

BISHWANATH CHOUDHARY

MBA, FCMA, FCS, Insolvency Professional,
Registered Valuer (S/FA)

To,
The Board of Directors and Audit
Committee
Texmaco Rail & Engineering Limited
Belgharia, Kolkata - 700056

To,
The Board of Directors
Belgharia Engineering Udyog Private
Limited
Belgharia, Kolkata - 700056

Sub: Valuation of the Infra – Rail & Green Energy Division (Transferred Undertaking) of Texmaco Rail & Engineering Limited (“TREL” or “Transferor Company”) as at December 31, 2024 (“Valuation Date”) and its transfer to and vesting into Belgharia Engineering Udyog Private Limited (“BEL” or “Transferee Company”) as a going concern on slump exchange basis pursuant to a Scheme of Arrangement under sections 230 to 232 and other relevant provisions of the companies Act 2013 (“the Act”).

Dear Sir/Madam,

We appreciate having been given us the opportunity for providing the valuation services for valuation of the Infra – Rail & Green Energy Division (“Transferred Undertaking”) of Texmaco Rail & Engineering Limited (“TREL” or “Transferor Company”), as defined below. The Transferor Company intends to transfer the Transferred Undertaking to Belgharia Engineering Udyog Private Limited (“BEL” or “Transferee Company”) as a going concern on slump exchange basis pursuant to Scheme of Arrangement under sections 230 to 232, and other relevant provisions of the Companies Act, 2013 (“the Scheme”). TREL and BEL shall hereinafter collectively be referred as “the Companies”.

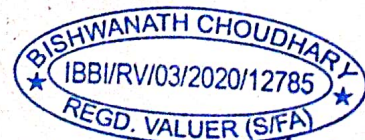
In accordance with engagement letter dated 27th January, 2025, we are pleased to present herewith a report on the valuation of Transferred Undertaking, (‘Report’).

We have determined the valuation of Transferred Undertaking for the proposed Scheme as at December 31, 2024 (‘Valuation Date’). A summary of the analysis is presented in the accompanying Report, as well as description of the methodology and procedure we used, and the factors we considered in formulating our opinion.

We understand that in terms of the proposed Scheme, consideration for transfer of Transferred Undertaking will be discharged as under:

- a) The Transferee Company shall issue and allot 1,50,00,000 fully paid- up equity shares of face value INR 10/- each fully paid up to the Transferor Company; and
- b) The Transferee Company shall issue and allot 9,22,77,390 0.01%

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Cumulative Optionally Convertible Redeemable Preference Shares of face value of INR 100/- each fully paid up to the Transferor Company.

The fees for this report are in no way contingent upon the results of the findings. We have no responsibility to update this report for events and circumstances occurring subsequent to the date of this report.

This report is subjected to the attached exclusions & limitations and to all the terms and conditions of the engagement letter and hence it should be read in its entirety. In case you have any questions or require additional information, please do feel free to contact the undersigned.

Yours sincerely,



Bishwanath Choudhary
Registered Valuer (Securities or Financial Assets)
IBBI Regn. No.: IBBI/RV/03/2020/12785



Place: Kolkata
Date: 30th January 2025

1. BACKGROUND OF THE COMPANIES

1.1 Texmaco Rail & Engineering Limited ("TREL" or "Transferor Company")

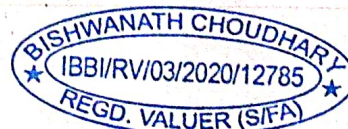
Texmaco Rail & Engineering Limited ("TREL" or "Transferor Company") is a public company incorporated on June 25, 1998 under the provisions of the Companies Act, 1956, having Corporate Identification No. (CIN): L29261WB1998PLC087404 and registered office at Belgharia, Kolkata - 700056.

The Transferor Company is primarily engaged in three lines of businesses through separate divisions as follows: - (a) "Freight Car Heavy Engineering Division", engaged in the business of manufacturing of freight car and its components, Steel castings; (b) "Infra – Electrical" engaged in the business of execution of electrical projects; and (c) "Infra – Rail & Green Energy" engaged in execution of projects related to green/ renewable power, track laying, signaling and telecommunication.

