

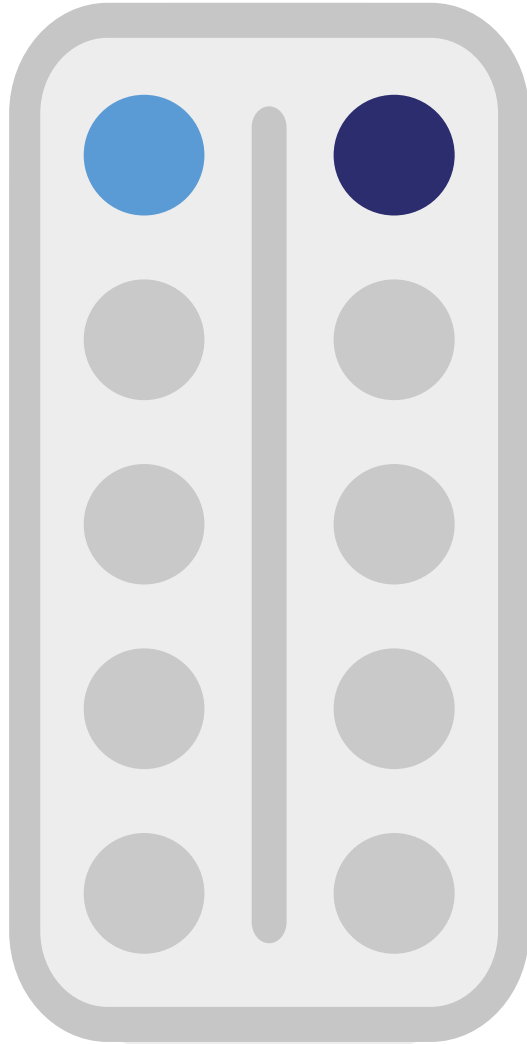
Texmaco

Rail & Engineering Ltd.

Investor presentation September 2023



Table of contents



Company Overview

Key Business Highlights

Growth outlook

Key financials

Annexure

Adventz Group: USD 4bn conglomerate



Saroj Kumar Poddar, *Group Chairman*



Akshay Poddar, *Non-executive & Non-independent Director*

Agri-Business



- ★ • Zuari Agro Chemicals Ltd.
- ★ • Paradeep Phosphates Ltd.
- ★ • Mangalore Chemicals & Fertilizers Ltd.
- Gobind Sugar Mills Ltd.

★ Listed company

Engg. & Infrastructure



- ★ • **Texmaco Rail & Engineering Ltd.**
 - Touax Texmaco Rail Car Leasing Pvt. Ltd.
 - Wabtec Texmaco Rail Pvt. Ltd.
- ★ • Texmaco Infrastructure & Holdings Ltd.

Emerging Lifestyles



- Zuari Infracore India Ltd.
- Indian Furniture Products Ltd.
- Hettich India Pvt. Ltd.
- Zuari Global Ltd.
- Style Spa Furniture Ltd.

Services



- Zuari Finserv Ltd.
- Adventz Zuari Insurance Brokers Ltd.
- Zuari Management Services Ltd.
- Lionel India Ltd.

Adventz has strong presence across diverse sectors in India

Freight cars



- Diverse range of rail freight solutions
 - Indian Railway freight cars
 - Commodity specific special freight cars
 - Freight cars for export
 - Special purpose freight cars
- Only company working with mild-steel, stainless-steel and composite materials for manufacturing of rolling stock solutions

Steel Foundry



- Largest internationally accredited foundry in India
- Largest foundry for IR castings
- Largest exporter of railway castings in India
- Manufactures parts of freight cars, like bogies and castings, for global clients
- Also caters to MoD, Marine, and mining industries
- Crossings and turnouts for high-speed railway

Component systems & solutions



- Global sourcing partner for precision fabricated parts, machined systems and solutions
- Caters to global parties for sourcing bogie, passenger rolling stock and metro rail parts
- Working with global majors
- Development of components for interiors of passenger rolling stock

