanations given to us and based on our audit, in respect of the Holding Company, material weaknesses have been identified in the operating effectiveness of the Holding Company's internal financial controls with respect to review of impairment assessment of investments in an associate and a joint venture, assessment of loss allowance on loan given to a joint venture and provision towards collateral given against loan taken by an associate, in accordance with the relevant Indian Accounting Standards. The said controls are quarterly controls and did not operate for a sufficient period of time but they operated as at March 31, 2026.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group's annual financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

10. In our opinion, except for the effects of the material weaknesses described in the Basis for Qualified Opinion paragraph above on achievement of the objectives of the control criteria,the Holding Company, its subsidiary and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Group, its associate company and joint ventures for the year ended March 31, 2026, and the material weaknesses does not affect our opinion on the consolidated financial statements of the Group, its associate company and joint ventures.

Other Matter

12. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary and two joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E / E-300009

Pramit Agrawal
Partner
Membership Number: 099903
UDIN:26099903TMEGOH5659
Place: Kolkata
Date: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership Number: 069367
UDIN: 26069367JZNQGW1980
Place: Kolkata
Date: May 31, 2026

Annexure B to Independent Auditors' Report

Referred to in paragraph 17 of the Independent Auditors' Report of even date to the members of Titagarh Rail Systems Limited on the Consolidated Financial Statements as of and for the period ended March 31, 2026

We report that the following qualifications or adverse remarks were included in the CARO 2020 reports issued by us in respect of the standalone financial statements of the Holding Company and by the other auditors in their CARO 2020 reports on the financial statements of the respective companies included in the Consolidated Financial Statements.

Sl. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1.	Titagarh Rail Systems Limited	L27320WB1997PLC084819	Holding Company	May31, 2026	(i)(c), (iii)(b), (iii)(c) and (iii)(d).
2.	Titagarh Naval Systems Limited	U30110WB2024PLC274908	Subsidiary	May 30, 2026	(i)(c) and (xvii).
3.	Ramkrishna Titagarh Rail Wheels Limited	U25910WB2023PLC262716	Joint Venture	April 30, 2026	(xvii).
4.	Shivaliks Mercantile Limited	U30200WB1997PLC082919	Joint Venture	May 29, 2026	(iii)(a), (xvii) and (xix).

The statutory audit report of the following subsidiary and joint venturehas not been issued until the date of this report. Accordingly, qualifications or adverse remarks, if any, have not been included under this clause.

Sl. No.	Name of the Company	CIN	Relationship with the Company
1.	Titagarh Firema Engineering Services Private Limited	U30204TS2023FTC177212	Subsidiary
2.	TitagarhMermec Private Limited	U29309WB2018PTC227080	Joint Venture

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E / E-300009

Pramit Agrawal
Partner
Membership Number: 099903
UDIN:26099903TMEGOH5659
Place: Kolkata
Date: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership Number: 069367
UDIN: 26069367JZNQGW1980
Place: Kolkata
Date: May 31, 2026

TITAGARH RAIL SYSTEMS LIMITED

Consolidated Balance Sheet as at March 31, 2026

Particulars	Notes	As at March 31, 2026 Rs. In Crores	As at March 31, 2025 (Restated) (Refer Note 33) Rs. In Crores
I. ASSETS			
Non-Current Assets			
a) Property, Plant and Equipment	4.1	1,105.69	830.82
b) Right-of-use Assets	4.6	83.77	83.35
c) Capital Work-in-progress	4.4	71.57	39.61
d) Investment Properties	4.3	3.19	8.21
e) Intangible Assets (Other than Goodwill)	4.2	80.87	69.42
f) Intangible Assets under Development	4.5	120.12	82.37
g) Equity Accounted Investments	5.2	224.52	172.24
h) Financial Assets			
i) Investments	5.1	54.58	52.38
ii) Other Financial Assets	8	24.96	80.22
i) Deferred tax assets (Net)	20	34.74	26.76
j) Contract Assets	10	0.35	3.41
k) Non-current Tax Asset (Net)	9	28.76	24.58
l) Other Non-Current Assets	11	22.16	60.20
Total Non-Current Assets		**1,855.28**	**1,533.57**
Current Assets			
a) Inventories	12	588.16	523.33
b) Financial Assets			
i) Trade Receivables	6	629.75	670.85
ii) Cash and Cash Equivalents	13.1	161.86	25.27
iii) Bank Balances other than (ii) above	13.2	155.33	442.13
iv) Loans	7	-	-
v) Other Financial Assets	8	164.10	142.46
c) Contract Assets	10	341.13	205.02
d) Other Current Assets	11	142.37	170.12
Total Current Assets		**2,182.70**	**2,179.18**
Assets held for sale	35	1.17	-
TOTAL - ASSETS		**4,039.15**	**3,712.75**
II. EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	14	26.93	26.93
b) Other Equity	15	2,428 .83	2,267.72
Total Equity Attributable to Owners of Titagarh Rail Systems Limited		**2,455.76**	**2,294.65**
c) Non-controlling Interest	3 (b)	1.02	1.18
Total Equity		**2,456.78**	**2,295.83**
LIABILITIES			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	169.95	24.93
ii) Lease Liabilities	4.6	90.32	89.47
iii) Other Financial Liabilities	17	4.24	3.43
b) Contract Liabilities	22	104.64	37.46
c) Provisions	18	8.69	6.49
Total Non-Current Liabilities		**377.84**	**161.78**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	351.91	504.41
ii) Lease Liabilities	4.6	10.94	8.20
iii) Trade Payables	21		
a) Total Outstanding dues of Micro Enterprises and Small Enterprises		69.12	43.34
b) Total Outstanding dues of Creditors Other Than Micro Enterprises and Small Enterprises		260.86	191.67
iv) Other Financial Liabilities	17	41.94	36.80
b) Contract Liabilities	22	240.79	274.07
c) Other Current Liabilities	23	14.25	6.99
d) Provisions	18	193.37	182.31
e) Current Tax Liabilities (Net)	19	21.35	7.35
Total Current Liabilities		**1,204.53**	**1,255.14**
TOTAL - LIABILITIES		**1,582.37**	**1,416.92**
TOTAL - EQUITY AND LIABILITIES		**4,039.15**	**3,712.75**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.
This is the Consolidated Balance Sheet referred to in our Report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Dated: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership No. 069367
Place: Kolkata
Dated: May 31, 2026

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated: May 31, 2026

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Dated: May 31, 2026

Atul Ravishanker Joshi
Independent Director
DIN: 03557435
Place: Mumbai
Dated: May 31, 2026

Anil Kumar Agarwal
Deputy Managing Director
DIN: 01501767
Place: Kolkata
Dated: May 31, 2026

Saurav Singhania
Chief Financial Officer
Place: Kolkata
Dated: May 31, 2026

Aditya Purohit
Company Secretary
Place: Kolkata
Dated: May 31, 2026

TITAGARH RAIL SYSTEMS LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31, 2026

Particulars	Notes	For the year ended March 31, 2026 Rs. In Crores	For the year ended March 31, 2025 (Restated) (Refer Note 33) Rs. In Crores
Income			
Revenue from Operations	24	3,185.82	3,867.75
Other Income	25	48.44	75.35
Total Income		**3,234.26**	**3,943.10**
Expenses			
Cost of Raw Materials and Components Consumed	26	2,348.91	2,964.91
Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	27	(27.88)	(36.06)
Employee Benefits Expense	28	110.31	86.89
Finance Costs	29	70.77	73.15
Depreciation and Amortisation Expense	30	51.07	29.58
Other Expenses	31	406.48	418.97
Total Expenses		**2,959.66**	**3,537.44**
Profit before Share of Net Profit/ (Loss) of Joint Ventures and Associate, Exceptional Items and Tax		**274.60**	**405.66**
Share of Profit/ (Loss) of Joint Ventures and Associate accounted for using Equity Method	3(c)	(17.15)	(98.50)
Profit before Exceptional Items and Tax		**257.45**	**307.16**
Exceptional items	33	64.78	157.52
Profit before Tax from continuing operations		**192.67**	**149.64**
Tax Expense	32		
Current Tax (including earlier years)		79.37	99.63
Deferred Tax Charge / (Credit)		(8.25)	(36.74)
Total Tax Expense		**71.12**	**62.89**
Profit for the Year After Tax from continuing operations		**121.55**	**86.75**
Discontinued operations	34		
Profit/(Loss) from discontinued operations before tax		1.27	(0.14)
Tax expense/ (credit) of discontinued operations		-	-
Profit/(Loss) for the Year after Tax from discontinued operations		**1.27**	**(0.14)**
Profit for the year after Tax		**122.82**	**86.61**
Attributable to:			
Owners of Titagarh Rail Systems Limited		122.98	88.08
Non-controlling Interest		(0.16)	(1.47)
Other Comprehensive Income			
Item that will be Reclassified to Profit or Loss in Subsequent Periods:			
Exchange differences on Translation of on Foreign Operations		(0.72)	0.15
Tax on above		-	-
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement gain / (losses) on defined benefit plans		1.09	(1.96)
Share of other comprehensive income of investments accounted for using the equity method		0.06	-
Tax on above		(0.27)	0.49
Total Other Comprehensive Income for the Year (Net of Tax)		**0.16**	**(1.32)**
Other comprehensive income is attributable to:			
Owners of Titagarh Rail Systems Limited		0.16	(1.32)
Non-controlling Interest		-	-
Other comprehensive income arising from:			
Continuing operations		0.88	(1.47)
Discontinued operations		(0.72)	0.15
Total Comprehensive Income for the Year		**122.98**	**85.29**
Total comprehensive income is attributable to:			
Owners of Titagarh Rail Systems Limited		123.14	86.76
Non-controlling Interest		(0.16)	(1.47)
Total comprehensive income arising from:			
Continuing operations		122.43	85.28
Discontinued operations		0.55	0.01
Earnings/loss per Equity Share [Nominal Value of Share Rs. 2/- (March 31, 2025: Rs 2/-)]	36		
For continuing operations			
Basic (In Rs.)		9.03	6.44
Diluted (in Rs.)		9.02	6.43
For discontinued operations			
Basic (In Rs.)		0.09	(0.01)
Diluted (in Rs.)		0.09	(0.01)
For continuing and discontinued operations			
Basic (In Rs.)		9.12	6.43
Diluted (In Rs.)		9.11	6.42

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Dated: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership No. 069367
Place: Kolkata
Dated: May 31, 2026

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated: May 31, 2026

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Dated: May 31, 2026

Atul Ravishanker Joshi
Independent Director
DIN: 03557435
Place: Mumbai
Dated: May 31, 2026

Anil Kumar Agarwal
Deputy Managing Director
DIN: 01501767
Place: Kolkata
Dated: May 31, 2026

Saurav Singhania
Chief Financial Officer
Place: Kolkata
Dated: May 31, 2026

Aditya Purohit
Company Secretary
Place: Kolkata
Dated: May 31, 2026

TITAGARH RAIL SYSTEMS LIMITED

Consolidated Statement of Cash Flows for the year ended March 31, 2026

	Particulars	For the year ended March 31, 2026 Rs. In Crores	For the year ended March 31, 2025 (Restated) (Refer Note 33) Rs. In Crores
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before Tax from:		
	Continuing Operations	192.67	149.64
	Discontinued Operations	1.27	(0.14)
	Profit before Tax	193.94	149.50
	Adjustments for:		
	Depreciation and Amortisation Expense	51.07	29.58
	Finance Costs	70.77	73.15
	Provision for Doubtful Debts and Advances	22.82	11.33
	Guarantee Commission Income	(2.52)	(0.85)
	Provision for Onerous Contract	2.25	8.11
	Unrealised Foreign Exchange Fluctuations (Gain)/ Loss (net)	2.02	(2.26)
	Net gain on Disposal property, Plant and Equipment	(0.49)	(0.23)
	Loss on sale of investment property	4.60	-
	Fair value gain on investment - FVTPL	(2.22)	(15.38)
	Unspent Liabilities / Provisions No Longer Required Written Back	(1.07)	-
	Interest Income	(34.02)	(51.54)
	Interest unwinding in respect of security deposit for leases	(0.38)	(0.33)
	Employee Stock Option Expenses	1.44	0.22
	Exceptional Items - Non Cash Portion	64.78	157.52
	Share of Loss of a Associate and Joint Ventures	17.15	98.50
	Operating Profit before Changes in Operating Assets and Liabilities	**390.14**	**457.32**
	Increase/(Decrease) in Trade Payables	94.63	(85.97)
	(Decrease) in Contract Liabilities	(29.50)	(126.83)
	Increase/(Decrease) in Other Non-current and Current Financial and Non-financial Liabilities and Provisions	146.23	(0.83)
	(Increase)/ Decrease in Trade Receivables	27.98	(139.71)
	(Increase)/Decrease in Inventories	(64.84)	0.40
	Increase in Contract Assets	(148.95)	(106.39)
	Decrease in Other Non-current and Current Financial and Non-financial Assets	(23.74)	0.39
	Cash Generated From/ (Used) in Operations	**391.95**	**(1.62)**
	Income Taxes Paid (Net of Refunds)	(69.52)	(95.78)
	Net Cash Generated from / (used in) Operating Activities	**322.43**	**(97.40)**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress	(312.93)	(219.53)
	Payments for Acquisition of Intangible Assets and Intangible Assets under development	(55.94)	(16.49)
	Proceeds from Disposal of Property, Plant and Equipment	1.03	5.91
	Proceeds from Sale of Investment Property	0.71	-
	Addition to investment property	(1.47)	-
	Investments in Joint Ventures	(66.15)	(107.80)
	Loan given to Joint Venture	(58.01)	-
	Fixed Deposits Made	(386.01)	(1,106.58)
	Fixed Deposits Matured	692.77	836.05
	Interest Received	52.56	29.63
	Net Cash used in Investing Activities	**(133.44)**	**(578.81)**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from issue of Share warrants	50.00	-
	Repayment of Long-term Borrowings	(37.50)	(12.51)
	Proceeds from Long-term Borrowings	169.95	-
	Principal Payment of Lease Liabilities	(12.91)	(12.80)
	Interest Payment of Lease Liabilities	(5.19)	(2.77)
	Short-term Borrowings - Receipts/(Payments) (net)	(141.88)	474.86
	Finance Costs Paid	(60.70)	(63.66)
	Dividend paid	(13.45)	(10.77)
	Net Cash From / (Used in) Financing Activities	**(51.68)**	**372.35**
D.	**EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS**	**(0.72)**	**0.15**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)	136.59	(303.71)
	Cash and Cash Equivalents - Opening Balance (Refer Note 13.1)	25.27	328.98
	Cash and Cash Equivalents - Closing Balance (Refer Note 13.1)	**161.86**	**25.27**
E.	**THE ABOVE CASH FLOW INCLUDES FOLLOWING RELATED TO DISCONTINUED OPERATION**		
	Net Cash Used in Operating Activities	1.36	4.42
	Net Cash Used in Investing Activities	-	-
	Net Cash Generated from Financing Activities	-	-
		1.36	**4.42**

(a) The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
(b) Refer Note 46 for Debt Reconciliation.
(c) The above cash flow excludes Rs 2.52 crores in respect to the Gurantee Commission relating to investment in joint venture which is is in the nature of non cash expense.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.
This is the Consolidated Statement of Cash Flows referred to in our Report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Dated: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership No. 069367
Place: Kolkata
Dated: May 31, 2026

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated: May 31, 2026

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Dated: May 31, 2026

Atul Ravishanker Joshi
Independent Director
DIN: 03557435
Place: Mumbai
Dated: May 31, 2026

Anil Kumar Agarwal
Deputy Managing Director
DIN: 01501767
Place: Kolkata
Dated: May 31, 2026

Saurav Singhania
Chief Financial Officer
Place: Kolkata
Dated: May 31, 2026

Aditya Purohit
Company Secretary
Place: Kolkata
Dated: May 31, 2026

TITAGARH RAIL SYSTEMS LIMITED

Consolidated Statement of Changes in Equity for the year ended March 31, 2026

A) Equity Share Capital (Refer Note 14)

(Rs. in Crores)

Particulars	Number in Crores	Amount
Balance as at March 31, 2024	**13.47**	**26.93**
Changes in Equity Share Capital	-	-
Balance as at March 31, 2025	**13.47**	**26.93**
Changes in Equity Share Capital	-	-
Balance as at March 31, 2026	**13.47**	**26.93**

B) Other Equity

(Rs. in Crores)

Particulars	Other Equity (Refer Note 15)								Total Other Equity	Non-controlling Interests (Refer note 3(b)	Total
	Securities Premium Account	General Reserve	Capital Reserve	Employee Stock Options (ESOPs) Outstanding	Retained Earnings	Foreign Currency Translation Reserve	Hedge Reserve Account	Money received against share warrants			
Balance as at April 1, 2024	**1,382.30**	**54.12**	**74.43**	**-**	**671.49**	**9.17**	**(0.11)**	**-**	**2,191.40**	**-**	**2,191.40**
Conversion of joint venture to subsidiary	-	-	-	-	-	-	-	-	-	2.65	2.65
Profit for the year (Restated, refer note 33)	-	-	-	-	88.08	-	-	-	88.08	(1.47)	86.61
Reclassified to profit and loss and included in profit for the year	-	-	-	-	-	-	0.11	-	0.11	-	0.11
Other Comprehensive Income (Net of Tax) -Remeasurement Gains/(Losses) on Defined Benefit Plans & Exchange Difference	-	-	-	-	(1.47)	0.15	-	-	(1.32)	-	(1.32)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**86.61**	**0.15**	**0.11**	**-**	**86.87**	**1.18**	**88.05**
Recognition of Share Based Payments	-	-	-	0.22	-	-	-	-	0.22	-	0.22
Dividend paid	-	-	-	-	(10.77)	-	-	-	(10.77)	-	(10.77)
Balance as at March 31, 2025 (Restated, refer Note 33)	**1,382.30**	**54.12**	**74.43**	**0.22**	**747.33**	**9.32**	**-**	**-**	**2,267.72**	**1.18**	**2,268.90**
Profit for the Year	-	-	-	-	122.98	-	-	-	122.98	(0.16)	122.82
Reclassified to profit and loss and included in profit for the year	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income (Net of Tax) -Remeasurement Gains/(Losses) on Defined Benefit Plans & Exchange Difference and Share of other comprehensive income of investments accounted for using the equity method	-	-	-	-	0.88	(0.72)	-	-	0.16	-	0.16
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**123.86**	**(0.72)**	**-**	**-**	**123.14**	**(0.16)**	**122.98**
Recognition of Share Based Payment	-	-	-	1.44	-	-	-	-	1.44	-	1.44
Dividend paid	-	-	-	-	(13.47)	-	-	-	(13.47)	-	(13.47)
Money received against share warrants	-	-	-	-	-	-	-	50.00	50.00	-	50.00
Balance as at March 31, 2026	**1,382.30**	**54.12**	**74.43**	**1.66**	**857.72**	**8.60**	**-**	**50.00**	**2,428.83**	**1.02**	**2,429.85**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.
This is the Consolidated Statement of Changes in Equity referred to in our Report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E / E-300009

Pramit Agrawal
Partner
Membership No. 099903
Place: Kolkata
Dated: May 31, 2026

For Salarpuria & Partners
Firm Registration Number: 302113E
Chartered Accountants

Sarvesh Kumar Singh
Partner
Membership No. 069367
Place: Kolkata
Dated: May 31, 2026

For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited

J P Chowdhary
Executive Chairman
DIN: 00313685
Place: Kolkata
Dated: May 31, 2026

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652
Place: Kolkata
Dated: May 31, 2026

Atul Ravishanker Joshi
Independent Director
DIN: 03557435
Place: Mumbai
Dated: May 31, 2026

Anil Kumar Agarwal
Deputy Managing Director
DIN: 01501767
Place: Kolkata
Dated: May 31, 2026

Saurav Singhania
Chief Financial Officer
Place: Kolkata
Dated: May 31, 2026

Aditya Purohit
Company Secretary
Place: Kolkata
Dated: May 31, 2026

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026

1 Group Background

Titagarh Rail Systems Limited (the 'Parent Company') is a public limited company incorporated and domiciled in India. The registered office of the Parent Company is located at Poddar Point, 113 Park Street, 10th Floor, Kolkata – 700016 and its manufacturing facilities are located in West Bengal and Rajasthan. The equity shares of the Parent Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The Parent Company, its subsidiary (collectively referred to as 'the Group'), its associate and joint ventures are mainly engaged in the manufacturing and selling of Freight Wagons, Passenger Coaches, Metro Trains, Train Electricals, Steel Castings, Specialised Equipments & Bridges, Ships, etc. The Group caters to both domestic and export market.

The functional and presentation currency of the Group is Indian Rupee ("Rs.").

(a) The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiary company, its associate and joint ventures as detailed below.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2026	March 31, 2025	
Titagarh Singapore Pte. Limited (TSPL)*	Singapore	100%	100%	Special purpose vehicle for holding investments in the foreign subsidiaries, raising finance for the off shore business providing management services
Titagarh Wagons AFR (TWA) **	France	100%	100%	Engaged in manufacture of freight wagons
Titagarh Firema Engineering Services Private Limited (w.e.f. February 14, 2025) @	India	66%	66%	Engaged in the business of research, engineering and design related services to support passenger rail segment business
Titagarh Naval Systems Limited (w.e.f. August 11, 2025)	India	100%	NA	Engaged in the business of ship building and maritime systems.

* The Board of Directors of the Parent Company in their meeting have approved the liquidation of TSPL, a wholly owned subsidiary Company, considering that no operations are currently being carried on in the subsidiary. The process for winding up of the subsidiary in compliance with the local rules and regulations at Singapore has been initiated in earlier years. Accordingly, the financial statements of TSPL has been prepared on liquidation basis (realisable value) for the year ended March 31, 2026 and March 31, 2025.

**The Parent Company holds 100% equity in TWA together with TSPL. On June 4, 2019, the commercial court of Paris has approved the start of Rehabilitation Procedure and from said date, Parent company was no longer in control of TWA, under French Law and is not consolidated. The commercial Court of Paris vide its judgement dated August 13, 2019 has approved a plan for transfer of business and assets of TWA to another bidder an ordered for liquidation of TWA. Currently TWA is under Liquidation.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

@ During the previous year, the Parent Company had subscribed to the rights issue of equity shares by (TFESPL), a Joint Venture amounting to Rs 2.00 crores and had also amended the Joint Venture Agreement (JVA) as a result of which TFESPL had become a subsidiary of the Company w.e.f. February 14, 2025.

Name of the Associate	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2026	March 31, 2025	
Titagarh Firema S.p.A (TFA)	Italy	25.43%	25.43%	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.

Name of the Joint Venture	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2026	March 31, 2025	
Titagarh Mermec Private Limited	India	50.00%	50.00%	Engaged in development and manufacture of cost effective diagnostic solutions for signalling and safety
Ramkrishna Titagarh Rail Wheels Limited *	India	49.00%	49.00%	Engaged in manufacturing and supply of forged wheels
Titagarh Firema Engineering Services Private Limited (up to February 13, 2025) @	India	-	-	Engaged in the business of research, engineering and design related services to support passenger rail segment business
Shivaliks Mercantile Private Limited*	India	44.63%	44.63%	A special purpose vehicle company for making fresh investments into Titagarh Firema SPA and to carry on the business of railway components and subsystems for Rolling Stock

* Considering the terms of arrangement of these investments like unanimous consent of both Shareholders or there nominee directors for certain decisions including distribution of dividend, appointment and removal of Key managerial persons etc, the Parent Company has assessed that it has joint control over these entities and hence these are considered as joint venture in terms of IND AS-28.

(b) Refer Note 3 for further details of interest in other entities.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

The consolidated financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments)
- assets held for sale-measured at fair value less cost to sell
- Defined benefits plan- plan assets measured at fair value
- share based payments

(iii) Current versus Non-current Classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

2.2 New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated May 07, 2025 and August 13, 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 01, 2025:

(i) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the group changed its accounting policy for the classification of borrowings: "Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification." This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

(ii) Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

As a result of the adoption of the amendments to Ind AS 7 and Ind AS 107, the Group provided new disclosures for liabilities under supplier finance arrangements in note 16.

(iii) International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12

The group is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdictions in which the Group operates.

(iv) Lack of Exchangeability – Amendments to Ind AS 21

The amended Ind AS 21 have added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1 -This amendment also includes specific provisions that will take effect for reporting periods beginning on or after April 01, 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8.

The Group does not expect this amendment to have an impact on its operations or financial statements.

2.4 Critical Estimates and Judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

a) Accounting for revenue from contracts wherein Group satisfies performance obligation and recognises revenue over time- Notes 2.5(e) and 24

For contracts wherein performance obligation are satisfied over time, a group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation, in order to depict Group Entity's performance in transferring control of goods or services promised to a customer. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed. This involves determination of margin to be recognised on the contract, which are dependent on the total costs to complete contracts, that is, the cost incurred till date and estimation of future cost to complete the contract and price variations etc. This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the contract, and the related assumptions etc. Experience, reduces but does not eliminate the risk that estimates may change significantly.

b) Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.6(k) and 37

Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

c) Estimation of Expected Useful Lives of Property, Plant and Equipment, Right of use Assets and Intangible Assets— Notes 2.5(a), 2.5(b), 4.1, 4.2 and 4.6

Management reviews its estimate of the useful lives of property, plant and equipment, Right of use assets and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment, right of use assets and intangible assets.

d) Litigations, Claims and Contingencies — Notes 2.6(n), 2.6(o) and 40

Legal proceedings covering a range of matters are

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Group consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

e) Valuation of Deferred Tax Assets — Notes 2.6(l) and 20

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

f) Warranties — Notes 2.6(n) and 18.1

The Group's product warranty obligations and estimations thereof are determined using historical information of claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.

Changes in estimated frequency and amount of future warranty claims can materially affect warranty expenses.

g) Fair Value Measurements — Notes 2.6(e)(vii) and 43

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

2.5 Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of the Financial Statements and have been consistenly applied to all periods presented unless otherwise indicated.

(a) Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation Method, Estimated Useful Lives and Residual Values

Depreciation is calculated on pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual value, over their estimated useful lives. The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to Companies Act 2013 in respect of factory buildings / other buildings , plant and equipment and railway sidings, in order to reflect the actual usage of assets. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

The useful lives of the property, plant and equipment as estimated by the management are as follows:

Particulars	Useful Life
Factory Buildings / Other Buildings	30 / 35 / 60 / 65 years
Plant and Equipments	15 / 20 / 30 years
Railway Sidings	15 / 30 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	8 years
Vehicles	8 years

Leasehold land is amortised on straight - line basis over the primary lease period of 99 years or its estimated useful life, whichever is shorter. Leasehold improvement are amortised on straight - line basis

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

over the primary lease period (ranging from 2 to 10 years) or their estimated useful lives, whichever is shorter.

(b) Intangible Assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Computer Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of computer software includes license fees and cost of implementation/system integration services, where applicable.

Designs

Designs represents cost incurred towards development of aluminium and stainless steel car body for passenger rail segment, traction converters and electric multiple unit propulsions.

Licenses

Licenses represents cost incurred towards registration as a Wagon Leasing Company (WLC) under Wagon Leasing Scheme (WLS) of Indian Railways.

Amortisation Method and Period

Intangible assets are amortised on a pro-rata basis using the straight-line method over its estimated useful life as mentioned below. The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to Companies Act 2013. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Particulars	Useful Life
Designs	3/10 years
Licenses	35 years
Computer Software	5 years

(c) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost are assigned to individual items of inventory on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(d) Leases

As a Lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payment:-

a) Fixed payments (including in substance fixed payments) less any lease incentive receivable.

b) Variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date.

c) Amount expected to be paid by the Group as under residual value guarantees.

d) Exercise price of a purchase option if the Group is reasonably certain to exercise that option.

e) Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

To determine the incremental borrowing rate, the Group:

a) Where possible, use recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received.

b) Use a built up approach that starts with risk free interest rate adjusted for credit risk of leases held by the companies in the group, which does not have recent third party financing.

The incremental borrowing rate considered by the Group is in the range of 7 % - 8 %

Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following :-

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

i) the amount of the initial measurement of lease liability

ii) any lease payment made at or before the commencement date less any lease incentive received

iii) any initial direct cost and

iv) restoration costs.

Right of use of assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Payment associated with short-term leases of equipment and all the leases of low value assets are recognised on a straight line basis as an expense in the statement of profit and loss. Short term leases are leases with a lease term of less than 12 months.

(e) Revenue Recognition

Sale of Products

Revenue for sale of products mainly comprises of wagons/locomotive shells and related items, where revenue is recognised at a point in time, when control of the asset is transferred to the customer, which generally occurs on receipts of dispatch memo / inspection certificate from customer as per terms of contract. On receipt of same, the title of goods passes on to the customer basis the laid down criteria under the standard.

Revenue from sale of specialized products

Revenue from specialized products mainly consists of defence related products (i.e Bailey bridge, Shelters etc), Ship building, Metro Trains, Train Electricals, Mainline electric multiple unit and Electric multiple unit in respect of which revenue is recognised over a period of time as performance obligations are satisfied over time as per criteria laid down under the standard and specified above.

Sale of Services

Revenue from service contracts are recognised in the accounting period in which the services are rendered. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling price and revenue is recognised at point in time on fulfilment of respective performance obligation. In case, the service contracts include one performance obligation revenue is recognised based on the actual service provided to the end of the reporting period as proportion of the total services to be provided. This is determined based on the actual expenditure incurred to the total estimated cost.

Revenue from services rendered is recognised as the services are rendered and is booked based on agreement / arrangements with the concerned parties.

(f) Hedging activities

Cash flow hedges that qualify for hedge accounting

The effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, within other gains/ (losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, as follows:

If the cash flow hedge of a forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

(g) Share Based Payments

Share-based compensation benefits are provided to employees via the Titagarh Rail Systems Limited Employee Stock Option Scheme namely Titagarh Rail System Limited Employee Stock Option Scheme 2023. Employees receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Employee Stock Options Outstanding Account in equity, over the period in which the performance and/or service conditions are fulfilled, in Employee Benefit Expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Parent Company's best estimate of the number of equity instruments that will ultimately vest. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Parent Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(h) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised gains/ (losses) are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Changes in Ownership Interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(iii) Goodwill Arising on Consolidation

Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. An impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(iv) Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Associate

Interests in Associate are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Joint Venture

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(v) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2.6 Other Accounting Policies

(a) Property, Plant and Equipment

Cost of item of property, plant and equipment includes purchase price, taxes, non- refundable duties, freight and other costs that are directly attributable to bringing assets to their working condition for their intended use. Borrowing cost incurred during the period of construction is capitalised as a part of qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital Advances' under 'Other Non-current Assets' and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

(b) Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably.