The equity shares of the Transferor Company are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

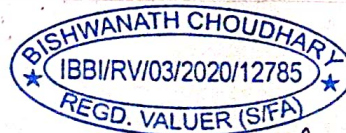
1.2 Transferred Undertaking- Infra – Rail & Green Energy Division "Transferred Undertaking" means the undertaking of The Transferor Company pertaining to the Infra – Rail & Green Energy Division, as a going concern, as on the Appointed Date and shall include without limitation:

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature), whether situated in India or abroad, including, without limitation, all land, buildings, fixtures and structures thereon (whether leasehold, leave and license, rights of way, tenancies or otherwise) including offices, warehouses, workshops, sheds, stores, storages, cooling stations, etc., benefits of any rental agreement for any use of premises which immovable properties are currently in use for the purpose of conducting Infra – Rail & Green Energy Division and all documents of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties, all moveable property contained therein, stocks, current assets, investment in subsidiaries, joint ventures, associate and other entities, of whatsoever nature, cash or deposits and bank accounts, contingent rights or benefits, receivables, advances paid by or deemed to have been paid by or received by the Transferor Company, rights and benefits under any agreement, any benefits or rights available to or due to the Transferor Company pertaining to the Infra – Rail & Green Energy Division, any reserves or funds, other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other



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- rights, easements, liberties and advantages of whatsoever nature and all other interests of whatsoever nature, and wheresoever situated, belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company pertaining to the Infra – Rail & Green Energy Division, whether in India or abroad;
- (b) all Permits, quotas, rights, privileges, entitlements, benefits or exemptions of any kind, industrial and other licences, whether from a governmental authority or third party, any bids, tenders, letters of intent, expressions of interest, consents, subsidies, privileges, income tax benefits and exemptions, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, and all other interests in connection with or pertaining to the Infra – Rail & Green Energy Division;
- (c) all rights including sales tax deferrals and exemptions and other benefits, the input credit balances (including, State Goods & Service Tax (“SGST”), Integrated Goods and Services Tax (“IGST”) and Central Goods and Service Tax (“CGST”) credits) under the goods and service tax laws, CENVAT/ MODVAT credit balances under Central Excise Act, 1944, sales tax law, duty drawback claims, rebate receivables, refund and advance, all customs duty benefits and exemptions, export and import incentives and benefits or any other benefits/ incentives/ exemptions given under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Infra – Rail & Green Energy Division, whether or not so recorded in the books of the Transferor Company;
- (d) all Tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including advance taxes, tax deducted at source, , deferred tax assets, goods and service tax credit, deductions and benefits under the Income-tax Act or any other Taxation statute enjoyed by the Transferor Company pertaining to the Infra – Rail & Green Energy Division;
- (e) all debts, obligations, duties and liabilities, both present and future (including contingent liabilities and obligations under any licenses or permits or



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schemes) of every kind, nature and description whatsoever and howsoever arising, pertaining to the Infra – Rail & Green Energy Division;

- (f) all intellectual property and intellectual property rights (including any applications for the same) of any nature whatsoever, domain names, source code, social media handles, books, records, files, papers, product specifications, and process-related information, lists of present and former customers and suppliers, and any other customer or supplier related information, whether in physical or electronic form, pertaining to the Infra – Rail & Green Energy Division activities and operations of The Transferor Company;
- (g) entire experience, credentials, past record and market share of The Transferor Company pertaining to the Infra – Rail & Green Energy Division; and
- (h) all employees engaged in the Infra – Rail & Green Energy Division.

Any question that may arise as to whether a specified asset or liability or employee pertains or does not pertain to the Infra – Rail & Green Energy Division shall be decided by the Boards of The Transferor Company and the Transferee Company;

1.3 Belgharia Engineering Udyog Private Limited (“BEL” or “Transferee Company”)

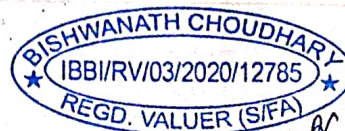
Belgharia Engineering Udyog Private Limited (“BEL” or “Transferee Company”) is a private company incorporated on April 7, 2023 under the provisions of the Companies Act 2013 having CIN - U30204WB2023PTC260915 and registered office C/o Texmaco Rail & Engineering Limited, Belgharia, Kolkata, Belgharia, North 24 Parganas - 700056.

