



**TEXMACO**

**Texmaco Rail & Engineering Ltd.**

**Belgharia Works**

**CIN No.: L29261WB1998PLC087404**

**GSTIN No. 19AABCT2592E1ZA**

*Date: 18<sup>th</sup> September, 2017*

*The Corporate Relation Department  
Bombay Stock Exchange Limited,  
25<sup>th</sup> Floor, P.J. Towers,  
Dalal Street, Fort,  
Mumbai – 400 001*

*The Listing Department  
National Stock Exchange of India Limited,  
5<sup>th</sup> Floor, Exchange Plaza,  
Bandra – Kurla Complex,  
Bandra (E),  
Mumbai – 400 051*

*The Secretary  
The Calcutta Stock Exchange Limited  
7, Lyons Range,  
Kolkata – 700 001*

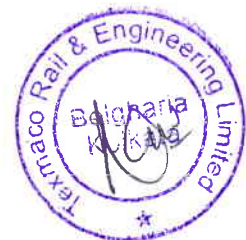
Dear Sir(s),

We would like to inform you that pursuant to the authority vested in the Committee of Directors of Texmaco Rail & Engineering Limited (“Company”) by the Board of Directors of the Company (“Board”) on 14<sup>th</sup> February, 2017 to explore and evaluate various restructuring options available to the Company, the Committee of Directors has submitted its recommendations to the Board.

The Committee has, with the objective of synergic consolidation and integration, recommended the amalgamation of Bright Power Projects (India) Private Limited (“Bright Power”) and Texmaco Hi-tech Private Limited (“TexHi-tech”), into and with the Company, by way of a Scheme of Amalgamation in terms of Sections 230 to 232 of the Companies Act, 2013 (“Scheme”).

The Audit Committee of the Company has upon its review and consideration of the valuation report dated 18<sup>th</sup> September, 2017 issued by Deloitte Haskins & Sells, Independent Chartered Accountant (“Valuation Report”), and the fairness opinion dated 18<sup>th</sup> September, 2017 issued by ICICI Securities Ltd., Merchant Banker (“Fairness Opinion”) recommended the Scheme to the Board.

The Board has accepted the recommendation of the Audit Committee, and has *inter alia* approved the Scheme for the amalgamation of Bright Power and TexHi-tech into and with the Company with effect from 1st April, 2017, i.e., the Appointed Date.





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The share exchange ratio approved by the Board based on its consideration of the Valuation Report and the Fairness Opinion is 818 : 100, i.e., Eight Hundred Eighteen (818) fully paid-up equity shares of INR 1 each of the Company shall be issued for every One Hundred (100 ) fully paid-up equity shares of INR 10 each held by a shareholder in Bright Power. Further, no shares shall be issued to the Company in lieu of its shareholding in TexHi-tech pursuant to the Scheme, and its investments, being equity shares, in TexHi-tech shall stand cancelled.

The Scheme is subject to requisite statutory / regulatory approval, including directions and approval of National Company Law Tribunal, Kolkata. The Scheme shall be implemented in accordance with applicable laws, including applicable SEBI regulations. The Scheme shall be filed with the stock exchanges, in due course, in terms of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations').

The detailed disclosure as required under Regulation 30 of the Listing Regulations read with SEBI circular dated 9<sup>th</sup> September, 2015 is enclosed as an annexure to this outcome.

Kindly take the same into your record.

Thanking You

Yours faithfully

For **Texmaco Rail & Engineering Limited**

  
Ravi Varma  
Company Secretary  
ICSI Membership No. 27650





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## ANNEXURE

*Disclosure under Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015: Continuous Disclosure Requirements for Listed Entities - Regulation 30 of Listing Regulations*

**a) Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover, etc.**

| Particulars   | Texmaco Rail & Engineering Limited (the 'Company') | Bright Power Projects (India) Private Limited ('Bright Power') | Texmaco Hi-tech Private Limited ('TexHi-tech') |
|---|--|--|--|
| Paid up Share Capital (in Cr.)                                | 21.96  | 1.30   | 83.45  |
| Annual Turnover (in Cr.) (as on 31 <sup>st</sup> March, 2017) | 1284   | 178  | 7  |

**b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length" basis.**

Yes, TexHi-tech and Bright Power being subsidiaries are related parties to the Company. TexHi-tech is a wholly owned subsidiary of the Company, however no consideration would be discharged for the merger of TexHi-tech into and with the Company.

The consideration payable to the shareholders of Bright Power as per the share exchange ratio is based on independent fair valuation of shares of each of the companies as set-out in the Valuation Report and the Fairness Opinion, and will be subject to prior approval / no-objection of SEBI / the stock exchanges, shareholders/ creditors of both the companies, National Company Law Tribunal, Kolkata and other Statutory Authorities, as the case may be.

**c) Area of business of the entity(ies)**

The Company is a 'total rail solution provider' involved in the business of manufacturing of rolling stock, such as wagons, coaches, EMUs loco shells & parts, etc., hydro mechanical equipments, steel castings, Rail EPC, bridges and other steel structures.

Bright Power is an EPC company, specialising in electrification solutions for the Railways and diverse sectors such as power, utilities, Metro Rail System, petrochemicals, pharmaceuticals, etc. It is primarily engaged in supplying and installation of overhead electrical equipment (OHE) to various entities of Indian Railways.





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TexHi-tech is a wholly owned subsidiary of the Company, with State-of-the-Art manufacturing facility. It was set up primarily to cater to the huge requirement of locomotive, wagon and coach components for Australian market. However, with shrinking commodity market, the Australian demand dried up and the Company is now catering to the diverse sectors of industries including Railways, both in India and abroad.

**d) Rationale for amalgamation/ merger**

The Scheme shall result in:

- (i) the Company will further strengthen its position as 'a total rail solution provider' company;
- (ii) consolidation of the businesses presently being carried on by the companies, resulting in greater synergies between the business operations of all the companies;
- (iii) optimal utilisation of resources due to pooling of management, administrative and technical skills of all the companies, better administration, cost reduction, including reduction in managerial, administrative & other-common costs and operating synergy;
- (iv) better alignment, coordination and streamlining of day to day operations of all the companies, leading to improvement in overall working culture and environment;
- (v) creation of large asset base and facilitating access to better financial resources; and
- (vi) creation of value for various stakeholders and shareholders (including public shareholders) of the companies, as a result of the foregoing.

**e) In case of cash consideration – amount or otherwise share exchange ratio**

The share exchange ratio approved by the Board of the Company upon its consideration of the Valuation Report and the Fairness Opinion is 818 : 100, i.e., Eight Hundred Eighteen (818) fully paid-up equity shares of INR 1 each of the Company shall be issued for every One Hundred (100 ) fully paid-up equity shares of INR 10 each held by a shareholder in Bright Power.

No shares shall be issued to any person pursuant to the amalgamation of TexHi-tech into the Company, as the Company holds 100% of the paid-up share capital of TexHi-tech, and its investments, being equity shares, in TexHi-tech shall stand cancelled pursuant to the amalgamation.





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**f) Brief details of change in shareholding pattern (if any) of listed entity**

**(Texmaco Rail & Engineering Limited)**

| Particulars | Pre-Merger Shareholding | Post-Merger Shareholding* |
|-------------|-------------------------|---------------------------|
| Promoters   | 115127010               | 115127010                 |
| Public      | 104475833               | 109261133                 |
| Total       | 219602843               | 224388143                 |

\* As on date considering the mentioned share exchange ratio

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