(c) Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

(d) Inventories

Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of work-in-progress and finished goods comprises direct materials, direct labour

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Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost of raw materials and components consumed is a derived figure out of opening stock, closing stock and purchases including adjustment if any during the period.

(e) Investments (other than Investments in Associate and Joint Ventures) and Other Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Equity Instruments

The Group subsequently measures all equity investments (other than investments in joint venture and associate) at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Gain / (Losses)' in the Consolidated Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 44(II) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Modification of Financial Instruments

The Group if renegotiates or otherwise modifies the contractual cash flows of financial instrument, the Group assesses whether or not the new terms are substantially different to the original terms.

If the terms are substantially different, the original financial instrument is derecognised and recognizes a 'new' instrument at fair value and recalculates a new effective interest rate for the instrument. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the management recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

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Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

- the Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) Income Recognition

Interest Income

Interest income on financial assets at amortised cost is accrued on a time proportion basis using the effective interest rate method and is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

vii) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

(f) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(g) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Consolidated Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of liability for at least 12 months after the reporting period.

(h) Cash and Cash Equivalents

For the purpose of presentation in the Consolidated Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held with banks / financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Balance Sheet.

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(i) Revenue Recognition

The Group has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the financial statements. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.

Revenue is measured at transaction price (net of variable consideration, if any). The transaction price is the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government. Revenue also includes adjustments made towards liquidated damages, normal product warranty and price variations wherever applicable.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

In respect of contract wherein revenue is recognised over time, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose, total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc.

The outcome of a construction contract is considered as estimated reliably when (a) all approvals necessary for commencement of the project have been obtained; (b) the stage of completion of the project reaches reasonable level of development. The stage of completion is determined as a proportion that contract costs incurred for work performed up to the closing date bear to the estimated total costs of respective project. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc. For determining the expected cost to completion of the contracts, cost of steel, labour and other related items are considered at current market price based on fixed cost purchase orders placed or firm commitments received from suppliers / contractors as these purchase orders and future firm commitments are enforceable over the period of the contracts.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probably recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When contract costs incurred to date plus recognised profit less recognised losses exceed progress billing, the surplus is shown as unbilled revenue. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as liability as advance from customer. Amounts received before the related work is performed are included as a liability as advance from customer. Amounts billed for work performed but not yet paid by customer are included under trade receivables.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract

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assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract Liabilities are recognised when there is billing in excess of revenue and advance received from customers.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less. The Group adjusts the promised amount of consideration if the contract contains significant financing component.

(j) Foreign Currency Transactions and Translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(k) Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment Benefits

Defined Benefit Plans

The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Defined Contribution Plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long-term Employee Benefits

Long-term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, done at the end of each financial year. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iv) Termination Benefits

Termination benefits, in the nature of voluntary retirement benefits, are recognised as expense in the Statement of Profit and Loss if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be

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estimated reliably. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(l) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

(m) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with

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a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranties

Provisions for warranty related costs are recognised when the product is sold. Initial recognition is based on historical experience i.e. claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims. The initial estimate of warranty related costs is revised annually.

Liquidated Damages

Liquidated damages on supply of materials are provided based on the contractual obligations, deduction made by the customers, as the case may be based on management's best estimate of the expenditure required to settle the obligations.

Litigations, Claims and Contingencies

The management estimates the provisions for pending litigations, claims and demands based on its assessment of probability for these demands crystallising against the Group in due course. Also refer Note 2.6(o).

Onerous Contract

Provision is recognised for the contract, where unavoidable cost of meeting the obligation under the contract exceeds the economic benefits expected to be received. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

(o) Contingencies

A disclosure for contingent liabilities is made 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 Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

(p) (i) Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

(ii) Derivative Instruments

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income' / 'Other Expenses'.

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Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

3. Interest in Other Entities

(a) Information required by Schedule III to the Act

Name of the entity	As at/ for the year ended March 31, 2026							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss after tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs in Crores)	As % of Consolidated Pofit or Loss	Amount (Rs in Crores)	As % of Consolidated Other Comprehensive Income	Amount (Rs in Crores)	As % of Consolidated Total Comprehensive Income	Amount (Rs in Crores)
Parent								
Titagarh Rail Systems Limited	101.07%	2,482.97	122.70%	150.70	637.50%	1.02	123.38%	151.72
Subsidiaries								
Foreign								
Titagarh Singapore Pte Limited	0.29%	7.21	-	-	-	-	-	-
Indian								
Titagarh Firema Engineering Services Private Limited	0.10%	2.45	-0.37%	(0.46)	0.00%	-	-0.37%	(0.46)
Titagarh Naval Systems Limited	4.74%	116.42	-2.52%	(3.09)	-125.00%	(0.20)	-2.68%	(3.29)
Non-controlling Interests in all Subsidiaries	0.04%	1.02	-0.13%	(0.16)	0.00%	-	-0.13%	(0.16)
Adjustment due to consolidation	-6.24%	(153.29)	-6.75%	(8.29)	-	-	-6.75%	(8.29)
Discontinued Operations	-	-	1.03%	1.27	-450.00%	(0.72)	0.45%	0.55
Joint Venture/ Associate (Investments as per the Equity Method)								
Indian								
Titagarh Mermec Private Limited	-	-	-	-	-	-	-	-
Ramkrishna Titagarh Rail Wheels Limited	-	-	-13.96%	(17.15)	37.50%	0.06	-13.90%	(17.09)
Titagarh Firema Engineering Services Private Limited (Up to February 13, 2025)	-	-	-	-	-	-	-	-
Shivaliks Mercantile Limited	-	-	-	-	-	-	-	-
TOTAL	**100.00%**	**2,456.78**	**100.00%**	**122.82**	**100.00%**	**0.16**	**100.00%**	**122.98**

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Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

3. Interest in Other Entities (Contd.)

(a) Information required by Schedule III to the Act (Contd.)

Name of the entity	As at/ for the year ended March 31, 2025							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss after tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs in Crores)	As % of Consolidated Pofit or Loss	Amount (Rs in Crores)	As % of Consolidated Other Comprehensive Income	Amount (Rs in Crores)	As % of Consolidated Total Comprehensive Income	Amount (Rs in Crores)
Parent								
Titagarh Rail Systems Limited (Restated, refer note 33)	99.89%	2,293.28	88.87%	76.97	111.29%	(1.47)	88.52%	75.50
Subsidiaries								
Foreign								
Titagarh Singapore Pte Limited	0.29%	6.65	-	-	-	-	-	-
Indian								
Titagarh Firema Engineering Services Private Limited (With effect from February 14, 2025)	0.13%	2.91	-3.30%	(2.86)	0.07%	(0.00)	-3.35%	(2.86)
Non-controlling Interests in all Subsidiaries	0.05%	1.18	-1.70%	(1.47)	-	-	-1.72%	(1.47)
Adjustment due to consolidation	-0.36%	(8.19)	16.96%	14.69	-	-	17.22%	14.69
Discontinued Operations	-	-	-0.16%	(0.14)	-11.36%	0.15	0.01%	0.01
Joint Venture/ Associate (Investments as per the Equity Method)								
Indian								
Titagarh Mermec Private Limited	-	-	-	-	-	-	-	-
Ramkrishna Titagarh Rail Wheels Limited	-	-	-1.22%	(1.06)	-	-	-1.24%	(1.06)
Titagarh Firema Engineering Services Private Limited (Up to February 13, 2025)	-	-	0.55%	0.48	-	-	0.56%	0.48
Shivaliks Mercantile Limited (Restated, refer note 3(c))	-	-	-	-	-	-	-	-
TOTAL	**100.00%**	**2,295.83**	**100.00%**	**86.61**	**100.00%**	**(1.32)**	**100.00%**	**85.29**

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Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

(b) Non-controlling Interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amount disclosed for each subsidiary are before inter-company elimination.

(Rs. in Crores)

Summarised Balance Sheet	Titagarh Firema Engineering Services Private Limited	
	March 31, 2026	March 31, 2025
Current Assets	**2.33**	**2.89**
Current Liabilities	0.44	2.01
Net Current Assets / (Liabilities)	**1.89**	**0.88**
Non-current Assets	0.56	2.40
Non-current Liabilities	-	0.38
Net Non-current Assets	**0.56**	**2.02**
Net Assets	**2.45**	**2.90**
Accumulated NCI	**1.02**	**1.18**

(Rs. in Crores)

Summarised Statement of Profit and Loss	Titagarh Firema Engineering Services Private Limited	
	March 31, 2026	From February 14, 2025 to March 31, 2025
Revenue	**8.02**	**2.14**
Loss for the Year	(0.46)	(4.33)
Other Comprehensive Income	-	(0.00)
Total Comprehensive Loss	**(0.46)**	**(4.33)**
Loss allocated to NCI	**(0.16)**	**(1.47)**

Summarised Cash Flow	Titagarh Firema Engineering Services Private Limited	
	March 31, 2026	From February 14, 2025 to March 31, 2025
Cash Flows From Operating Activities	(0.52)	0.11
Cash Flows Used in Investing Activities	-	(0.32)
Cash Flows Used in Financing Activities	(0.40)	1.45
Increase in Cash and Cash Equivalents	**(0.92)**	**1.24**

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Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

(c) Interests in Joint Ventures and Associate

Joint Venture

The Group has four Joint Venture Companies.

(i) During the year the Parent Company has made further investment of Rs. 66.15 Crores in Ramkrishna Titagarh Rail Wheels Limited (RTRWL), which is yet to commence commercial operations as the manufacturing facility is under construction. The Parent Company has also given a financial undertaking to the consortium bankers of RTRWL whereby in the event of any default or shortfall in repayment of loans taken by RTRWL, the Parent Company in proportion to its holding, arrange/bring in funds to meet any shortfall in cash flow towards repayment of the facility/payment of interest and any shortfall in cash flow, which at year-end is Rs. 504.21 Crores (March 31, 2025: Rs.169.74 Crores) for Group's share. Accordingly, Rs. 8.02 Crores representing the difference between the fair value of the financial undertaking and the nil fee charged by the Parent Company for such financial undertaking has been recognized as deemed investment.

(ii) During the previous year, the Parent Company had subscribed to the rights issue of equity shares of Titagarh Firema Engineering Services Private Limited (TFESPL) amounting to Rs 2.00 Crores and had also amended the Joint Venture Agreement (JVA), as a result of which TFESPL had become a subsidiary of the Parent Company w.e.f. February 14, 2025 which has resulted in corresponding Non-Controlling interest.

(iii) Also refer note 33.

Summarised Financial Information for Joint Ventures & Associate

The tables below provides summarised financial information for the Joint Ventures and Associate and not Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method.

(Rs. in Crores)

Summarised Balance Sheet		Shivaliks Mercantile Limited	Ramkrishna Titagarh Rail Wheels Limited	Titagarh Firema S.p.A	Titagarh Mermec Private Limited
		As at March 31, 2026 (Consolidated)	As at March 31, 2026 (Standalone)	As at March 31, 2026 (Standalone)	As at March 31, 2026 (Standalone)
		(Rs in Crores)	(Rs in Crores)	(Rs in Crores)	(Rs in Crores)
Non-Current Assets					
Property, Plant and Equipments		-	1.38	-	-
Intangible Assets		-	1.35	-	-
Capital Work in Progress		-	1,609.27	-	-
Intangible Asset under development		-	-	-	-
Right-of-Use Assets		-	14.74	-	-
Equity accounted investment		-	-	-	-
Financial Assets					
Investments		0.21	-	-	-
Other Financial Assets		-	2.48	0.58	-
Other Non Current Assets		-	68.98	-	-
Deferred Tax Asset		-	12.22	-	-
Non-current Tax Assets (Net)		-	-	-	-
Total	**(A)**	**0.21**	**1,710.42**	**0.58**	**-**
Current Assets					
Inventories		-	0.71	-	-
Financial Assets					
Investments		-	15.16	1.17	-
Trade receivables		-	-	6.98	-
Cash and bank balances		0.24	0.46	3.85	0.01
Loans		-	-	-	-
Other Financial Assets		-	0.08	-	-
Other Current Assets		0.57	5.14	15.03	-
Current Tax Assets		-	-	4.53	-
Assets classified as held for sale		-	-	8.07	-
Total	**(B)**	**0.81**	**21.55**	**39.63**	**0.01**
GRAND TOTAL	**(C=A+B)**	**1.02**	**1,731.97**	**40.21**	**0.01**
Non-current liabilities					
Financial Liabilities		-	-	-	-
Long term borrowings		-	1,021.96	-	-
Other Financial Liabilities		-	25.68	-	-
Other Non Current liabilities		-	56.93	5.45	-
Provisions		-	-	17.22	-
	(D)	**-**	**1,104.57**	**22.67**	**-**
Current Liabilities					
Financial Liabilities		-	-	-	-
Short term borrowings		-	-	-	-
Lease Liabilities		-	-	-	-
Trade Payables		8.46	1.17	22.35	0.02
Other Financial Liabilities		25.00	171.49	-	-
Provisions		-	0.53	-	-
Other Current Liabilities		0.07	0.63	1.05	-
Current Tax Liabilities		-	-	3.58	-
Total	**(E)**	**33.53**	**173.82**	**26.98**	**0.02**
GRAND TOTAL	**(F=D+E)**	**33.53**	**1,278.39**	**49.65**	**0.02**
Net Assets	**(C-F)**	**(32.51)**	**453.58**	**(9.44)**	**(0.01)**

Summarised Profit and Loss	Shivaliks Mercantile Limited	Ramkrishna Titagarh Rail Wheels Limited	Titagarh Firema S.p.A	Titagarh Mermec Private Limited
	As at March 31, 2026 (Consolidated)	As at March 31, 2026 (Standalone)	As at March 31, 2026 (Standalone)	As at March 31, 2026 (Standalone)
	(Rs in Crores)	(Rs in Crores)	(Rs in Crores)	(Rs in Crores)
Income				
Revenue from Operation	-	-	108.46	-
Other Income	0.00	0.62	30.98	0.02
Total Income	0.00	0.62	139.44	0.02
Expenses	-	-	-	-
Cost of raw materials & components consumed	-	-	32.49	-
Capitalised internal construction costs	-	-	(6.09)	-
Employee Benefits Expense	-	1.14	109.86	-
Finance Costs	9.13	0.97	35.54	-

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

(c) Interests in Joint Ventures and Associate (Contd.)

Summarised Profit and Loss	Shivaliks Mercantile Limited	Ramkrishna Titagarh Rail Wheels Limited	Titagarh Firema S.p.A	Titagarh Mermec Private Limited
	As at March 31, 2026 (Consolidated)	As at March 31, 2026 (Standalone)	As at March 31, 2026 (Standalone)	As at March 31, 2026 (Standalone)
	(Rs in Crores)	(Rs in Crores)	(Rs in Crores)	(Rs in Crores)
Depreciation and amortization expenses	-	0.74	46.49	-
Other Expenses	0.18	44.37	141.25	0.02
Total Expenses	**9.31**	**47.22**	**359.54**	**0.02**
Profit / (Loss) before Share of Net Loss of Associate Accounted for Using the Equity Method, Exceptional Items and Tax	**(9.31)**	**(46.60)**	**(220.10)**	**-**
Share of Profit / (Loss) of Associate Accounted for Using the Equity Method	-	-	-	-
Profit / (Loss) before Exceptional Items and Tax	**(9.31)**	**(46.60)**	**(220.10)**	**-**
Exceptional Item	(80.44)	-	(492.34)	-
Loss before taxes	**71.13**	**(46.60)**	**272.24**	**-**
Tax expenses				
Current tax	-	-	0.45	-
Income Tax related to earlier years	-	-	-	-
Deferred Tax	-	(11.60)	-	-
Total tax expenses	-	**(11.60)**	**0.45**	**-**
Profit/ (Loss) for the year	**71.13**	**(35.00)**	**271.79**	**-**
Other Comprehensive Income for the year	0.00	0.12	-	-
Total Comprehensive Income for the period/year	**71.13**	**(34.88)**	**271.79**	**-**
Group Share in %	-	49.00	25.43	50.00
Group Share of Profit / (Loss) for the Period/Year accounted for	**-**	**(17.09)**	**-**	**-**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

(c) Interests in Joint Ventures and Associate (Contd.)

Summarised Balance Sheet	Shivaliks Mercantile Limited	Ramkrishna Titagarh Rail Wheels Limited	Titagarh Firema Engineering Services Private Limited	Titagarh Firema S.p.A	Titagarh Mermec Private Limited
	As at March 31, 2025 (Consolidated)	As at March 31, 2025 (Standalone)	Up to February 13, 2025(Standalone) (Refer note (c)(ii))	As at March 31, 2025 (Standalone)	As at March 31, 2025 (Standalone)
	(Restated)* (Rs in Crores)	(Rs in Crores)	(Rs in Crores)	(Rs in Crores)	(Rs in Crores)
Non-Current Assets					
Property, Plant and Equipments	-	0.68	0.35	297.74	-
Intangible Asset	-	-	-	23.38	-
Capital Work in Progress	-	260.54	-	16.86	-
Intangible Asset under development	-	-	-	126.87	-
Right-of-Use Assets	-	14.94	0.41	-	-
Intangible Assets	-	0.60	-	-	-
Equity accounted investment	-	-	-	-	-
Financial Assets					
Investments	0.21	-	-	2.95	-
Other Financial Assets	-	2.52	-	-	-
Other Non Current Assets	-	449.87	-	-	-
Deferred Tax Asset	-	0.67	0.15	41.69	-
Non-current Tax Assets (Net)	-	-	0.05	-	-
Total (A)	**0.21**	**729.82**	**0.96**	**509.49**	**-**
Current Assets					
Inventories	-	-	-	285.10	-
Financial Assets					
Investments	-	21.21	-	-	-
Trade receivables	-	-	6.40	1,039.11	-
Cash and bank balances	0.15	3.29	0.09	63.36	0.74
Loans	-	-	-	85.01	-
Other Financial Assets	-	-	0.20	9.36	-
Other Current Assets	0.56	4.79	0.77	138.20	-
Current Tax Assets	0.04	-	-	-	-
Assets classified as held for sale	-	-	-	14.22	-
Total (B)	**0.75**	**29.29**	**7.46**	**1,634.36**	**0.74**
GRAND TOTAL (C=A+B)	**0.96**	**759.11**	8.42	**2,143.85**	**0.74**
Non-current Liabilities					
Financial Liabilities		-	-	-	-
Long term borrowings	10.00	339.03	-	151.03	-
Lease Liabilities	-	-	-	-	-
Other Financial Liabilities	-	17.85	-	-	-
Other Non Current liabilities	-	19.71	-	389.66	-
Provisions	-	-	0.35	-	-
(D)	**10.00**	**376.59**	**0.35**	**540.69**	**-**
Current Liabilities					
Financial Liabilities					
Short term borrowings	-	-	-	515.21	-
Lease Liabilities	-	-	0.42	-	-
Trade Payables	0.06	1.23	1.56	591.86	2.41
Other Financial Liabilities	92.50	38.35	0.61	39.64	-
Provisions	-	0.31	0.22	15.84	-
Other Current Liabilities	2.03	1.15	0.03	282.23	-
Current Tax Liabilities	-	-	-	-	-
Total (E)	**94.59**	**41.04**	**2.84**	**1,444.78**	**2.41**
GRAND TOTAL (F=D+E)	**104.59**	**417.63**	**3.19**	**1,985.47**	**2.41**
Net Assets (C-F)	**(103.63)**	**341.48**	**5.23**	**158.38**	**(1.67)**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

(c) Transactions with Non-controlling Interests (Contd.)

Summarised Profit and Loss	Shivaliks Mercantile Limited	Ramkrishna Titagarh Rail Wheels Limited	Titagarh Firema Engineering Services Private Limited	Titagarh Firema S.p.A	Titagarh Mermec Private Limited
	As at March 31, 2025 (Consolidated)	As at March 31, 2025 (Standalone)	Up to February 13, 2025 (Standalone) (Refer note (c)(ii))	As at March 31, 2025 (Standalone)	As at March 31, 2025 (Standalone)
	(Restated)* (Rs in Crores)	(Rs in Crores)	(Rs in Crores)	(Rs in Crores)	(Rs in Crores)
Income					
Revenue from Operation	-	-	10.61	494.07	-
Other Income	4.88	1.45	0.06	17.47	0.02
	4.88	**1.45**	**10.67**	**511.54**	**0.02**
Expenses					
Cost of raw materials & components consumed	-	-	-	257.11	-
Capitalised internal construction costs	-	-	-	-49.60	-
Employee Benefits Expense	-	0.53	5.94	164.69	-
Finance Costs	2.80	0.23	0.10	56.12	-
Depreciation and amortization expenses	-	0.35	0.58	17.59	-
Other Expenses	1.39	2.72	2.70	218.92	0.02
Total Expenses	**4.19**	**3.83**	**9.32**	**664.83**	**0.02**
Profit / (Loss) before Share of Net Loss of Associate Accounted for Using the Equity Method, Exceptional Items and Tax	**0.69**	**(2.38)**	**1.35**	**(153.29)**	-
Share of Profit / (Loss) of Associate Accounted for Using the Equity Method	(194.82)	-	-	-	-
Profit / (Loss) before Exceptional Items and Tax	**(194.13)**	**(2.38)**	**1.35**	**(153.29)**	-
Exceptional Item	117.85	-	-	-	-
Loss before taxes	**(311.98)**	**(2.38)**	**1.35**	**(153.29)**	-
Tax expenses					
Current tax	-	-	0.42	-	-
Income Tax related to earlier years	0.08	-	-	-	-
Deferred Tax	-	-0.21	-0.06	-	-
Total tax expenses	**0.08**	**(0.21)**	**0.36**	-	-
Profit/ (Loss) for the year	**(312.06)**	**(2.17)**	**0.99**	**(153.29)**	-
Other Comprehensive Income for the period/ year	0.17	0.00	(0.01)	-	-
Total Comprehensive Income for the period/ year	**(311.89)**	**(2.17)**	**0.98**	**(153.29)**	-
Group Share in %	44.63	49.00	49.00	25.43	50.00
Group Share of Profit / (Loss) for the Period/ Year accounted for	-	**(1.06)**	**0.48**	-	-

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

(c) Transactions with Non-controlling Interests (Contd.)

(Rs. in Crores)

Reconciliation to Carrying Amounts		Shivaliks Mercantile Limited	Ramkrishna Titagarh Rail Wheels Limited	Titagarh Firema S.p.A	Titagarh Mermec Private Limited
		As at March 31, 2026 (Consolidated)	As at March 31, 2026 (Standalone)	As at March 31, 2026 (Standalone)	As at March 31, 2026 (Standalone)
		(Rs in Crores)	(Rs in Crores)	(Rs in Crores)	(Rs in Crores)
Group Share in %		44.63	49.00	25.43	50.00
Cost of Investments as at the beginning of the Year	(A)	-	172.24	-	-
Group Share of Profit / (Loss) for the Year	(B)	-	(17.09)	-	-
Carrying Amount as at the end of the Year (A+B)		-	**155.15**	-	-

Reconciliation to Carrying Amounts	Shivaliks Mercantile Limited	Ramkrishna Titagarh Rail Wheels Limited	Titagarh Firema Engineering Services Private Limited	Titagarh Firema S.p.A	Titagarh Mermec Private Limited
	As at March 31, 2025 (Consolidated)	"As at March 31, 2025 (Standalone)"	"As at March 31, 2025 (Standalone)"	"As at March 31, 2025 (Consolidated)"	"As at March 31, 2025 (Standalone)"
	(Restated)* (Rs in Crores)	(Rs in Crores)	(Rs in Crores)	(Rs in Crores)	(Rs in Crores)
Group Share in %	44.63	49.00	49.00	25.43	50.00
Cost of Investments as at beginning of the year (A)	97.92	173.30	2.10	-	-
Group Share of Profit / (Loss) for the year accounted for (B)	(97.92)	(1.06)	0.48	-	-
Carrying Amount as at the end of the Year (A+B)	-	**172.24**	**2.58**	-	-

The Group has no contingent liability and capital commitments relating to its interest in aforesaid joint ventures.

* As per the financial statements of Shivaliks Mercantile Limited for the year ended March 31, 2026

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

4.1 Property, Plant and Equipment

(Rs. in Crores)

Particulars	Freehold Land	Leasehold Land	Leasehold Improvement	Buildings	Plant and Equipments	Railway Wagons	Railway Sidings	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Gross Carrying Amount												
As at March 31, 2024	**234.14**	**208.74**	**0.71**	**114.81**	**166.33**	**4.06**	**7.72**	**5.48**	**4.13**	**6.16**	**5.18**	**757.46**
Conversion of joint venture to subsidiary (Refer note 3 (c)(ii))	-	-	-	-	-	-	-	-	-	0.56	-	0.56
Additions	-	2.45	-	50.44	137.31	-	1.28	1.47	6.37	1.19	4.94	205.45
Disposals	(0.09)	-	-	-	-	(4.06)	-	-	-	-	(1.90)	(6.05)
Transfer In/(Out)	(109.19)	109.19	-	-	-	-	-	-	-	-	-	-
As at March 31, 2025	**124.86**	**320.38**	**0.71**	**165.25**	**303.64**	**-**	**9.00**	**6.95**	**10.50**	**7.91**	**8.22**	**957.42**
Additions	22.00	136.86	-	25.67	117.72	-	-	1.82	0.55	0.70	1.25	306.57
Disposals	-	-	-	(0.53)	-	-	-	-	-	-	-	(0.53)
As at March 31, 2026	**146.86**	**457.24**	**0.71**	**190.39**	**421.36**	**-**	**9.00**	**8.77**	**11.05**	**8.61**	**9.47**	**1,263.46**
Accumulated Depreciation												
As at March 31, 2024	**-**	**15.14**	**0.71**	**19.98**	**59.67**	**0.21**	**2.11**	**3.25**	**1.89**	**4.53**	**2.31**	**109.80**
Conversion of joint venture to subsidiary (Refer note 3 (c)(ii))	-	-	-	-	-	-	-	-	-	0.20	-	0.20
Charge for the year	-	1.75	-	2.60	9.62	-	0.37	0.49	0.59	0.82	0.71	16.95
Disposals	-	-	-	-	-	(0.21)	-	-	-	-	(0.16)	(0.37)
As at March 31, 2025	**-**	**16.89**	**0.71**	**22.58**	**69.29**	**-**	**2.48**	**3.74**	**2.48**	**5.55**	**2.86**	**126.58**
Charge for the year	-	3.88	-	4.80	17.91	-	0.45	0.54	1.73	1.12	0.75	31.18
Disposals	-	-	-	(0.01)	-	-	-	-	-	-	-	(0.01)
As at March 31, 2026	**-**	**20.77**	**0.71**	**27.37**	**87.20**	**-**	**2.93**	**4.28**	**4.21**	**6.67**	**3.61**	**157.75**
Impairment												
As at March 31, 2024	**-**	**-**	**-**	**-**	**0.02**	**-**	**-**	**-**	**-**	**-**	**-**	**0.02**
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2025	**-**	**-**	**-**	**-**	**0.02**	**-**	**-**	**-**	**-**	**-**	**-**	**0.02**
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2026	**-**	**-**	**-**	**-**	**0.02**	**-**	**-**	**-**	**-**	**-**	**-**	**0.02**
Net Carrying Amount												
As at March 31, 2025	**124.86**	**303.49**	**-**	**142.67**	**234.33**	**-**	**6.52**	**3.21**	**8.02**	**2.36**	**5.36**	**830.82**
As at March 31, 2026	**146.86**	**436.47**	**-**	**163.02**	**334.14**	**-**	**6.07**	**4.49**	**6.84**	**1.94**	**5.86**	**1,105.69**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

4.1 Property, Plant and Equipment (Contd.)

a) Refer Note 39 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.

b) Refer Note 16 for information on Property, Plant and Equipment pledged as security by the Group.

c) Assets pledged as security for term loans availed by an associate company.

The Parent Company had in earlier years provided pari pasu security of its land at Bharatpur (Gross book value of Rs. 169.65 Crores) against a term loan of Euro. 50 million and overdraft facility of Euro 30 million sanctioned by Bank of Baroda to Titagarh Firema S.p.A, an Associate of the Parent Company. Also refer note 33.

d) The Parent Company has freehold land having gross and net carrying value as at March 31, 2026 of Rs. 47.35 Crores (March 31, 2025: Rs 47.35 Crores) respectively and it was also vested with leasehold land having gross and net carrying value as at March 31, 2026 of Rs. 27.59 Crores and Rs. 23.06 Crores (March 31, 2025: Rs 27.59 Crores and Rs. 23.47 Crores) respectively, through erstwhile Cimmco Birla Limited (subsequently Cimmco Limited), since merged with the Parent Company pursuant to order dated September 30, 2020 of Hon'ble National Company Law Tribunal Board with the appointed date as April 1, 2019. The land was allotted on lease for a period of 99 years in 1963. In the year 1998, the said land was erroneously recorded by the revenue department as land belonging to the State, a parcel of which was subsequently allotted to another party. The Parent Company filed a writ petition before Hon'ble High Court, Madhya Pradesh against the said erroneous allotment of parcel of the land which was set aside. The aggrieved party filed an appeal before Hon'ble Supreme Court which was dismissed in 2018. The Parent Company had submitted an application to the relevant authority for changing the name which was not allowed and an appeal against the same was preferred before SDO. Further, the Parent Company has approached the Hon'ble High Court, Gwalior for restoration of the Parent Company's name in the record of rights and complete the mutation proceedings in a time bound manner, since its appeal for the aforesaid was pending for long time with concerned authority. The Hon'ble High Court, Gwalior vide its Order dated May 2, 2023 directed the concerned authority to decide on the Parent Company's representation within a period of four weeks. Pending action on the aforesaid Order, the Company received a notice issued by District Industry Centre (DIC), Gwalior cancelling the said lease. Subsequently, the Parent Company filed an appeal before the Commissioner Industries, MSME, Bhopal, who dismissed the said appeal on October 9, 2023. The Parent Company had preferred an appeal against the same on November 3, 2023 before Principal Secretary, Bhopal which was withdrawn later and a review application was filed in February 2024 with Commissioner Industries, which was decided in favour of the Parent Company by an order dated August 2, 2024.