The Transferee Company is a wholly-owned subsidiary (“WOS”) of the Transferor Company.

- 1.4** We understand that Appointed Date in the Scheme has been prescribed as Effective Date.

2. PURPOSE OF ENGAGEMENT

Based on discussions with the Transferor Company and the Transferee Company, we understand that the Scheme shall be implemented by the Transferor Company with the Transferee Company (in its capacity as a WOS of the Transferor Company). Accordingly, the Transferor Company is evaluating



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transfer of the Transferred Undertaking at a consideration based on the Book Value.

This Report and the information contained herein are strictly confidential and are intended for the sole use of the Companies in order to comply with sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as well as applicable provisions and circulars issued by the Securities and Exchange Board of India ("SEBI") applicable to schemes of arrangement. The results of valuation analysis and this Report may not be used or relied on by the Companies or any other person for any other reason.

3. RATIONALE OF THE PROPOSED SCHEME

The Infra – Rail & Green Energy Division of TREL is one of the premier engineering division with market leadership in this field. TREL has been a leading factor in concept to commissioning of hydro mechanical equipment for hydro power plant, industrial steel structure, flyover and bridges, track laying, signalling & telecommunication. Over the years, TREL has built strong credentials in design, erection and commissioning of various types of steel gates (both vertical & radial), Trash racks, hoists, penstocks & specials (bifurcation, trifurcation, expansion joints etc), goliath cranes, heavy steel structures, track laying, signalling & telecommunication etc. Numerous projects bear testimony to the company's marvellous engineering and manufacturing capabilities, which has got national and international recognition for its outstanding performance.

TREL seeks to reorganize the businesses carried on by it to exploit the growth potential and attract fresh set of investors/strategic partners. Each of the businesses carried on by TREL have significant potential for growth and profitability. However, each of the businesses are distinct having their own set of strengths and dynamics in the nature of risks involved, competition, challenges, opportunities, business methods, leading to different growth potentials. Hence, segregation of the businesses would enable a focused management to explore business opportunities and potentials effectively and efficiently. Accordingly, it is intended to segregate and transfer of the Transferred Undertaking comprising the Infra – Rail & Green Energy Division of TREL into BEL.

The segregation of the business verticals shall enable them to move forward independently, with specialization building on their respective capabilities. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with sharper strategic focus on each business segment under separate entities.



Bishwanath Choudhary

The Scheme will also enable the Transferor Company and the Transferee Company to focus and enhance their respective management structure ensuring better and more efficient management control. It shall provide greater management focus and speedy decision process to achieve strategic advantage in the separate entity.

Bifurcation of the businesses will enable unlocking value of each vertical thereby paving way for focused growth with a view to create significant stakeholder value, will attract distinct investor base and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct businesses. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.

Accordingly, this Scheme is being proposed for transfer of the Transferred Undertaking to the Transferee Company as a going concern basis and the Scheme is in the interest of the Transferor Company, the Transferee Company and their respective stakeholders.

4. SCOPE OF WORK

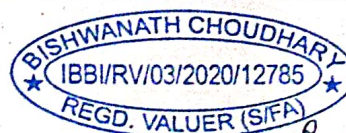
The scope of work is to carry out a valuation of the Transferred Undertaking of the Transferor Company into the Transferee Company, as a going concern on slump exchange basis through a scheme of arrangement and provide a Registered Valuer certified Report, using ICAI Valuation Standards 2018 issued by the Institute of Chartered Accountants of India ("ICAI") and/or internationally accepted valuation methodology as per International Valuation Standards issued by International Valuation Standards Council (IVSC") and guidelines issued by SEBI by way of circulars applicable to schemes of arrangement.

This Report is our deliverable in respect of valuation of Transferred Undertaking for the proposed Scheme.

