



Texmaco Rail & Engineering Ltd.

Belgharia Works

CIN: L29261WB1998PLC087404

14th March, 2023

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,

We would like to inform you that the Board of Directors ('Board') at its Meeting held today has *inter-alia*, approved, subject to the approval of the shareholders, Company's lenders and such other necessary statutory / regulatory approvals, to transfer, assign, restructure or convey the whole or substantially the whole of Rail EPC business comprising of Kalindee Rail and Bright Power units i.e. two business undertakings of the Company, by way of slump sale as defined under Section 2(42C) of the Income-tax Act, 1961 as a 'going concern', to two separate wholly owned subsidiaries of the Company, subject to the terms and conditions as may be decided by the Board of the Company, the details whereof are set out in the Annexure.

This is for your information and record.

Thanking you,

Yours faithfully,
For **Texmaco Rail & Engineering Limited**

Ravi Varma
Company Secretary &
Compliance Officer

Annexure

Sl. 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	Name of Company: Texmaco Rail & Engineering Limited		
		<i>as at 31st March, 2022</i>		
		Financial Information	Revenue from Operations	Net-worth
		Texmaco Rail & Engineering Limited	INR 1622 Crore	INR 1310 Crore
2.	The date on which the agreement for sale has been entered into	Kalindee Rail Unit	INR 566.87 crore (~35% of total revenue)	N.A. <i>(The effective date being 1st April, 2023)</i>
		Bright Power Unit	INR 191.32 crore (~12% of total revenue)	N.A. <i>(The effective date being 1st April, 2023)</i>
3.	The expected date of completion of sale/disposal	The transfer of the Kalindee Rail and Bright Power Units of Rail EPC Business is taking place to two separate wholly owned subsidiaries of the Company. Therefore, appropriate business transfer agreements in connection with this transfer shall be executed on a date and in a manner as may be advised by tax and legal advisors. The effective date being 1 st April, 2023.		
4.	Consideration received from such sale/disposal	Upon receipt of approval from the relevant stakeholders, the slump sale shall be effective with effect from 1 st April, 2023.		
5.	Brief details of buyers and whether any of the buyers belong to the promoter / promoter group / group companies. If yes, details thereof	The consideration to be received from such transfer has not yet been determined. Nevertheless, the two respective units of Rail EPC Business shall be transferred at a value not lower than their net book values into two wholly owned subsidiaries of the Company.		
		The two acquiring entities shall be two wholly owned subsidiaries of the Company, one of which shall be M/s. Texmaco Rail Electrification Limited and other wholly owned subsidiary, which is in process of incorporation.		

6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”	Transfer of the Kalindee Rail and Bright Power Units of Rail EPC Business by the Company to its wholly owned subsidiaries would fall within the purview of the related party transactions.
7.	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	<ul style="list-style-type: none"> • Name of the entity(ies) forming part of the slump sale, details in brief such as, size, turnover, etc: <ul style="list-style-type: none"> – Details of the seller: Kindly refer point no. 1. – Details of the buyers: Kindly refer point no. 5. • Whether the transaction would fall within related party transactions? If yes, whether the same has been done at “arm’s length”: Kindly refer point no. 6. • Area of business of the entity(ies): <ul style="list-style-type: none"> – Seller: Texmaco Rail & Engineering Limited is a diversified heavy engineering company, with products including railway freight wagons, hydro-mechanical equipment and industrial structures for infrastructure industry, locomotive components and locomotive shells, railway bridges, steel castings, and pressure vessels, etc. – Buyers: The buyers shall be two wholly owned subsidiaries of the Company (one of which is in the process of being incorporated) and shall, upon these transfers being completed, be engaged in the Kalindee Rail and Bright Power Units of Rail EPC Business. • Rationale for slump sale: The Company has been evaluating its position and business strategy and exploring various options to remain ahead of the competition. The Company believes that rationalizing its structure, will provide opportunities to enhance shareholders’ value in the Company. • In case of cash consideration –amount or otherwise share exchange ratio: Kindly refer point no. 4. • Brief details of change in shareholding pattern (if any) of listed entity: There would not be any change in the shareholding pattern of the listed entity, i.e. Texmaco Rail & Engineering Limited.