

TEXMACO RAIL & ENGINEERING LTD.

Financial Results for Q1, 2016-17

Press Note

Texmaco Rail & Engineering Limited, a 'ADVENTZ' Group Company, has shown improved performance in the 1st Qtr. April-June 2016 in spite of low off-take by Indian Railways and sluggish demand for Rolling Stock.

The Income from operations and Gross profit for the Qtr. were higher at Rs. 190.03 crore and Rs.21.43 crore compared to Rs. 102.94 crore and Rs. 0.46 crore respectively, for the corresponding quarter of the previous year.

The company has adopted IND-AS w.e.f. 01/04/2016, and the quarterly results correspond to accounting under IND-AS standards.

The Rolling Stock Division of the Company faces tough challenge due to irregular ordering by the IR. Against the requirement for 2016-17, the Railways after several rounds of negotiation over the pricing of wagons tendered, finally placed orders for 1338 wagons only on the company in May 2016.

The company has established itself as a reliable supplier of LOCO Shells and LOCO Sub assemblies, and in view of large gap in demand-supply of Locos, it expects reasonable business in this field..

In the current business scenario, the Steel Foundry Division has shown improved performance during the quarter on domestic and export fronts. The export outlook for this Division is bright.

The present Order Book Position of the Company stands at Rs. 2500 crore.

The merger of Kalindee Rail Nirman (Engineers) Ltd. with Texmaco Rail & Engineering Limited, has been approved by Hon'ble High Court, Calcutta, and is now pending for approval at the Hon'ble High Court, Delhi. The Court has fixed the date for hearing on merger application on 28-09-2016. With the acquisition of Kalindee Rail and Bright Power, Texmaco is ideally placed to exploit opportunities in rail infrastructure segment which is the focus area for Indian Railways ambitious modernization plan.

The company is further gearing up to avail of the opportunities emerging in the field of defence related products. Its recent tie up with Rosoboronexport, Russia, will stand it in good stead.

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