In the matter of restoration of name in the record of rights, the concerned authority dismissed the appeal by an order dated May 9, 2023 against which an appeal was filed before Divisional Commissioner. However, the same was dismissed by an order dated December 15, 2023 against which the Parent Company filed a review petition on April 15, 2024 which was withdrawn due to some misunderstanding and a restoration of the said review was filed before the Commissioner, Gwalior Division which was allowed vide order dated February 11, 2026 and the said review was restored. The said restoration order was challenged by a third party which is pending for hearing before the Commissioner and is scheduled on June 19, 2026. No suit of recovery has been filed till date by the State and the Parent Company continues to have physical possession of said freehold land and leasehold land. The Parent Company has also obtained legal opinion which supports its view that the Parent Company continues to enjoy substantial subsisting right of said land which is not yet extinguished and that the Parent Company can have its name entered in the record of rights.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

4.2 Intangible Assets

(Rs. in Crores)

Particulars	Intangible Assets					
	Computer Software	Brand	Designs	Prototype	Licenses	Total
Gross Carrying Amount						
As at March 31, 2024	**7.31**	**2.28**	**16.98**	**8.80**	**-**	**35.37**
Additions	1.99	-	66.77	-	-	68.76
Disposals	-	-	-	-		-
As at March 31, 2025	**9.30**	**2.28**	**83.75**	**8.80**	**-**	**104.13**
Additions	0.58	-	14.01	-	5.00	19.59
Disposals	-	-	-	-	-	-
As at March 31, 2026	**9.88**	**2.28**	**97.76**	**8.80**	**5.00**	**123.72**
Accumulated Amortisation						
As at March 31, 2024	**6.72**	**2.28**	**15.67**	**3.96**	**-**	**28.63**
Charge for the year	0.25	-	0.76	-	-	1.01
Disposals	-	-	-	-		-
As at March 31, 2025	**6.97**	**2.28**	**16.43**	**3.96**	**-**	**29.64**
Charge for the year	0.59	-	7.52	-	0.03	8.14
Disposals	-	-	-	-	-	-
As at March 31, 2026	**7.56**	**2.28**	**23.95**	**3.96**	**0.03**	**37.78**
Impairment						
As at March 31, 2024	**0.23**	**-**	**-**	**4.84**	**-**	**5.07**
Charge for the year	-	-	-	-	-	-
As at March 31, 2025	**0.23**	**-**	**-**	**4.84**	**-**	**5.07**
Charge for the year	-	-	-	-	-	-
As at March 31, 2026	**0.23**	**-**	**-**	**4.84**	**-**	**5.07**
Net Carrying Amount						
As at March 31, 2025	**2.10**	**-**	**67.32**	**-**	**-**	**69.42**
As at March 31, 2026	**2.09**	**-**	**73.81**	**-**	**4.97**	**80.87**

4.3 Investment Properties

(Rs. in Crores)

Particulars	Freehold Land
Carrying Amount as at March 31, 2024	**8.21**
Additions/(Deletion)	-
Carrying Amount as at March 31, 2025	**8.21**
Additions/(Deletion)	(5.02)
Carrying Amount as at March 31, 2026	**3.19**

Information regarding Investment Properties

The Group's Investment Properties consists of two parcels of land situated at Bharatpur and Malanpur respectively. During the year, one parcel of land situated at Bharatpur has been sold while the remaining portion of land at Bharatpur has been classified as Assets Held for Sale as at March 31, 2026 subsequent to the approval for sale by the Board of Directors in their meeting held on March 27, 2026). Accordingly, the land situated at Malanpur continues to be classified as Investment Property. As at March 31, 2026, fair valuation of the Malanpur land is estimated to be Rs. 7.40 Crores (March 31, 2025: Rs. 13.94 Crores, the amount representing the fair value of both parcels of land situated at Bharatpur & Malanpur). These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3.

The Group has no restrictions on the realisability of its Investment Properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. There is no income earned or expenditure incurred by the Group in relation to the Investment Properties.

Significant Increase/(Decrease) in circle rate of land will result in significant higher/(lower) fair valuation of properties.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2026 and March 31, 2025 are as shown below:

Significant unobservable inputs	Sensitivity of the input to Fair Value
For 5% change in Market Rate for Land	5% Increase (Decrease) in the Market Rate would result in Increase (Decrease) in fair value by Rs 0.37 Crores (March 31, 2025: Rs 0.70 Crores)

4.4 Capital Work-in-Progress

(i) Movement in Capital work in progress

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	39.61	107.80
Additions during the year	199.76	124.37
Capitalised during the year	(167.80)	(192.56)
Balance at the end of the year	**71.57**	**39.61**

Capital work in progress primarily includes construction of offices and factory sheds and ongoing installation of new machineries etc. in the factories located in West Bengal in the current year as well as previous year.

(ii) Age analysis of Capital work in progress

As on March 31, 2026

Particulars	Amounts in Capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	45.56	26.01	-	-	71.57
Total	**45.56**	**26.01**	**-**	**-**	**71.57**

As on March 31, 2025

Particulars	Amounts in Capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	39.61	-	-	-	39.61
Total	**39.61**	**-**	**-**	**-**	**39.61**

(a) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and as at March 31, 2025.

(b) There are no projects which are temporarily suspended as at March 31, 2026 and as at March 31, 2025.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

4.5 Intangible Assets Under Development

(i) Movement in Intangible Assets Under Development

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	82.37	65.76
Additions during the year	51.76	84.98
Capitalised during the year	(14.01)	(68.37)
Balance at the end of the year	**120.12**	**82.37**

(ii) Age analysis of Intangible Assets Under Development

As on March 31, 2026

Particulars	Amounts in Intangible assets under development for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	54.66	49.29	16.17	-	120.12
Total	**54.66**	**49.29**	**16.17**	**-**	**120.12**

As on March 31, 2025

Particulars	Amounts in Intangible assets under development for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	61.32	21.05	-	-	82.37
Total	**61.32**	**21.05**	**-**	**-**	**82.37**

(a) There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and as at March 31, 2025.

(b) Intangible assets under development primarily represents designs relating to various products under Passenger Rail Systems segment in the current year as well as previous year.

(c) There are no projects which are temporarily suspended as at March 31, 2026 and as at March 31, 2025.

4.6 Right-of-use assets and leases

The Parent Company's leasing arrangement includes land and building having a fixed lease term of 2 to 10 years. Further, in respect of a Subsidiary Company, leasing arrangement includes Jetty having a lease term of 10 years. The lease arrangement can be further renewed to 5 years.

(i) Amount recognised in balance sheet

(Rs. in Crores)

Particulars	Land	Building	Riverside Jetty	Total
Gross Carrying Amount				
As at March 31, 2024	**111.47**	**-**	**-**	**111.47**
Conversion of joint venture to subsidiary (Refer note 3 (c)(ii))	-	1.06	-	1.06
Additions	-	4.94	-	4.94
Disposals	-	(0.68)	-	(0.68)
As at March 31, 2025	**111.47**	**5.32**	**-**	**116.79**
Additions	-	0.89	12.53	13.42
Disposals	-	(1.06)	-	(1.06)
As at March 31, 2026	**111.47**	**5.15**	**12.53**	**129.15**
Accumulated Depreciation				
As at March 31, 2024	**20.77**	**-**	**-**	**20.77**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

4.6 Right-of-use assets and leases (Contd.)

(i) Amount recognised in balance sheet (Contd.)

(Rs. in Crores)

Particulars	Land	Building	Riverside Jetty	Total
Conversion of joint venture to subsidiary (Refer note 3 (c)(ii))	-	0.66	-	0.66
Charge for the year	11.19	0.97	-	12.16
Disposals	-	(0.15)	-	(0.15)
As at March 31, 2025	**31.96**	**1.48**	**-**	**33.44**
Charge for the year	11.19	1.34	0.47	13.00
Disposals	-	(1.06)	-	(1.06)
As at March 31, 2026	**43.15**	**1.76**	**0.47**	**45.38**
Net Carrying Amount				
As at March 31, 2025	**79.51**	**3.84**	**-**	**83.35**
As at March 31, 2026	**68.32**	**3.39**	**12.06**	**83.77**

Lease liabilities	Non-current	Current	Total
As at March 31, 2025	89.47	8.20	97.67
As at March 31, 2026	90.32	10.94	101.26

(ii) Amount recognised in statement of Profit and Loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	As at March 31, 2026	As at March 31, 2025
Depreciation charge on right of use assets (Refer Note no 30)	11.92	11.62
Interest expense (included in finance costs) (Refer Note 29)	8.45	8.78
Expenses relating to short term leases (included in other expenses, Refer Note 31)	3.42	3.62
Total	**23.79**	**24.02**

(iii) The total cash outflow for leases for the year was Rs. 18.10 Crores (March 31, 2025: Rs. 15.57 Crore).

(iv) Extension and termination options:

Extension and termination options are included in the Group's lease contract. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable by mutual consent of both the lessor and the lessee.

5.1 Investments (Non-current)

Particulars	No of Shares / Unit		Face value	As at March 31, 2026	As at March 31, 2025
	As at March 31, 2026	As at March 31, 2025	per share/ unit (Rs.)	Rs. In Crores	Rs. In Crores
Investments in Equity Shares					
In Others (Quoted) (at FVTPL) (a)					
Orissa Sponge Iron & Steel Limited #	550	550	10	-	-
In Others (Unquoted) (at FVTPL) * (a)					
Titagarh Enterprises Limited	49,32,960	49,32,960	1	52.19	50.00

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

5.1 Investments (Non-current) Contd.

Particulars	No of Shares / Unit		Face value	As at March 31, 2026	As at March 31, 2025
	As at March 31, 2026	As at March 31, 2025	per share/ unit (Rs.)	Rs. In Crores	Rs. In Crores
Titagarh Industries Limited	56,850	56,850	10	2.39	2.38
National Savings Certificate (at Amortised Cost) (Unquoted) @				0.00	0.00
Total				**54.58**	**52.38**
Aggregate book value of quoted investments				0.00	0.00
Aggregate book value of unquoted investments				54.58	52.38
Market value of quoted investments				0.00	0.00

Quotation not available since suspended due to penal reason.

* Represents following shares pledged with the banks for the cash credit and working capital facility availed by the Parent company (Also refer note 16) :

Name of Investments	No of Shares / Unit		Face value	Amount Pledged March 31, 2026	Amount Pledged March 31, 2025
	As at March 31, 2026	As at March 31, 2025	per share/ unit (Rs.)	Rs. In Crores	Rs. In Crores
Titagarh Enterprises Limited	49,32,960	49,32,960	1	0.49	0.49
Titagarh Industries Limited	56,850	56,850	10	0.06	0.06
				0.55	**0.55**

@ Pledged with the Commercial Tax Officer, Bharatpur as Security Deposit.

(a) Refer Note 43 for determination of fair values and Note 44 for credit risk and market risk on investments.

(b) The Parent Company has investment of 7,000,500 equity shares of Titagarh Wagons AFR, a subsidiary of the Parent Company which is under liquidation, hence not consolidated.

5.2 Equity Accounted Investments

Particulars	No of Shares / Units		Face value	As at March 31, 2026	As at March 31, 2025 (Restated) (Refer Note 33)
	As at March 31, 2026	As at March 31, 2025	per share/ unit (Rs.)	Rs. In Crores	Rs. In Crores
Titagarh Firema S.p.A. (refer note 33)	1,64,00,000	1,64,00,000	EURO 1	-	-
Titagarh Mermec Private Limited	5,000	5,000	10	-	-
Ramkrishna Titagarh Rail Wheels Limited (b)	23,51,98,750	16,90,48,750	10	224.52	172.24
Shivaliks Mercantile Limited [refer note 33]	10,00,00,000	10,00,00,000	10	-	-
				224.52	**172.24**

Refer Note 3(c) for details of the Joint Ventures and Associate

(a) Valued at exchange rate prevailing on the date of transaction.

(b) During the year the Parent Company has made further investment of Rs. 66.15 Crores in Ramkrishna Titagarh Rail Wheels Limited (RTRWL), which is yet to commence commercial operations as the manufacturing facility is under construction. The Parent Company had in earlier years also given an undertaking to the consortium bankers of RTRWL whereby in the event of any default or shortfall in repayment of loans taken by RTRWL, the Parent Company in proportion to its holding, arrange/bring in funds to meet any shortfall in cash flow towards repayment of the facility/ payment of interest and any shortfall in cash flow, which at year-end is Rs. 504.21 Crores (March 31, 2025: Rs.169.74 Crores) for Parent Company's share. Accordingly, Rs. 8.02 Crores representing the difference between the fair value of the financial undertaking and the nil fee charged by the Parent Company for such financial undertaking has been recognized as deemed investment.

(c) Also refer note 42

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

6 Trade Receivables (At Amortised Cost)

(Unsecured, Considered Good unless stated otherwise)

Particulars	Current	
	As at March 31, 2026	As at March 31, 2025
	Rs. In Crores	Rs. In Crores
Trade Receivables		
Trade receivables from contract with customers	652.71	671.89
Trade receivables from contract with customers-related parties [Refer Note 42]	-	13.18
	652.71	**685.07**
Less: Loss allowance [Refer Note 44(II) (c)]	22.96	14.22
Total receivables	**629.75**	**670.85**
Break-up of security details		
Trade receivables considered good – secured	-	-
Trade receivables considered good – unsecured	652.71	678.98
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	6.09
Total	**652.71**	**685.07**
Less: Loss Allowances [Refer Note 44 (II) (c)]	22.96	14.22
Total trade receivables	**629.75**	**670.85**

Trade Receivable Ageing Schedule

Particulars	Outstanding as on March 31, 2026					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Receivables						
Considered Good	396.69	9.35	20.53	17.78	21.57	465.92
Disputed Trade Receivables						
Considered Good	-	-	-	-	-	-
Total	**396.69**	**9.35**	**20.53**	**17.78**	**28.67**	**473.02**
Undisputed Not Due	-	-	-	-	-	-
Disputed Not Due	-	-	-	-	-	-
Undisputed Unbilled - Considered Good						179.69
Disputed Unbilled						-
Total						**652.71**
Loss Allowances						22.96
Total						**629.75**

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Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

Trade Receivable Ageing Schedule (Contd.)

Particulars	Outstanding as on March 31, 2025					
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Receivables						
Considered Good	147.05	107.62	78.72	22.11	5.15	360.65
Disputed Trade Receivables	-	-	-	-	-	-
Considered Good	-	-	-	-	6.41	6.41
Total	**147.05**	**107.62**	**78.72**	**22.11**	**11.56**	**367.06**
Undisputed Not Due						-
Disputed Not Due						-
Undisputed Unbilled - Considered Good						318.01
Disputed Unbilled						-
Total						**685.07**
Loss Allowances						14.22
Total						**670.85**

a) Refer Note 16 for information on Trade Receivables pledged as security by the Group and Note 44 for information about credit risk and market risk on Trade Receivables.

b) There are no outstanding receivables due from directors or other officers of the Group.

7 Loans (At Amortised Cost)

Particulars	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Rs. In Crores	Rs. In Crores	Rs. In Crores	Rs. In Crores
Considered Good- Secured	-	-	-	-
Considered Good- Unsecured	-	-	-	-
Having significant increase in credit risk	-	-	-	-
Credit Impaired	-	-	58.01	-
Total	-	-	**58.01**	-
Less: Loss Allowances	-	-	58.01	-
	-	-	-	-

Note

(a) The details of loans given to related parties are as below:

Particulars	As at March 31, 2026		As at March 31, 2025	
Type of Borrower	Amount outstanding	Percentage to the total loans and advances in the nature of loans	Amount outstanding	Percentage to the total loans and advances in the nature of loans
Joint Venture	-	100%	-	0%

(b) Loan given to joint venture is unsecured and carries interest @ 9% p.a with principal repayable after one year from the date of receipt of loan by the joint venture and interest payable quarterly.

(c) The above loans given in current year have been given for onward infusion to Titagarh Firema S.p.A, an associate of the Group to help it to tide over its financial situation. Also refer note 33 and note 49(vi)(A).

(d) Also refer note 42 for disclosures on related parties.

(e) The Group has not granted any loans to its promoters, directors, key management personnel and related parties (as defined under companies Act, 2013) which are repayable on demand or without specifying any terms or periods of repayment.

8 Other Financial Assets

(Unsecured consider good unless stated otherwise) (Measured at anortised cost)	Non-Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Rs. In Crores	Rs. In Crores	Rs. In Crores	Rs. In Crores
Security Deposits*	6.33	4.81	3.36	1.95
Bank Deposits @	17.77	73.95	115.58	79.35
Receivable from Related Parties (Refer Note 42)	-	-	-	-
Considered Good	-	-	0.01	-
Considered Doubtful	-	-	-	-
	-	-	0.01	-
Less: Provision for Doubtful Recoverable from Related Parties	-	-	-	-
	-	-	0.01	-
Interest Accrued on:				
Fixed Deposits with Banks	0.63	0.98	13.25	21.13
Charges Recoverable	-	-	10.09	7.95
Balance with Government Authorities	-	-	-	8.95
Others [Refer (a) below]	0.23	0.48	20.98	23.13
Derivative Assets	-	-	0.83	-
Total	**24.96**	**80.22**	**164.10**	**142.46**

*Includes security deposit given to related parties Rs.3.67 Crores (March 31, 2025: Rs. 3.36 Crores) (Refer Note 42)

@Includes deposits of Rs. 99.12 Crores (March 31, 2025: Rs. 46.66 Crores) held as margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.

(a) Mainly comprises of receivables of Rs. 10.73 Crores (March 31, 2025: Rs. 11.47 Crores) from a customer of the Parent Company on account of labour cess deducted under the provisions of the Building and the Other Construction Workers Welfare Cess Act, 1996, and claims receivable of Rs. 9.51 Crores (including interest of Rs. 7.56 Crores for the period from January 2002 to December 2024) from another customer of the Parent Company against an arbitration award in favour of the Parent Company which has also been upheld by the Hon'ble Supreme Court of India in Parent Company's favour.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

9 Tax Assets (Net)

Particulars	Non-Current As at March 31, 2026 Rs. In Crores	Non-Current As at March 31, 2025 Rs. In Crores
Advance Tax (Including Tax Deducted at Source)	28.76	24.58
(Net of provision for tax Rs. 493.29 Crores; March 31, 2025 Rs. 395.56 Crores)		
	28.76	**24.58**

10 Contract Assets

(Unsecured, considered good unless stated otherwise)	Non-Current		Current	
	As at March 31, 2026 Rs. In Crores	As at March 31, 2025 Rs. In Crores	As at March 31, 2026 Rs. In Crores	As at March 31, 2025 Rs. In Crores
Retention money held by Customers	0.35	3.41	5.24	0.86
Unbilled revenue	-	-	335.89	204.16
	0.35	**3.41**	**341.13**	**205.02**

11 Other Assets

(Unsecured, considered good unless stated otherwise)	Non-Current		Current	
	As at March 31, 2026 Rs. In Crores	As at March 31, 2025 Rs. In Crores	As at March 31, 2026 Rs. In Crores	As at March 31, 2025 Rs. In Crores
Capital Advances	12.11	38.51	-	-
Security Deposits	6.78	4.21	-	-
Advances Recoverable in Cash or Kind				
Considered Good - Related Parties [Refer (a) below]	-	-	-	0.30
Considered Good - Others	-	-	82.68	115.16
Considered Doubtful - Others	-	-	3.50	3.50
	-	-	**86.18**	**118.96**
Less: Provision for Doubtful Advances - Others	-	-	3.50	3.50
	-	-	**82.68**	**115.46**
Balances with Government Authorities	-	-	45.36	15.42
Prepaid Expenses	3.27	17.48	14.33	39.24
Total	**22.16**	**60.20**	**142.37**	**170.12**

a) Represents Rs. 0.30 Crores (March 31, 2025: Rs. 0.30 Crores) recoverable from Directors of the Parent Company. Also Refer Note 42.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

12 Inventories

(Valued at Lower of Cost and Net Realisable Value)	As at March 31, 2026 Rs. In Crores	As at March 31, 2025 Rs. In Crores
Raw materials and components [Includes Goods in transit Rs. 4.16 Crores (March 31, 2025: Rs 12.97 Crores)]	420.87	412.01
Work-in-progress	78.67	68.78
Finished Goods	17.81	-
Saleable Scrap	11.73	11.54
Stores and Spares	59.08	31.00
Total	**588.16**	**523.33**

(a) Refer Note 16 for information on inventories pledged as security by the Group.

b) Value of inventories of raw materials and stores and spares is stated after provisions (net of reversal) of Rs. 3.63 Crores (March 31, 2025: Rs. 4.12 Crores) for write-down to net realisable value which resulted in net reversal of provision in Statement of Profit and Loss of Rs. 1.02 Crores during the year (March 31, 2025: net reversal of Rs. 1.87 Crores).

13 Cash and Bank Balances

Particulars	As at March 31, 2026 Rs. In Crores	As at March 31, 2025 Rs. In Crores
13.1 Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	132.44	24.47
Bank deposits with Original Maturity of Less Than Three Months @	28.67	-
Cheques in hand	-	-
Cash on hand	0.75	0.80
	161.86	**25.27**

Particulars	As at March 31, 2026 Rs. In Crores	As at March 31, 2025 Rs. In Crores
13.2 Other Bank Balances		
Balances with Banks:		
On Unpaid Dividend Accounts	0.12	0.10
On Unpaid Fractional Share Entitlement Accounts	0.09	0.09
Bank deposits with maturity of more than three months but less than twelve months @	155.12	441.94
	155.33	**442.13**
TOTAL	**317.19**	**467.40**

@ Includes deposits of Rs. 116.55 Crores (March 31, 2025: Rs. 243.25 Crores) held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

14 Equity Share Capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares in Crores	Rs. In Crores	No. of shares in Crores	Rs. In Crores
Authorised Shares				
Equity Shares of Rs. 2/- each (March 31, 2025: Rs. 2/-) each	129.05	258.10	129.05	258.10
Preference shares of Rs. 10 /- each (March 31, 2025: Rs.10/-) each	12.70	127.00	12.70	127.00
		385.10		**385.10**
Issued, Subscribed and Paid-up Shares				
Equity Shares of Rs. 2/- each (March 31, 2025: Rs. 2/-) each, fully paid-up	13.47	26.93	13.47	26.93
	13.47	**26.93**	**13.47**	**26.93**

a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	2025-26		2024-25	
	No. of shares in Crores	Rs. In Crores	No. of shares in Crores	Rs. In Crores
Equity Shares				
Outstanding at the beginning of the year	13.47	26.93	13.47	26.93
Movement during the year	-	-	-	-
Outstanding at the end of the year	**13.47**	**26.93**	**13.47**	**26.93**

b) **Terms and rights attached to Equity Shares**

The Parent Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2025: Rs. 2/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of Shareholders holding more than 5% shares in the Parent Company**

Name of the Shareholders	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2/- (March 31, 2025: Rs. 2/-) each fully paid				
Titagarh Capital Management Services Private Limited	2,40,71,588	17.87%	2,40,71,588	17.87%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	1,82,01,875	13.52%	1,82,01,875	13.52%
Rashmi Chowdhary	1,01,22,630	7.52%	1,01,22,630	7.52%

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

As per records of the Parent Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

d) **Details of Shareholding of Promoters**

Promoter Name	As at March 31, 2026			As at March 31, 2025		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Titagarh Capital Management Services Private Limited	2,40,71,588	17.87%	0.00%	2,40,71,588	17.87%	0.00%
Jagdish Prasad Chowdhary (Trustee of Chowdhary Foundation)	1,82,01,875	13.52%	0.00%	1,82,01,875	13.52%	0.00%
Jagdish Prasad Chowdhary	70,700	0.05%	0.00%	70,700	0.05%	0.00%
Umesh Chowdhary	77,530	0.06%	0.00%	77,530	0.06%	0.00%
Rashmi Chowdhary	1,01,22,630	7.52%	0.00%	1,01,22,630	7.52%	-2.00%
Sumita Kandoi	-	0.00%	0.00%	-	0.00%	0.00%
Vinita Bajoria	32,051	0.02%	0.00%	32,051	0.02%	0.00%
Bimla Devi Kajaria	2,000	0.00%	0.00%	2,000	0.00%	0.00%
Titagarh Logistics Infrastructures Private Limited	19,08,487	1.42%	0.00%	19,08,487	1.42%	0.00%

15 Other Equity

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated)(Refer Note 33)
	Rs. In Crores	Rs. In Crores
A. Securities Premium Account (Refer Note 15.1)		
Balance at the beginning of the year	1,382.30	1,382.30
Movement during the year	-	-
Balance at the end of the year	**1,382.30**	**1,382.30**
B. General Reserve (Refer Note 15.2)		
Balance at the beginning of the year	54.12	54.12
Movement during the year	-	-
Balance at the end of the year	**54.12**	**54.12**
C. Capital Reserve		
Balance at the beginning of the year	74.43	74.43

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

15 Other Equity (Contd.)

Particulars	As at March 31, 2026 Rs. In Crores	As at March 31, 2025 (Restated)(Refer Note 33) Rs. In Crores
Movement during the year	-	-
Balance at the end of the year	74.43	74.43
D. Employee Stock Options (ESOPs) Outstanding Account (Refer Note 15.6 and 38)		
Balance at the beginning of the year	0.22	-
Recognition of Share Based Payment (Refer Note 28)	1.44	0.22
Balance at the end of the year	**1.66**	**0.22**
E. Retained Earnings (Refer note 15.3)		
Balance at the beginning of the year	747.33	671.49
Profit for the Year	122.98	88.08
Item of Other Comprehensive Income recognised directly in Retained Earnings		
Remeasurements Losses on Defined Benefit Plan (Net of Tax)	0.82	(1.47)
Share of other comprehensive income of investments accounted for using the equity method	0.06	-
Dividend paid	(13.47)	(10.77)
Net surplus in the statement of profit and loss	**857.72**	**747.33**
F. Foreign Currency Translation Reserve (FCTR) (Refer Note 15.7)		
Balance at the beginning of the year	9.32	9.17
Exchange Differences on Translation of Foreign Operations during the year	(0.72)	0.15
Balance at the end of the year	**8.60**	**9.32**
G. Cash Flow hedge Reserve Account (Refer Note 15.4 and 15.5)		
Balance at the beginning of the year	-	(0.11)
Changes in fair value recognised during the year	-	-
Tax impact on above	-	-
Reclassified to profit and loss and included in profit for the year	-	0.11
Balance at the end of the year	-	-
H. Money received against share warrants (Refer Note 15.8)		
Balance at the beginning of the year	-	-
Money received against share warrants during the year	50.00	-
Balance at the end of the year	50.00	-
Total Other Equity (A+B+C+D+E+F+G+H)	**2,428.83**	**2,267.72**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

15 Other Equity (Contd.)

15.1 Securities Premium Account

Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve is to be utilised in accordance with the provisions of Section 52 of the Act.

15.2 General Reserve

Under the erstwhile Indian Companies Act, 1956, a general reserve was created in the books of the Parent Company through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Parent Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

15.3 Retained Earnings

Retained earnings are the profits / (loss) that the Group has earned / incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earning includes Remeasurements (Gain) / Loss on defined benefits plan, net of taxes that will not be reclassified to Statement of Profit and Loss.

15.4 Cash Flow Hedge Reserve Account

The Parent Company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks. The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item.

15.5 During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to Rs. Nil Crores (March 31, 2025: Rs. 0.11 Crores).

15.6 Employee Stock Options (ESOPs) Outstanding Account

Employee Stock Options Outstanding Account relates to stock options granted by the Parent Company to the employees under the Parent Company's ESOP Scheme. This Account is transferred to Securities Premium Account or Retained Earnings on exercise or lapse of vested options.

15.7 Foreign Currency Translation Reserve (FCTR)

Exchange difference arising from translation of foreign operations are recognised in other comprehensive income as described in accounting policies [Refer Note 2.6j)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.

15.8 Pursuant to approval of the shareholders of the Parent Company at the Extra-Ordinary General Meeting held on August 8, 2025, for the issue of 21,11,932 convertible warrants of Rs. 947/- each (Issue) to members of the promoter group on a preferential basis (Warrants) aggregating Rs 199.99 crore ('Consideration') followed by the in-principle listing approval received from BSE and NSE on October 24, 2025, the Management Committee duly authorised by the Board of the Parent Company in this regard, allotted the said Warrants on November 4, 2025 against receipt of Rs. 49.99 crores being the application money equivalent to 25% of the Consideration in cash (balance 75% payable within 18 months from the date of allotment of Warrants) and the said amount has been utilized by the Parent Company in accordance with the objects of the Issue. On payment of full Consideration, the Warrants are convertible into equivalent number of Equity Shares of face value of Rs. 2/- each fully paid at a premium of Rs. 945/- per equity share, subject to necessary approvals, as may be required.

16 Borrowings

Particulars	Non-current		Current	
	As at March 31, 2026 Rs. In crores	As at March 31, 2025 Rs. In crores	As at March 31, 2026 Rs. In crores	As at March 31, 2025 Rs. In crores
Secured				
Indian Rupee Term Loan from Banks	169.95	24.93	-	12.42
Cash Credits & Working Capital Demand Loan	-	-	258.88	301.74
Liabilities under Supplier Finance Arrangement	-	-	60.87	89.66
Buyers Credit	-	-	32.16	100.59
Total	**169.95**	**24.93**	**351.91**	**504.41**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

16 Borrowings (Contd.)

Notes:

(a) During the year the Parent Company has availed a new term loan facility of Rs 500.00 crores out of which Rs. 169.95 Crores (March 31, 2025: Nil) was disbursed during the year carrying interest @ 7.17 % p.a. (March 31, 2025: Nil) linked to 91 days T-Bill plus spread of 190 bps and is repayable in 31 quarterly instalments from September 2027 to March 2035. Above term loan is secured by way of first pari passu charge over movable fixed assets, both present and future and land at Uttarpara (34.84 acres), Titagarh (16.07 acres) and Anandapur (19.38 Cottah). Negative lien on all that pieces and parcels of land measuring about 9.56 Acres & 9.72 Acres, at Mouza; Titagarh.