This Report is subject to the scope, assumptions, exclusions, caveats, limitations and disclaimers detailed hereinafter. As such, the Reports to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

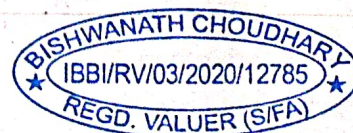
5. CAVEATS, LIMITATIONS AND DISCLAIMERS

- i. This Report has been issued on the specific request of the Transferor Company and the Transferee Company for carrying out the valuation of Transferred Undertaking for the proposed Scheme in accordance with the Companies Act, 2013 and rules made thereunder and is required for filing the same with the jurisdictional National Company Law Tribunal, Stock Exchanges and SEBI. This Report is prepared exclusively for the above stated purpose and must not be copied, disclosed or circulated or referred to



in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without my prior written consent.

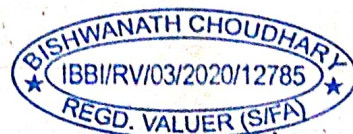
- ii. This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (i) are based on the data detailed in section Sources of Information.
- iii. We are provided with sufficient information and time to make our opinion for this valuation exercise. However, our opinion may change if any material information is not disclosed / hidden from us during this valuation exercise.
- iv. We have no present or planned future interest in the Companies or any of their group companies. We do not have any financial interest in the Companies, nor do we have any conflict of interest in carrying out this valuation, from the date of the engagement letter till the date of this Report. We further state that we are not related to the Companies or their promoters, if any or their director or their relatives.
- v. Our scope is limited to carrying valuation of Transferred Undertaking. The Report should not be construed as, our opinion or certifying the compliance of the proposed Scheme with the provisions of any other applicable laws
- vi. The final responsibility for the determination of valuation of the Transferred Undertaking at which the proposed transfer shall take place will be with the board of directors who should consider other factors such as their own assessments of the proposed Scheme and inputs of other advisors.
- vii. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Companies. Nothing has come to our knowledge to indicate that the material provided to us was misstated or incorrect or would not afford reasonable grounds upon which to base our Report.
- viii. The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. We have not done any independent technical valuation or appraisal or due diligence.
- ix. We assume that the companies fully comply with the relevant laws and regulations applicable in their areas of operations and unless otherwise stated, and that these companies will be managed in a competent and



responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of regulatory, tax and legal nature, including issue of legal title and compliance, with local laws and litigation and other contingent liabilities that are not recorded in the audited/ unaudited financial statements of the companies.

- x. This report does not look into the business/ commercial reason behind the proposed Scheme nor the likely benefit arising out of the same, Similarly, it does not address the relative merits of proposed Scheme as compared with any other alternative business transaction or other alternative or whether or not such alternative could be achieved or are available.
- xi. The fee for this Report is not contingent upon the values reported herein. This Report is not intended to represent the value at any time other than the date that is specifically reported in this report and I do not assume any obligation to update, revise or reaffirm this Report.
- xii. This Report is to be read in totality, and not in parts in conjunction with the relevant document referred to herein.
- xiii. We will not be liable for any losses, claims, damage or liabilities arising out of the action taken, omissions or advice given by any other advisor to the companies. In no event, we shall be liable for any loss, damages, cost or expenses arising in any way from fraudulent act, misrepresentations or wilful default on the part of the companies, its directors, employees or agents. We do not accept any liability to any third party in relation of this report. In no circumstances the liability of ourselves, associate or employees relating to the service provided in connection with the engagement set out in this Report shall exceed the amount of fees paid for the assignment.
- xiv. This Report should not be construed as investment advice. Moreover, the undersigned does not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- xv. This Report is meant for a purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. Neither the Report nor its content may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme, without our prior consent except for disclosure to relevant regulatory authorities including Stock Exchanges, SEBI, and Ministry of Corporate Affairs.

6. SOURCES OF INFORMATION



For the purpose of valuation exercise, the following sources of information have been relied upon:

- Draft Scheme of Arrangement.
- Carved out provisional balance sheet of the Transferred Undertaking as at 31st December 2024.
- Financial Statements of Transferee Company as at 31st December 2024.
- Other relevant data and information provided to us by the representatives of the Companies either in written or oral form.
- MCA Databases and other relevant information and
- Discussions with the management.

The Companies have been provided with the opportunity to review the draft report as a part of our standard practice to make sure that there are no factual inaccuracies/ omissions in the final report.

