

31st January 2025

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

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

Dear Sirs,

SUB: Intimation of the outcome of the meeting of the Board of Directors of Texmaco Rail & Engineering Limited (“Company” or “Transferor Company” or “TREL”) held on 31st January 2025 and disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (“Listing Regulations”)

REF: Scheme of Arrangement between Texmaco Rail & Engineering Limited and Belgharia Engineering Udyog Private Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013

In compliance with Regulation 30 read with Schedule III of the Listing Regulations and basis recommendation and report of the Audit Committee and the Committee of Independent Directors, we wish to inform that the Board of Directors of the Company (“**the Board**”) at its meeting held today, i.e. 31st January, 2025 has *inter-alia* considered and approved the Scheme of Arrangement between the Company and Belgharia Engineering Udyog Private Limited, a wholly owned subsidiary of the Company (“Transferee Company” or “BEL”) and their respective shareholders and creditors under the under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”) (“**Scheme**”), which *inter alia* provides for transfer of the Transferred Undertaking (*as defined in the Scheme*) from the Transferor Company to the Transferee Company as a going concern on slump exchange basis, with effect from the Appointed Date (*as defined in the Scheme*) and various other matters consequential thereto or otherwise integrally connected therewith in the manner set out in the Scheme.

The Scheme is, *inter alia*, subject to receipt of approval from the statutory, regulatory and customary approvals, including approvals from Stock Exchanges, National Company Law Tribunal having jurisdiction over the companies, and the shareholders and creditors of the companies involved in the Scheme.

The Scheme as approved by the Board would be available on the website of the Company at <https://www.texmaco.in> after submission of the same with the Stock Exchanges.

An adventz group company

📍 Registered Office:
Belgharia, Kolkata - 700 056, India
☎ +91 33 2569 1500

✉ texmail@texmaco.in
🌐 www.texmaco.in

CIN: L29261WB1998PLC087404

In terms of the Listing Regulations read with SEBI Circular No SEBI/HO/CFD/POD2/P/CIR/2023/93 dated 20th June, 2023 read with the SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11th November, 2024, we are furnishing herewith the details of the Scheme in **Annexure I**.

The Board Meeting commenced at 11:30 a.m. and concluded at 2:10 p.m.

Thanking you,

Yours faithfully,

For **Texmaco Rail & Engineering Limited**

K. K. Rajgaria
Company Secretary &
Compliance Officer

An adventz group company

📍 Registered Office:
Belgharia, Kolkata - 700 056, India
☎ +91 33 2569 1500

✉ texmail@texmaco.in
🌐 www.texmaco.in

CIN: L29261WB1998PLC087404

Annexure – I

Brief details of Slump Exchange

Sr. No.	Particulars	Details
1.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	For FY 2023-24, the turnover of the Transferred Undertaking was INR 527.24 crore, which was 15.05% to the total turnover of the Company in the financial year ended 31 st March 2024. As at 31 st March 2024, the Transferred Undertaking's net worth was INR 855.79 crore, which was 34.43% to the total net worth of the Company.
2.	Date on which the agreement for sale has been entered into	On 31 st January 2025, the Board approved the Scheme of Arrangement between the Company and Belgharia Engineering Udyog Private Limited, a wholly owned subsidiary of the Company (" Transferee Company " or " BEL ") and their respective shareholders and creditors under the under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (" Act ") (" Scheme "), envisaging the transfer and vesting of the Transferred Undertaking from the Company as a going concern on slump exchange basis to BEL. The said Scheme is subject to further approvals of regulatory / statutory authorities, as may be required.
3.	The expected date of completion of sale/disposal	The Scheme is subject to the approval of various regulatory/ statutory authorities including Stock Exchanges, NCLT and will be operative from the Effective Date (<i>as defined and provided in the Scheme</i>).
4.	Consideration received from such sale/disposal	Upon Part II of Scheme coming into effect, in consideration for the transfer and vesting of the Transferred Undertaking, the Transferee Company shall without any further application, acts, deed, consent, instrument or deed, discharge a lump sum consideration to the Transferor Company, without values being assigned to the individual assets and liabilities of the Transferred Undertaking in the following manner: i. The Transferee Company shall issue and allot 1,50,00,000 fully paid-up equity shares of face value INR 10/- each fully paid up to the Transferor Company (" New Equity Shares of the Transferee Company"); and

An adventz group company

Sr. No.	Particulars	Details
		<p>ii. The Transferee Company shall issue and allot 9,22,77,390 OCRPS* of INR 100/- each fully paid-up to the Transferor Company</p> <p><i>[*Optionally Convertible Redeemable Preference Shares of the Transferee Company” or “OCRPS” as defined in the Scheme means 0.01% cumulative optionally convertible redeemable preference shares of INR 100 each fully paid up to be issued and allotted by the Transferee Company as partial consideration for transfer of the Transferred Undertaking to the Transferor Company, pursuant to Part II of the Scheme, the principal terms and conditions for which have been set out in Schedule I to the Scheme]</i></p>
5.	Brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof	Pursuant to the Scheme, the Transferred Undertaking will be transferred and vested with BEL. BEL is a wholly owned subsidiary of the Company.
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”	<p>Yes, the Company and the Transferee Company are related parties to each other.</p> <p>However, in terms of General Circular No. 30/2014 dated July 17, 2014, issued by Ministry of Corporate Affairs (“MCA Circular”), the transactions arising out of compromises, arrangements and amalgamations under the Companies Act, 2013 (“Act”), will not attract the requirements of Section 188 of the Act.</p> <p>The Transferee Company is a wholly owned subsidiary of the Transferor Company. The consideration for transfer of Transferred Undertaking by the Company to the wholly owned subsidiary is based on the Valuation Report as issued by Registered Valuer which has been confirmed by a fairness opinion of a SEBI registered merchant banker on such Valuation Report.</p>
7.	Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations	The transfer of Transferred Undertaking from the Company to the wholly owned subsidiary as a going concern on slump exchange basis will be undertaken through the Scheme of Arrangement between the Company and its wholly owned subsidiary and their respective shareholders and creditors under sections