(b) During the year the Parent Company has pre-closed an existing term Loan of Rs 37.35 crores carrying interest @ 9.40 % p.a. linked to 1 year MCLR which was repayable in 16 equal quarterly instalments from June 2024 to March 2028. Above term loan was secured by way of first pari passu charge over movable fixed assets, both present and future and immovable properties at Uttarpara (34.84 acres), Titagarh (16.07 acres) and Anandapur (19.38 Cottah). Negative lien on all that pieces and parcels of land measuring about 9.56 Acres & 9.72 Acres, at Mouza; Titagarh

(c) Cash Credits and Working Capital Demand Loans of Rs. 258.88 Crores (March 31, 2025: Rs. 301.74 Crores) were secured by:

1) First charge over entire stocks of raw materials, semi-finished and finished goods, including book debts, bills, receivables, both present and future, ranking pari passu with other participating banks.

2) Second charge over movable fixed assets , both present and future and immovable properties at Uttarpara (34.84 acres), Titagarh (16.07 acres) and Anandapur (19.38 Cottah).

Negative lien on all that pieces and parcels of land measuring about 9.56 Acres & 9.72 Acres, at Mouza; Titagarh. The above facilities have also been secured by way of first pari passu pledge & charge on investment in 4,932,940 equity shares of Titagarh Enterprises Limited and 56,850 equity shares of Titagarh Industries Limited. All the mortgages and charges created in favour of the above lenders rank Pari passu with consortium member banks.

(d) Cash Credits is repayable on demand and carry an interest rate ranging between 6.80% to 9.75% p.a. (March 31, 2025: 8.05% to 11.25% p.a.) linked with MCLR.

(e) Working Capital Demand Loans carry interest ranging from 6.30% to 7.75% p.a. (March 31, 2025: 7.55% to 10.25% p.a.) and are repayable on demand.

(f) Buyers Credit carry an interest rate ranging from 4.06 % to 4.24% p.a. (March 31, 2025: 4.95 % to 5.14% p.a.) and is linked to Secured Overnight Financing Rate (SOFR). The same is repayable over a period of 3 to 6 months.

(g) The Parent Company had been using Supplier Finance Arrangement as part of its non-fund based borrowings sanctioned by the consortium banks. Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts that an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, when suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date. Key terms and conditions of the arrangement are:

— The Parent Company makes payment to the financier within a period of 30 to 90 days from the invoice date.

— The financing terms are negotiated by the Parent Company, and it bears interest in the range of 7.00%–8.50%.

— Range of payment due dates for Liabilities under supplier finance arrangement is 30 to 90 days after invoice date and for comparable trade payables that are not part of the supplier finance arrangement (same line of business) is 30 days after invoice date.

— Liabilities under supplier finance arrangement is Rs. 60.87 crores (March 31, 2025: Rs. 89.66 crores) of which the supplier has received payment from the finance provider of Rs. 60.87 crores (March 31, 2025: Rs. 89.66 crores).

(i) As at March 31, 2026, the register of charges of the Parent Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified for entities which got amalgamated into the Parent Company pursuant to National Company Law Tribunal Orders in earlier years. There are certain charges which are historic in nature and it involves practical challenges in obtaining no-objection certificates (NOCs) from the charge holders of such charges, despite repayment of the underlying loans. Further, certain charges wherein the outstanding loans have been repaid and the Parent Company has also filed the related Form 17 for satisfaction of Charge in respect thereof in earlier years, but the same has not been updated in the MCA records. The Parent Company is following up these matters and is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.

(j) In case of Parent Company, Term Loans obtained in earlier years have been applied for the purpose for which it has been obtained.

(k) Refer Note 44 for information about market risk and liquidity risk on borrowings.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

17 Other Financial Liabilities

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Rs. In crores	Rs. In crores	Rs. In crores	Rs. In crores
Measured at Fair Value through OCI				
Derivative Liabilities #	-	-	-	1.76
Measured at Amortised Cost				
Interest accrued and not due on Borrowings	-	-	2.82	1.83
Investor Education and Protection Fund will be credited by following amounts (as and when due)	-	-	-	-
Unpaid Dividends	-	-	0.12	0.10
Unpaid fractional share	-	-	0.09	0.09
Others (Measured at Amortised Cost)				
Employee Related Liabilities	-	-	3.32	4.63
Payable for Purchase of Property, Plant and Equipment :	-	-	-	-
Dues to Micro enterprises and Small enterprises	-	-	7.31	4.58
Dues to Others than Micro enterprises and Small enterprises	-	-	4.04	8.09
Deferred Guarantee Income	4.24	3.43	1.06	0.72
Other Liabilities [Refer (a) below]	-	-	23.18	15.00
Total	**4.24**	**3.43**	**41.94**	**36.80**

\# Derivative instruments used by the Parent Company is in nature of forward exchange contracts. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Parent Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

(a) The Parent Company has received arbitral awards in its favour in two separate matters aggregating Rs. 22.66 crores (March 31, 2025: Rs. 15.00 crores). In the first matter, arising from a dispute relating to breach of a design licence agreement for non-pressurised bulk powder cement wagons, an award of Rs. 15.00 crores was passed in favour of the Parent Company, which has been received against furnishing of bank guarantee by the counterparty. In the second matter, arising from a dispute relating to liquidated damages withheld under a wagon supply contract, an award directing refund of Rs. 7.66 crores with interest and costs was passed in favour of the Parent Company, which has also been received against furnishing of an equivalent bank guarantee. In both cases, the counterparties have challenged the respective awards before the appropriate courts, which are currently pending. Pending final disposal of these challenges, the amounts so received aggregating Rs. 22.66 crores have been treated as liabilities and classified accordingly in the books of accounts.

18 Provisions

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025 (Restated)(Refer Note 33)
	Rs. In crores	Rs. In crores	Rs. In crores	Rs. In crores
Provisions for Employee Benefits:				
Gratuity (Refer Note 37)	8.46	6.49	3.47	1.56
Leave Benefits (Refer Note 37)	0.23	-	5.54	3.89
	8.69	**6.49**	**9.01**	**5.45**
Other Provisions:				
Warranties [Refer (a) below for movement]	-	-	19.97	13.62

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

18 Provisions (Contd.)

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025 (Restated)(Refer Note 33)
	Rs. In crores	Rs. In crores	Rs. In crores	Rs. In crores
Loss on Onerous Contract [Refer (b) below for movement]	-	-	4.99	3.84
Litigation, Claims and Contingencies [Refer (a) below for movement & note 40]	-	-	159.40	159.40
	-	**-**	**184.36**	**176.86**
Total	**8.69**	**6.49**	**193.37**	**182.31**

a) Movement of provisions for warranties and litigation, claims and contingencies are as follows:

Particulars	Warranties		Litigations, Claims and Contingencies	
	2025-26	2024-25	2025-26	2024-25
	Rs. In crores	Rs. In crores	Rs. In crores	Rs. In crores
At the beginning of the year	13.62	6.53	159.40	2.32
Made during the year	6.35	7.57	-	157.52
Unused amounts reversed during the year	-	**(0.48)**	-	-
Amounts utilized during the year	-	-	-	(0.44)
At the end of the year	**19.97**	**13.62**	**159.40**	**159.40**

b) Movement of provisions for loss on onerous contract are as follows:

Particulars	Loss on Onerous Contract	
	2025-26	2024-25
	Rs. In crores	Rs. In crores
At the beginning of the year	3.84	4.42
Made during the year	2.25	8.11
Amounts utilized during the year	(1.10)	(8.69)
At the end of the year	**4.99**	**3.84**

Information about individual provisions and significant estimates:

i) Warranties

Provision is made for estimated warranty claims in respect of products sold which are under warranty at the end of the reporting period. The warranty period ranges between 2 to 3 years. Management estimates the provision based on contractual terms, historical warranty claims information and any recent trends that may suggest future claims could differ from historical amounts.

ii) Litigation, claims and contingencies

The amounts represent best possible estimates of pending litigations / claims filed by vendors, customers, labours etc and probable claims arising out of certain tax and other matters. The timing and probability of outflow and expected reimbursements, if any, with regard to these matters depends on the ultimate outcome of the legal process or settlement / conclusion of the matter with the relevant authorities / customers / vendors etc.

iii) Loss on Onerous contract

Provision is made for contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Management estimates the provision based on contractual terms and the present obligation under the contract is recognised and measured as a provision.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

19 Current Tax Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
	Rs. In crores	Rs. In crores
Provision for Income Tax	21.35	7.35
(Net of Advance tax and TDS Rs. 59.00 Crores; March 31, 2025 Rs. 90.49 Crores)		
Total	**21.35**	**7.35**

20 Deferred Tax Assets (Net)

Particulars		As at March 31, 2026	As at March 31, 2025
		Rs. In crores	Rs. In crores
Deferred Tax Liabilities			
Arising out of temporary differences in Property, Plant & Equipment and Intangible assets		86.41	79.01
Arising out of temporary differences in right-of-use assets		20.32	21.92
Unrealised Gain on Fair value through Profit & Loss (FVTPL) Equity Securities		7.09	6.78
Gross Deferred Tax Liabilities	**(A)**	**113.82**	**107.71**
Deferred Tax Assets			
Provision for fall in value of Investments*		54.20	56.97
Provision for Doubtful Debts and Advances		12.13	6.19
Provision for Litigations, Claims and Contingencies*		40.23	40.12
Provision for Employee Benefits		4.75	3.41
Provision for Onerous Contract		1.25	0.94
Lease Liabilities		25.49	24.59
Fair valuation of derivative assets		(0.21)	0.13
Disallowance under section 43B(h) of the Income Tax Act, 1961		9.25	2.12
Brought forward tax losses		1.47	-
Preliminary Expenses u/s 35D of Subsidiary Company		0.00	0.00
Deferred Tax Assets	**(B)**	**148.56**	**134.47**
Net Deferred Tax Assets	**(B-A)**	**34.74**	**26.76**

The movement in deferred tax assets and liabilities during the year ended March 31, 2026 and March 31, 2025:

Particulars	As at April 1, 2024 Deferred tax Asset / (Liability)	(Credit) / Charge in Statement of Profit and Loss #	Acquired through Business Combination	As at March 31, 2025 Deferred tax Asset / (Liability)	(Credit) / Charge in Statement of Profit and Loss #	As at March 31, 2026 Deferred tax Asset / (Liability)
Arising out of temporary differences in Property, Plant & Equipment and Intangible assets	(62.09)	(16.91)	(0.01)	(79.01)	(7.40)	(86.41)
Arising out of temporary differences in right-of-use assets	(23.60)	1.82	(0.14)	(21.92)	1.60	(20.32)
Unrealised Gain on Fair value through Profit & Loss (FVTPL) Equity Securities	(5.07)	(1.71)	-	(6.78)	(0.31)	(7.09)
Total Deferred Tax Liabilities	**(90.76)**	**(16.80)**	**(0.15)**	**(107.71)**	**(6.11)**	**(113.82)**
Provision for fall in value of Investments*	47.50	(9.47)	-	56.97	2.77	54.20

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

The movement in deferred tax assets and liabilities during the year ended March 31, 2026 and March 31, 2025: (Contd.)

Particulars	As at April 1, 2024 Deferred tax Asset / (Liability)	(Credit) / Charge in Statement of Profit and Loss #	Acquired through Business Combination	As at March 31, 2025 Deferred tax Asset / (Liability)	(Credit) / Charge in Statement of Profit and Loss #	As at March 31, 2026 Deferred tax Asset / (Liability)
Provision for Doubtful Debts and Advances	3.38	(2.81)	-	6.19	(5.94)	12.13
Provision for Litigations, Claims and Contingencies*	0.58	(39.54)	-	40.12	(0.11)	40.23
Provision for Employee Benefits	1.97	(1.24)	0.20	3.41	(1.34)	4.75
Provision for Onerous Contract	1.11	0.17	-	0.94	(0.31)	1.25
Lease Liabilities	25.03	0.56	0.12	24.59	(0.90)	25.49
Preliminary Expenses u/s 35D of Subsidiary Company	-	0.00	0.00	0.00	-	0.00
Disallowance under section 43B(h) of the Income Tax Act, 1961	0.50	(1.62)	-	2.12	(7.13)	9.25
Brought forward tax losses	-	-	-	-	(1.47)	1.47
Fair valuation of derivative assets	0.05	(0.08)	-	0.13	0.34	(0.21)
Total Deferred Tax Assets	**80.12**	**(54.03)**	**0.32**	**134.47**	**(14.09)**	**148.56**
Deferred Tax Asset / (Liabilities) (Net)	**(10.64)**	**(37.23)**	**0.17**	**26.76**	**(7.98)**	**34.74**

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. (0.27) Crores [March 31, 2025 Rs. 0.49 Crores] included in Other Comprehensive Income.

* Includes tax impact on restatement of prior year figures amounting to Rs. 43.79 Crores. Also refer Note 33.

Deferred tax asset against capital loss for provision for fall in value of Investment in the previous year has been recognised to the extent of identifiable capital gains against which corresponding deferred tax liability is recognised.

21 Trade Payables

Particulars	As at March 31, 2026 Rs. In crores	As at March 31, 2025 Rs. In crores
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	69.12	43.34
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	260.86	191.67
Total	**329.98**	**235.01**

Trade Payable Ageing Schedule

Particulars	Outstanding as on March 31, 2026				
	Less than 6 months	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Payables					
Micro enterprises and small enterprises	36.26	0.77	0.42	-	37.45
Others	77.90	9.84	-	-	87.74
Disputed Trade Payables					

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

Trade Payable Ageing Schedule (Contd.)

Particulars	Outstanding as on March 31, 2026				
	Less than 6 months	1-2 Years	2-3 Years	More than 3 years	Total
Micro enterprises and small enterprises	1.74	1.75	-	-	3.49
Others	-	-	-	-	-
Total	**115.90**	**12.36**	**0.42**	**-**	**128.68**
Undisputed Not Due					
Micro enterprises and small enterprises					28.18
Others					145.00
Disputed Not Due					
Micro enterprises and small enterprises					-
Others					-
Undisputed Unbilled					
Micro enterprises and small enterprises					-
Others					28.12
Disputed Unbilled					
Micro enterprises and small enterprises					-
Others					-
Total					**329.98**

Particulars	Outstanding as on March 31, 2025				
	Less than 6 months	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed Trade Payables					
Micro enterprises and small enterprises	21.35	0.36	0.01	-	21.72
Others	73.83	4.64	0.35	-	78.82
Disputed Trade Payables					
Micro enterprises and small enterprises	2.05	-	-	-	2.05
Others	-	-	-	-	-
Total	**97.23**	**5.00**	**0.36**	**-**	**102.59**
Undisputed Not Due					
Micro enterprises and small enterprises					17.91
Others					64.77
Disputed Not Due					
Micro enterprises and small enterprises					1.31
Others					-
Undisputed Unbilled					
Micro enterprises and small enterprises					-
Others					48.08
Disputed Unbilled					
Micro enterprises and small enterprises					0.35
Others					-
Total					**235.01**

(a) Trade Payables include dues to related parties of Rs. 0.34 Crores (March 31, 2025: Rs. 1.50 Crores). Refer Note 42 for details.
(b) Refer Note 44 for information about market risk and liquidity risk on trade payables.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

22 Contract Liabilities

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Rs. In crores	Rs. In crores	Rs. In crores	Rs. In crores
Advance from Customers	104.64	37.46	240.79	274.07
	104.64	**37.46**	**240.79**	**274.07**

23 Other Liabilities

Particulars	Current	
	As at March 31, 2026	As at March 31, 2025
	Rs. In crores	Rs. In crores
Statutory Dues	14.25	6.99
	14.25	**6.99**

24 Revenue from Operations

Particulars	Current	
	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. In crores	Rs. In crores
Revenue from Contract with Customers		
Sale of Products		
Finished Goods	3,154.21	3,793.30
Raw Materials and Components	6.64	9.85
Sale of Services		
Design Engineering services	-	1.93
Other Operating Revenues		
Scrap Sales	24.97	61.96
Others	-	0.71
Total	**3,185.82**	**3,867.75**

Disaggregation of revenue from operation between timing of revenue recognition is given below:-

Particulars	Current	
	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. In crores	Rs. In crores
Revenue recognised at a point in time	2,727.79	3,588.70
Revenue recognised over time	458.03	279.05
	3,185.82	**3,867.75**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

Reconciliation of revenue recognised with contract price:

Particulars	Current	
	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. In crores	Rs. In crores
Contract price	3,082.15	3,669.74
Adjustment for:		
Liquidated Damages	(25.73)	(13.37)
Escalation	129.40	211.38
Revenue from operation	**3,185.82**	**3,867.75**

25 Other Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. In crores	Rs. In crores
25.1 Interest Income		
From Financial Assets at Amortised Cost		
Bank Deposits	34.02	42.86
Interest unwinding in respect of Security Deposit for Leases	0.36	0.37
Others #	3.73	8.66
	38.11	**51.89**
25.2 Others		
Net Foreign Exchange Fluctuations and Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges ##	3.47	3.05
Unspent Liabilities / Provisions No Longer Required Written Back	1.07	-
Irrecoverable debts written off in earlier years, now recovered	-	1.23
Net Gain on Disposal of Property, Plant and Equipment	0.49	0.23
Guarantee Commission	2.52	0.85
Insurance Claim Received	-	0.06
Other Non-operating Income*	0.60	2.66
	8.15	**8.08**
25.3 Other Gains / (Losses)		
Fair Value Gain on Investment carried at FVTPL	2.18	15.38
	2.18	15.38
Total	48.44	75.35

Includes interest on income tax refund Rs. 3.07 Crores. In respect of the previous year, the amount includes interest income against claims receivables of Rs. 7.56 Crores [refer note 8(a)], interest on income tax refund of Rs. 0.58 Crores, etc.

Foreign Exchange Fluctuations includes Rs. 4,94 Crores (March 31, 2025: Rs. 1.27 Crores) on account of cancellation of forward contracts during the year.

* Includes refund of certain charges Rs 0.44 Crores claims etc. In respect of the previous year, the amount includes claims receivable of Rs. 1.95 Crores [refer note 8(a))] etc.

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

26 Cost of Raw Materials and Components Consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. In crores	Rs. In crores
Inventories at the Beginning of the Year	412.01	460.80
Add: Purchases	2,357.77	2,916.12
Less: Inventories at the End of the Year	2,769.78	3,376.92
Cost of Raw Materials and Components Consumed	420.87	412.01
	2,348.91	**2,964.91**

27 Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
		Rs. In crores	Rs. In crores
Inventories at the beginning of the year			
Finished Goods		-	-
Work-in-Progress		68.78	36.55
Saleable Scrap		11.54	7.71
	(A)	**80.32**	**44.26**
Inventories at the end of the year			
Finished Goods		20.48	-
Work-in-Progress		76.00	68.78
Saleable Scrap		11.72	11.54
	(B)	**108.20**	**80.32**
(Increase) / Decrease	(A-B)	**(27.88)**	**(36.06)**

28 Employee Benefits Expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. In crores	Rs. In crores
Salaries, Wages and Bonus *	92.47	75.91
Employee Stock Options Expense (Refer Note 38)	1.44	0.22
Contribution to Provident & Other Funds * [Refer Note 37(ii) and 48]	5.63	4.32
Gratuity Expense [Refer Note 37(i)]	5.36	1.12
Staff Welfare Expenses	5.41	5.32
Total	**110.31**	**86.89**

*Presented net of Rs. 25.53 Crores (March 31, 2025: Rs. 16.11 Crores) capitalized to Intangible assets/ Intangible asset under development during the year.

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

29 Finance Costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. In crores	Rs. In crores
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, Interest on MSME etc. [Refer (a) below]	42.36	43.01
Interest & Finance Charge on Lease Liabilities [Refer (b) below]	8.45	8.78
Bank charges, Other Borrowing Costs etc.	19.96	21.36
Total	**70.77**	**73.15**

a) Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc includes Rs. Nil (March 31, 2025: Rs. 2.69 Crores) representing cost of financing component @ 9% against long term advance from customer.

b) Presented net of Rs. Nil (March 31, 2025: Rs. 0.19 Crores) capitalized to Intangible assets/ Intangible asset under development.

30 Depreciation and Amortisation Expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. In crores	Rs. In crores
Depreciation of Property, Plant and Equipments* (Refer Note 4.1)	31.01	16.95
Depreciation of Right of use Assets * (Refer Note 4.6)	11.92	11.62
Amortisation of Intangible Assets (Refer Note 4.2)	8.14	1.01
Total	**51.07**	**29.58**

*Presented net of Rs. 1.02 Crores (March 31, 2025: Rs. 0.54 Crores) capitalized to Intangible assets/ Intangible asset under development during the year.

31 Other Expenses (Refer note 31.2)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. In crores	Rs. In crores
Consumption of Stores and Spares	104.57	117.51
Job Processing and other machining charges (including contract labour charges)	126.44	132.07
Power and Fuel	54.48	59.54
Design and Development Expenses	2.64	2.59
Repairs		
Plant and Machinery	5.69	5.23
Buildings	2.30	2.53
Others	1.58	0.65
Rent and Hire Charges	3.42	3.62
Rates and Taxes	3.79	4.10

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

31 Other Expenses (Refer note 31.2) (Contd.)

Particulars		For the year ended March 31, 2026 Rs. In crores		For the year ended March 31, 2025 Rs. In crores
Insurance		4.65		2.69
Security Services		4.16		2.88
Advertising and Sales Promotion		3.67		3.30
Brokerage and Commission		0.01		1.14
Travelling and Conveyance		10.46		11.38
Legal and Professional Fees		12.19		11.89
Commission to non-whole time directors		0.60		0.60
Directors Sitting Fees		0.72		0.55
Payment to Auditors		1.21		1.16
Warranty Claims (net)	6.35		7.57	
Less: Adjusted with Provision	-	6.35	0.48	7.09
Irrecoverable debts/ advances/ other receivables written off	-		0.06	
Less: Adjusted with Provision	-	-	-	0.06
Provision for Doubtful Debts and Advances		22.82		7.67
Loss on sale of Investment Property		4.60		-
Provision for Onerous Contracts		2.25		8.11
Corporate Social Responsibility Expenses		6.26		3.77
Donation (Refer Note 31.1)		-		4.54
Miscellaneous Expenses		21.62		24.30
Total		**406.48**		**418.97**

31.1 Donation includes Rs. Nil (March 31, 2025: Rs. 4.50 Crores) towards contribution to Prudent Electoral Trust, an approved electoral trust as approved by the board of directors in compliance with the requirements of section 198 of the Companies Act 2013.

31.2 Presented net of Rs. 31.90 Crores (March 31, 2025: Rs. 54.38 Crores) capitalized to Intangible assets/ Intangible asset under development during the year. The detail of such expenses are as follow:

Design and development expenses	21.52	48.64
Consumption of stores and spares	0.15	-
Power and Fuel	-	1.81
Job Processing and other machining charges (including contract labour charges)	0.62	0.47
Repair to Plant and machinery	1.20	
Rent and Hire charges	0.31	
Legal and professional fees	1.39	0.10
Travelling and conveyance	0.99	1.03
Miscellaneous expenses	5.72	2.33
	31.90	**54.38**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

32 Income Tax Expense / (Benefit)

Particulars	For the year ended March 31, 2026 Rs. In crores	For the year ended March 31, 2025 Rs. In crores
(A) Amount Recognised in the Statement of Profit and Loss		
Current Tax (including earlier years)	79.37	99.63
Deferred Tax	(8.25)	(36.74)
Total Income Tax Expense Recognised in Statement of Profit and Loss	**71.12**	**62.89**
(B) Numerical Reconciliation of Income Tax Expense to Tax Payable		
Accounting Profit /(Loss) before Tax including Discontinued Operations	193.94	381.60
At India's Statutory Income Tax Rate of 25.168% (March 31, 2025: 25.168%)	**48.81**	**96.04**
Adjustments:		
Expenses not allowed as deductions	17.83	3.01
Impact of lower tax rate (Capital Gains tax rate) on the sale/ fair valuation of capital assets	-	0.03
Impact of Discontinued Operations & Joint Ventures	4.32	6.02
Impact of restatement of prior year, refer Note 33	-	(43.79)
Deferred tax assets not recognised	1.71	-
Tax pertaining to earlier years	(0.58)	0.64
Others	(0.97)	0.93
	71.12	**62.89**

33 Exceptional Items

Particulars	For the year ended March 31, 2026 Rs. In crores	For the year ended March 31, 2025 Rs. In crores
In respect of Titagarh Firema S.p.A as described in note below	64.78	157.52

Note:

In the year 2015, the Parent Company incorporated Titagarh Firema S.p.A. (""Firema"") as a subsidiary, which acquired on a going-concern basis the business of Firema Transporti, Italy (then under extraordinary administration). Firema Transporti was a leading producer of Metro and Passenger trains in Italy with good design capabilities, manufacturing know-how, and market credentials. Over the years, the Parent Company made substantial fund infusion (directly and indirectly) into Firema by way of equity, loans and advances and also gave financial guarantees/ collateral security for the benefit of Firema.

With the help of this acquisition, the Parent Company established its Passenger Rail Segment and in consortium with Firema, received its first contract for supplying 34 Metro trains for Pune from Maharashtra Metro Corporation in 2019. The Parent Company, with technology and support from Firema, established a state-of-the-art plant in Kolkata for manufacturing passenger trains and supplied 31 out of the 34 trains from this plant under the make in India policy of the government.

In September 2022, Firema ceased to be a subsidiary of the Parent Company pursuant to further capital raise where Government of Italy and other strategic investors infused fresh equity into Firema and accordingly Firema became an associate of the Parent Company.

Despite multiple rounds of equity infusion and other financial assistance given to Firema by the Parent Company (directly and indirectly) along with the Government of Italy and other investors, Firema continued to suffer huge losses (including arising out of

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

33 Exceptional Items (Contd.)

Force Majure situations such as Covid-19, War in Ukraine etc) and accordingly filed for protection under the Crisis and Insolvency Code ("CNC") in the Court of Naples in Italy with objective of restructuring and/or to explore a potential investor/buyer. The Board of Directors of the Parent Company decided not to infuse fresh equity into Firema, given that the Parent Company had successfully established its Passenger Rail Systems business in India and has been awarded many contracts for both Metro and Vande Bharat trains (which are under execution). The Parent Company is also independently qualified to participate in Indian tenders for Metro Coaches and Vande Bharat Trains.

Finally, on March 4, 2026, the business and assets relating to Firema's production activities were transferred on a going-concern basis to Ferrovie dello Stato Italiane S.p.A. ("FS Group"), Italy's state Railways. The consideration received from FS Group was applied towards partial settlement of secured and unsecured creditors, and no payment was made to the shareholders.

During the CNC proceedings, Firema was unable to submit its audited financial statements and had instead submitted Management accounts representing a loss of Euro16.89 million (Rs 152.93 crores), which was then audited by a component auditor for the limited purpose of consolidation of the Group's financial statements as at and for the year ended March 31, 2025. Subsequently on completion of the CNC proceedings, Firema has now submitted its duly audited financial statements along with statutory auditors report dated May 5, 2026 wherein the loss for the year ended March 31, 2025 has been reported as Euro 104.72 million (Rs. 948.24 crores). Due to this significant variation in the reported loss, the net worth of Firema turned negative as at March 31, 2025.

As a result of the above, the Parent Company assessed the impact on previous period financial information and in accordance with the requirements of Ind AS 8 — Accounting Policies, Changes in Accounting Estimates and Errors, the Parent Company has restated the comparative financial information for its incremental share of loss of Rs 74.58 crores in respect of its joint venture Shivalik Mercantile Limited, (whose consolidated financial statements was also restated to consider the impact of the above loss incurred at Firema) and provision towards collateral provided by the Parent Company amounting to Rs. 157.52 crores in the previous year.

Further, an aggregate loss allowances of Rs. 64.78 crores towards loans to Shivaliks Mercantile Limited (a joint venture) and trade receivables from Firema (an Associate Company) has been accounted for in the current year.

All these amounts have been shown under Exceptional Items as they are a result of the decision of the Parent Company to completely discontinue/exit from its European (Italian) operations.

The effect of above including tax thereon is tabled below:

Rs. in Crores

Particulars	Reported as at and for the year ended March 31, 2025	Restated as at and for the year ended March 31, 2025
Share of Profit/ (Loss) of Joint Ventures	(23.92)	(98.50)
Exceptional Items	-	157.52
Tax expense	106.68	62.89
Profit / (Loss) for the Period / Year	274.92	86.61
Equity Accounted Investments	246.82	172.24
Deferred Tax Assets	1.72	26.76
Deferred Tax Liabilities	18.75	-
Provisions	24.79	182.31

34 Discontinued Operations:

(a) In continued efforts to simplify the corporate structure, based on approval of the Board of Directors of the Parent Company, the voluntary winding up of Titagarh Singapore Pte Limited (TSPL) at Singapore has already been initiated in the earlier years in accordance with local laws and the same is expected to be completed in the next year. Accordingly, the financial statements of TSPL has been prepared on liquidation basis (realisable value) for the year ended March 31, 2026 and March 31, 2025 and has been disclosed as discontinued operations.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

34 Discontinued Operations: (Contd.)

(b) The results of discontinued operations (without elimination) in respect of TSPL are set out below:

Rs. in Crores

Particulars	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
	TSPL	TSPL
Income		
Revenue from Operations	-	-
Other Income	-	0.00
Total Income	**-**	**0.00**
Expenses		
Cost of Raw Materials and Components Consumed	-	-
Changes in Inventories of Finished Goods, Work-in-progress, Trading Goods and Saleable Scrap	-	-
Employee Benefits Expense	-	-
Finance Costs	0.01	0.00
Depreciation and Amortisation Expense	-	-
Other Expenses	0.14	0.14
Total Expenses	**0.15**	**0.14**
Profit before exceptional items & tax from discontinued operation	**(0.15)**	**(0.14)**
Exceptional Items	(1.42)	-
Profit / (Loss) before Tax	**1.27**	**(0.14)**
Tax Expense:		
Current Tax	-	-
Deferred Tax	-	-
Total Tax Expense	-	-
Profit / (Loss) after tax from discontinued operations	1.27	**(0.14)**
Other Comprehensive Income	-	-
Item that will be Reclassified to Profit or Loss in Subsequent Periods:		
Exchange Differences on Translation of Foreign Operations	(0.72)	0.15
Income tax relating to above	-	-
Other Comprehensive Income for the Year (Net of Tax)	**(0.72)**	**0.15**
Total Comprehensive Income for the Year from discontinued operations	**0.55**	**0.01**
(c) Net Cash Used in Operating Activities	1.36	4.42
Net Cash Used in Investing Activities	-	-
Net Cash Generated from Financing Activities	-	-
Net increase in cash generated from discontinued operations	**1.36**	**4.42**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

35 Assets Held for Sale

As of March 31, 2026, assets held for sale includes Rs 1.17 crores from the sale of an investment property located in Bharatpur vide transfer deed dated March 29, 2026 between Parent Company and Maruti Heavy Engineering Udyog. Also refer note 4.3.