7. APPROACHES AND METHODOLOGY – BASIS OF VALUATION

We understand that the Scheme shall be implemented by the Transferor Company with the Transferee Company, in its capacity as a wholly owned subsidiary ("WOS") of the Transferor Company. Accordingly, the management of Transferor Company intends to transfer the Transferred Undertaking for a consideration based on the Book Value. Since the Transferee Company will be a WOS of the Transferor Company when the Scheme is effected, the economic interest of the shareholders of the Transferor Company will continue to remain same.

Further, as per paragraph (A)(4)(b) of Part I of SEBI Master Circular No. SEBIHO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Master Circular"), a Valuation Report is not required in cases where there is no change in the shareholding pattern of the listed / resulting company. In our view, the proposed Scheme does not require a valuation report since there is no change in the economic interest of the shareholders of the Transferor Company. Hence, we have not carried out the valuation of these entities under generally accepted valuation approaches. Accordingly, the valuation approaches as indicated in the format (as shown below) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not applicable in the instant case:

| Valuation Approach | Transferred Undertaking | Transferee Company |
|--------------------|-------------------------|--------------------|
|--------------------|-------------------------|--------------------|



| | Value per share | | Weight | |
|------------------------------|-----------------|--------|-----------------|--------|
| | Value per share | Weight | Value per share | Weight |
| Asset Approach | NA | NA | NA | NA |
| Income Approach | NA | NA | NA | NA |
| Market Approach | NA | NA | NA | NA |
| Relative Value per Share | NA | | | |
| Exchange Ratio (rounded off) | | | NA | |

Exchange Ratio: Not Applicable

8. CONCLUSION:

Accordingly, we have provided our conclusion using the Net Asset Value Approach by considering the carved out balance sheet of the Transferred Undertaking at the Valuation Date. The Net Asset Value approach indicates the value of a company based on the net assets (i.e., total assets – total liabilities) appearing in the Balance Sheet of the company which is being valued as at the Valuation Date (We have not assessed the Fair Value of the Transferred Undertaking or the assets/ liabilities comprised therein).

Basis the above, the value of the Transferred Undertaking as at December 31, 2024 is assessed as INR 937.77 Crores (Rupees Nine Hundred Thirty Seven Crores and Seventy Seven Lakhs Only) ('Refer Annexure 1').



Bishwanath Choudhary
Registered Valuer (Securities or Financial
Assets) IBBI Regn. No.: IBBI/RV/03/2020/12785
Place: Kolkata
Date: 30th January, 2025



Annexure 1 – Carved out balance sheet of the Transferred Undertaking:

| Particulars | INR in Crores | |
|--|--|-------------------|
| | Book Values As provided by management | Considered |
| Assets | | |
| Non-Current Assets | | |
| Property, Plant & Equipment | 19.73 | 19.73 |
| Right-of-Use Assets and Other Intangible Assets | 0.01 | 0.01 |
| Bank balance and other financial assets | 10.56 | 10.56 |
| Other Non-current Assets | 14.70 | 14.70 |
| Total Non-Current Assets | 45.00 | 45.00 |
| Current Assets | | |
| Inventories | 16.48 | 16.48 |
| Trade Receivables | 363.35 | 363.35 |
| Cash and cash equivalents and bank balances | 104.49 | 104.49 |
| Other Current Assets | 714.28 | 714.28 |
| Total Current Assets | 1,198.60 | 1,198.60 |
| Total Assets | 1,243.60 | 1,243.60 |
| Liabilities | | |
| Non-Current Liabilities | | |
| Long term provisions | 5.41 | 5.41 |
| Other non- current liabilities | 42.90 | 42.90 |
| Total Non-Current Assets | 48.31 | 48.31 |
| Current Liabilities | | |
| Short Term Borrowings | 106.13 | 106.13 |
| Trade Payables | 95.50 | 95.50 |
| Short Term Provisions | 18.91 | 18.91 |
| Other Current Liabilities | 36.98 | 36.98 |
| Total Current Liabilities | 257.52 | 257.52 |
| Total Liabilities | 305.83 | 305.83 |
| Net Asset Value | 937.77 | 937.77 |

