

## **FREQUENTLY ASKED QUESTIONS**

### **RIGHTS ISSUE OF EQUITY SHARES BY TEXMACO RAIL & ENGINEERING LIMITED**

Set out below are the frequently asked questions (“FAQs”) to guide investors in gaining familiarity with the application process for subscribing to the rights issue of fully paid equity shares (“Issue” or “Rights Issue”) by **TEXMACO RAIL & ENGINEERING LIMITED** (“Company”) in terms of the letter of offer dated October 20, 2021 (“Letter of Offer”), filed with the Securities and Exchange Board of India, BSE Limited, and National Stock Exchange of India Ltd. These FAQs are not exhaustive, nor do they purport to contain a summary of all the disclosures in the Letter of Offer or the entire application process in the Issue or all details relevant to prospective investors (“Investors”). Further, these FAQs should be read in conjunction with, and are qualified in their entirety by, more detailed information appearing in the Letter of Offer, including the sections “Notice to Investors”, “Risk Factors”, “Terms of the Issue” on pages 11, 20 and 265 respectively, of the Letter of Offer. Readers are advised to refer to the Letter of Offer which is available on the website of the Registrar at <https://rights.kfintech.com>), Company at [www.texmaco.in](http://www.texmaco.in), Lead Managers- ICICI Securities Limited at [www.icicisecurities.com](http://www.icicisecurities.com); and SKP Securities Limited at [www.skpsecurities.com](http://www.skpsecurities.com) and Stock Exchanges ([www.nseindia.com](http://www.nseindia.com) & [www.bseindia.com](http://www.bseindia.com)) Unless otherwise defined herein, all capitalised terms shall have such meaning as ascribed to them in the Letter of Offer.

#### **1) What are the details of the Issue?**

<b>Equity Shares being offered by the Company</b>	Issue of up to 7,15,26,643 Equity Shares of Face Value of ₹1 Each (“Equity Shares”)
<b>Issue Size</b>	Aggregate amount of ₹ 16,451.13 Lakhs*
<b>Rights Entitlements</b>	Ratio of <b>2 (TWO)</b> Equity Shares for every <b>7 (Seven)</b> fully paid-up Equity Shares held on the Record Date
<b>Record Date</b>	Friday, October 22, 2021
<b>Issue Price</b>	₹ <b>23</b> per Equity Share (including a premium of ₹ 22 per Equity Share)

\*Assuming full subscription

#### **2) What is the Issue schedule?**

Last Date for credit of Rights Entitlements	Friday, October 29, 2021
Issue Opening Date	Monday, November 1, 2021
Last date for On Market Renunciation of Rights Entitlements #	Monday, November 8, 2021
Issue Closing Date*	<b>Monday, November 15, 2021</b>
Finalization of Basis of Allotment (on or about)	Monday, November 22, 2021
Date of Allotment (on or about)	Tuesday, November 23, 2021
Date of credit (on or about)	Wednesday, November 24, 2021
Date of listing (on or about)	Thursday, November 25, 2021

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

\* Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (including Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

### **3) What is the Rights Entitlement Ratio?**

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of **2 (TWO)** Equity Shares for every **7 (Seven)** fully paid-up Equity Shares held on the Record Date.

### **4) What is the amount to be paid at the time of submitting the Application Form?**

Amount payable at the time of Application is ₹ **23** per Equity Share (including a premium of ₹ 22 per Equity Share).

### **5) What are Rights Entitlements?**

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as a Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., **Friday, October 22, 2021**, are entitled to the number of Rights Entitlements as set out in their respective Rights Entitlement Letter.

The Registrar has sent the Rights Entitlement Letter along with the Abridged Letter of Offer, Application Form and email disclaimer to all Eligible Equity Shareholders, through email or physical dispatch, which contain details of their Rights Entitlements based on the shareholding as on the Record Date.

Further, the Eligible Equity Shareholders can also obtain the details of their Rights Entitlements from the website of the Registrar (<https://rights.kfintech.com>) by entering their DP ID, Client ID / Folio No. and PAN.

### **6) How will the Basis of Allotment be decided?**

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in

consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- (d) Allotment to Renounees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

**7) How can an Eligible Equity Shareholder access the details of his respective Rights Entitlement?**

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar *i.e.*, <https://rights.kfintech.com> by entering their DP ID, Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form as on the record date, *i.e.*, **Friday, October 22, 2021**) and PAN.