36 Earnings/(Loss) Per Equity Share

Rs. in Crores

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	13,46,73,768	13,46,73,768
(ii) Number of Equity Shares at the End of the Year	13,46,73,768	13,46,73,768
(iii) Weighted Average Number of Equity Shares Outstanding during the year	13,46,73,768	13,46,73,768
(iv) Face Value of Each Equity Share (Rs)	2.00	2.00
(v) Profit / (Loss) after Tax Available for Equity Shareholders of the Parent Company (Rs. In Crores)		
From Continuing Operation (Rs.in Crores)	121.55	86.75
From Discontinuing Operation (Rs.in Crores)	1.27	(0.14)
From Continuing and Discontinuing Operation (Rs.in Crores)	122.82	86.61
(vi) Basic Earnings/(Loss) per Equity Share (Rs.) [(v)/(iii)]		
From Continuing Operation	**9.03**	**6.44**
From Discontinuing Operation	0.09	(0.01)
From Continuing and Discontinuing Operation	**9.12**	**6.43**
(B) Diluted		
(i) Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	72,014	1,29,443
(ii) Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	13,47,45,782	13,48,03,211
(iii) Diluted Earnings/(Loss) per Equity Share (Rs) [A(v)/B(ii)]		
From Continuing Operation	9.02	6.43
From Discontinuing Operation	0.09	(0.01)
From Continuing and Discontinuing Operation	9.11	6.42
Basic and diluted earnings per share for the prior year have also been restated (Refer note 33). The amount of the correction for basic and diluted earnings per share is decrease as follows:		
Basic Earnings per Equity Share		
for continuing operations (Rs)		13.98
for discontinued operations (Rs)		-
for continuing and discontinued operations (Rs)		13.98
Diluted Earnings per Equity Share		
for continuing operations (Rs)		13.97
for discontinued operations (Rs)		-
for continuing and discontinued operations (Rs)		13.97

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

37 Employee Benefits:

(i) Post-employment Defined Benefit Plans:

Gratuity

The Parent Company and a Subsidiary Company has a defined benefit gratuity plan which is unfunded (except for one unit of Parent Company where it is administered through a trust and funded with a bank through its special deposit scheme with State Bank of India). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.

The following tables sets forth the particulars in respect of the gratuity plan.

(Rs.in Crores)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	0.09	0.04	2.07	0.71
Past Service Cost	0.20	-	2.40	-
Return on Plan Assets	-	-	(0.01)	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	0.01	0.01	0.60	0.36
Total	**0.30**	**0.05**	**5.06**	**1.07**
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	(0.10)	(0.05)	(0.99)	2.01
Total	**(0.10)**	**(0.05)**	**(0.99)**	**2.01**
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	0.63	0.41	11.64	7.96
Fair value of Plan Assets	0.34	0.32	-	-
Net Liability	**0.29**	**0.09**	**11.64**	**7.96**
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	-	-	3.47	1.56
Non-Current Liability (Long term)	0.29	0.09	8.17	6.40
	0.29	**0.09**	**11.64**	**7.96**
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	0.41	0.44	7.96	4.99
Conversion of joint venture to subsidiary (Refer note 3 (c)(ii))	-	-	-	0.34
Current Service Cost	0.09	0.04	2.07	0.71
Interest Cost	0.03	0.04	0.60	0.36
Past Service Cost	0.20	-	2.40	-
Benefits Paid	-	(0.06)	(0.38)	(0.46)

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

37 Employee Benefits: (Contd.)

(Rs.in Crores)

Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Transfer In/ (Out)	-	-	0.35	-
Provisions No Longer Required Written Back			(0.37)	
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	0.02	0.06	0.40	1.27
Demographic Assumptions	(0.09)	0.03	(1.44)	0.37
Experience Variance	(0.03)	(0.14)	0.05	0.38
Closing Defined Benefit Obligation	**0.63**	**0.41**	**11.64**	**7.96**
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	0.32	0.35	-	-
Return on Plan Assets	-	-	(0.01)	-
Investment Income	0.02	0.03	0.01	-
Benefits Paid	-	(0.06)	-	-
Fair Value of Plan Assets at the end of the year	**0.34**	**0.32**	**-**	**-**
The major categories of Plan Assets as a percentage of the Fair Value of Total Plan Assets are as follows:				
Special Deposit Scheme with State Bank of India	100%	100%	100%	100%
Maturity Profile of the Defined Benefit Obligation				
Weighted Average Duration of the Defined Benefit Obligation	4 years	6 years	3 years/ 4 years	5 years/ 21 years
Expected Benefit Payments for the year ending				
Not later than 1 year	0.16	0.04	3.47	1.56
Later than 1 year and not later than 5 years	0.38	0.21	6.54	3.50
Later than 5 year and not later than 10 years	0.21	0.18	3.83	3.45
More than 10 years	0.11	0.25	1.57	4.79
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	6.70%	6.55%	6.60%/ 6.65%	6.5%/ 6.9%
Rate of increase in Salary	10.77%	10.00%	10.77%	10.00%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2012-2014) published by the Institute of Actuaries of India.

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Parent Company expects to contribute Rs. Nil (March 31, 2025: Rs. 0.17 Crores) to the funded gratuity plans during the next financial year.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

37 Employee Benefits: (Contd.)

A quantitative sensitivity analysis of impact on defined benefit obligations for significant assumption on the gratuity plan is as shown below:

(Rs.in Crores)

Sensitivity level	Gratuity (Funded)			
	As at March 31, 2026		As at March 31, 2025	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	0.66	0.61	0.44	0.38
Salary Growth Rate (- / + 1%)	0.61	0.65	0.39	0.43

Sensitivity level	Gratuity (Unfunded)			
	As at March 31, 2026		As at March 31, 2025	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	12.09	11.21	8.48	7.50
Salary Growth Rate (- / + 1%)	11.26	12.02	7.55	8.41

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, The Industrial Relations Code, 2020, the Code of Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. 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 have been assessed and disclosed, consistent with the guidance provided by the Institute of Chartered Accountants of India. Accordingly, an incremental liability of Rs. 3.39 crores have been recognised by the Group during the year. The Group continues to monitor the finalization of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

(ii) Post-employment Defined Contribution Plans:

Provident Fund and Employee State Insurance Scheme (ESI)

Certain categories of employees of the Parent Company and a Subsidiary Company receive benefits from a provident fund and ESI, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Parent Company and a Subsidiary Company have no further obligations under the plan beyond its monthly contributions.

The amounts paid to Defined Contribution Plans are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs. in Crores	Rs. in Crores
Provident Fund (refer note 48)	5.37	4.00
ESI	0.26	0.32
Total	**5.63**	**4.32**

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)
37 Employee Benefits: (Contd.)

(iii) Leave Benefits

The Parent Company and a subsidiary provides for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the respective company's policy. The Parent Company and the subsidiary records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

In the current financial year (FY- 2025-26), the total provision recorded by the Parent Company towards these benefits at year end was Rs. 5.42 Crores. The amount of the provision is presented as current by the Parent Company as it does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Parent Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months for the Parent Company.

Particulars	As at March 31, 2026
	Rs. in Crores
Leave provision not expected to be settled within the next 12 months	3.53

Further in previous year (FY- 2024-25), the total provision recorded by the Parent Company and one of its subsidiary towards these benefits at year end was Rs. 3.89 Crores. The amount of the provision was presented as current by the Parent Company and its subsidiary as it did not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Parent Company/ subsidiary did not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that was not expected to be taken or paid within the next 12 months for the Parent Company and one of its siubsidiary.

Particulars	As at March 31, 2025
	Rs. in Crores
Leave provision not expected to be settled within the next 12 months	2.91

(iv) Risk Exposure

Through its defined benefit plans, the Parent Company and the subsidiary is exposed to some risks, the most significant of which are detailed below:

(a) Discount Rate Risk

The Parent Company and the subsidiary is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

(b) Salary Growth Risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(c) Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Parent Company and the subsidiary are exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)
38 Employee Stock Option Scheme

The Board of Directors of the Parent Company at its meeting held on March 21, 2023 approved the Employee Stock Option Scheme titled “Titagarh Rail Systems Limited Employees Stock Option Scheme 2023” for the employees. Subsequently, on April 26, 2023, the shareholders, by way of postal ballot approved the said Scheme. On February 13, 2025, the Board of Directors proposed modifications to this scheme, including an increase in the number of stock options from 500,000 to 15,00,000, subject to shareholder approval. According to the Scheme 2023, the employee selected by the ESOS Compensation Committee from time to time will be entitled to the stock options. The total number of options granted should not exceed 15,00,000 options and will be granted in one or more tranches over a period of 5 years. Each option, when exercised, will be converted into 1 equity share of INR 2.00 each (Face Value) fully paid up. Other terms are -

Particulars	Tranch 1	Tranch 2	Tranch 3
Vesting period	As stated below	As stated below	As stated below
Exercise period	Within a period of 6 months from the date of vesting	Within a period of 6 months from the date of vesting	Within a period of 6 months from the date of vesting
Grant Date	February 3, 2025	May 30, 2025	December 31, 2025
Exercise price	Rs 860.00	Rs 860.00	Rs. 860.00
Market price at Grant date	Rs 956.00	Rs. 911.20	Rs. 878.50
The vesting schedule of the options is as follows:			
At the end of first year from the date of grant	10%	10%	10%
At the end of second year from the date of grant	15%	15%	15%
At the end of third year from the date of grant	20%	20%	20%
At the end of fourth year from the date of grant	25%	25%	25%
At the end of fifth year from the date of grant	30%	30%	30%

Particulars	Tranch 4
Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	December 31, 2025
Exercise price	Rs 750.00
Market price at Grant Date	Rs. 878.50
The vesting schedule of the options is as follows:	
At the end of 15 months from the date of grant	15%
At the end of 27 months from the date of grant	25%
At the end of 39 months from the date of grant	20%
At the end of 51 months from the date of grant	20%
At the end of 63 months from the date of grant	20%

The movement of the option is summarised below:

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Tranch 1				
Outstanding at the beginning of the year	4,62,250	860.00	-	-
Granted during the year	-	-	4,62,250	860.00
Lapsed during the year	-	-	-	-
Forfeited during the year	1,94,250	860.00	-	-

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

38 Employee Stock Option Scheme (Contd.)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Exercised during the year	-	-	-	-
Outstanding at the end of the year	2,68,000	860.00	4,62,250	860.00
Exercisable at the end of the year	26,800	860.00	-	-
The weighted average fair value of the option as on the grant date is Rs. 459.10 (March 31, 2025: 459.10) and weighted average contractual life of the option as at March 31, 2026 is 3.75 years (March 31, 2025: 3.75 years)				
Tranch 2				
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	1,15,000	860.00	-	-
Lapsed during the year	-	-	-	-
Forfeited during the year	50,000	860.00	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	65,000	860.00	-	-
Exercisable at the end of the year	-	-	-	-
The weighted average fair value of the option as on the grant date is Rs. 415.60 (March 31, 2025: Nil) and weighted average contractual life of the option as at March 31, 2026 is 3.75 years (March 31, 2025: Nil).				
Tranch 3				
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	1,24,500	860.00	-	-
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	1,24,500	860.00	-	-
Exercisable at the end of the year	-	-	-	-
The weighted average fair value of the option as on the grant date is Rs. 382.10 (March 31, 2025: Nil) and weighted average contractual life of the option as at March 31, 2026 is 3.75 years (March 31, 2025: Nil).				
Tranch 4				
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	7,50,000	750.00	-	-
Lapsed during the year	-	-	-	-
Forfeited during the year	32,500	750.00	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	7,17,500	750.00	-	-
Exercisable at the end of the year	-	-	-	-
The weighted average fair value of the option as on the grant date is Rs. 409.50 (March 31, 2025: Nil) and weighted average contractual life of the option as at March 31, 2026 is 3.55 years (March 31, 2025: Nil).				
The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.				

Grant date	Tranch 1 February 3, 2025	Tranch 2 May 30, 2025	Tranch 3 December 31, 2025	Tranch 4 December 31, 2025
Share price (Rs)	956.00	911.2	878.50	878.50
Exercise price (Rs)	860.00	860	860.00	750.00
Risk-free interest rate	6.30%	5.70%	5.90%	5.80%
Expected volatility	52.20%	52.00%	49.50%	49.10%
Dividend yield	0.08%	0.10%	0.11%	0.10%
Expected life of the options	5 years	5 years	5 years	5 years 3 months

During the year ended, the Group recorded an employee compensation expense of Rs. 1.44 Crores (March 31, 2025 : Rs. 0.22 Crores) in the statement of Profit and Loss.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

39 Commitments

Particulars	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores
Estimated amount of contracts remaining to be executed on capital accounts and not provided for [net of advances Rs. 193.09 Crores (March 31, 2025: Rs. 38.51 Crores)]	205.57	77.41

40 Contingent Liabilities

(i) Claims against the Group not acknowledged as debt

Particulars	As at March 31, 2026	As at March 31, 2025
	Rs. in Crores	Rs. in Crores
Disputed claims contested by the Group and pending at various courts/arbitration*	40.71	40.71
Matters under appeal with:		
Sales tax authorities	22.93	22.93
Income tax authorities	46.99	45.12
Customs and Excise Authorities	46.47	47.67
Goods and service tax Authorities	30.43	30.02
	187.53	**186.45**

* Includes Rs 13.60 Crores (March 31, 2025: Rs. 13.60 Crores) which in terms of BIFR order, even if decided against the Group, would stand at Rs 1.36 Crores (March 31, 2025 : Rs 1.36 Crores) only.

In respect of above cases based on favourable decisions in similar cases/legal opinions taken by the Group/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in the consolidated financial statements.

In respect of above contingent liabilities, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above.

Also, refer note 5.2(b), for financial undertaking given by the Company in respect of borrowings of RTRWL, one of its joint venture.

(ii) Further:

(a) Erstwhile Cimmco Limited (Since merged with the Parent Company) had prior to year 2000, obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit/extended time limit (as extended pursuant to sanctioned scheme of BIFR) from the date of issuance of such licenses. However, in absence of complete list of licenses along with the imports made against each license, the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

(b) SBI Caps has raised a claim of Rs. 11.29 Crores on erstwhile Cimmco Limited (since merged with the Parent Company) on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to erstwhile Cimmco Limited (since merged with the Parent Company) which in turn has been sub leased to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai. As per the separate lease agreements entered between SBI CAPS, erstwhile Cimmco Limited (since merged with the Parent Company) and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the above terms contained in the above agreements and also favourable ITAT judgements regarding the admissibility of the depreciation on the leased assets, the Parent Company believes that there would not be any liability that would crystallise on account of the above.

(iii) In respect of land parcels at Gwalior, during the year, the Parent Company has received a demand from the Office of the Municipal Commissioner, Gwalior for payment of municipal taxes of Rs. 7.24 crores, which is disputed by the Parent Company and is accordingly considered as contingent liability. In view of the Parent Company, the said land parcels are exempt from property tax under Section 136 of the Madhya Pradesh Municipal Corporation Act and such demand notices sent by the authorities are time-barred. Further, given that the ownership of the land parcels are under dispute [refer note 4.1(d)], the property tax demand by the Municipal Corporation is illegal and inappropriate.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

41 Segment Information

The operating segments based on the Group's products has been identified by the chief operating decision maker, being the Board of Directors, as "Freight Rail Systems" , "Passenger Rail Systems" and " Shipbuilding".

(a) **Freight Rail Systems**

Consists of manufacturing of Wagons, Loco Shells, bogies, couplers, its components, designing and construction of Warships, Passenger Vessels, Tug and specialised equipment's for Defence, Bridge Girders etc.

(b) **Passenger Rail Systems**

Consists of designing and manufacturing of Metro, Passenger Coaches, EMUs, Train Sets, Mono Rail, Propulsion equipment, Traction Motors and its components.

(c) **Shipbuilding**

Consists of design, construction, manufacturing, and maintenance of naval systems, including shipbuilding, ship repair, and related marine and defence equipment, along with research, development, and sale of vessels and their components.

Segment performance is evaluated based on profit or loss and is measured consistently with Profit or Loss in the Consolidated Financial Statements. Also, the Group's borrowings (including finance costs to the extent not allocable to segments), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the consolidated statement of profit and loss.

Segment Assets and Liabilities are measured in the same way as in the consolidated financial statements.

These asset and liabilities are allocated based on the operations of the segment and physical location of assets.

Information about Operating Segments

For the year ended March 31, 2026

(Rs. in Crores)

Particulars	Freight Rail Systems	Passenger Rail Systems	Shipbuilding	Total
Revenue from Operations				
Segment Revenue (External)	**2,604.25**	**539.33**	**42.24**	**3,185.82**
Major cost				
Cost of Raw Materials & Components Consumed	1,960.43	357.76	30.72	2,348.91
Additions to PPE, CWIP, ROU, Intangible Assets, Intangible Assets under development and Others				
Non-current assets (net of disposal)	21.65	253.64	5.29	280.58
Segment Profit (a)	317.93	77.03	(20.64)	374.32
Unallocated (Income) / Expenses				
Finance Costs				57.58
Interest Income				(38.03)
Interest Expense - Net (b)				**19.55**
Depreciation and Amortisation Expense				3.46
Other Corporate Income				(1.05)
Other Corporate Expenses				77.76
Unallocable expenditure net of income (c)				**80.17**
Share of Profit/(Loss) of Joint Ventures and Associate (d)				**(17.15)**
Profit before Exceptional Items and Tax (e=a-b-c+d)				**257.45**
Exceptional Item(f)				64.78
Profit before Tax (e-f)				**192.67**
Tax Expenses /(Credit)				71.12

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

41 Segment Information (Contd.)

Particulars	Freight Rail Systems	Passenger Rail Systems	Shipbuilding	Total
Profit for the year from continuing operations				**121.55**
Profit/(Loss) for the Year after Tax from discontinued operations				**1.27**
Profit for the Year after Tax				**122.82**
Material Non-cash (Income) / Expenses:				
Depreciation and Amortisation Expense	23.70	23.06	0.84	47.60
Provision for Doubtful Debts and Advances	20.51	2.31	-	22.82
Provision for Onerous Contract	-	-	2.25	2.25
Segment Assets	**1566.22**	**1,363.69**	**160.85**	**3,090.76**
Unallocated Assets				
Investments				54.58
Cash and Cash Equivalents				161.86
Other Bank Balances				155.33
Tax Assets (Net)				28.76
Deferred Tax Assets (Net)				34.74
Other Unallocated Assets				511.95
Total Reportable Segments				**4,037.98**
Assets held for sale				1.17
Total Assets				**4,039.15**
Segment Liabilities	**371.84**	**408.62**	**75.24**	**483.86**
Unallocated Liabilities				
Deferred Tax Liabilities (Net)				-
Borrowings				521.86
Tax Liabilities (Net)				21.35
Other Unallocated Liabilities				555.30
Total Liabilities				**1,582.37**

For the year ended March 31, 2025

(Rs. in Crores)

Particulars	Freight Rail Systems	Passenger Rail Systems	Shipbuilding	Total
Revenue from Operations				
Segment Revenue (External)	**3,491.83**	**257.48**	**118.44**	**3,867.75**
Major cost				
Cost of Raw Materials & Components Consumed	2,701.22	169.20	94.49	2,964.91
Additions to PPE, CWIP, ROU, Intangible Assets, Intangible Assets under development and Others				
Non-current assets (net of disposal)	49.74	163.94	-	213.68
Segment Profit (a)	**450.96**	**15.24**	**(13.32)**	**452.88**
Unallocated (Income) / Expenses				
Finance Costs				58.72
Interest Income				(51.06)
Interest Expense - Net (b)				**7.66**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

41 Segment Information (Contd.)

(Rs. in Crores)

Particulars	Freight Rail Systems	Passenger Rail Systems	Shipbuilding	Total
Depreciation and Amortisation Expense				2.44
Other Corporate Income				(16.98)
Other Corporate Expenses				54.10
Unallocable expenditure net of income (c)				39.56
Share of Profit/(Loss) of Joint Ventures and Associate (d)				(98.50)
Profit before Exceptional Items and Tax (e=a-b-c+d)				**307.16**
Exceptional Item(f)				157.52
Profit before Tax (e-f)				**149.64**
Tax Expenses /(Credit)				62.89
Profit for the year from continuing operations				**86.75**
Loss for the Year after Tax from discontinued operations				(0.14)
Profit for the Year after Tax				**86.61**
Material Non-cash (Income) / Expenses:				
Depreciation and Amortisation Expense	20.87	5.80	0.47	27.14
Provision for Doubtful Debts and Advances	1.58	6.09	-	7.67
Provision for Onerous Contract	-	-	8.11	**8.11**
Segment Assets	**1,607.26**	**907.57**	**127.10**	**2,641.93**
Unallocated Assets				
Investments				52.38
Cash and Cash Equivalents				25.27
Other Bank Balances				442.13
Tax Assets (Net)				-
Deferred Tax Assets (Net)				26.76
Other Unallocated Assets				524.28
Total Assets				**3,712.75**
Segment Liabilities	**392.72**	**263.52**	**12.81**	**669.05**
Unallocated Liabilities				
Borrowings				529.34
Tax Liabilities (Net)				7.35
Other Unallocated Liabilities				211.18
Total Liabilities				**1,416.92**

Geographic Wise Disclosures

(a) The Parent Company is domiciled in India. The amount of Group's revenue from external customers broken down by location of the customers is shown below:-

Particulars	For the year ended March 31, 2026 Rs. in Crores	For the year ended March 31, 2025 Rs. in Crores
India	3,185.82	3,859.99
Rest of the World	-	7.76
Total	**3,185.82**	**3,867.75**

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)
41 Segment Information (Contd.)

(b) All non-current assets (excluding Financial Assets) of the Company are located in India.

(c) Total revenue from external customers which represents more than 10% of the total revenue of the Group is Rs 2,089.07 Crores, relating to one customer (March 31, 2025: Rs 2,576.16 Crores, relating to one customer).

(d) Also refer note 33

42 Related Party Disclosures

Names of Related Parties and Related Party Relationship

Related parties where control exists:	
Subsidiary Company:	
	Titagarh Firema Engineering Services Private Limited (w.e.f February 14, 2025) [Refer note 3(c)(ii)]
	Titagarh Naval Systems Limited (w.e.f August 11, 2025)
	Titagarh Singapore Pte. Limited (upto March 27, 2026) (Refer note 1(a))
	Titagarh Wagons AFR (TWA)(Refer note 1(a))
Joint Venture Companies:	
	Titagarh Mermec Private Limited
	Titagarh Firema Engineering Services Private Limited (w.e.f September 16, 2023 and upto February 13, 2025)
	Ramkrishna Titagarh Rail Wheels Limited
	Shivaliks Mercantile Limited
Associate Company:	
	Titagarh Firema S.p.A, Italy
Trust:	
	Titagarh Group Foundation

Other related parties with whom transactions have taken place during the period:

Related parties where control exists:	
Key Management Personnel (KMPs):	
	Mr. J P Chowdhary – Executive Chairman
	Mr. Umesh Chowdhary – Vice Chairman & Managing Director
	Mr. Anil Kumar Agarwal - Deputy Managing Director & CEO (FTRS) (upto February 2, 2025)
	Mr. Anil Kumar Agarwal - Deputy Managing Director (w.e.f. February 3, 2025)
	Mr. Saurav Singhania- Chief Financial Officer
	Mr. Saket Kandoi - Director (Freight Rolling Stock) (upto February 2, 2025)
	Mr. Saket Kandoi - Director & CEO (Shipbuilding & Maritime Systems) (w.e.f. February 3, 2025 upto February 13, 2026)
	Mrs. Rashmi Chowdhary - Non-Executive Director
	Mr. Prithish Chowdhary - Director (Marketing & Business Development) and Deputy CEO (PRS) (upto May 14, 2024)
	Mr. Prithish Chowdhary - Deputy Managing Director (w.e.f May 15, 2024)
	Mr. Atul Ravishanker Joshi - Independent Director

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

42 Related Party Disclosures (Contd.)

Other related parties with whom transactions have taken place during the period:

Related parties where control exists:	
	Mr. Sushil Kumar Roongta - Independent Director
	Mr. Krishan Kumar Jalan - Independent Director
	Ms. Nayantara Palchoudhuri - Independent Director
	Mr. Bontha Prasada Rao - Independent Director
	Mr. Debanjan Mandal- Independent Director
	Mr. Dinesh Arya - Company Secretary and Compliance Officer (upto May 31,2025)
	Mr. Aditya Purohit - Company Secretary (w.e.f. June 1, 2025)
Close Family Members of the KMPs:	
	Mrs. Vinita Bajoria, Daughter of Mr. J P Chowdhary
	Mrs. Sumita Kandoi, Daughter of Mr. J P Chowdhary
	Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary
Enterprises over which KMP/ Shareholders/ Close Family Members have significant influence:	
	Titagarh Capital Management Services Private Limited
	Titagarh Enterprises Limited
	Titagarh Industries Limited
	Nicco Eastern Private Limited
	Indistrokes Private Limited
	Titagarh Logistics Infrastructures Private Limited
	Chowdhary Foundation

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below:

(Rs. in Crores)

Nature of transactions	Year	Joint Venture	Associate	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Statement of Profit and Loss							
Sale of Products & Services							
Titagarh Firema S.p.A	2025-26	-	-	-	-	-	-
	2024-25	-	7.02	-	-	-	7.02
Purchase of Raw Materials and Components							
Titagarh Firema S.p.A	2025-26	-	-	-	-	-	-
	2024-25	-	0.94	-	-	-	0.94
Nicco Eastern Private Limited	2025-26	-	-	-	-	-	-
	2024-25	-	-	0.18	-	-	0.18
Indistrokes Private Limited	2025-26	-	-	1.60	-	-	1.60
	2024-25	-	-	0.86	-	-	0.86
Design & Development Expenses							
Titagarh Firema Engineering Services Private Limited [Refer note 3(c)(ii)]	2025-26	-	-	-	-	-	-

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

42 Related Party Disclosures (Contd.)

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below: (Contd.)

(Rs. in Crores)

Nature of transactions	Year	Joint Venture	Associate	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
	2024-25	5.33	-	-	-	-	5.33
Titagarh Firema S.p.A	2025-26	-	-	-	-	-	-
	2024-25	-	0.19	-	-	-	0.19
Reimbursement of Expenses Received							
Titagarh Firema Engineering Services Private Limited [Refer note 3(c)(ii)]	2025-26	-	-	-	-	-	-
	2024-25	0.22	-	-	-	-	0.22
Ramkrishna Titagarh Rail Wheels Limited	2025-26	-	-	-	-	-	-
	2024-25	0.08	-	-	-	-	0.08
Shivaliks Mercantile Limited	2025-26	-	-	-	-	-	-
	2024-25	0.24	-	-	-	-	0.24
Titagarh Industries Limited	2025-26	-	-	0.01	-	-	0.01
	2024-25	-	-	-	-	-	-
In relation to the Consolidated Statement of Profit and Loss							
Reimbursement of Expenses Paid							
Titagarh Firema Engineering Services Private Limited [Refer note 3(c)(ii)]	2025-26	-	-	-	-	-	-
	2024-25	0.39	-	-	-	-	0.39
Titagarh Enterprises Limited	2025-26	-	-	0.56	-	-	0.56
	2024-25	-	-	0.11	-	-	0.11
Payment for Lease Rental							
Titagarh Enterprises Limited	2025-26	-	-	16.96	-	-	16.96
	2024-25	-	-	14.29	-	-	14.29
Purchase of Design in respect of Intangible assets/Intangible assets under development							
Titagarh Firema S.p.A	2025-26	-	-	-	-	-	-
	2024-25	-	9.09	-	-	-	9.09
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]							
Mr. J P Chowdhary	2025-26	-	-	-	3.57	-	3.57
	2024-25	-	-	-	3.57	-	3.57
Mr. Umesh Chowdhary	2025-26	-	-	-	3.57	-	3.57
	2024-25	-	-	-	3.57	-	3.57
Mr. Prithish Chowdhary	2025-26	-	-	-	1.11	-	1.11
	2024-25	-	-	-	1.02	-	1.02
Mr. Saket Kandoi	2025-26	-	-	-	0.54	-	0.54
	2024-25	-	-	-	0.83	-	0.83
Mr. Anil Kumar Agarwal	2025-26	-	-	-	1.54	-	1.54
	2024-25	-	-	-	1.94	-	1.94
Mr. Dinesh Arya	2025-26	-	-	-	0.08	-	0.08
	2024-25	-	-	-	0.48	-	0.48

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)
42 Related Party Disclosures (Contd.)

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below: (Contd.)