An adventz group company

Sr. No.	Particulars	Details
		230 to 232 and other applicable provisions of the Companies Act, 2013.
8.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale	
i.	Name of the entity(ies) forming part of the amalgamation / merger, details in brief such as, size, turnover etc.	<p><u>Transferor Company:</u> Texmaco Rail & Engineering Limited Company has total assets of INR 4459.03 crore, Net worth of INR 2,620.37 crore and Turnover of INR 3093.82 crore as on 31 December 2024.</p> <p><u>Transferee Company:</u> Belgharia Engineering Udyog Private Limited has total assets of INR 0.63 lakhs, Net worth of INR 0.63 Lakhs and Turnover of INR Nil as on 31 December 2024.</p>
ii.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”	<p>Yes, the Company and the Transferee Company are related parties to each other.</p> <p>However, in terms of General Circular No. 30/2014 dated July 17, 2014, issued by Ministry of Corporate Affairs (“MCA Circular”), the transactions arising out of compromises, arrangements and amalgamations under the Companies Act, 2013 (“Act”), will not attract the requirements of Section 188 of the Act.</p> <p>The Transferee Company is a wholly owned subsidiary of the Transferor Company. The consideration for transfer of Transferred Undertaking by the Company to the wholly owned subsidiary is based on the Valuation Report as issued by Registered Valuer which has been confirmed by a fairness opinion of a SEBI registered merchant banker on such Valuation Report.</p>
iii.	Area of business of the entity(ies)	<p><u>Transferor Company</u> The Transferor Company is primarily engaged in three lines of businesses through separate divisions as follows: - (a)“Freight Car Heavy Engineering Division”, engaged in the business of manufacturing of freight car and its components, Steel castings; (b) “Infra – Electrical” engaged in the business of execution of electrical projects; and (c) “Infra – Rail & Green Energy” engaged in execution of projects related to green/ renewable power, track laying, signalling and telecommunication.</p>

An adventz group company

Sr. No.	Particulars	Details
		<p><u>Transferee Company</u> The Transferee Company is incorporated with the intent of carrying on business similar to the Transferred Undertaking of the Transferor Company.</p>
iv.	Rationale for amalgamation/ merger	<p>The rationale for transfer of the Transferred Undertaking of the Company as a going concern on slump exchange basis to the Transferee Company, is provided below:</p> <ol style="list-style-type: none"> a. The Infra – Rail & Green Energy Division of TREL is one of the premier engineering division with market leadership in this field. TREL has been a leading factor in concept to commissioning of hydro mechanical equipment for hydro power plant, industrial steel structure, flyover and bridges, track laying, signalling & telecommunication. Over the years, TREL has built strong credentials in design, erection and commissioning of various types of steel gates (both vertical & radial), Trash racks, hoists, penstocks & specials (bifurcation, trifurcation, expansion joints etc.), goliath cranes, heavy steel structures, track laying, signalling & telecommunication etc. Numerous projects bear testimony to the Company’s marvellous engineering and manufacturing capabilities, which has got national and international recognition for its outstanding performance. b. TREL seeks to reorganise the businesses carried on by it to exploit the growth potential and attract fresh set of investors/strategic partners. Each of the businesses carried on by TREL have significant potential for growth and profitability. However, each of the businesses are distinct having their own set of strengths and dynamics in the nature of risks involved, competition, challenges, opportunities, business methods, leading to different growth potentials. Hence, segregation of the businesses would enable a focused management to explore business opportunities and potentials effectively and efficiently. Accordingly, it is intended to

An adventz group company

Sr. No.	Particulars	Details
		<p>segregate and transfer of the Transferred Undertaking comprising the Infra – Rail & Green Energy Division of TREL into BEL.</p> <p>c. The segregation of the business verticals shall enable them to move forward independently, with specialisation building on their respective capabilities. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with sharper strategic focus on each business segment under separate entities.</p> <p>d. The Scheme will also enable the Transferor Company and the Transferee Company to focus and enhance their respective management structure ensuring better and more efficient management control. It shall provide greater management focus and speedy decision process to achieve strategic advantage in the separate entity.</p> <p>e. Bifurcation of the businesses will enable unlocking value of each vertical thereby paving way for focused growth with a view to create significant stakeholder value, will attract distinct investor base and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct businesses. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.</p> <p>f. Accordingly, the said Scheme is being proposed for transfer of the Transferred Undertaking to the Transferee Company as a going concern on slump exchange basis.</p> <p>The Scheme is in the interest of the Transferor Company, the Transferee Company and their respective stakeholders</p>

An adventz group company

Sr. No.	Particulars	Details
v.	In case of cash consideration – amount or otherwise share exchange ratio	No cash consideration is payable for the proposed transaction in the Scheme.
vi.	Brief details of change in shareholding pattern (if any) of listed entity	There will be no change in the shareholding pattern of listed entity i.e., Texmaco Rail & Engineering Limited (Transferor Company) pursuant to the Scheme.

An adventz group company

Registered Office:
Belgharia, Kolkata - 700 056, India
+91 33 2569 1500

✉ texmail@texmaco.in
🌐 www.texmaco.in

CIN: L29261WB1998PLC087404