



TEXMACO

**Texmaco Rail & Engineering Ltd.**

Belgharia Works

CIN No.: L29261WB1998PLC087404

GSTIN No. 19AABCT2592E1ZA

**REPORT OF THE AUDIT COMMITTEE OF DIRECTORS AT ITS MEETING HELD ON 18<sup>TH</sup> SEPTEMBER, 2017**

**PRESENT**

Shri A.C. Chakrabortti, Independent Director – Chairman  
Ms. Mridula Jhunhunwala -Independent Director

**INVITEES**

Shri Sunil Mitra - Independent Director  
Shri A. K. Vijay – Executive Director  
Shri Ramesh Maheshwari – Corporate Advisor

**IN ATTENDANCE**

Shri Ravi Varma – Company Secretary  
Representative of M/s L B Jha & Co. - Statutory Auditors

**1. Scheme of Amalgamation**

The Company Secretary placed before the Audit Committee a Scheme of Amalgamation between the Company, Texmaco Hi-tech Private Limited ('TexHi-tech'), Bright Power Projects (India) Private Limited ('Bright Power') and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 and other applicable laws, providing *inter-alia* for the amalgamation of TexHi-tech and Bright Power into and with the Company ("Scheme").

The Report of the Audit Committee is made in order to comply with the requirements of provisions of the SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as modified by the SEBI Circular No. CFD/DIL3/CIR/2017/26, dated March 23, 2017 ("SEBI Scheme Circular").

*Certified to be true copy*

For Texmaco Rail & Engineering Limited



*Ravi Varma*  
Ravi Varma  
Company Secretary

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The Audit Committee considered and approved the following documents:

- (i) Draft Scheme, duly initialed for its identification;
- (ii) Valuation Report dated 18<sup>th</sup>September, 2017 from Deloitte Haskins & Sells, Independent Valuer; and
- (iii) Fairness opinion dated 18<sup>th</sup>September, 2017 from ICICI Securities Limited, Merchant Banker.

## 2. Features of the Scheme of Arrangement

The salient features of the Scheme are as follows:

- (i) The Scheme is subject to requisite statutory / regulatory approval, including the consent of the shareholders and creditors of the companies, the directions and approval of National Company Law Tribunal, Kolkata ("NCLT"), and the no objection of the stock exchanges.
- (ii) Appointed date: 1<sup>st</sup> April, 2017. The Scheme shall become effective upon the filing of the sanction order of the NCLT with the relevant registrar of companies by each of the companies ("Effective Date"), and shall be deemed to have become effective from the Appointed Date.
- (iii) The Scheme provides *inter-alia* for the transfer and vesting of the entire undertaking and business of TexHi-tech and Bright Power on a going concern basis, and amalgamation of TexHi-tech and Bright Power into and with the Company.
- (iv) Share Exchange ratio: Based on the Valuation Report, Eight Hundred Eighteen (818) fully paid-up equity shares of the Company shall be issued for every One Hundred (100) fully paid-up equity shares of Bright Power held by the shareholders of Bright Power on the 'record date'. Equity Shares to be issued by the Company to the Shareholders of Bright Power pursuant to the Scheme would be listed on National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited in accordance with the SEBI Scheme Circular.
- (v) Equity Shares of TexHi-tech held by Texmaco on the Effective Date shall stand cancelled. No shares shall be issued by the Company in consideration for the amalgamation of TexHi-tech into and with the Company as TexHi-tech is a wholly owned subsidiary of the Company.



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- (vi) The Scheme is expected to result in the Company strengthening its position as a total rail solution provider. Pursuant to the Scheme, the Company is expected to achieve consolidation of the businesses presently being carried on by the companies, resulting in greater synergies between the business operations of all the companies and optimal utilisation of resources due to pooling of management, administrative and technical skills. The Scheme will also result in the creation of large asset base and facilitate access to better financial resources and value for various stakeholders (including public shareholders) of the companies, as a result of the foregoing.

### 3. Recommendation of the Audit Committee

The Audit Committee has considered and noted the draft Scheme, the Valuation Report dated 18<sup>th</sup> September, 2017 from Deloitte Haskins & Sells, Independent Valuer and Fairness opinion dated 18<sup>th</sup> September, 2017 from ICICI Securities Limited, Merchant Banker and recommends the draft Scheme to the Board of Directors of the Company for its favourable consideration.

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

Place: Kolkata

A. C. Chakrabortti

Chairman

Certified to be true copy

For Texmaco Rail & Engineering Limited



Ravi Varma  
Company Secretary