(Rs. in Crores)

Nature of transactions	Year	Joint Venture	Associate	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
Mr. Saurav Singhania	2025-26	-	-	-	0.89	-	0.89
	2024-25	-	-	-	0.96	-	0.96
Mr. Aditya Purohit	2025-26	-	-	-	0.25	-	0.25
	2024-25	-	-	-	-	-	-
Sitting Fees to Directors							
Mr. Atul Ravishanker Joshi	2025-26	-	-	-	0.14	-	0.14
	2024-25	-	-	-	0.10	-	0.10
Mr. Sushil Kumar Roongta	2025-26	-	-	-	0.11	-	0.11
	2024-25	-	-	-	0.08	-	0.08
Ms. Nayantara Palchoudhri	2025-26	-	-	-	0.08	-	0.08
	2024-25	-	-	-	0.06	-	0.06
Mr. Krishna Kumar Jalan	2025-26	-	-	-	0.16	-	0.16
	2024-25	-	-	-	0.13	-	0.13
Mr. Bontha Prasada Rao	2025-26	-	-	-	0.16	-	0.16
	2024-25	-	-	-	0.12	-	0.12
Mr. Debanjan Mandal	2025-26	-	-	-	0.01	-	0.01
	2024-25	-	-	-	0.02	-	0.02
Mrs. Rasmi Chowdhary	2025-26	-	-	-	0.07	-	0.07
	2024-25	-	-	-	0.04	-	0.04
Commission to non-whole time directors							
Mr. Atul Ravishanker Joshi	2025-26	-	-	-	0.13	-	0.13
	2024-25	-	-	-	0.11	-	0.11
Ms. Nayantara Palchoudhuri	2025-26	-	-	-	0.10	-	0.10
	2024-25	-	-	-	0.11	-	0.11
Mr. Krishan Kumar Jalan	2025-26	-	-	-	0.13	-	0.13
	2024-25	-	-	-	0.11	-	0.11
Mr. Sushil Kumar Roongta	2025-26	-	-	-	0.10	-	0.10
	2024-25	-	-	-	0.11	-	0.11
Mr. Bontha Prasada Rao	2025-26	-	-	-	0.13	-	0.13
	2024-25	-	-	-	0.11	-	0.11
Mr. Debanjan Mandal	2025-26	-	-	-	-	-	-
	2024-25	-	-	-	0.05	-	0.05
In relation to the Consolidated Statement of Profit and Loss							
Payment of Dividend							
Mr. J P Chowdhary	2025-26	-	-	-	0.01	-	0.01
	2024-25	-	-	-	0.01	-	0.01
Mr. Umesh Chowdhary	2025-26	-	-	-	0.01	-	0.01
	2024-25	-	-	-	0.01	-	0.01
Mrs. Rashmi Chowdhary	2025-26	-	-	-	1.01	-	1.01
	2024-25	-	-	-	0.81	-	0.81

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)
42 Related Party Disclosures (Contd.)

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below: (Contd.)

(Rs. in Crores)

Nature of transactions	Year	Joint Venture	Associate	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
Mr. Anil Kumar Agarwal	2025-26	-	-	-	0.01	-	0.01
	2024-25	-	-	-	0.01	-	0.01
Mr. Saurav Singhania	2025-26	-	-	-	0.00	-	0.00
	2024-25	-	-	-	0.00	-	0.00
Mr. Dinesh Arya	2025-26	-	-	-	0.00	-	0.00
	2024-25	-	-	-	0.00	-	0.00
Mrs. Bimla Devi Kajaria	2025-26	-	-	-	-	0.00	0.00
	2024-25	-	-	-	-	0.00	0.00
Mrs. Vinita Bajoria	2025-26	-	-	-	-	0.00	0.00
	2024-25	-	-	-	-	0.00	0.00
Titagarh Capital Management Services Private Limited	2025-26	-	-	2.41	-	-	2.41
	2024-25	-	-	1.93	-	-	1.93
Titagarh Logistics Infrastructures Private Limited	2025-26	-	-	0.19	-	-	0.19
	2024-25	-	-	0.15	-	-	0.15
Chowdhary Foundation	2025-26	-	-	1.82	-	-	1.82
	2024-25	-	-	1.46	-	-	1.46
In relation to the Consolidated Balance Sheet							
Investments made							
Ramkrishna Titagarh Rail Wheels Limited [Refer note 3(c)(i)]	2025-26	69.42	-	-	-	-	69.42
	2024-25	111.66	-	-	-	-	111.66
Loans given							
Shivaliks Mercantile Limited (Refer (e) below)	2025-26	58.01	-	-	-	-	58.01
	2024-25	-	-	-	-	-	-
Share of Profit/ (Loss)							
Ramkrishna Titagarh Rail Wheels Limited [Refer note 3(c)]	2025-26	(17.09)	-	-	-	-	(17.09)
	2024-25	(1.06)	-	-	-	-	(1.06)
Shivaliks Mercantile Limited [Refer note 3(c)]	2025-26	-	-	-	-	-	-
	2024-25	(97.92)	-	-	-	-	(97.92)
Balances Outstanding as at the Year end							
Trade Receivables							
Titagarh Firema S.p.A (net of provision)	2025-26	-	-	-	-	-	-
	2024-25	-	7.09	-	-	-	7.09
Trade Payables							
Titagarh Firema S.p.A	2025-26	-	-	-	-	-	-
	2024-25	-	1.12	-	-	-	1.12

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)
42 Related Party Disclosures (Contd.)

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below: (Contd.)

(Rs. in Crores)

Nature of transactions	Year	Joint Venture	Associate	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
Indistrokes Private Limited	2025-26	-	-	0.34	-	-	0.34
	2024-25	-	-	0.38	-	-	0.38
Loans (net carrying value)							
Shivaliks Mercantile Limited # [Net of loss allowance of Rs. 58.01 Crores (March 31, 2025: Rs. Nil)] (Refer (e) below)	2025-26	-	-	-	-	-	-
	2024-25	-	-	-	-	-	-
Receivable from Related Parties							
Titagarh Industries Limited	2025-26	-	-	0.01	-	-	0.01
	2024-25	-	-	-	-	-	-
Advances Recoverable in Cash or Kind							
Mr. Anil Kumar Agarwal	2025-26	-	-	-	0.30	-	0.30
	2024-25	-	-	-	0.30	-	0.30
Commission payable to non whole time directors							
Mr. Atul Ravishanker Joshi	2025-26	-	-	-	0.13	-	0.13
	2024-25	-	-	-	0.11	-	0.11
Mr. Sushil Kumar Roongta	2025-26	-	-	-	0.10	-	0.10
	2024-25	-	-	-	0.11	-	0.11
Mr. Krishan Kumar Jalan	2025-26	-	-	-	0.13		0.13
	2024-25	-	-	-	0.11		0.11
Ms. Nayantara Palchoudhri	2025-26	-	-	-	0.10		0.10
	2024-25	-	-	-	0.11		0.11
Mr. Bontha Prasada Rao	2025-26	-	-	-	0.13		0.13
	2024-25	-	-	-	0.11		0.11
Mr. Debanjan Mandal	2025-26	-	-	-	-		-
	2024-25	-	-	-	0.05		0.05
Investments							
Titagarh Firema S.p.A	2025-26	-	-	-	-	-	-
[Net of loss of Rs. 12.73 Crores (March 31, 2025: Rs.12.73 Crores)]	2024-25	-	-	-	-	-	-
Titagarh Mermec Private Limited	2025-26	-	-	-	-	-	-
(Net of Loss: Rs. 0.01 Crores)	2024-25	-	-	-	-	-	-
Ramkrishna Titagarh Rail Wheels Limited	2025-26	224.52	-	-	-	-	224.52
[Net of Loss: Rs. 17.15 Crores (March 31, 2025 : Rs. 1.06 Crores] *	2024-25	172.24	-	-	-	-	172.24

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)
42 Related Party Disclosures (Contd.)

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below: (Contd.)

(Rs. in Crores)

Nature of transactions	Year	Joint Venture	Associate	Enterprises over which KMPs/ Shareholders/ Close Family Members of the KMPs have significant influence	KMPs	Relatives of KMPs	Total
Titagarh Firema Engineering Services Private Limited [March 31, 2025: Including Profit: Rs. 0.48 Crores up to February 14, 2025 [Refer note 3(c)(ii)]	2025-26	-	-	-	-	-	-
	2024-25	-	-	-	-	-	-
Shivaliks Mercantile Limited	2025-26	-	-	-	-	-	-
[Net of Loss: Rs. Nil (March 31, 2025 : Rs. 97.92 Crores] [Refer note 3(c)]	2024-25	-	-	-	-	-	-
Titagarh Enterprises Limited	2025-26	-	-	52.19	-	-	52.19
	2024-25	-	-	50.00	-	-	50.00
Titagarh Industries Limited	2025-26	-	-	2.39	-	-	2.39
	2024-25	-	-	2.36	-	-	2.36
Security Deposit							
Titagarh Enterprises Limited	2025-26	-	-	3.67	-	-	3.67
	2024-25	-	-	3.36	-	-	3.36
Money received against share warrants							
Mr. Prithish Chowdhary	2025-26	-	-	-	12.50	-	12.50
	2024-25	-	-	-	-	-	-
Mrs. Rashmi Chowdhary	2025-26	-	-	-	37.50	-	37.50
	2024-25	-	-	-	-	-	-

Notes :

(a) Terms and Conditions of Transactions with Related Parties

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales/services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash.

(b) Compensation of Key Managerial Personnel

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-term employee benefits	10.81	11.86
Contribution to provident and other funds	0.49	0.51
Employee Stock Options Expense	0.16	0.05
	11.46	**12.42**

The remuneration to key management personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Parent Company as a whole.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

42 Related Party Disclosures (Contd.)

(c) The Parent Company has provided letter of Financial support to two joint ventures namely Titagarh Mermec Private Limited. Shivaliks Mercantile Limited.

(d) During the year, the Parent Company has made a provision against collateral security of its land at Bharatpur given against loan taken by Titagarh Firema S.p.A from Bank of Baroda. Refer Note 6.1(d) and Note 33 to the consolidated financial statements.

(e) During the year, loan was given to Shivaliks Mercantile Limited (SML) having an interest rate of 9.00% p.a., payable quarterly. In absence of recognition criteria, as per Ind AS 115, such interest income was not recognised and the loans receivable was fully impaired.

(f) Also, refer note 33 to the consolidated financial statements.

43 Fair Values

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended March 31, 2026 and March 31, 2025.

The following table provides the fair value measurement hierarchy of the Group's assets:

(Rs. in Crores)

Particulars		Level 1	Level 2	Level 3	Total
Quantitative disclosures Fair Value Measurement hierarchy:	**Date of Valuation**				
Assets Measured at Fair Value:					
Investments	March 31, 2026	-	-	54.58	54.58
	March 31, 2025	-	-	52.38	52.38
Derivative Financial Assets	March 31, 2026	-	0.83	-	0.83
	March 31, 2025	-	-	-	-
Total Financial Assets	**March 31, 2026**	-	**0.83**	**54.58**	**55.41**
	March 31, 2025	-	**-**	**52.38**	**52.38**
Derivative Financial Liabilities	March 31, 2026	-	-	-	-
	March 31, 2025	-	1.76	-	1.76
Total Financial Liabilities	**March 31, 2026**	-	**-**	**-**	**-**
	March 31, 2025	-	**1.76**	**-**	**1.76**

(ii) Fair value measurements using significant unobservable inputs (Level 3)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy -(FVTPL assets in unquoted equity shares/units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2026 and March 31, 2025 are as shown below:

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

43 Fair Values (Contd.)

(Rs. in Crores)

Significant Unobservable Input - Weighted Average Cost of Capital / Discounting Rate *	March 31, 2026	March 31, 2025
Impact of 1% Increase	(0.97)	(1.23)
Impact of 1% Decrease	1.01	1.29

(Rs. in Crores)

Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company #	March 31, 2026	March 31, 2025
Impact of 5% Increase	0.73	0.66
Impact of 5% Decrease	(0.73)	(0.66)

* For FVTPL assets in unquoted equity shares
# For FVTPL assets in unquoted equity shares

(iii) Reconciliation of fair value measurement of financial instruments classified as FVTPL assets:

(Rs. in Crores)

Particulars	Investment in unquoted equity shares
Closing Balance as on March 31, 2024	**37.00**
Re-measurement recognised in Consolidated Statement of Profit and Loss	15.38
Closing Balance as on March 31, 2025	**52.38**
Re-measurement recognised in Consolidated Statement of Profit and Loss	2.20
Closing Balance as on March 31, 2026	**54.58**

(iv) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2025.

The methods and assumptions were used to estimate the fair values:

(a) The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.

(b) The management assessed that the fair values of remaining financial assets and liabilities at amortised cost approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(c) For financial assets / liabilities carried at fair value, the carrying amounts are equal to their fair values.

(d) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimate technique. Therefore, for substantially all financial instruments, the fair value estimates are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

44 Financial Risk Management Objectives and Policies

The Group's financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade and other receivables, cash and cash equivalents, investments and other financial assets.

The Parent Company's Board of Directors ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Group and also reviews these risks and related risk management policy, which are summarised below:

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)
44 Financial Risk Management Objectives and Policies (Contd.)

I) Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk and other price risk, such as equity price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, borrowings, other receivables etc.

(i) Foreign currency risks

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's operating activities and borrowings. Such foreign currency exposures are primarily hedged by the Group through use of foreign exchange forward contracts. The Group has a treasury team which monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on the Group, and any additional remedial measures to be taken.

The Group's foreign currency exposure at the end of the reporting period are as follows:

(Rs. in Crores)

Particulars	March 31, 2026						
	NPR	GBP	USD	EURO	JPY	CNY	SEK
Financial Assets							
Trade Receivables	-	-	30.93	20.70	0.33	-	-
Cash & Cash Equivalents	2.96	0.03	0.01	0.18	-	-	-
Other Financial Assets	-	-	-	3.76	-	-	-
Derivative Assets							
Foreign exchange forward contracts	-	-	-	-	-	-	-
Net exposure to Foreign Currency Risk (Assets)	**2.96**	**0.03**	**30.94**	**24.64**	**0.33**		
Financial Liabilities							
Trade Payables	-	0.16	0.61	13.35	-	0.01	-
Other Financial Liabilities	-	-	-	-	-	-	-
Borrowings	-	-	32.16	-	-	-	-
Derivative Liabilities							
Foreign Exchange Forward Contracts	-	-	(61.45)	(16.35)	(6.77)	-	-
Net exposure to Foreign Currency Risk (Liabilities)	**-**	**0.16**	**(28.68)**	**(3.00)**	**(6.77)**	**0.01**	**-**
Net exposure to Foreign Currency Risk (Assets less Liabilities)	2.96	**(0.13)**	**59.62**	**27.64**	**7.10**	**(0.01)**	**-**

(Rs. in Crores)

Particulars	March 31, 2025						
	NPR	GBP	USD	EURO	JPY	CNY	SEK
Financial Assets							
Trade Receivables	-	-	20.08	81.33	13.93	-	-
Cash & Cash Equivalents	2.99	-	-	-	-	-	-
Other Financial Assets	-	-	-	3.76	-	-	-
Derivative Assets							
Foreign exchange forward contracts	-	-	-	(73.44)	(19.47)	-	-
Net exposure to Foreign Currency Risk (Assets)	**2.99**	**-**	**20.08**	**11.65**	**(5.54)**		
Financial Liabilities							
Trade Payables	-	0.65	1.35	3.86	-	1.47	0.17
Other Financial Liabilities	-	-	-	-	-	-	-
Borrowings	-	-	100.59	-	1.35	-	-
Derivative Assets							
Foreign Exchange Forward Contracts	-	-	(161.69)	-	-	-	-
Net exposure to Foreign Currency Risk (Liabilities)	**-**	**0.65**	**(59.75)**	**3.86**	**1.35**	**1.47**	**0.17**
Net exposure to Foreign Currency Risk (Assets less Liabilities)	**2.99**	**(0.65)**	**79.83**	**7.79**	**(6.89)**	**(1.47)**	**(0.17)**

TITAGARH RAIL SYSTEMS LIMITED
Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)
44 Financial Risk Management Objectives and Policies (Contd.)

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, Euro, NPR, JPY, GBP, SEK & CNY exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Changes in EURO rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax	Changes in USD rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax
	%	Rs in Crores	Rs in Crores	%	Rs in Crores	Rs in Crores
March 31, 2026	5%	27.64	1.38	5%	59.62	2.98
	-5%		(1.38)	-5%		(2.98)
March 31, 2025	5%	7.79	0.39	5%	79.83	3.99
	-5%		(0.39)	-5%		(3.99)

Particulars	Changes in NPR rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax	Changes in JPY rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax
	%	Rs in Crores	Rs in Crores	%	Rs in Crores	Rs in Crores
March 31, 2026	5%	2.96	0.15	5%	7.10	0.36
	-5%		(0.15)	-5%		(0.36)
March 31, 2025	5%	2.99	0.15	5%	(6.89)	(0.34)
	-5%		(0.15)	-5%		0.34

Particulars	Changes in CNY rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax	Changes in GBP rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax
	%	Rs in Crores	Rs in Crores	%	Rs in Crores	Rs in Crores
March 31, 2026	5%	(0.01)	(0.00)	5%	(0.13)	(0.01)
	-5%		0.00	-5%		0.01
March 31, 2025	5%	(1.47)	(0.07)	5%	(0.13)	(0.01)
	-5%		0.07	-5%		0.01

Particulars	Changes in SEK rate	Foreign currency (Payable) / Receivable (net)	Effect on profit before tax
	%	Rs in Crores	Rs in Crores
March 31, 2026	5%	-	-
	-5%		-
March 31, 2025	5%	(0.17)	(0.01)
	-5%		0.01

(ii) Equity price risks

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Group only invests in the equity shares of some of the group companies as part of the Group's overall business strategy and policy. The Group manages the equity price risk through placing limits on individual and total equity investment in each of group companies based on the respective business plan of each of the companies. Reports on the investment portfolio alongwith the financial performance of the group companies are submitted to the Group's management on a regular basis. The Parent Company's Board of Directors reviews and approves all investment decisions.

The Group's investment in quoted equity instruments is not material. For sensitivity analysis of Group's investments in equity instruments, Refer Note 43(ii).

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

44 Financial Risk Management Objectives and Policies (Contd.)

(iii) Interest rate risks

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 risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. The Group continuously monitor the situation and takes remedial actions if required. The Group's investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Interest rate risk exposure

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
	Rs in Crores	Rs in Crores
Variable Rate Borrowings	521.86	529.34
Total Borrowings	**521.86**	**529.34**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on Profit before Tax	
	March 31, 2026	March 31, 2025
	Rs in Crores	Rs in Crores
Interest Rates - Increase by 100 basis points *	(5.22)	(5.29)
Interest Rates - Decrease by 100 basis points *	5.22	5.29

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for full financial year.

II) Credit Risks

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) and from its investing activities (primarily deposits with banks). The Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2026 and March 31, 2025 is their carrying amounts except for the financial guarantees.

(a) Trade receivables and contract assets

Customer credit risk is managed by the Group through established policy and procedures and controls relating to customer credit risk management. The Parent Company applies the simplified approach to determine the expected credit loss (ECL) for trade and other receivables by considering historical credit loss (historical default rates) experience further adjusted for forward looking information. In addition Parent Company also considers allowance for credit loss for trade and other receivable based on specific identification method on a case to case basis with reference to the customer's credit quality, prevailing market conditions etc. As the risk profiles of the receivables is diverse, to calculate expected credit loss, the Parent Company groups its trade receivables and contract assets by category of customers i.e. passenger rolling stock, freight rolling stock, shipbuilding, bridges and defence and related parties. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. This change did not have a material impact on the profit for the year ended March 31, 2026.

For the current year and previous year, the Group has evaluated that the historical loss rate for passenger rolling stock and related party receivables is Nil. The historical loss rate for the other receivables are given below:

Further, during the previous year, in respect of a Subsidiary Company, allowance for credit losses for trade receivables amounting to Rs. 6.09 Crores had been considered based on specific identification method. The same has been written off during the year.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

44 Financial Risk Management Objectives and Policies (Contd.)

(a) Trade receivables and contract assets (Contd.)

March 31, 2026

Freight rolling stock	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Debtors	189.23	-	264.37	7.97	13.97	2.69	-	478.23
Contract Assets	-	-	-	-	-	-	-	-
Historical Loss Rates	3.58%	0.00%	0.54%	11.04%	26.27%	100.00%	-	
Loss Allowance	6.77	-	1.44	0.88	3.67	2.69	-	15.45

March 31, 2026

Shipbuilding, bridges and defence	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Debtors	-	-	11.81	-	-	12.83	10.20	34.84
Contract Assets	12.20	-	-	-	-	-	-	12.20
Historical Loss Rates	0.00%	0.00%	1.19%	0.00%	0.00%	0.00%	9.09% - 100.00%	
Loss Allowance	-	-	0.14	-	-	-	7.37	7.51

March 31, 2025

Freight rolling stock	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Debtors	317.23	-	128.14	13.96	6.80	0.97	-	467.10
Contract Assets	-	-	-	-	-	-	-	-
Historical Loss Rates	0.02%	0.00%	0.05%	0.93%	7.21%	100.00%	-	
Loss Allowance	0.06	-	0.06	0.13	0.49	0.97	-	1.71

March 31, 2025

Shipbuilding, bridges and defence	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Gross Debtors	-	-	-	-	16.08	3.14	6.70	25.92
Contract Assets	97.66	1.72	-	-	-	-	-	99.38
Historical Loss Rates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.67% - 100.00%	
Loss Allowance	0.00	-	-	-	0.00	0.00	6.42	6.42

(b) Other Financial Assets and Deposits

Credit Risk from Balances with Banks, deposits, etc is managed by the Group's finance department. Investments of Surplus funds are made only with approved counterparties which have high credit worthiness in accordance with the Group's policy and hence the credit risk is limited.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

44 Financial Risk Management Objectives and Policies (Contd.)

(c) Reconciliation of loss allowance of trade receivables, contract assets and other financial assets:

(Rs. In Crores)

Particulars	Trade Receivables
Closing Balance as at March 31, 2024	6.80
Provision made during the year ended March 31, 2025	7.80
Provision written back during the year ended March 31, 2025	(0.38)
Closing Balance as at March 31, 2025	**14.22**
Bad debt written off during the year	(6.09)
Provision made during the year ended March 31, 2026	14.83
Provision written back during the year ended March 31, 2026	-
Closing Balance as at March 31, 2026	22.96

The impairment provision as disclosed above are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions based on the Group's past history, counter party's ability to pay, existing market conditions as well as forward looking estimates at the end of each reporting period.

Movement of Liquidated Damages:

(Rs. In Crores)

Particulars	Trade Receivables
Opening Balance as at March 31, 2024	-
Provision made during the year ended March 31, 2025	13.37
Provision utilized / reversed during the year ended March 31, 2025	(13.37)
Closing Balance as at March 31, 2025	-
Provision made during the year ended March 31, 2026	25.73
Provision utilized / reversed during the year ended March 31, 2026	(25.73)
Closing Balance as at March 31, 2026	-

III) Liquidity Risks

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposits , which carry no market risk. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

44 Financial Risk Management Objectives and Policies (Contd.)

Maturity profile of Financial liabilities

Maturity profile of all financial liabilities is as under:

(Rs. In Lacs)

As at March 31, 2026	Carrying Amount	Contractual Cash flows	Upto 1 year	1-3 years	More than 3 years
Non-derivative Financial Liabilities					
Borrowings (including interest accrued and not due on borrowings) *	524.68	591.61	366.92	53.50	171.19
Lease Liabilities	101.26	138.20	18.55	40.90	78.75
Trade Payables	329.98	329.98	329.98	-	-
Other Financial Liabilities #	38.06	38.06	38.06	-	-
Total Financial Liabilities	**993.98**	**1,097.85**	**753.51**	**94.40**	**249.94**

(Rs. In Lacs)

As at March 31, 2025	Carrying Amount	Contractual Cash flows	Upto 1 year	1-3 years	More than 3 years
Non-derivative Financial Liabilities					
Borrowings (including interest accrued and not due on borrowings) *	531.17	536.42	509.18	27.24	-
Lease Liabilities	97.67	134.35	16.52	35.97	81.86
Trade Payables	234.99	234.99	234.99	-	-
Other Financial Liabilities	**34.25**	**34.25**	**34.25**	**-**	**-**
Total Financial Liabilities	**898.08**	**940.01**	**794.94**	**63.21**	**81.86**

* Includes transaction cost adjustment on borrowings and contractual interest payment based on interest rate prevailing at the end of the reporting period.

Excludes deferred guarantee income recognised during the year as there would be no contractual cash outflow

44.1 The Group has made provision for material foreseeable losses on long term contracts including derivative contracts in keeping with Group's accounting policy.

45 Capital Management

(a) Risk Management

The Group's objective when managing capital (defined as net debt and equity) is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Group.

The Group monitors capital on the basis of the net debt to equity ratio. Net debt are borrowings as reduced by cash and cash equivalents. The Group is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Group:

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

45 Capital Management (Contd.)

Particulars	As at March 31, 2026	As at March 31, 2025
	Rs in Crores	Rs in Crores
Total Borrowings	521.86	529.34
Less: Cash and Cash Equivalents	161.86	25.27
Net Debt	**360.00**	**504.07**
Equity	**2,455.76**	**2,294.65**
Total Capital (Equity + Net Debt)	**2,815.76**	**2,798.72**
Net Debt to Equity Ratio	**14.66%**	**21.97%**

(b) **Dividends on Equity Shares**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs in Crores	Rs in Crores
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2025 paid of Rs. 0.50 (March 31, 2024 - Rs. 0.80) per fully paid share	13.47	10.77
Proposed Dividend		
The Board of Directors of the Parent Company recommended a dividend of ₹1 /- per Ordinary (Equity) Share of ₹2/- each (50%) for the FY 2025-26 subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Parent Company.		

46 Debt Reconciliation

This section sets out an analysis of debt and the movement in debt during the year :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs in Crores	Rs in Crores
Particulars		
Non-current Borrowings	169.95	24.93
Current Maturities of Long-term Debt	-	12.42

This section sets out an analysis of debt and the movement in debt during the year : (Contd.)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	Rs in Crores	Rs in Crores
Current Borrowings	351.91	491.99
Interest accrued and not due on Borrowings	2.82	1.83
Lease Liabilities	101.26	97.67
Total	**625.94**	**628.84**

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

46 Debt Reconciliation (Contd.)

(Rs. in Crores)

Particulars	Non-current Borrowings	Current Borrowings	Lease Liabilities	Total
Debt as at March 31, 2024	**49.75**	**17.82**	**99.46**	**167.03**
New Leases	-	-	4.46	4.46
Conversion of joint venture to subsidiary (Refer note 3 (c)(ii))	-	-	0.54	0.54
Finance Costs	4.36	60.01	8.78	73.15
Cash Flows				
Repayment of Leases	-	-	(15.57)	(15.57)
Repayment of Long-term Borrowings from Banks	(12.51)	-	-	(12.51)
Short-term Borrowings - Receipts/ (Payments)	-	475.41	-	475.41
Finance Costs Paid	(4.25)	(59.42)	-	(63.67)
Debt as at March 31, 2025	**37.35**	**493.82**	**97.67**	**628.84**
New Leases	-	-	13.63	13.63
Lease Termination	-	-	(0.39)	(0.39)
Finance Costs	0.15	61.69	8.45	70.29
Cash Flows				-
Repayment of Leases	-	-	(18.10)	(18.10)
Long Term Borrowings - Receipts	169.95	-	-	169.95
Repayment of Long-term Borrowings from Banks	(37.50)	-	-	(37.50)
Exchange rate difference - Unrealised	-	1.80	-	1.80
Short-term Borrowings - Receipts/ (Payments)	-	(141.88)	-	(141.88)
Finance Costs Paid	-	(60.70)	-	(60.70)
Debt as at March 31, 2026	**169.95**	**354.73**	**101.26**	**625.94**

* Includes Rs. 0.55 Crores (March 31, 2025: Rs 0.55 Crores) on account of unrealised foreign exchange gain/loss.

47 Revenue recognised in relation to contract liability

Particulars	As at March 31, 2026	As at March 31, 2025
	(Rs. in Crores)	(Rs. in Crores)
Revenue recognised that was included in the contract liability balance at the beginning of the period	55.17	250.16

47.1 The aggregate amount of the transaction price allocated to the remaining performance obligation, which are partially or fully unsatisfied as at year end is Rs. 10,417.43 Crores (March 31, 2025 : Rs. 6,189.65 Crores) and the entity will recognize this revenue as the contract is completed and / or executed, which is expected to occur over the next 12–68 months.

Trade receivables in respect of contract with customers has been included in Note-6

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

48 The Parent Company has evaluated the impact Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 and in the assessment of the management, the exposure is not material.

49 (i) **Details of benami property held**

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) **Wilful defaulter**

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) **Relationship with struck off companies**

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) **Compliance with number of layers of companies**

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(v) **Compliance with approved scheme(s) of arrangements**

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) **Utilisation of borrowed funds and share premium**

(A) The group, its associate and joint ventures have 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, its associate and joint ventures (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries other than funds aggregating to Rs. 58.01 crores loaned by the Parent Company to Shivaliks Mercantile Limited (SML), joint venture for onward infusion to Titagarh Firema S.p.A (TFA), an associate company. Also refer Note 33.

TITAGARH RAIL SYSTEMS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2026 (Contd.)

49 (Contd.)

(B) The group, its associate and joint ventures have 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, its associate and joint ventures 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 other than the funds received by Shivaliks Mercantile Limited (SML), joint venture, from various lenders/funding parties and, in accordance with the understanding between the parties, advanced loans aggregating to Rs. 35.36 crores to Titagarh Firema S.p.A (TFA), an associate company.

(vii) **Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) **Details of crypto currency or virtual currency**

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(ix) **Valuation of PP&E, intangible asset and investment property**

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(x) The Group as defined in the Reserve Bank of India (Core Investment Companies) Direction, 2025 does not any CIC, which are part of the group.

50 The consolidated financial statements were approved and authorised for issue in accordance with the resolution of the Parent Company's Board of Directors in their meeting which commenced on May 30, 2026 and got concluded on May 31, 2026.

