

TEXMACO RAIL & ENGINEERING LIMITED

CIN: L29261WB1998PLC087404

Registered Office: Belgharia, Kolkata - 700056

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ADDENDUM TO THE NOTICE OF THE TWENTY-SECOND ANNUAL GENERAL MEETING

In addition to the Notice dated 17th June 2020 issued for calling the Twenty-Second Annual General Meeting ('AGM') of the Company scheduled to be held on **Wednesday, 30th September 2020 at 2:00 p.m.** through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the businesses as set forth in the Notice of the AGM, Notice is hereby given that the said Meeting will no more consider Item No. 7 as mentioned in the Special Business since Mr. Udyavar Vittal Kamath (DIN: 00648897) has tendered his resignation from the Board of Directors ('Board') of the Company w.e.f. 8th September 2020 expressing his desire to not continue on the Board of the Company.

The said Meeting will also transact additional special businesses as Item nos. 10 and 11 for the consideration and approval of the Shareholders.

SPECIAL BUSINESS

Item no. 10

To consider and if thought fit, to pass the following Resolution as a Special Resolution: -

"RESOLVED that pursuant to the provisions of Sections 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed thereunder and the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR Regulations'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), (including any statutory modifications(s) or re-enactment(s) thereof for the time being in force), and subject to the other applicable rules, regulations and guidelines of the Securities and Exchange Board of India and/ or the stock exchanges where the Equity Shares of the Company are listed and the enabling provisions of the Memorandum and Articles of Association of the Company and requisite approvals, consents, permissions and/ or sanctions of regulatory and other appropriate authorities, as may be required, the consent of the Members of the Company be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as the 'Board', which

term shall be deemed to include any Committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorised by the Board or its Committee for such purpose) to create, offer, issue and allot on a preferential basis, to Zuari Global Limited, Adventz Finance Private Limited and Mr. Saroj Kumar Poddar ('Proposed Investors'), for a total consideration of up to ₹ 200,00,00,000 (Rupees Two Hundred Crore), by way of issue up to 5,80,00,000 (Five Crore Eighty Lakhs) Equity Shares of face value ₹ 1/- (Rupee One) each ('Equity Shares') in one or more tranches for cash at a price of ₹ 31/- (Rupees Thirty One) (including a premium of ₹ 30/- per Equity Share), provided that the allotment of such Equity Shares shall be within the thresholds as stipulated under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('Takeover Regulations') and that the minimum price of Equity Shares so issued shall not be less than the price arrived at, in accordance with Chapter V of the ICDR Regulations for preferential issue on such terms and conditions, as are stipulated in the Explanatory Statement annexed hereto and as Board may deem fit in its absolute discretion."

"FURTHER RESOLVED that in accordance with the provisions of Chapter V of the ICDR Regulations the 'Relevant Date' for the purpose of calculating the floor price for the issue of Equity Shares be and is hereby fixed as Monday, 31st August 2020 being the date 30 days prior to the date of Annual General Meeting i.e. Wednesday, 30th September 2020."

"FURTHER RESOLVED that all such Equity Shares to be issued and allotted by the Board shall be subject to the provisions of Memorandum and Articles of Association of the Company and shall rank pari-passu with the existing Equity Shares of the Company in all respects including dividend."

"FURTHER RESOLVED that the monies to be received by the Company from the Proposed Investors towards application for subscribing to the Equity Shares pursuant to this preferential issue shall be kept by the Company in a separate bank account opened by the Company and shall be utilised by the Company in accordance with Section 42 of the Act."

"FURTHER RESOLVED that the Equity Shares to be allotted in terms of this Resolution shall be made fully paid up at the time

of allotment and be issued in dematerialised form only and the Equity Shares so allotted shall be subject to lock-in for such period as may be prescribed under Regulations 167 and 168 of the ICDR Regulations and that the Equity Shares so offered, issued and allotted will be listed on Stock Exchanges where the Equity Shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals.”

“FURTHER RESOLVED that for the purpose of giving effect to the above, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarification on the offer, issue and allotment of the Equity Shares and listing of Equity Shares at the Stock Exchanges as per the terms and conditions of ICDR Regulations, Listing Regulations and other applicable guidelines, rules and regulations, to execute the necessary documents and enter into contracts, arrangements, agreements, documents (including appointment of agencies, intermediaries and advisor for the preferential issue if required), resolving all questions and doubt that may arise with respect to the offer, issue and allotment of Equity Shares, and to authorise all such person as may be deemed necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Shareholders of the Company and that the decision of the Board in this regard shall be final and conclusive.”

