

TEXMACO RAIL & ENGINEERING LIMITED

Financial Results for Q2 (July- September'14)

Press Note

Texmaco Rail & Engineering Limited, a "ADVENTZ" Group Company, has shown significantly improved performance in the working over the previous quarter. The Gross Revenue stood at Rs.158.28 crore against Rs.60.06 crore, Gross Profit (PBDT) at Rs.6.42 crore from a loss of Rs.4.62 crore and Profit before Tax (PBT) at Rs.3.33 crore from a loss of Rs.7.84 crore.

The performance of the Rolling Stock Division has shown considerable improvement with the release of Railway orders and wagon manufacturing picking up from August'14. Besides, the Company secured the single largest order for 974 Nos wagons, valued at Rs.387 crore, placed by the Ministry of Defence in respect of their requirement for moving artillery equipment. Yet another breakthrough made by the Company is in rolling out of Car Carrying Wagons (Auto rake) against a prestigious order for 3 rakes secured from APL-VASCOR (American President Lines -Vascor) for multinational auto manufacturers.

The recent acquisition by the company of Kalindee Rail Nirman (Engineers) Ltd. catapults it into the prime league of Rail Services and is expected to be the game changer. The proposed merger of Kalindee with the Company will enable it to emerge as the Total Rail Solution provider.

The Company has delivered the first complete rake of EMU Coaches to the Indian Railways from its State-of-the-Art EMU Coach manufacturing facility at Sodepur with the technical support of KHI, Japan. Further, it is exploring the earliest opportunity to take up manufacture of other types of Passenger Coaches, Metro Coaches, Locomotives, Locomotive Assembly and Components for which the required infrastructure is in place.

Modernization of the old Foundry has been successfully completed, and the second automatic plant has been commissioned from October 2014, making it an AAR approved largest Steel Foundry in the country, eligible to export Railway Castings to the North American market.

The performance of the Hydro Mechanical Division is picking up, and new enquiries are flowing in. The Company expects substantial improvements in its order book. The Company has also made a thrust in its new Bridges & Structural Division, and has recently bagged large export orders for Bridges from Bangladesh and Sri Lanka.

The Company's order book is turning healthier, and the present order book stands at approx. Rs.1200 crore, excluding value of Free Issue Materials.

The Company has recently entered into a Joint Venture Agreement with Wabtec Corporation, USA (Ex Westinghouse Air Brake Technologies Corporation), a leading global provider of products for freight rail cars, passenger transit cars and locomotives. The JV will provide hi-tech freight products and services to the Indian Rail network including the latest generation of Rail Safety & Control equipment and Systems.

The new Government's focus on the Rail sector is opening up opportunities for accelerated growth of the Company. Generally, the Company expects to fare better in times to come with a series of high value projects, such as DFC etc. under way, for which, the Company has created a world class infrastructure and is ideally equipped to be a key player in the field.


D.H. Kela
Executive Director

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