**8) What are fractional entitlements? What will be the entitlement if a shareholder holds less than 7 Equity shares?**

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of **2:7 (2 (Two) Equity Shares for every 7 (Seven) Equity Shares** held as on the Record Date). As per ASBA Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than **7 (Seven) Equity Shares** or is not in the multiple of **7 (Seven) Equity Shares**, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of 1 (one) additional Equity Share if they apply for additional Equity Shares over and above their Rights Entitlements, if any, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds **8 (Eight) Equity Shares**, such Equity Shareholder will be entitled to **2 (Two) Equity Share** and will also be given a preferential consideration for the Allotment of 1 (one) additional Equity Share if such Eligible Equity Shareholder has applied for additional Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than **4 (Four) Equity Shares** shall have 'zero' entitlement for the Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the Allotment of one Equity Share, if such Eligible Equity Shareholders apply for additional Equity Shares, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

## 9) When will Credit of Rights Entitlements in the demat accounts happen?

Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.

In this connection, the Company has made necessary arrangements with NSDL and CDSL for credit of the Rights Entitlements in dematerialized form in the demat accounts of the Eligible Equity Shareholders. The ISIN of the Rights Entitlements is INE621L20012. The said ISIN shall remain frozen (for debit) until the Issue Opening. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

If the Eligible Equity Shareholders holding the Equity Shares in the physical form as on Record Date (“**Physical Shareholders**”) have not provided the details of their demat accounts to the Company or to the Registrar not later than two working days prior to the Issue Closing Date (i.e., **Wednesday, November 10, 2021** to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date i.e., **Friday, November 12, 2021**.

## 10) What is the process for Renunciation of Rights Entitlements?

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part. The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

The renouncement of Rights Entitlements credited in your demat account can be made either by (a) using the secondary market platform of the Stock Exchanges (“**On Market Renunciation**”) or (b) through off market transfer (“**Off Market Renunciation**”), during the Renunciation Period.

For more details, see “*Terms of the Issue – Procedure for Renunciation of Rights Entitlements*” on page 280 of the Letter of Offer.

### a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the ASBA Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under the ISIN - INE621L20012 subject to

requisite approvals. The details for trading in Rights Entitlements will be as specified by BSE and NSE from time to time.

**The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Monday, November 1, 2021 to Monday, November 8, 2021 (both days inclusive) or such other extended date as may be determined by our Board from time to time.**

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlement.

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN - INE621L20012 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

#### **b) Off Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN - INE621L20012, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

#### **11) Whether any persons who are not existing shareholders of the issuer company as on record date, can apply to the Rights Issue?**

Persons who are not existing shareholders of the Issuer Company as on the record date can buy the Rights Entitlements (REs) through online or off line renunciation and apply in the Rights Issue up to REs bought.

**12) What will happen if Rights Entitlements (REs) are purchased through On market renunciation / Off market renunciation, and no application is made for subscribing the shares / other securities offered under Rights Issue?**

In case REs are purchased through On market renunciation/ Off market renunciation, and no corresponding application is made for subscribing the shares/ other securities offered under Rights Issue, the REs purchased will lapse

**13) What are the options available to the Eligible Equity Shareholders in the Rights Issue?**

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies in the Issue, then such shareholder can:

- Apply for his/her Rights Entitlements in full;
- Apply for his/her Rights Entitlements in part without renouncing the other part of the Rights Entitlements;
- Apply for his/her Rights Entitlements in part and renounce the other part of the Rights Entitlements;
- Apply for his/her Rights Entitlements in full and apply for additional Rights Equity Shares; and
- Renounce his/her Rights Entitlements in full.

**14) Can an application in the rights Issue be made using third party bank account?**

Investors can make payment only using bank account held in their own name. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

**15) Can a joint bank account be used to make applications on behalf of shareholders?**

Joint bank account can be used by the applicant provided they are joint holders in the Bank account.

**16) Can an application be made by cash / cheque?**

No.

**17) Can an application be made by visiting the Company, Registrar and / or the Lead Managers office?**

No.

**18) Can the broker collect the application form and submit the application?**

No.

**19) Does purchase of Rights Entitlement means the purchaser will automatically get Rights Equity Shares?**

The purchaser/investor acquiring Rights Entitlement on the floor of stock exchange or in the off-market transaction will not automatically get Equity Shares. They will be required to make an application in accordance with the provision of the Letter of Offer for acquiring Rights Equity Shares to the extent of the Rights Entitlement acquired and/or additional Rights Equity Shares.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

**20) If the Investor purchased Rights Entitlements from the secondary market, does he need to pay once again for the Rights Equity Shares applied for through ASBA/R-WAP**

Yes, even though the Investor purchased the Rights Entitlements from the secondary market, they need to block/pay the Issue Price amount with their ASBA Account/through R-WAP.

**21) How can an Investor understand that the Application has been successfully made?**

Investors will be provided acknowledgment / confirmation email upon successful completion of Application.