“FURTHER RESOLVED that the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee or to one or more Directors or to the Company Secretary to give effect to the aforesaid Resolution.”

“FURTHER RESOLVED that all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing Resolution be and are hereby approved, ratified and confirmed in all respects.”

Item no. 11

To consider and if thought fit, to pass the following Resolution as a Special Resolution :-

“RESOLVED that pursuant to the provisions of Section 62 and Section 42 and other applicable provisions, if any, of the

Companies Act, 2013 and the Rules framed thereunder and all other applicable laws (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and subject to any permissions, sanctions and consents as may be required from any regulatory and other appropriate authorities, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorised by the Board or its Committee for such purpose) for the renewal of unsecured loan of ₹ 79,00,00,000 (Rupees Seventy Nine Crore) availed from Mr. Saroj Kumar Poddar and Adventz Finance Private Limited (herein after referred to as the ‘Lender’) on such terms as is mutually agreed between the Company and the Lender including introduction of a right in favour of the Lender in respect of conversion of such loan into Equity Shares pursuant to a rights issue or preferential issue.”

“FURTHER RESOLVED that allotment of Equity Shares to Lender against conversion of unsecured loan shall be at the same terms and conditions as per the proposed rights issue or preferential issue, as the case may be, approved by the Board.”

“FURTHER RESOLVED that the Equity Shares so issued shall rank pari-passu with the existing Equity Shares of the Company in all respects including dividend.”

“FURTHER RESOLVED that for the purpose of giving effect to this Resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt in regard to terms of issue and / or mode of allotment that may arise in regard to offer / issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalize and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit.”

Belgharia
Kolkata – 700056
Dated: 8th September 2020

By the order of the Board
Ravi Varma
Company Secretary

NOTES:

1. As you are aware that in view of the ongoing COVID-19 pandemic and the need to ensure social distancing to avoid the spread of COVID-19, the Ministry of Corporate Affairs vide General Circular Nos. 14/2020, 17/2020, 20/2020 and 22/2020, and the Securities and Exchange Board of India (‘SEBI’) vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 have permitted the companies to conduct the Annual General Meeting (‘AGM’) through

Video Conferencing (‘VC’) or Other Audio Visual Means (‘OAVM’) during the calendar year 2020, in compliance with the applicable provisions of the Companies Act, 2013 (‘Act’) & the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, AGM of the Company is being conducted through VC / OAVM facility.

The Company has availed the services of M/s KFin Technologies Private Limited, who is also the Registrar & Share Transfer Agent of the Company, for providing remote e-voting facility & e-voting facility during the AGM and to conduct the AGM through VC.

- The Explanatory Statement pursuant to Section 102 of the Act setting out the material facts relating to the business at Item nos. 10 and 11 of the Notice as set out above, is annexed hereto.

The Board of Directors of the Company have considered and decided to include these items as Special business, as they are unavoidable in nature.

- Relevant documents referred to in this Addendum to Notice of the AGM are available for inspection through electronic mode by the Members of the Company from the date of circulation of this Notice up to the date of the AGM. Members seeking inspection of such documents are requested to send an email at evoting_texrail@texmaco.in.
- This Addendum to the Notice of the AGM is available along with the Notice of the AGM on the website of the Company www.texmaco.in
- All the processes, notes and instructions relating to remote e-voting and e-voting during the AGM set out for and applicable to the ensuing AGM shall mutatis-mutandis apply to the e-voting for the Resolutions proposed in this Addendum to the Notice. Furthermore, Scrutinizer appointed for the ensuing AGM will act as a Scrutinizer for the Resolutions proposed in this Addendum to the Notice.

This Addendum forms an integral part of the Notice of the AGM dated 17th June 2020.

EXPLANATORY STATEMENT:

Item No. 10

The Board of Directors of the Company ('Board') on the recommendation of the Audit Committee, at its Meeting held on 8th September 2020 has approved the proposal for raising of funds for an amount not exceeding ₹ 200,00,00,000 (Rupees Two Hundred Crore) by way of issue of up to 5,80,00,000 (Five Crore Eighty Lakhs) Equity shares having face value of ₹ 1/- (Rupee One) each. In terms of Section 62(1)(c) read with Section 42 of the Companies Act, 2013 ('Act') and rules framed thereunder, and in accordance with the provisions of Chapter V "Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('ICDR Regulations'), the issue of Equity Shares by way of Preferential Issue requires approval of the Members by way of a Special Resolution. The Board therefore, has recommended this item for the approval of the Members as set out in the Notice, by way of a Special Resolution.

