



September 18, 2017

To,

The Board of Directors  
 Texmaco Rail & Engineering Limited  
 Belgharia, 24 Paragnas (North)  
 Kolkata - 700 056

**Sub: Fairness opinion on - the share exchange ratio for the composite scheme of amalgamation between Texmaco Rail & Engineering Limited, Texmaco Hi-tech Private Limited and Bright Power Projects (India) Private Limited; and amalgamation of Texmaco Hi-tech Private Limited into Texmaco Rail & Engineering Limited**

This opinion is issued pursuant to the terms of our engagement letter dated September 14, 2017 with Texmaco Rail & Engineering Limited ("TREL") under which TREL has requested ICICI Securities ("I-Sec") to provide fairness opinion on (i) share exchange ratio for the proposed Scheme of Amalgamation between TREL, Texmaco Hi-Tech Private Limited ("THPL"), a wholly owned subsidiary of TREL, Bright Power Projects (India) Private Limited ("BPPIL") and their respective shareholders and creditors; and (ii) amalgamation of THPL into TREL.

#### BACKGROUND, PURPOSE AND USE OF THIS REPORT

We understand that TREL is proposing a group restructuring exercise for consolidation of the rail business, and strengthening its position as a total rail solution provider. To achieve this TREL proposes to amalgamate BPPIL and THPL into and with itself through a composite scheme of amalgamation in terms of sections 230-232 of Companies Act, 2013 (the "Scheme").

We understand that TREL holds 55% of the issued, subscribed and paid up equity share capital of BPPIL and 100% of the issued, subscribed and paid up equity share capital of THPL.

The management of TREL, BPPIL and THPL propose to merge THPL and BPPIL into TREL pursuant to the Scheme. We understand that, in consideration of the said merger, equity shares of TREL will be issued to the shareholders of BPPIL, other than TREL. Since THPL is a wholly owned subsidiary of TREL, no consideration shall be payable/dischargeable to the shareholders of TREL for the amalgamation of THPL into TREL. We understand that the Appointed Date for the proposed Scheme is April 01, 2017 and the effective date is as provided in the Scheme.

Member of National Stock Exchange of India Ltd. & Bombay Stock Exchange Ltd.  
 Capital Market : NSE Regn. No. INR 230773037; BSE Regn. No. INR 011288854  
 Futures & Options : NSE Regn. No. INR 230773057; BSE Regn. No. INF 010773035  
 Currency Derivatives : NSE Regn. No. NE 230773037  
 CIN No: U67120MH1995PLC086241

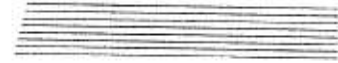
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Law  
 Pavi Varma  
 Company Secretary



For the aforesaid purpose, the management has appointed Deloitte Haskins & Sells (referred as "Valuers") to prepare a report on the Share Exchange Ratio (as defined below) for the Scheme, to be placed before the audit committee and Board of Directors of the Companies, as per the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as modified by SEBI Circular No. CFD/DIL3/CIR/2017/26, dated March 23, 2017 ("SEBI Circular").

In this connection we have been requested by TREL to render our professional services by way of a fairness opinion on (i) the Share Exchange Ratio to the audit committee and Board of Directors of TREL as to whether the Share Exchange Ratio, as recommended by the Valuers, in their report dated September 18, 2017 ("Valuation Report") is fair and reasonable and (ii) whether amalgamation of THPL into TREL is fair and reasonable.

This report is intended only for the sole use and information of the Companies, and only in connection with the proposed Scheme including for the purpose of obtaining judicial and regulatory approvals for the proposed Scheme. We are not responsible in any way to any other person / party for any decision of such person or party based on this report. Any person / party intending to provide finance / invest in the shares / business of any of the Companies or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed Scheme as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant National Company Law Tribunal, stock exchanges, advisors of the Companies in relation to the proposed Scheme, as well as with the statutory authorities.

As per the Valuation Report, in consideration for the amalgamation of BPPIL into and with Texmaco, the shareholders of BPPIL, other than TREL, shall receive 818 (Eight Hundred and Eighteen) fully paid up equity shares of TREL with the face value of Re. 1 (One) each for every 100 (One Hundred) fully paid up equity shares of BPPIL with the face value of Rs. 10 (Ten) each. ("Share Exchange Ratio").

#### SOURCES OF INFORMATION

In arriving at our opinion set forth below, we have relied on:

- (a) Audited profit and loss statement and balance sheet of TREL for the year ended March 31 2015, 2016 and 2017; and unaudited financial statements for the quarter ended June 30, 2017
- (b) Audited profit and loss statement and balance sheet of BPPIL for the year ended March 31 2015, 2016 and 2017; and unaudited financial statements for the quarter June 30, 2017
- (c) Audited profit and loss statement and balance sheet of THPL for the year ended March 31 2015, 2016 and 2017; and unaudited financial statements for the quarter ended June 30, 2017



- (d) Salient features of the proposed Scheme
- (e) Discussions (including oral) with management of Companies regarding the proposed Scheme, current operations, future plans and prospects
- (f) Discussions (including oral) and documents as provided by the Valuers for purpose of this engagement
- (g) Equity share trading data of TREL from NSE and BSE websites
- (h) Other relevant information and documents for the purpose of this engagement

#### SCOPE LIMITATIONS

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Companies including the working results of the Companies or its businesses referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Share Exchange Ratio for the proposed Scheme. It may not be valid for any other purpose or if provided on behalf of any other entity.

Our analysis and results are also specific to the date of this report. We have no responsibility to update this report for events and circumstances occurring after this date.

An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the proposed Scheme.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Companies without detailed inquiry. Also, we have been given to understand by the management of the respective Companies that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Companies and their impact on the present exercise. The information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness. We assume no responsibility for such information.



We express no opinion whatever and make no recommendation at all to TREL, BPPIL and/or THPL's underlying its decision to effect the proposed Scheme or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the proposed Scheme. We do not express and should not be deemed to have expressed any views on any other term of the proposed Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of TREL will trade following the announcement of the proposed Scheme or as to the financial performance of the Companies following the consummation of the proposed Scheme.

No investigation of the Companies' claim to title of assets has been made for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Our report is not and should not be construed as our opining or certifying the compliance of the proposed Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed Scheme.

We have not conducted or provided an analysis of due diligence or appraisal of the assets and liabilities of the Companies and have wholly relied on information provided by the Companies and/or Valuers in that regard.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the proposed Scheme.



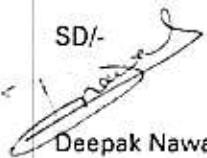
**RATIONALE & CONCLUSION**

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that

- a) The Share Exchange Ratio as recommended by Valuers, which forms the basis for the proposed Scheme is fair and reasonable; and
- b) Amalgamation of THPL into TREL is fair and reasonable

Yours faithfully,  
For ICICI Securities Limited,

SD/-

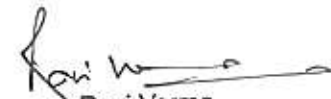


Deepak Nawal  
Vice President  
Investment Banking  
ICICI Securities  
Mumbai  
Date: September 18, 2017

Certified to be true copy

For Texmaco Rail & Engineering Limited



  
Ravi Varma  
Company Secretary