**22) How can an Investor understand if the Rights Equity Shares have been allocated?**

The Company and/or the Registrar will send Email Intimation (Allotment/ Refund advice) to all the applicants who have been Allotted Rights Equity Shares.

**23) What is the process of updating the email ID, phone number and Indian address?**

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or the Company, Eligible Equity Shareholders should visit <https://rights.kfintech.com>.

Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and the Company by submitting their respective copies of self-attested proof of address, passport, etc. at <https://rights.kfintech.com>.

**24) How can an investor apply in the Issue?**

Pursuant to provisions of Regulation 76 of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars and ASBA Circulars, all Investors including Renounees desiring to make an Application in this Issue are mandatorily required to use either a) the ASBA process or b) the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

**25) What is the application process to be followed if Investor is unable to make application using ASBA?**

In accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021, **a separate web based application platform, i.e., the R-WAP facility (accessible at <https://rights.kfintech.com>), has**

**been instituted for making an Application in the Issue by resident Investors.** Further, the R-WAP is only an additional option and not a replacement of the ASBA process. This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts. On this facility, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat.

**26) What is the procedure for making plain paper application and where can the plain paper application be submitted?**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to the Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Managers. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India. Application on plain paper cannot be submitted through R-WAP.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date.

**For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares as on the Record Date, see “Terms of the Issue” on page 265 of the Letter of Offer.**

**27) What is the process of Application by the Physical Shareholders?**

In accordance with the circular SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* <https://rights.kfintech.com>) Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

**28) Can shareholders holding Equity Shares in a physical form renounce their Rights Entitlement?**

In accordance with the circular SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in

dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

**29) Will share certificates be provided to shareholder holding Equity Shares in a physical form if demat account is not provided?**

No, share certificates will not be provided to shareholder holding Equity Shares in a physical form.

**30) Why will physical share certificates not be issued to successful Allottees in Rights Issue?**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.

**31) What is the process for the physical shareholders who have been allotted shares in the rights Issue for getting the Rights Equity Shares in demat account post allotment?**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. For further details, see “Terms of the Issue - *Process of Making an Application in the Issue*” beginning on page 266 of the Letter of Offer.

**32) How much time will it take to get the Equity Shares credited in demat account for those investors who have not provided their demat account details during issue period?**

The Company (with the assistance of the Registrar) shall, after verification of the details of demat account by the Registrar, within reasonable time initiate the process of transfer of the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders.

**33) What is the last date for providing the demat account details for getting the Rights Equity Shares Allotted in the Issue in such demat account?**

In accordance with the circular SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their

demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

**34) Can shareholders holding Equity Shares in physical form apply through ASBA or R-WAP?**

Yes, only if the shareholders holding Equity Shares in physical form have provided the details of their demat accounts to the Company or to the Registrar not later than two working days prior to the Issue Closing Date.

**35) Can shareholders holding Equity Shares in physical form apply through plain paper application through ASBA or R-WAP?**

No

**36) What is the process to be followed by a shareholder holding Equity Shares in demat form to make an application in rights Issue?**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in the Issue, i.e., R-WAP, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

**37) Is there any restriction on total investment amount / Equity Shares?**

Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the investment limits or maximum number of Equity Shares that can be held by them prescribed under the applicable law. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in accordance with the legal requirements applicable in such person's jurisdiction and India, without requirement for the Company or its affiliates and the Lead Managers or their respective affiliates to make any filing or registration (other than in India).

**38) What will be the treatment of Multiple Applications?**

**The Investors shall submit only one Application Form for the Rights Entitlements available in a particular demat account.**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple

applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” on page 297 of the Letter of Offer.

In cases where multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications or (c) multiple applications on RWAP as well as through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in “*Capital Structure - Intention and extent of participation by Promoters and Promoter Group*” on page 53 of the Letter of Offer.

**39) How to withdraw an Application made through ASBA or R-WAP Platform?**

An Investor who has applied in the Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to [texmaco.rights@kfintech.com](mailto:texmaco.rights@kfintech.com) in case of Application through R-WAP facility. **However, the Application, whether applying through ASBA Process or R-WAP facility, cannot be withdrawn after the Issue Closing Date.**

**40) Whether Overseas Investors can participate in rights Issue?**

The Rights Entitlements and the Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any United States state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America, its territories or possessions, any state of the United States and the District of Columbia (the “**United States**” or “**U.S.**”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Rights Entitlements and Equity Shares referred to in the Letter of Offer are being offered and sold in “offshore transactions” as defined in, and in compliance with, Regulation S under the U.S. Securities Act (“**Regulation S**”) to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares is permitted under applicable laws of such jurisdictions. The Offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlements for sale in the United States or as a solicitation therein of an offer to buy or transfer any of the said securities. Accordingly, you should not forward or transmit the Letter of Offer in or into the United States at any time.