The Board has authorised the issuance and allotment of 5,80,00,000 (Five Crore Eighty Lakhs) Equity Shares at a price of ₹ 31/- (Rupees Thirty One) per Equity Share provided that the minimum price of Equity Shares so issued shall not be less than the price arrived at, in accordance with Chapter V of the ICDR Regulations, to the Proposed Investors by way of a preferential allotment for a total consideration of ₹ 200,00,00,000 (Rupees Two Hundred Crore), subject to approval of the Shareholders of the Company.

The disclosures for the issue of Equity Shares on preferential basis made in accordance with the provisions of Section 62 of the Act and the Rules framed thereunder and the ICDR Regulations are as follows:

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| 1. | The objects of the issue | To meet working capital requirement and general corporate purpose including repayment of debt. |
| 2. | The total number of shares or other securities to be issued | 5,80,00,000 (Five Crore Eighty Lakhs) Equity Shares of Face value of ₹ 1/- (Rupee One) each. |
| 3. | The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them | <ol style="list-style-type: none"> Zuari Global Limited (CIN: L65921GA1967PLC000157) Adventz Finance Private Limited (CIN: U65993WB1996PTC079012) Saroj Kumar Poddar <p>The percentage of post preferential offer capital that may be held by the aforesaid allottees is stated elsewhere in the Explanatory Statement.</p> |
| 4. | Class or classes of persons whom the allotment is proposed to be made | Promoter / Promoter Group. Mr. Saroj Kumar Poddar is also a Director of the Company. |
| 5. | The price or price band at which the allotment is proposed | The issue price is ₹ 31/- (Rupees Thirty One) per Equity Share provided that the minimum price of Equity Shares so issued shall not be less than the price arrived at, in accordance with Chapter V of the ICDR Regulations. |

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| 6. | Basis on which the price has been arrived at | <p>The Equity Shares of Company are listed and frequently traded on Stock Exchanges, viz. BSE Limited and National Stock Exchange of India Limited ('NSE'). In accordance with ICDR Regulations, NSE has higher trading volume during the 26 weeks preceding the Relevant Date. Hence, for the purpose of computation of the allotment price per Equity Share, the relevant price on NSE has been considered. In terms of the applicable provisions of ICDR Regulations, the price at which Equity Shares shall be allotted shall not be less than higher of the following:</p> <p>(a) Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the Stock Exchange, during the twenty-six (26) weeks preceding the Relevant Date; or</p> <p>(b) Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the Stock Exchange, during the two (2) weeks preceding the Relevant Date.</p> <p>An amount of ₹ 31 (Rupees Thirty One) arrived at after calculating in the aforesaid manner has been considered as minimum issue price for the issue of Equity Shares. Since the Equity Shares of the Company have been listed on the recognised Stock Exchanges for a period of more than 26 weeks prior to the Relevant Date, it is not required to re-compute the price per equity share to be issued and therefore, the Company is not required to submit the undertaking specified under the Regulations 163 (1) (g) and 163 (1) (h) of the ICDR Regulations.</p> |
| 7. | Relevant Date | <p>The "Relevant Date" for the offer, issue and allotment of the Equity Shares by way of a preferential issue, as per the ICDR Regulations, for determination of minimum price for the issue of said Equity Shares is Monday, 31st August 2020, (being 30 days prior to the date of passing of Special Resolution at the AGM proposed to be held on 30th September 2020, to approve the proposed preferential issue).</p> |
| 8. | Proposal/Intention of Promoters, Directors or Key Managerial Personnel to subscribe the offer | <p>The Promoters are interested in the Resolution to the extent of their shareholding and subsequent increase in the same pursuant to the proposed allotment.</p> <p>Except the Promoter / Promoter group, Mr. Saroj Kumar Poddar and Mr. Akshay Poddar and their relatives, no other Director or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.</p> |
| 9. | Proposed time within which the preferential issue shall be completed | <p>Under Regulation 170 of the ICDR Regulations, Preferential Allotment of the Equity Shares is required to be completed within a period of 15 (fifteen) days from the date of passing of the Special Resolution by the shareholders of the Company or within the statutory time limits prescribed by the regulatory authorities, subject to all the necessary approvals being in place. If any approval or permissions by any regulatory or statutory authority or the Central Government for allotment is pending, the period of 15 (fifteen) days shall commence from the date of such approval or permission being obtained.</p> |
| 10. | Change in Control, if any, in the Company that would occur consequent to the preferential offer | <p>There shall be no change in the Management or Control of the Company pursuant to the aforesaid issue and allotment of the Equity Shares.</p> |
| 11. | Shareholding Pattern before and after the Preferential Issue | <p>As tabulated elsewhere in the Explanatory Statement.</p> |
| 12. | No. of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price: | <p>Not Applicable</p> |
| 13. | Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer | <p>Not Applicable</p> |