For Price Waterhouse & Co Chartered Accountants LLP Firm Registration No.: 304026E / E-300009	**For Salarpuria & Partners** Firm Registration Number: 302113E Chartered Accountants	**For and on behalf of the Board Of Directors of Titagarh Rail Systems Limited**	
Pramit Agrawal Partner Membership No. 099903 Place: Kolkata Dated: May 31, 2026	**Sarvesh Kumar Singh** Partner Membership No. 069367 Place: Kolkata Dated: May 31, 2026	**J P Chowdhary** Executive Chairman DIN: 00313685 Place: Kolkata Dated: May 31, 2026	**Umesh Chowdhary** Vice Chairman and Managing Director DIN: 00313652 Place: Kolkata Dated: May 31, 2026
		Atul Ravishanker Joshi Independent Director DIN: 03557435 Place: Mumbai Dated: May 31, 2026	**Anil Kumar Agarwal** Deputy Managing Director DIN: 01501767 Place: Kolkata Dated: May 31, 2026
		Saurav Singhania Chief Financial Officer Place: Kolkata Dated: May 31, 2026	**Aditya Purohit** Company Secretary Place: Kolkata Dated: May 31, 2026

Note

TITAGARH
RAIL SYSTEMS LIMITED

TITAGARH RAIL SYSTEMS LIMITED

CIN: L27320WB1997PLC084819

Regd. Office: Poddar Point, 10th Floor, 113 Park Street, Kolkata - 700016

Corp. Office: Titagarh Towers, 756, Anandapur, E.M. Bypass, Kolkata - 700107

Phone: 91 33 4019 0800, Fax: 91 33 4019 0826

E-mail: investors@titagarh.in, **Website:** www.titagarh.in

TITAGARH RAIL SYSTEMS LIMITED
CIN: L27320WB1997PLC084819
Regd. Office: 10th Floor, Poddar Point, 113 Park Street, Kolkata-700016
Corp. Office: 756 Anandapur, E.M. Bypass, Kolkata-700107
Phone: 91 33 4019 0800; **E-mail:** corp@titagarh.in; **Website:** www.titagarh.in

NOTICE

NOTICE is hereby given that the **29th ANNUAL GENERAL MEETING ('AGM')** of the Members of **TITAGARH RAIL SYSTEMS LIMITED** ("the Company") will be held on **Wednesday, 30th September, 2026 at 01.30 P.M. (IST)** through video conferencing ('VC')/other audio-visual means ('OAVM') [Deemed venue: 756 Anandapur, E.M. Bypass, Kolkata-700107] to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   (a) The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2026, together with the Reports of the Board of Directors and the Auditors thereon; and

   (b) The Audited Consolidated Financial Statements for the financial year ended 31st March, 2026 together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Shri Anil Kumar Agarwal (DIN: 01501767), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

3. To declare final dividend of Re. 1 (Rupees One only) (50%) per equity share of Rs. 2/- (Rupees Two only) each for the financial year ended 31st March, 2026.

SPECIAL BUSINESSES:

4. **To re-appoint Shri Jagdish Prasad Chowdhary (DIN: 00313685) as Executive Chairman and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:**

   "RESOLVED THAT *pursuant to the provisions of Sections 152, 160, 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to Regulation 17(6)(e) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to Article 21 of the Articles of Association of the Company, the recommendation of the Nomination and Remuneration Committee ("NRC") and approval of the Board of Directors of the Company at their respective meetings held on 12th August, 2026, consent of the Members of the Company be and is hereby accorded by way of Special Resolution to the re-appointment of Shri Jagdish Prasad Chowdhary (DIN: 00313685) as Chairman & Managing Director designated as 'Executive Chairman', for a further period of 5 (five) years commencing from 8th January, 2027 and ending on 7th January, 2032, liable to retire by rotation, on such terms and conditions, including remuneration of 5% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Act of which ₹2,40,00,000/- (Rupees Two Crore Forty Lakh only) per annum or Rs. 20 lakh per month as fixed remuneration by way of salary and allowances and the balance as variable pay at such intervals as the Board may decide, subject to the condition that his overall remuneration per annum shall not exceed 5% of the net profits of the Company computed in accordance with Section 198 of the Act and subject to such requisite approvals, if any as may be applicable comprising fixed remuneration of ₹2,40,00,000/- per annum (₹20,00,000/- per month) and the balance, if any, as variable remuneration/pay at such intervals as may be determined by the Board;*

   RESOLVED FURTHER THAT *in the event of loss or inadequacy of profits in any financial year during the tenure of the Executive Chairman, as contemplated under the provisions of Schedule V to the Act, the Company may pay to Executive Chairman, ₹2,40,00,000/- (Rupees Two Crore Forty Lakh only) per annum or Rs. 20 lakh per month being the fixed remuneration only as the minimum remuneration as specified above;*

   RESOLVED FURTHER THAT *pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), and other applicable provisions thereof, consent of the Members of the Company be and is hereby accorded by way of Special Resolution for payment of the aforesaid remuneration to Shri Jagdish Prasad Chowdhary, including where such remuneration, whether considered individually or together with the* *aggregate remuneration payable to all other Executive Directors who are promoters or members of the promoter group of the Company, exceeds the limits or thresholds prescribed under Regulation 17(6)(e) of the SEBI LODR Regulations, and the Members approve and authorise such payment in excess of the said limits or thresholds, subject to and in accordance with the applicable provisions of the Companies Act, 2013, including Schedule V thereto, and the SEBI LODR Regulations;*

RESOLVED FURTHER THAT *the Board of Directors of the Company (which term includes its Committee thereof) be and is hereby authorised to increase, fix, vary, alter or modify the terms, conditions and above remuneration payable to Shri Jagdish Prasad Chowdhary as Executive Chairman, including any variation in remuneration to the extent recommended by the NRC from time to time as may be considered appropriate, subject to the overall limits stipulated under the Act and Regulation 17(6)(e) of the SEBI LODR Regulations, with such approval, if any, as may be applicable, and do all necessary acts, deeds and things, which may be considered necessary or expedient to give effect to the aforesaid Resolution.*"

5. **To re-appoint Shri Anil Kumar Agarwal (DIN: 01501767), Executive Director, designated as Deputy Managing Director of the Company and in this regard to consider and if thought fit to pass, with or without modification(s) the following resolution as a Special Resolution:**

"**RESOLVED THAT** *pursuant to the provisions of Sections 152, 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act') and Rules framed thereunder and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the enabling provisions of Articles of Association of the Company, based on the recommendation of Nomination and Remuneration Committee and as decided by the Board of Directors at its respective meetings held on 7th September, 2026, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Shri Anil Kumar Agarwal (DIN: 01501767), Executive Director designated as Deputy Managing Director of the Company for a further period of 3 (three) years with effect from 29th May, 2027, on the terms and conditions including remuneration as set out in the Service Agreement as executed on 7th September, 2026 and detailed in the explanatory statement hereto including annual increments of 10% and such further revision or increase, special or exceptional increment, incentive, bonus, arrears of remuneration, one-time payment or any other variation in the remuneration or terms thereof, as may be approved in accordance with the applicable provisions of the Act, Schedule V thereto and the Listing Regulations;*

RESOLVED FURTHER THAT, *the overall remuneration payable to Mr. Anil Kumar Agarwal shall be such amount (including any variation in the remuneration) as may be fixed by the Board of Directors from time to time on recommendation of the Nomination and Remuneration Committee ("NRC") as detailed in the Explanatory Statement attached to this Notice including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of Section 197 of the Companies Act read with Schedule V (subject to such approval as required) and that the Board and NRC be and are severally authorized to alter, vary or increase the remuneration of Mr. Anil Agarwal within the maximum remuneration approved by the members in such manner as may be required during the aforesaid period of 3 (three) years;*

RESOLVED FURTHER THAT *the Board of Directors (which term shall include a committee of Board of Directors) of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approvals/ sanctions of any authorities/agencies as may be applicable and to settle any question or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution.*"

6. **To approve Payment of Remuneration to Independent/ Non-Executive Directors of the Company and in this regard to consider and if thought fit to pass, the following resolution as a Special Resolution:**

"**RESOLVED THAT** *pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V thereto (including any statutory modification(s), or re-enactment thereof for the time being in force), SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 (as amended), without prejudice to the approval of shareholders accorded while approving their appointment and remuneration recommended by the Nomination & Remuneration Committee (NRC) in accordance with the Remuneration Policy of the Company and endorsed by the Board, general permission by the shareholders be and is hereby given to the Company to pay the Independent/Non-Executive Directors of the Company (i.e. directors other than Managing Director and/or the Whole-time Directors) remuneration (in addition to the sitting fees for attending the meetings of the Board of Directors or Committees thereof), during their respective term as may be applicable, in such manner as the Board of Directors may from time to time determine, not exceeding in aggregate 1 (one) percent of the net profits of the Company for each financial year, for a period of 5 years, commencing from the Financial Year 2026-27 as computed in the manner laid down in Section 198 of the Act.*

RESOLVED FURTHER THAT *the Board of Directors (which term shall include a Committee thereof) be and is hereby authorized to take all steps and do acts, deeds and things as may be deemed necessary for giving effect to this Resolution.*"

7. **To ratify the remuneration of Cost Auditor and in this regard 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 148 and other applicable provisions, if any, of the Companies*

Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 3,00,000/- (Rupees Three Lakhs only) plus taxes as may be applicable and reimbursement of reasonable out of pocket expenses as may be actually incurred by the firm, payable to M/s. M. R. Vyas and Associates, Cost Accountants (Registration No. 2032) of D-219, Vivek Vihar, Phase-I, New Delhi-110095 appointed by the Board as Cost Auditors of the Company for the financial year 2026-27 be and is hereby ratified.

RESOLVED FURTHER THAT *for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."*

By Order of the Board

Sd/-

Aditya Purohit
Company Secretary & Compliance Officer
M. No. ACS 27825

Registered Office:
Poddar Point, 10th Floor,
113, Park Street Kolkata-700016

7th September, 2026

NOTES

1. Ministry of Corporate Affairs ("MCA") has vide its General Circulars dated 22nd September 2025, 19th September 2024, 25th September, 2023, 28th December, 2022, 5th May 2022, 14th December, 2021, 8th December, 2021, 13th January, 2021, 5th May, 2020, 13th April 2020, 8th April 2020, and (collectively referred to as 'MCA Circulars') and SEBI vide its Circulars dated 3rd October 2024, 7th October, 2023, 5th January, 2023, 13th May, 2022, 15th January, 2021 and 12th May, 2020 (collectively referred to as 'SEBI Circulars') have permitted the holding of the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing or Other Audio Visual Means ("VC / OAVM") without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) ("Listing Regulations") and MCA Circulars, the 29th AGM of the Company shall be conducted through VC / OAVM. The deemed venue for the AGM shall be the registered office of the Company.

2. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations and relevant MCA Circulars, the Company is providing facility of voting by electronic means i.e. remote e-voting and voting at the AGM 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) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.

3. The Company will conduct the AGM through VC/ OAVM from its Corporate Office i.e., Titagarh Towers, 756 Anandapur, E.M. Bypass, Kolkata-700107, which shall be deemed to be venue of the meeting. Since the AGM is being held through VC / OAVM, the route map is not annexed hereto. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act, read with relevant MCA Circulars.

4. The Explanatory Statement pursuant to Section 102(1) of the Act setting out material facts concerning the business under Item Nos. 4, 5, 6, 7, 8, and 9 of the Notice, is annexed hereto. Further, the relevant details pursuant to Regulation 36(3) of the Listing Regulations, and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment/ variation in terms of remuneration at this AGM are also annexed.

5. In compliance with the MCA Circulars and SEBI Circulars, Notice of the 29th AGM along with the Annual Report for the financial year 2025-26 is being sent only through electronic mode to all the Members whose e-mail addresses are registered with the Company / Registrar and Transfer Agent / Depository Participants / Depositories.

6. In compliance with the MCA Circulars and SEBI Circulars, only the electronic copy of the Notice of the 29th AGM of the Company inter alia indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes.

7. Members may please note that the Notice of the 29th Annual General Meeting and the Annual Report for 2025-26 is available on the Company's website www.titagarh.in for download and on the 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 on the website of National Securities Depository Limited ('NSDL') (agency for providing the Remote e-voting facility) at www.evoting.nsdl.com.

8. The Shareholders of the Company may request physical copy of the Annual Report (inclusive of AGM Notice) from the Company by sending a request at investors@titagarh.in, in case they wish to obtain the same.

9. All the members who have not registered their e-mail addresses or are holding shares in physical form are requested to immediately register their e-mail addresses with NSDL/CDSL along with Folio No. /Client ID and DP ID.

10. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held through VC/ OAVM in terms of the MCA Circulars, the requirement of sending proxy forms to holders of securities as per provisions of Section 105 of the Act read with Regulation 44(4) of the Listing Regulations, has been dispensed with. Therefore, the facility for appointment of proxies by the Members will not be available for the AGM and consequently, the Proxy Form, Attendance Slip and Route Map of the venue are not annexed to this Notice convening the 29th AGM of the Company.

11. In pursuance of Sections 112 and 113 of the Act read with the said Circulars, Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) are entitled to appoint their authorized representatives to attend the AGM through VC/ OAVM on their behalf and participate thereat, including casting of votes by electronic means are required to send scanned copy (PDF/JPG Format) of the relevant Board or governing body Resolution / Authority letter etc. whereby their authorized representative has been appointed to attend the AGM on their behalf, to the Company, together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail at csskgoyal@gmail.com with a copy marked to secretarial@titagarh.in and evoting@nsdl.com.

12. The attendance of the Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

13. The Company has fixed September 23, 2026 as the 'Record Date' for determining entitlement of members to receive dividend for the FY 2025-26, if approved at the AGM.

14. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on Cut-off date i.e., Wednesday, September 23, 2026. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by remote e-voting or e-voting during the AGM. Those who are not Members on the cut-off date should accordingly treat this Notice as for information purposes only.

15. Final Dividend for FY 2025-26: No interim dividend has been declared during the FYE 31.03.2026. The Board of Directors at its meeting held on May 30, 2026 has recommended dividend subject to approval of the members of the Company. Payment of dividend, if approved at the AGM, payment of such dividend subject to deduction of tax at source ("TDS") will be made to all the members whose names will be on the Company's Register of Members on Wednesday, September 23, 2026 and to those whose names will appear as Beneficial Owners as at the close of the business hours on Wednesday, September 23, 2026 as per the details to be furnished by the Depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose. Dividend will be paid within 30 days from the date of AGM.

16. Pursuant to the Income Tax Act, 2025, dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source from such dividend paid to shareholders at the prescribed rates. A communication providing detailed information & instructions with respect to tax on the Final Dividend, for the financial year ended March 31, 2026 shall be sent separately to the Members. The said communication will also be made available on the Company's website www.titagarh.in

17. A Resident individual shareholder with PAN and who is not liable to pay income tax can upload a yearly declaration in Form 121 along with PAN, on the link https://www.mdpl.in On or before September 23, 2026. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%

    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 to 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(2) of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Provisions are effective from July 01, 2023. Shareholders may visit https://www.incometax.gov.in/iec/foportal/ for FAQ issued by Government on PAN Aadhar linking.

    Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 41, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may upload the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Wednesday, September 23, 2026, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or venue voting system on the date of the AGM by following the procedure mentioned in this part.

18. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 (subsequently amended by Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 and SEBI/HO/MIRSD/POD-1/ P/CIR/2024/81 dated June 10, 2024) has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf.

19. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
    a. For shares held in electronic form: to their Depository Participants ("DPs")
    b. For shares held in physical form: The following details/documents should be sent to the Company/RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/ CIR/2023/169 dated October 12, 2023.

    To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details.

    SEBI has reiterated that it is mandatory for all holders of physical securities to furnish their PAN as well as other KYC documents to the RTA of the Company in respect of all concerned folios.

20. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at https://www.titagarh.in/investors-information and on the website of the Company's RTA, https://www.mdpl.in/ It may be noted that any service request can be processed only after the folio is KYC Compliant. The Company has also arranged to send an intimation to the physical shareholders whose email ids are not registered with Company/RTA/Depository Participant.

21. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. 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 SH-14 as the case may be. The said forms can be downloaded from the Company's website https://www.titagarh.in/investors-information. Members are requested to submit the said details to their DPs in case the shares are held by them in dematerialized form and to Maheshwari Datamatics Pvt. Ltd. (MDPL), RTA in case the shares are held in physical form, quoting their folio number.

22. Remote e-voting will commence at 9.00 A.M. on Saturday, September 26, 2026 and will end at 5.00 P.M. on Tuesday, September 29, 2026. The remote e-voting module shall be disabled by NSDL for voting thereafter.

23. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

24. Only those Shareholders, who will be present at the AGM through VC/ OAVM facility and who have not cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.

25. **Special window:** SEBI vide Circular no. HO/38/13/11(2) 2026-MIRSD-POD/I/3750/2026 dated January 30, 2026, in order to facilitate the investors to get rightful access to their securities, has decided to open special window for re-lodgement of transfer deeds of physical securities i.e, transfer and dematerialisation of physical securities which were sold or purchased prior to April 1, 2019. The special window shall be open for a period of one year from February 5, 2026 to February 4, 2027. The special window shall also be available for such transfer requests which were submitted earlier and were rejected/returned/not attended to due to deficiency in the documents/ process/or otherwise.

26. Members are requested to note that dividends if not encashed/claimed and warrants for fractional entitlements of shares within seven years from the date of declaration of dividend will, as per Section 124 of the Act, are liable to be transferred to Investor Education and Protection Fund (IEPF). Members concerned are requested to refer carefully to the provisions of Sections 124(6) and 125 of the Act. The unpaid and unclaimed dividend amount

pertaining to final dividend for the Financial Year 2018-2019 will be transferred to the IEPF Authority on becoming due on October 25, 2026. The Company has been sending reminders to Members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF Authority. Details of the unpaid/ unclaimed dividend are available on the Company's website at www.titagarh.in.
The due date for transfer of unpaid dividend amount to IEPF for these years are:

Year	Due Date
2018-19	25/10/2026
2022-23	04/11/2030
2023-24	02/10/2031
2024-25	15/10/2032

Those who have not yet claimed their dividend for the last seven years may apply directly to Maheshwari Datamatics Private Limited (MDPL), RTA of the Company, at contact@mdplcorporate.com and stake their claim.

In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from the IEPF authority by submitting an online application in the prescribed Form IEPF-5 available at http://www.iepf.gov.in/ and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5.

27. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the company's RTA.

28. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023) and as updated as on December 20, 2023, has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.
Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login) and the same can also be accessed through the Company's website www.titagarh.in.

29. The Board of Directors has, at its meeting held on 12th August, 2026, appointed Shri Sushil Kumar Goyal of Sushil Goyal & Co; Company Secretaries, having Certificate of Practice No. 8289, to act as the Scrutinizer for conducting the remote e-voting process as well as the venue voting system on the date of the AGM, in a fair and transparent manner.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING, JOINING THE ANNUAL GENERAL MEETING AND E-VOTING AT THE ANNUAL GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Saturday, 26th September, 2026 at 9:00 A.M. and ends on Tuesday, 29th September, 2026 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 23rd September, 2026, 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, being Wednesday, 23rd September 2026.

How do I vote electronically using NSDL e-Voting system?
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

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.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. 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. 2. 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. 3. 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 4. 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 held 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. 5. 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	1. 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 user your existing my easi username & password. 2. 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. 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) login through their depository participants	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.

Important 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 for Individual Shareholders holding securities in demat mode 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.co.in or call at 022-48867000
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. 1800-21-09911

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***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user 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 General 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 csskgoyal@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. **Wednesday, 23rd September, 2026**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. **1800 1020 990 and 1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, 23rd September, 2026, may follow steps mentioned in the Notice of the AGM under Step 1: "Access to NSDL e-Voting system"(Above).
3. 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.
4. 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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Deputy Vice President and /or Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

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:

1. 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 investors@titagarh.in.
2. 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 investors@titagarh.in. 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**.
3. Alternatively, shareholder/member may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. 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:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. 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.
3. 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.
4. 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/OAVM ARE AS UNDER:

1. 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 link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General 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.
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 during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at investors@titagarh.in latest by 5:00 p.m. (IST) on 25th September 2026.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
8. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
9. In case of joint holders, the Member whose names appear as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote at the AGM.
10. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, NSDL at the designated email ID: www.evoting.nsdl.com or call 1800 1020 990 / 1800 22 44 30.

30. The Members can join the AGM in the VC/OAVM mode 15 (fifteen) minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis as per the MCA circulars. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters/Promoter Groups, 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-serve basis. The members will be able to view the proceedings on National Securities Depository Limited ('NSDL') e-voting website at www.evoting.nsdl.com.
31. The documents pertaining to all the special businesses set out in the Notice are available for inspection at the Corporate Office of the Company during business hours on all working days. Members seeking information with regards to the financial statements or any matter to be placed at the AGM or to inspect such documents online can send an email to the Company at investors@titagarh.in at least 10 days before the meeting so as to enable the management to keep the information ready.

32. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and e-voting at the AGM and make a consolidated Scrutiniser's Report and submit the same to the Chairman or a person authorised by him in writing, who shall countersign the same. The result of e-voting will be declared within the prescribed timeline as specified under the Act and Listing Regulations and the same, along with the consolidated Scrutiniser's Report will be placed on the Company's website at www.titagarh.in and on the website of NSDL at https://www.evoting.nsdl.com. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.
33. Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e. 30th September , 2026.
34. Members may please note that the Listing Regulations mandate that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in dematerialized form. Further, pursuant to the relevant SEBI circulars, the listed companies are required to issue securities in dematerialized form only while processing service requests, viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition

    With effect from April 2, 2026, SEBI has dispensed with the requirement of issuance of a Letter of Confirmation by the Company/Registrar and Share Transfer Agent while processing service request. Accordingly, securities will be credited directly to the Member's demat account upon submission of valid demat account details along with the latest Client Master List.

    Members are requested to make service requests for such matters by submitting a duly filled and signed Form ISR-4, along with requisite supporting documents to Maheshwari Datamatics Pvt. Ltd as per the requirement.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('the Act')

Item No 4:

Shri Jagdish Prasad Chowdhary/ Shri J.P. Chowdhary) is the founder and promoter of the Titagarh Group. He has been a director since incorporation of the Company in 1997 and has vast experience of about 63 years in railway sector/heavy engineering industry. He has been the driving force behind the Company and Group's growth.

Over the last more than three decades, through his visionary leadership, entrepreneurial acumen and strategic foresight, he has transformed the Company from a wagon manufacturing enterprise into one of India's leading integrated rail mobility and engineering companies with diversified capabilities across freight rolling stock, passenger rolling stock, metro coaches, propulsion systems, signaling and safety systems, heavy engineering, bridges and shipbuilding.

The current term of Shri J.P. Chowdhary (DIN: 00313685), Executive Chairman of the Company was approved by the shareholders of the Company at their 24th Annual General Meeting (AGM) held on 27th September 2021 and is scheduled to conclude on 7th January, 2027. The Board at its meeting held on 12th August, 2026, pursuant to the recommendations of the Nomination and Remuneration Committee (NRC) at its meeting held on 12th August, 2026[1], has accorded its approval to the reappointment of Shri J.P. Chowdhary, as Chairman and Managing Director (CMD) (designated as 'Executive Chairman' for a further period of five (5) years commencing from 8th January 2027, subject to the approval of the Members. The material terms of appointment and remuneration are contained in the Service Agreement dated 12th August, 2026 entered into with Shri J.P. Chowdhary.

While recommending his re-appointment, the Nomination and Remuneration Committee considered, inter alia, his outstanding contribution towards the Company's growth, his extensive industry experience of more than five decades, his strategic leadership, his role in identifying long-term growth opportunities, and his continuing contribution towards strengthening the Company's competitive position in domestic and international markets. Under his strategic vision and guidance, the Company has created a strong platform for sustainable long-term growth through inter alia diversification, technology partnerships, operational excellence and prudent financial management.

The remuneration payable to Shri J.P. Chowdhary is in accordance with the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013; and Regulation 17 (6) of the SEBI LODR as well as Remuneration Policy of the Company and other applicable provisions.

Strategic Milestones

During his long association with the Company, Shri Jagdish Prasad Chowdhary has been instrumental in laying the strategic foundation for several transformational initiatives, including:

YEAR	STRATEGIC MILESTONE
1997	Incorporation of Titagarh Rail Systems Limited and establishment of the Company as a private sector rail engineering enterprise.
2008	Successful Initial Public Offer and listing of the Company's Equity Shares on BSE Limited and National Stock Exchange of India Limited.
2010	Acquisition and successful revival of CIMMCO Limited, substantially enhancing wagon manufacturing capacity.
2012	Strategic entry into the shipbuilding sector through acquisition of shipbuilding facilities in West Bengal.
2015	Enabling the Company to have access to design and technology for manufacture of passenger rolling stock and metro coaches.
2017	Foray into manufacture of metallic bridges with the technology from one of the global leaders in the field.
2018	Successful launch of the first 1000-Ton Fuel Barge for the Indian Navy before scheduled time of delivery.
2019	Awarded 42% of the tender for Wagons Procurement by Indian Railways and successfully qualified for Pune Metro tender.
2020	Strategic technology partnerships, including ABB for propulsion systems, and simplification of the Group structure through merger of group companies into Titagarh Rail Systems Limited.
2022:	First aluminium metro train for Pune Metro in July.
2023 ONWARDS	Expansion of the Uttarpara facility into India's only integrated manufacturing facility capable of producing both stainless steel and aluminium metro coaches while securing prestigious projects

[1] Mr. J P Chowdhary, as has been the good governance practice adhered to by him throughout, did not participate in the discussion and decision of the NRC or Board on his appointment or any other item of business in which he is deemed interested.

	including Vande Bharat, Pune Metro, Ahmedabad Metro, Surat Metro and Wheelset manufacturing for Indian Railways.

Financial Performance and Strategic Transformation
The Board also noted that under the visionary leadership of Shri Jagdish Prasad Chowdhary, the Company has undergone a remarkable transformation over the last five financial years. The Company has evolved from being predominantly a freight wagon manufacturer into one of India's leading integrated rail mobility and engineering companies with diversified capabilities across freight rolling stock, passenger rolling stock, metro coaches, propulsion systems, signalling and safety systems, heavy engineering, bridges and shipbuilding.

The Board observed that these financial results represent only one aspect of the Company's progress. More importantly, under Shri Jagdish Prasad Chowdhary's leadership, the Company has successfully repositioned itself as a technology-led mobility solutions provider with strong execution capabilities and a sustainable long-term growth platform.

- Successfully transformed the Company from a conventional freight wagon manufacturer into a diversified rail mobility company with businesses spanning freight rolling stock, passenger rolling stock, metro coaches, propulsion systems, signalling & safety systems, wheelsets, heavy engineering, bridges and shipbuilding.
- Successfully completed the Initial Public Offer in 2008 and established the Company as one of India's leading listed railway engineering companies.
- Led the successful acquisition and revival of CIMMCO Limited, significantly enhancing the Company's manufacturing footprint and wagon production capacity.
- Successfully acquired Firema Trasporti S.p.A., Italy, providing access to advanced passenger rolling stock technologies and strengthening the Company's global technological capabilities.
- Established strategic technology partnerships with internationally renowned companies, enabling the Company to participate in high-technology railway projects and expand its product portfolio.
- Established India's only integrated manufacturing facility capable of producing both stainless steel and aluminium metro coaches, significantly strengthening the Company's manufacturing capabilities.
- Successfully diversified into passenger mobility projects and secured prestigious assignments including Vande Bharat Trainsets, Pune Metro, Ahmedabad Metro, Surat Metro, Bengaluru Metro, Mumbai Metro and wheelsets for Indian Railways.
- Built one of the largest and most diversified order books in the Company's history, with an order book of approximately ₹27,540 crore (including the Company's proportionate share in joint ventures) as on 31 March 2026, providing strong long-term revenue visibility.
- Successfully strengthened the Company's financial position through disciplined capital allocation, prudent balance sheet management and capital raising initiatives, including Preferential Allotment and Qualified Institutional Placement, attracting reputed domestic and international institutional investors.
- Expanded the Company's manufacturing footprint and execution capabilities, positioning it to benefit from India's long-term investments in railway and urban mobility infrastructure.
- Continued to strengthen corporate governance standards, stakeholder engagement, risk management practices and sustainable business processes, thereby creating enduring long-term value for shareholders.

Shri Jagdish Prasad Chowdhary has consistently demonstrated his prudent judgement in the interest of the Company by voluntarily drawing remuneration substantially below the remuneration approved by the Members waiving a significant portion thereof for several years. He has consistently ensured his regular presence at the Board Meetings for providing proactive guidance over the years and attended all the general meetings to interact with the shareholders and share with them his vision for the Company setting exemplary standard of corporate governance. His commitment to the Company's governance is further reflected by his attendance at all Board Meetings held during his term including the financial years 2024-25 and 2025-26. The Board considers his vast experience and passionate participation and continued engagement with the Company's affairs in addition to his mature and nuanced leadership qualities to be the factors relevant to his proposed re-appointment.

Shri J.P. Chowdhary as the Executive Chairman, at present is entitled to remuneration of 5% of the net profits of the Company computed as per Section 198 of the Act, of which fixed component aggregates Rs. 240 lacs only per annum as mentioned hereinbelow, however he has been voluntarily waiving the balance remuneration payable to him during his term except in the financial year 2023-24 and 2024-2025 where he upon recommendation of the NRC and approval of the Board, accepted a token amount of Rupees One Crore, even after which he has waived about Rs. 10 Crore of remuneration to which he was entitled to for the said financial year as per the Service Agreement dated 12th August, 2026. No increase in his present remuneration is proposed, however constituent(s) thereof have been renamed.

The remuneration determined by the NRC, reviewed and recommended by the Audit Committee and approved by the Board for his term as Executive Chairman from January 08, 2027 till 7th January, 2032 as contained in the Service

Agreement dated 12th August, 2026, is as follows:

Fixed remuneration	Rs. 20,00,000 per month consisting of Basic Salary Rs. 12,00,000/- and other components/allowances viz. HRA 60% of Basic and Special Allowance Rs. 80000.
Variable Pay	Aggregate of Fixed Remuneration including Salary, Perquisites and benefits etc. and Variable Pay per annum shall not exceed 5% of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013
Variable Remuneration Matrix	Variable Pay shall be linked to the performance of the Company and the individual performance of the Executive Chairman and shall be determined based on defined financial, operational, strategic, sustainability, governance and individual performance criteria, as approved/ amended/ modified by the Nomination and Remuneration Committee ("NRC") and the Board of Directors. The Variable Pay shall be in addition to the Fixed Remuneration payable to the Executive Chairman and shall be subject to the maximum overall remuneration approved by the Members and the applicable provisions of the Companies Act, 2013, Schedule V thereto and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. An indicative list of parameters, together with their proposed weightages, for determination of Variable Pay is as follows: **A. Quantitative / Financial Parameters – Weightage: 60%** This shall include financial and business performance parameters such as: • Revenue growth and achievement against the annual business plan; • EBITDA / operating profitability; • Profit After Tax (PAT) and improvement in profitability; • Return on Capital Employed (ROCE); • Operating cash flow and efficient working capital management; and • Achievement of other financial targets approved by the Board. **B. Strategic, Operational, Sustainability and Governance Parameters – Weightage: 20%** This shall include: • Achievement of strategic business objectives and execution of key projects; • Order book growth and timely execution of major orders; • Capacity expansion and operational efficiency; • Quality, safety and operational excellence; • Progress towards the Company's sustainability and ESG objectives; • Strengthening of corporate governance, risk management and compliance framework; and • Succession planning and development of the Company's leadership team. **C. Individual Performance – Weightage: 20%** This shall include assessment of the Executive Chairman's individual contribution towards: • Achievement of the Company's strategic and business objectives; • Leadership and organisational development; • Stakeholder and customer relationships; • Business development and long-term value creation; • Effective risk management and regulatory compliance; and • Such other key performance objectives as may be approved by the NRC and the Board. **D. Industry / Market Benchmarking** The NRC may also take into consideration the prevailing remuneration practices and industry benchmarks, size and complexity of the Company, performance of the Company vis-à-vis its peers, responsibilities entrusted to the Executive Chairman and overall shareholder value creation, while determining the quantum of Variable Pay, subject always to the maximum remuneration approved by the Members. The weightage assigned to individual parameters may be reviewed and suitably adjusted by the NRC/Board from time to time, having regard to the Company's business priorities and prevailing market conditions, provided that the broad framework and overall limits approved by the Members are adhered to.

