

# TEXMACO RAIL & ENGINEERING LIMITED

## Financial Results for FY 17

### Press Release

Texmaco Rail & Engineering Limited, a 'ADVENTZ' Group Company, has reported its standalone and consolidated annual working Results for FY17 at its Board Meeting held on 22nd May 2017. This is the first year post merger of Kalindee Rail with the company . The total order book of the company including its subsidiaries stands at Rs. 3950 crore.

The Company (*Standalone*) has shown a net profit of Rs.33.57 crore as against Rs.27.20 crore in FY16.

The Directors have recommended a dividend of 25% on the Equity Shares of the Company.

The Company's Heavy Engineering Division's performance for the year has been adversely impacted due to low off-take of Rolling Stock from Indian Railways. With the continuing low ordering and unremunerated prices of wagons offered by the IR over the past couple of years, the Company is concentrating in the Non-IR wagon segment. During the year, it has executed a sizeable wagon order of 964 Nos. for Non-IR segment.

A redeeming feature, however, is that, Indian Railways have planned to off load retrofitment jobs of Passenger coaches to private sector which would augur well for the Company in view of its ideal infrastructure facilities for undertaking such jobs.

In Rail segment, it is encouraging that Locomotives Division has built up an order book of Rs. 564 crore approx. with orders from Alstom, CLW and DLW.

The performance of HME Division, which has suffered due to its two major projects remaining suspended for greater part of the year, is looking up with the deliveries against the projects, restarting from the fourth quarter of the year. The Division has an order book of Rs.380 crore approx.

The Bridges Division of the Company has successfully completed the supply and erection of 102 Mtr.span bridge over the river Meghna in Bangladesh, earning laudable credentials in the field of Metal Bridges.

The Steel Foundry Division is gaining ground in the export market for its products. The export for the year showed an improved performance of Rs. 45 crore against Rs. 29 crore in last year. The domestic market is however, stagnant due to poor off take of wagons by Railways.

The Rail EPC Division, Kalindee Rail, has achieved a higher turnover of Rs.457 crore during the year, and post merger, it is now expected to grow at a faster pace. The Division's present order book is Rs. 2100 crore, and the Division is now expanding its footprints in offshore market too. With Railways focus on modernizing and expanding its infrastructure, the Division has an exciting future.

Further importantly, with the acquisition of Bright Power, a subsidiary, Texmaco is now well placed in rail infrastructure segment, a fast expanding opportunity and looks forward to leveraging its strength by building technical partnerships with global players. During the year Bright Power has achieved a turnover of Rs.178 crore against Rs.109 crore previous year.

Texmaco Hi-Tech Private Limited, a wholly owned Subsidiary, which has been struggling post UGL's withdrawal as the plant was specifically set up to meet Australian market requirement, has now been successful in securing a prestigious long term order for Marhora Loco Project to be supplied over a period of 10 years. It further expects another long term order for Madhepura Project from a multi-national firm.

On JV fronts, Touax Texmaco has already supplied over 300 wagons on leasing to the industry. Presently, it has firm orders for leasing of 2 rakes and expects to supply 300/400 wagons on leasing in FY 18.

The performance of Wabtec Texmaco JV is promising. The construction of new JV facility has started at Texmaco, Belgharia, and the JV will relocate its facility at the new site by March 2018.

Under the 'Make in India' thrust of the GoI, being pushed and monitored by the PMO, tremendous opportunities have been thrown up for the Indian corporates in the Defence Sector. Texmaco in its bid to enter this high potential field has made prestigious tie-ups with Rosoboron, a Russian giant and other global powers and inducted knowledgeable professionals to help it join the big league towards meeting the Defence requirements of the country. This is, of course, a long haul venture, but the company expects to make its mark progressively.

The Company has incorporated a wholly owned subsidiary, Belur Engineering Pvt. Ltd. to supplement its engineering business. It has acquired a land of approx. 5 acres at Sodepur to expand its business in new segments i.e. Bridges and Heavy Engineering Structures.

Sd/-  
A.K. Vijay  
Executive Director

Date : 22.05.2017