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| 14. | Lock-in period | The Equity Shares issued pursuant to this Preferential Allotment to the Proposed Investors shall be locked-in as per Regulations 167 and 168 and other applicable provisions of ICDR Regulations. |
| 15. | Auditor's certificate | Messrs L. B. Jha & Co., Chartered Accountants, Statutory Auditors of the Company, has issued a certificate confirming that the issue of the Equity Shares is being made in accordance with the requirements of the ICDR Regulations. A copy of the certificate is open for inspection through electronic mode from the date hereof and up to the date of the AGM. |
| 16. | Identity of Proposed Allottee (including natural persons who are the ultimate beneficial owners of equity shares proposed to be allotted and/or who ultimately control), the percentage (%) of Post Preferential Issue Capital that may be held by them and Change in Control, if any, consequent to the Preferential Issue | <ol style="list-style-type: none"> Zuari Global Limited (CIN: L65921GA1967PLC000157) Registered Office: Jai Kisaan Bhawan, Zuarinagar, Goa- 403726 Adventz Finance Private Limited (CIN: U65993WB1996PTC079012) Registered Office: Hongkong House, 31,B.B.D. Bagh(S), Kolkata - 700001, West Bengal. Mr. Saroj Kumar Poddar, (DIN: 00008654) is the Chairman of the Adventz Group. |
| 17. | Other Disclosures | <ol style="list-style-type: none"> None of the Promoter or Directors are wilful defaulter. The Proposed Investors have not sold any Equity Shares during the six months preceding the Relevant Date. |

Shareholding of the Proposed Investors before and after the proposed Preferential Allotment:

| | Pre Allotment Shareholding | | Post Allotment Shareholding | |
|--|----------------------------|--------------|-----------------------------|--------------|
| | No. of Shares | Percentage | No. of Shares | Percentage |
| Zuari Global Limited | 1,36,09,430 | 6.05 | 7,16,09,430 | 25.32 |
| Adventz Finance Private Limited | | | | |
| Saroj Kumar Poddar (excluding HUF and Trusts) | | | | |
| Total Promoter Shareholding | 11,59,27,010 | 51.56 | 17,39,27,010 | 61.49 |

Except the Promoter / Promoter group, Mr. Saroj Kumar Poddar and Mr. Akshay Poddar and their relatives, no other Director or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

The Board of Directors recommends the passing of the proposed Resolution as set out at Item no. 10 by way of a Special Resolution.

Item No. 11

In order to meet the financial requirements, the Company had taken loan from Mr. Saroj Kumar Poddar and Adventz Finance Private Limited ('Lender') which was approved by the Board on 8th September 2020. The Lender has requested the Board of the Company to issue Equity Shares in lieu of the unsecured loan already brought in by the Lender.

It is therefore, proposed to authorise the Board of Directors of the Company to issue and allot Equity Shares to the Lender in lieu of the loan on the same terms and conditions as applicable to all other shareholders of the Company pursuant to the proposed preferential issue as stated in item no. 10.

Pursuant to the provisions of Section 62 of the Companies Act, 2013 the above proposal requires the approval of the Members of the Company by way of a Special Resolution.

The Board of Directors recommends your approval for allotment of Equity Shares by way of preferential issue as required by Section 62 of the Companies Act, 2013.

Except Mr. Saroj Kumar Poddar, Adventz Finance Private Limited and Mr. Akshay Poddar and their relatives, no other Director or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

The Board of Directors recommends the passing of the proposed Resolution as set out at Item no. 11 by way of a Special Resolution.