	Variable Pay shall be recommended by the Nomination and Remuneration Committee based on the actual achievement against the aforesaid parameters and approved by the Board on an annual basis, or at such other intervals as may be determined by the NRC/Board. The Variable Pay shall be subject to an overall maximum cap and shall not be payable merely by virtue of the Company's profitability. The actual payout shall be linked to achievement against the determined performance parameters and shall be subject to the applicable statutory and regulatory limits.
Minimum Remuneration	In the event of inadequacy or absence of net profits in any year during his tenure, he shall be paid minimum remuneration as may be prescribed by the Schedule V and/or other applicable provisions of the Act subject to such minimum remuneration not being less than the existing Fixed Remuneration as minimum remuneration of Rs. 240 lakhs per annum. The remuneration and other terms and conditions set out herein and in the Explanatory Statement shall be read together and shall include such revisions, variations, increments, benefits, perquisites and other payments as may be determined by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, from time to time, subject to the overall limits approved by the Members and applicable provisions of law.

Note: Being a promoter director, the incumbent director is not eligible for Employee Stock Option Scheme (ESOP)

The details as per Schedule V of the Companies Act, 2013 are provided in the Notice of the AGM. The other disclosures required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 of ICSI are set out at the end of this Notice.

A copy of the draft service agreement for the aforesaid reappointment of Shri J.P. Chowdhary would be available for inspection at the registered office of the Company till the date of AGM and a copy thereof shall be provided to member(s) upon request.

Having regard to his excellent leadership, extensive industry experience, institutional knowledge, strategic vision and invaluable contribution to the Company's sustained growth and transformation, the Board is of the considered opinion that the continued association of Shri Jagdish Prasad Chowdhary as Executive Chairman is in the best interests of the Company and its stakeholders. Accordingly, the Board unanimously recommends the Special Resolution set out at Item No. 4 of the accompanying Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives, except Shri J.P. Chowdhary, Shri Umesh Chowdhary, Smt. Rashmi Chowdhary, Shri Prithish Chowdhary and their relatives are in anyway concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

Item No. 5:

Shri Anil Kumar Agarwal (DIN: 01501767) was appointed as Whole-time Director designated as Director (Finance) and Chief Financial Officer of the Company for a period of five years with effect from 29th May, 2019, which was approved by the Members at the 22nd Annual General Meeting of the Company held on 20th September, 2019.

During FY 2023-24, Shri Anil Kumar Agarwal was elevated to the position of Deputy Managing Director [prior to this he was elevated to DMD & CEO (Freight Rail Segment)] of the Company, in recognition of his experience and exemplary performance in the functions inter alia finance, operations, legal, business development, accounts and other corporate functions.

The Board of Directors, at its meeting held on 15th May, 2024, pursuant to the recommendations of the Nomination and Remuneration Committee and Audit Committee, re-appointed Shri Anil Kumar Agarwal as Deputy Managing Director for a further period of three years with effect from 29th May, 2024, subject to approval of the Members.

The present term of his appointment will expire on 28th May, 2027. The Board, based on the recommendation of the Nomination and Remuneration Committee and Audit Committee, has proposed his re-appointment for a further period of three years with effect from 29th May, 2027, including variation in remuneration subject to approval of the Members.

The Nomination and Remuneration Committee (NRC), at its meeting held on 07th September 2026 had recommended the terms of remuneration payable to him including variations for a period (including arrears if any) of three years from 29th May 2027 upto 28th May 2030 and the Board at its meeting held on 7th September, 2026, approved the same and The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and hence recommended the said remuneration and his reappointment.

Experience and functional expertise

Shri Anil Kumar Agarwal, aged 51 years, holds a Bachelor of Commerce (Honours) degree and is a Fellow Member of the Institute of Chartered Accountants of India (FCA) and an Associate Member of the Institute of Cost Accountants of India (ACMA).

He brings over 27 years of rich professional experience with the Company, encompassing finance, accounts and a broad spectrum of corporate functions. His long-standing association with the organization has endowed him with deep institutional knowledge, making him intimately familiar with the Company's operations, culture and strategic priorities.

Over the course of his tenure, he has gained extensive expertise in financial management, accounting, financial reporting, corporate governance, financial planning, internal controls and regulatory compliance, aligning with the needs of a listed manufacturing and engineering enterprise.

His experience spans business development, operational oversight and senior-level account management, allowing him to integrate strategic insights with operational execution effectively.

In his role as Deputy Managing Director, he leverages his comprehensive experience to drive business growth initiatives, optimize operational efficiency, and oversee financial strategy and governance. He provides strategic guidance to cross functional teams, mentors leaders across finance, operations, and business development and ensures that key account relationships are nurtured and aligned with organizational objectives.

This combination of decades-long experience, deep company knowledge and cross functional expertise positions him uniquely to bridge strategy and execution, steering the Company toward sustainable growth while maintaining operational excellence and strengthening client and stakeholder confidence.

Role and responsibilities

As Deputy Managing Director, Shri Anil Kumar Agarwal has executive responsibility for matters entrusted to him by the Board and the senior management of the Company. With approximately 27 years of experience with the Company, he has in-depth knowledge and understanding of the Company's business, operations, financial affairs, systems and organisational framework, which enables him to contribute effectively to its overall management and strategic direction and take company to newer heights.

His extensive experience in finance, accounts, business operations, corporate functions and general management, coupled with his long-standing association with the Company, enables him to contribute to, inter alia:

- financial planning, management and resource allocation;
- financial reporting, accounting and related matters;
- evaluation of funding, capital requirements and financial strategies;
- financial controls, monitoring and risk management;
- corporate, regulatory and governance matters;
- evaluation of business, investment and strategic proposals;
- business development and operational matters;
- coordination and oversight of key business and functional areas; and
- strategic, financial and operational decision-making of the Company.

His long-standing association with the Company and extensive institutional knowledge provide him with a comprehensive understanding of its business model, operations, financial position, organisational structure and strategic priorities, thereby enabling him to discharge his responsibilities as Deputy Managing Director with continuity, effectiveness and a high degree of business familiarity.
The Board is satisfied that his role as Executive Director designated as Deputy Managing Director involves substantial executive responsibility, active participation in the management and affairs of the Company and significant involvement in its financial, operational, corporate and strategic decision-making.

Shri Anil Kumar Agarwal has demonstrated a high level of engagement with the affairs of the Company. During FY 2025-26, he attended 13 out of 13 meetings of the Board, representing 100% attendance. During FY 2026-27, up to the date of the Notice, he has attended 2 out of 2 meetings, representing 100% attendance. His attendance record demonstrates his continued involvement and participation in the deliberations of the Board.

Shri Anil Kumar Agarwal is not related to any Director of the Company and is a qualified professional as referred above. His proposed continuation on the Board is therefore based on his qualifications, professional experience, executive responsibilities and contribution to the Company.

Remuneration

The material terms of remuneration of Mr. Anil Kumar Agarwal effective from 1st April 2026 up to 28th May 2030 as approved by both the Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 7th September, 2026 are as under, however if the proposed revision in remuneration, resulting in an increase over the remuneration approved under the previous approval of the Members, shall be effective from 1st April, 2026, subject to the approval of the Members of the Company. Accordingly, any arrears arising on account of such increase in remuneration for the period from 1st April, 2026 up to 30th September, 2026, or the date of approval of the Members, as the case may be, shall be payable only upon and after receipt of such approval of the Members.

<table>
<tr><th colspan="2">Remuneration</th></tr>
<tr><td>Basic Salary per month (forms part of fixed remuneration)</td><td>
The DMD shall be entitled to Basic Salary as part of his Fixed Remuneration, which shall be ₹7,15,000/- (Rupees Seven Lakh Fifteen Thousand only) per month with effect from 1 April 2026, and may thereafter be revised by the Board of Directors on the recommendation of the Nomination and Remuneration Committee ("NRC") from time to time, as set out in detail herein, subject to the overall remuneration approved by the Members and the applicable statutory and regulatory provisions.
With effect from 1 April 2026 the proposed remuneration, representing an increase over the remuneration approved pursuant to the previous approval of the Members, shall comprise the following, subject to the approval of the Members of the Company:
<table>
<tr><th>Particulars</th><th>Amount</th></tr>
<tr><td>Basic Salary</td><td>₹7,15,000/- per month</td></tr>
<tr><td>House Rent Allowance</td><td>₹3,57,500/- per month</td></tr>
<tr><td>Special Allowance</td><td>₹6,20,000/- per month</td></tr>
<tr><td>Employer's Contribution to Provident Fund</td><td>₹85,800/- per month</td></tr>
<tr><td>Gratuity</td><td>₹34,391.50/- per month</td></tr>
<tr><td>Annual Fixed Remuneration</td><td>₹2,17,52,298/-</td></tr>
<tr><td>Performance Linked Incentive / Variable Pay</td><td>₹50,00,000/- per annum</td></tr>
<tr><td>Running & Driver</td><td>₹6,00,000/- per annum</td></tr>
<tr><td>Total Annual Remuneration</td><td>₹2,73,52,298/-</td></tr>
<tr><td colspan="2">The DMD shall also be entitled to such perquisites, allowances, benefits and other facilities as may be approved by the Board on the recommendation of the NRC and as may be applicable under the terms of his appointment as detailed in service agreement.</td></tr>
</table>
</td></tr>
<tr><td>Variable Remuneration</td><td>
Variable Pay shall be linked to the performance of the Company and the individual performance of the DMD and shall be determined based on defined financial, operational, strategic, sustainability, governance and individual performance criteria, as approved by the Nomination and Remuneration Committee ("NRC") and the Board of Directors.
The Variable Pay shall be in addition to the Fixed Remuneration payable to the Executive Chairman and shall be subject to the maximum overall remuneration approved by the Members and the applicable provisions of the Companies Act, 2013, Schedule V thereto and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
An indicative list of parameters, together with their proposed weightages, for determination of Variable Pay is as follows:
A. Quantitative / Financial Parameters – Weightage: 60%
This shall include financial and business performance parameters such as:

Revenue growth and achievement against the annual business plan;
EBITDA / operating profitability;
Profit After Tax (PAT) and improvement in profitability;
Return on Capital Employed (ROCE);
Operating cash flow and efficient working capital management; and
Achievement of other financial targets approved by the Board.

B. Strategic, Operational, Sustainability and Governance Parameters –
</td></tr>
</table>

	Weightage: 20% This shall include: • Achievement of strategic business objectives and execution of key projects; • Order book growth and timely execution of major orders; • Capacity expansion and operational efficiency; • Quality, safety and operational excellence; • Progress towards the Company's sustainability and ESG objectives; • Strengthening of corporate governance, risk management and compliance framework; and • Succession planning and development of the Company's leadership team. **C. Individual Performance – Weightage: 20%** This shall include assessment of the Deputy Managing Director's contribution towards: • Achievement of the Company's strategic and business objectives; • Leadership and organisational development; • Stakeholder and customer relationships; • Business development and long-term value creation; • Effective risk management and regulatory compliance; and • Such other key performance objectives as may be approved by the NRC and the Board. **D. Industry / Market Benchmarking** The NRC may also take into consideration the prevailing remuneration practices and industry benchmarks, size and complexity of the Company, performance of the Company vis-à-vis its peers, responsibilities entrusted to the DMD and overall shareholder value creation, while determining the quantum of Variable Pay, subject always to the maximum remuneration approved by the Members. The weightage assigned to individual parameters may be reviewed and suitably adjusted by the NRC/Board from time to time, having regard to the Company's business priorities and prevailing market conditions, provided that the broad framework and overall limits approved by the Members are adhered to. Variable Pay shall be recommended by the Nomination and Remuneration Committee based on the actual achievement against the aforesaid parameters and approved by the Board on an annual basis, or at such other intervals as may be determined by the NRC/Board. The Variable Pay shall be subject to an overall maximum cap and shall not be payable merely by virtue of the Company's profitability. The actual payout shall be linked to achievement against the determined performance parameters and shall be subject to the applicable statutory and regulatory limits.
Entitlement to Shares	Stock Options may also be granted by the NRC under Employee Stock Option Scheme of the Company at an approved price on the date of grant. Further, he will be entitled to grant of Stock Options as may be decided by the NRC, from time to time.

The remuneration approved under this resolution shall include the revised remuneration incl. arrears and effective from 1 April 2026 during his existing tenure, the remuneration payable during the renewed tenure, including any arrears and one-time payment specifically set out in the Explanatory Statement, and the contractual annual increase of 10% with effect from 1 April 2027 and thereafter, together with such further revisions, increments, incentives, bonus, benefits, perquisites and other payments as may be determined by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, from time to time, subject to the overall maximum remuneration approved by the Members and applicable provisions of law

Maximum Remuneration:
Notwithstanding anything contained herein, the overall managerial remuneration payable to Shri Anil Kumar Agarwal, DMD, during any financial year during the tenure of his office shall be such amount as may be determined by the Board of Directors from time to time, on the recommendation of the NRC, subject to a maximum of ₹3,00,00,000/- (Rupees Three Crore only) per annum, or such higher amount as may be permissible pursuant to the approval of the Members and under the applicable provisions of the Companies Act, 2013, including Schedule V thereto, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations.

The approval of the Members shall include and cover (i) the aforesaid remuneration payable with effect from 1 April 2026, (the proposed remuneration, representing an increase over the remuneration approved pursuant to the previous approval of the Members, shall comprise the following, subject to the approval of the Members of the Company) including Fixed Remuneration, Variable Remuneration/PLI and other applicable benefits, (ii) a special/one-time payment of ₹38,50,000/- (Rupees Thirty-Eight Lakh Fifty Thousand only) for FY 2025–26, excluding any arrears of remuneration as per previous approvals, if any forming part thereof, and (iii) the annual contractual increase of 10% in remuneration with effect from 1 April 2027 and thereafter.

The aforesaid limit shall include Fixed Remuneration, Variable Remuneration / PLI and other monetary components of remuneration including additional increment, bonus, incentive, arrears of remuneration, as applicable, but shall exclude the value attributable to Stock Options or other share-based benefits, to the extent permitted under applicable law. The 10% annual contractual increase shall apply with effect from 1 April 2027 on Annual Remuneration mentioned above and every subsequent financial year as part of service agreement

Minimum Remuneration: Notwithstanding anything contained herein, in the event of absence of profits or inadequacy of profits in any financial year during the tenure of office of the DMD, the Company shall be entitled to pay remuneration by way of salary, allowances, perquisites, benefits, performance-linked incentive and other permissible components of remuneration, subject to the limits, conditions and approvals of the Board of Directors on the recommendation of the Nomination and Remuneration Committee and other applicable provisions of the Companies Act, 2013 and Schedule V thereto. Provided that, notwithstanding the absence or inadequacy of profits, the remuneration payable to the DMD shall, in no case, be less than the fixed remuneration approved under this resolution.

The payment of such minimum remuneration shall be subject to such approvals, if any, as may be required under the Companies Act, 2013, the Articles of Association of the Company and applicable SEBI regulations. However the remuneration payable to the DMD shall, in no case, be less than the fixed remuneration approved under this resolution.

The above-mentioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company on recommendation of NRC as it may, in its discretion, deem fit, within the above limits.

He will hold office for a term of 3 (three) years from 29th May 2027 up to 28th May 2030. He satisfies the conditions set out in Section 196(3) and Part 1 of Schedule V to the Companies Act, 2013. He has given his consent to act as DMD of the Company.

Shri Anil Kumar Agarwal as the DMD of the Company, at present draws a remuneration of Rs.1,92,00,400 per annum as recommended by the NRC and approved by the Board and Shareholders respectively.

In addition, he is entitled to other perquisites in accordance with the Company's rules, including benefits arising from exercise of ESOPs, if any. The existing remuneration provides for an annual increase of 10%, with the first revision effective from 1st April, 2025 and the second revision effective from 1st April, 2026, which continues under new service agreement executed on 7th September 2026

The remuneration proposed under the renewed term shall be as set out in the Service Agreement and shall remain subject to the applicable provisions of Sections 196 and 197 read with Schedule V of the Act and the Listing Regulations i.e. "The approval sought under this resolution also includes approval of the revised remuneration payable to Shri Anil Kumar Agarwal including arrears and revisions with effect from 1 April 2026 during his existing tenure incl. arrears , as well as the remuneration payable during his renewed tenure commencing from 29 May 2027."

In recommending the re-appointment of Shri Anil Kumar Agarwal, the Nomination and Remuneration Committee and the Board have considered his qualifications, professional experience, executive responsibilities, contribution, Board attendance, other directorships, remuneration and the overall requirements of the Company.

The Board is satisfied that Shri Anil Kumar Agarwal possesses the requisite competence and experience commensurate with the nature and scale of the Company's business and that his continued association will contribute to the effective management and governance of the Company.

The Board is also satisfied that his proposed re-appointment is in the interest of the Company and its shareholders. The remuneration payable to Shri Anil Kumar Agarwal is in accordance with Sections 196 and 197 read with Schedule V and other applicable provisions of the Act. The additional information required pursuant to Schedule V of the Act, Regulation 36(3) of the Listing Regulations and Secretarial Standard–2 is provided elsewhere in this Notice.

The Board recommends the Special Resolution set out at Item No. 5 for approval by the Members and the approval of the members by the way of this resolution shall constitute the requisite approval for the aforesaid resolution/ agenda item by the members.

Except Shri Anil Kumar Agarwal and his relatives, none of the other Directors, Key Managerial Personnel or their respective relatives is concerned or interested, financially or otherwise, in the Resolution.

Item No. 6:

The members of the Company have from time-to-time accorded approval to the appointment and remuneration of the Independent/Non-Executive Directors (ID/NED) as recommended by the Nomination & Remuneration Committee (NRC) in accordance with the Company's Remuneration Policy and in endorsement thereof placed before the shareholders by the Board. Such remuneration may include commission not exceeding in aggregate 1% of the net profits of the Company computed as per the provisions of the Section 198 of the Companies Act, 2013 payable during the term of the respective ID/NED in such manner as the NRC/Board may decide.

Notwithstanding the approval accorded by the shareholders to the appointment of each individual ID/NED, it is proposed to obtain a general permission of the members for payment of remuneration including profit linked commission to such ID/NEDs within the stipulated limit of 1% of the net profits of the Company computed as per the Section 198 of the Act, for a period of 5 years, commencing from the Financial Year 2026-27. Taking into consideration all relevant aspects including the skills, knowledge, experience and expertise of the members of the Board and complexities of directing the business involved in the case of listed entities, the NRC and Board have approved payment of remuneration/commission to Independent/Non-executive Directors during their respective term subject to the applicable compliances, as set out in the resolution at Item No. 4. The Company has not paid commission to Non-executive Director, if any who is part of the promoter group.

The Directors recommend passing the aforesaid Special Resolution at Item No. 7. None of the Directors or Key Managerial Personnel (KMP) or their relatives, except the ID/ NEDs upto the extent of remuneration/commission as may be payable to them in terms of this resolution, is in any way concerned or interested in the Resolution

Item No. 7:

Pursuant to the recommendation of Audit Committee and approval of the Board at their respective meetings held on 30th May 2026, M/s M. R. Vyas and Associates, Cost Accountants have been appointed as Cost Auditor of the Company for the financial year 2026-2027 at a remuneration of Rs. 3,00,000/- (Rupees Three Lakh only). Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor is to be ratified by the shareholders.

The Board recommends the resolution set out at Item No. 8, under Section 148 of the Companies Act, 2013 as an Ordinary Resolution for your approval.

None of the Directors or Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested in the Resolution set out in Item no. 8 of the Notice.

By Order of the Board

Sd/-

Aditya Purohit
Company Secretary & Compliance Officer
M. No. ACS 27825

Registered Office:

Poddar Point, 10th Floor,
113, Park Street Kolkata-700016

7th September, 2026

Details of Directors seeking Appointment/ Re-appointment/ variation in terms of remuneration at the Annual General Meeting:

<table>
<tr><th colspan="2">Particulars</th><th>Shri Jagdish Prasad Chowdhary</th><th>Shri Anil Kumar Agarwal</th></tr>
<tr><td colspan="2">Director Identification Number (DIN)</td><td>00313685</td><td>01501767</td></tr>
<tr><td colspan="2">Designation and Category of Director</td><td>Executive Chairman
Executive Director</td><td>Deputy Managing Director</td></tr>
<tr><td colspan="2">Date of Birth and age</td><td>23/09/1940 (85 years)</td><td>05/07/1975 (51 years)</td></tr>
<tr><td colspan="2">Date of Appointment as Director</td><td>24/09/1999</td><td>29/05/2019</td></tr>
<tr><td colspan="2">Qualifications</td><td>B. Com</td><td>B. Com (Hons), FCA, ACMA</td></tr>
<tr><td colspan="2">Expertise in Specific Functional Areas</td><td>Management leadership with experience of about 63 years in the railways sector/heavy engineering industry. Promoted the Company and has successfully led the Group from a small wagon manufacture set up in 1997 to the leading mobility solutions provider in the country.</td><td>Rich professional experience and leadership of over 27 years in finance, accounts, and other corporate functions.</td></tr>
<tr><td colspan="2">Terms and conditions of re-appointment</td><td>Re-appointment in terms of Section 152(6) of the Companies Act, 2013</td><td>Re-appointment in terms of Section 152(6) of the Companies Act, 2013</td></tr>
<tr><td colspan="2">Remuneration last drawn (Rs.) [During FY 2025-26]</td><td>Refer Corporate Governance Report</td><td>Refer Corporate Governance Report</td></tr>
<tr><td colspan="2">Remuneration proposed to be paid (Rs.)</td><td>Refer Explanatory Statement</td><td>Refer Explanatory Statement</td></tr>
<tr><td rowspan="2">Number of Meetings of the Board attended</td><td>During 205-26</td><td>13/13</td><td>13/13</td></tr>
<tr><td>During 2026 -27 (till date)</td><td>3/3</td><td>3/3</td></tr>
<tr><td colspan="2">Directorship held in other companies (excluding foreign companies)</td><td>1. Titagarh Capital Management Services Private Limited
2. Titagarh Naval Systems Limited</td><td>1. Ramkrishna Titagarh Rail Wheels Limited
2. Titagarh Naval Systems Limited</td></tr>
<tr><td colspan="2">Memberships/ Chairmanships of Committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)</td><td>Nil</td><td>Nil</td></tr>
<tr><td colspan="2">Name of listed entities from which the person has resigned in the past three years (excluding foreign companies)</td><td>Nil</td><td>Nil</td></tr>
<tr><td colspan="2">Disclosure of relationships between directors</td><td>Shri J.P. Chowdhary is related to Shri Umesh Chowdhary, Vice Chairman & Managing Director, and Smt. Rashmi Chowdhary, Non-Executive Director and Shri Prithish Chowdhary, Deputy Managing Director</td><td>Shri Anil Kumar Agarwal is not related to any Director of the Company</td></tr>
<tr><td colspan="2">No. of shares held in the Company (as on 7th September, 2026)</td><td>70,700 equity shares</td><td>1,00,000 equity shares</td></tr>
</table>

Details pursuant to Schedule V to the Companies Act, 2013 (refer Item No. 4)

I. GENERAL INFORMATION				
Nature of Industry	Rail Rolling Stock, Defence, Shipbuilding, Heavy Engineering and Infrastructure			
Date or expected date of commencement of commercial production	The Company was Incorporated on 3rd July 1997 in the State of West Bengal under the Companies act 1956, Further the Company had commenced business from 11th July 1997			
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			(Rs. in Crores)
Financial performance based on given indicators		**2025-26**	**2024-25**	**2023-24**
	Total Income	3,190.75	3,822.63	3,898.97
	Total Expense	2,895.53	3,397.75	3,501.92
	Profit/(Loss) before tax	237.64	154.63	397.04
	Profit/(Loss) after tax	150.70	76.97	296.90
	EPS	11.19	5.72	23.30
Fo reign investments or collaborations, if any	Not Applicable			
II. INFORMATION ABOUT THE MANAGERIAL PERSONNEL				
Name	**Shri Jagdish Prashad Chowdhary**			
Background details	Mr. Jagdish Prasad Chowdhary is an industrialist with 63 years of experience in heavy engineering industry. Mr. Chowdhary is regarded as a turnaround expert, taking over ailing companies and turning around their operations with ingenuity and astuteness. Mr. Chowdhary has been President of Confederation of Indian Industry (CII) and President of All India Organisation of Employers, Indian Chamber of Commerce, Kolkata, All India Management Association, New Delhi. He is also a founder and the Executive Chairman of Titagar Rail Systems Limited (formerly Titagarh Wagons Limited), flagship Company of Titagarh Group having 3 manufacturing facilities in the State of West Bengal (India), one in Rajasthan and has been pioneer in projecting, visioning shipbuilding business and state-of-art upcoming facility at Falta. Titagarh Group under the leadership of Shri J P Chowdhary has risen to the leading position in the Rail Rolling Stock manufacturing industry and is proud to be a significant enabler in the Government of India's expansion drive of railway sector under initiatives like "Make In India" and "Atma Nirbhar Bharat" in just about 26 years since incorporation of Titagarh Rail Systems Limited.			
Past remuneration	Refer Corporate Governance Report			
Recognition or awards	Mr. Chowdhary has been awarded by various Institutions like Confederation of Indian Industry (CII) , Calcutta Management Association and Indian All India Management Association, he also served as Sheriff of Kolkata in 1995. He has also been Honorary Consulate General for Government of Switzerland in India. He was a member of Central Board of Trustees, Employees' Provident Fund Organisation and also chaired the Board of Railway Equipment Division of Confederation of Indian Industry (CII)			
Job profile and his suitability	Refer Explanatory Note			
Remuneration proposed	The existing Remuneration for CMD aggregating 5% of net profits to continue. (The detailed breakup of the proposed remuneration is mentioned in the Service Agreement as executed between Shri J.P. Chowdhary and the Company)			
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of the business.			
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Shri JP Chowdhary, Executive Chairman and Shri Umesh Chowdhary, Vice Chairman & Managing Director are related to each other and also related to Smt. Rashmi Chowdhary and Shri Prithish Chowdhary, Non-Executive Director of the Company.			

Name	**Shri Anil Kumar Agarwal**
Background details	Shri Anil Kumar Agarwal holds a bachelor's degree in commerce from Calcutta University and is a qualified Chartered Accountant from the Institute of Chartered Accountants of India (ICAI) and a Cost Accountant from the Institute of Cost Accountants of India (ICMAI). He was appointed as a whole time Director of the Company on 29th May 2019 and designated as Director (Finance) & CFO and on 20th December 2023 he was elevated to be Deputy Managing Director & CEO (Freight Rail Systems) of the Company and subsequently elevated to be Deputy Managing Director of the Company w.e.f. February 03, 2025.
Past remuneration	Refer Corporate Governance Report
Recognition or awards	He was awarded the best CFO award by the then Finance Minister - Shri Pranab Mukherjee.
Job profile and his suitability	Shri Anil Kumar Agarwal as DMD is overall in charge of the FRS vertical including generation of business, performance of the vertical as well as such other duties/responsibilities as may be assigned to him by the Board of Directors. He will function subject to superintendence and control of the Board of Directors. He has been re-appointed as Deputy Managing Director 1 & CEO (Freight Rail Systems) of the Company w.e.f 15th May 2024 and subsequently elevated to be Deputy Managing Director of the Company w.e.f. February 03, 2025. He reports to the Vice Chairman & Managing Director and Executive Chairman for day-to-day affairs of the Company.
Remuneration proposed	With effect from 1 April 2026, the proposed remuneration of Shri Anil Kumar Agarwal, DMD, shall comprise Fixed CTC of ₹217.52 lakh per annum, including Basic Salary of ₹85.80 lakh, HRA of ₹42.90 lakh, Special Allowance of ₹74.40 lakh, Employer's PF contribution of ₹10.30 lakh and Gratuity of ₹4.13 lakh. In addition, he shall be eligible for Performance Linked Incentive/Variable Pay of up to ₹50.00 lakh per annum and Running & Driver allowance of ₹6.00 lakh per annum, resulting in a Total Annual CTC of ₹273.52 lakh. The remuneration shall thereafter be subject to the 10% annual contractual increase with effect from 1 April 2027 and every subsequent financial year, along with such special or exceptional increment, bonus, incentive, arrears or one-time payment as may be approved in accordance with applicable law. The detailed breakup/ terms and conditions of the proposed remuneration is mentioned in the Service Agreement as executed between Shri Anil Agarwal and the Company)
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of the business.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Apart from remuneration, he would be entitled to ESOP pursuant to the ESOP Scheme of the Company. He has no relationship with any other managerial personnel
III. OTHER INFORMATION	
Reasons of loss or inadequate profits	Not Applicable
Steps taken or proposed to be taken for improvement	The Company is a leading rolling stock manufacturer in India and has had substantial growth in all key parameters of performance over the past 4 years.
Expected increase in productivity and profits in measurable terms	The Company has bagged various esteemed orders during last about 18 months and has recorded suitable increase in productivity.
IV. DISCLOSURES	
The following disclosures form part of the "Corporate Governance Report" which is an integral part of the Board of Directors' Report of the Company for the FY 2025-2026: (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc. of all the Directors. (ii) Details of fixed component and performance linked incentives along with performance criteria. (iii) Service contracts, notice period, severance fees. (iv) Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	

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