**41) When will the Equity Shares be credited to the demat account?**

On or About Wednesday, November 24, 2021.

**FREQUENTLY ASKED QUESTIONS IN RELATION TO REGISTRAR’S WEB BASED APPLICATION PLATFORM (“R-WAP”)**

**42) Who can apply through R-WAP?**

Only resident Investors can apply through R-WAP. Non-resident Investors cannot use R-WAP.

**43) Can shareholders holding Equity Shares in physical form apply through R-WAP?**

No, shareholders holding Equity Shares in physical form, cannot apply through ASBA or R-WAP, unless such shareholders provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., <https://rights.kfintech.com>). Such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

**44) What is the process of making an application through R-WAP platform by resident Investors holding Equity Shares in demat form?**

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. The Company, the Registrar and the Lead Managers shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date (i.e., from 9.00 am (IST) from **Monday, November 1, 2021**).

Set out below is the procedure followed using the R-WAP:

- a) Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021.
- b) Resident Investors should visit R-WAP (accessible at <https://rights.kfintech.com>) and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.
- c) Non-resident Investors are not eligible to apply in the Issue through R-WAP.
- d) The Investors should ensure that Application process is verified through the email / phone / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in the Issue by filling-up the online Application Form which, among others, will require details of total number of Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Equity Shares applied for.

- e) The Investors who are Renounees should select the category of ‘Renounee’ at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renounees shall also be required to provide the required Application details, such as total number of Equity Shares to be applied for.
- f) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. **Applications made using payment from third party bank accounts are liable for rejection.**
- g) Verification in respect of Application through Investors’ own bank account, shall be done through the latest beneficial position data of our Company containing Investor’s bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
- h) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

**45) Whether Non-resident investor can apply in the Issue through R-WAP?**

No.

**46) When I will get refund, if any?**

In case of non-Allotment or partial Allotment, surplus Application Money shall be refunded to the Investor after finalization of Basis of Allotment in consultation with Designated Stock Exchange. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted Applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

**47) Is R-WAP platform an alternative for ASBA mechanism?**

It is an additional optional non-cash mechanism for application in the Issue along with the ASBA mechanism.

**48) Is any interest payable to shareholders who are applying through R-WAP?**

No.

**49) Can I use the bank details of my family / friends for making payment?**

No. The bank details to be used for making payment through this platform must have your name as one of the joint holders along with the family / friends otherwise it will be treated as third party payments and will be rejected as per SEBI circular dated May 06, 2020.

**50) Can I use a credit card for making payment?**

No. Option to use credit card for making payment is not available on this platform

**51) What is the maximum amount I can pay through this platform?**

In case of Net Banking, there is no restriction on amount on R-WAP. However, maximum amount will be as per the limit set by applicants' respective banks. In case of UPI, the payment can be made only up to Rs. 2 lakhs

**52) My payment has failed, whom do I approach?**

Please check if you have provided the correct details. You can write to us at : [texmaco.rights@kfintech.com](mailto:texmaco.rights@kfintech.com) or call us at (+91 40 6716 2222).

**53) Payment confirmation is not received however amount debited, whom do I approach?**

Please write to us at [texmaco.rights@kfintech.com](mailto:texmaco.rights@kfintech.com) or call us at (+91 40 6716 2222) and we shall provide the status

**54) In case of wrong information being submitted, do I have the option to revoke or rectify?**

No. Once the application is submitted, it is final. However, application can be withdrawn/ rectified by sending an email with withdrawal/ rectification request to [texmaco.rights@kfintech.com](mailto:texmaco.rights@kfintech.com) during the issue period. **Kindly note Application, whether applying through ASBA Process or R-WAP facility, cannot be withdrawn after the Issue Closing Date.**

**DISCLAIMER**

*TEXMACO RAIL & ENGINEERING LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to issue Equity Shares on a rights basis and has filed a Letter of Offer with the Securities and Exchange Board of India and Stock Exchanges. The Letter of Offer is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in), Company at [www.texmaco.in](http://www.texmaco.in), Lead Managers- ICICI Securities Limited at [www.icicisecurities.com](http://www.icicisecurities.com); and SKP Securities Limited at [www.skpsecurities.com](http://www.skpsecurities.com), Registrar at <https://rights.kfintech.com> and Stock Exchanges([www.nseindia.com](http://www.nseindia.com) & [www.bseindia.com](http://www.bseindia.com)). Investors should note that investment in equity shares involves a high degree of risk and are requested to refer to the Letter of Offer including the section "Risk Factors" beginning on page 20 of the Letter of Offer.*

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