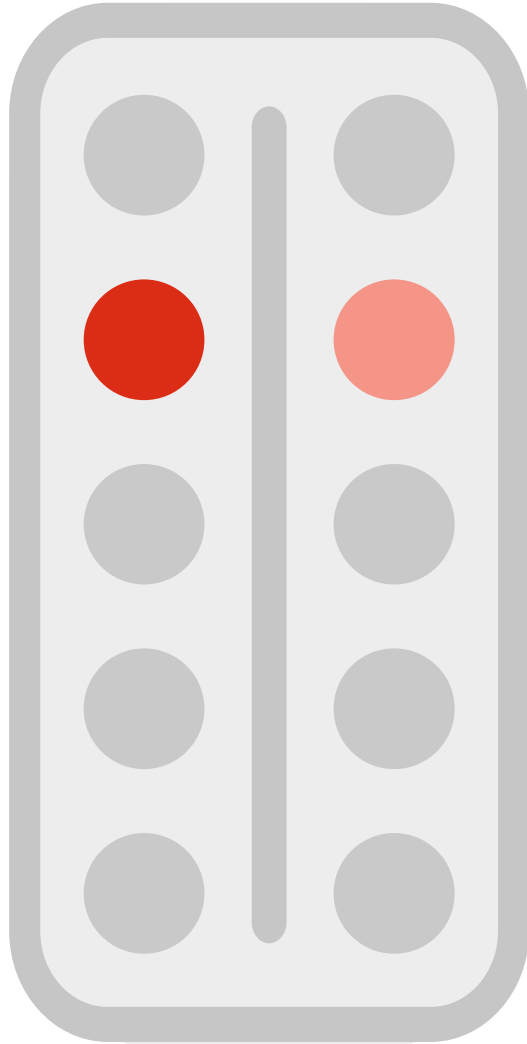
Rail Infra & Others



- Over-Head Electrification
- Sub station

Note: Ministry of Defense (MoD); Indian Railways (IR)

Table of contents



Company Overview

Key Business Highlights

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Key financials

Annexure



01

Well-positioned to capitalize on the highest ever capital outlay by Indian Railways

02

State-of-the art component manufacturing facilities, with export capabilities

03

Largest and the only AAR approved steel foundry in India

04

Access to world class technology from global partnerships








05

De-risked business model - focused on manufacturing and export prowess

06

Change management led by professionals

Note: Association of American Railroad (AAR)

National Rail Plan >>>	Capital outlay ¹ >>>	Key projects
 <p>Increase modal share of IR in freight from 26% to 45% by 2030</p>	 <p>Rolling stock INR 4.8 lakh cr <i>(Wagons 0.9 lakh cr)</i></p>	<p>INR 1.5 lakh cr Dedicated Freight Corridor (DFC)¹</p>
 <p>Target freight volumes from 1.5bn tones in FY'23 to 3.6bn tones by FY'31E</p>	 <p>Terminals INR 0.8 lakh cr</p>	<p>INR 2.4 lakh cr Budgetary outlay for railways in Union budget'24</p>
 <p>457m tones CO2 savings from DFC in 30 years</p>	 <p>Track & Infrastructure: INR 9.3 lakh cr</p>	<p>INR 5.0 lakh cr High Speed Rail corridor¹</p>
 <p>Invest in infra to cater to growing demand till 2050</p>	<p>Total: INR 15.0 lakh cr</p>	<p>126 critical and super critical projects of total cost 1.2 lakh cr for completion by 2024</p>

Note: Indian Railways (IR)
1. National Rail plan, capital outlay 2021-2031

20+ types of freight cars - supplied to core sectors of the nation ...



Agri / Food



Auto



Steel



Cement



**Alumina /
Powders**



Oil



Fly Ash



Coal



Milk



Defense



Iron ore



Container



LPG

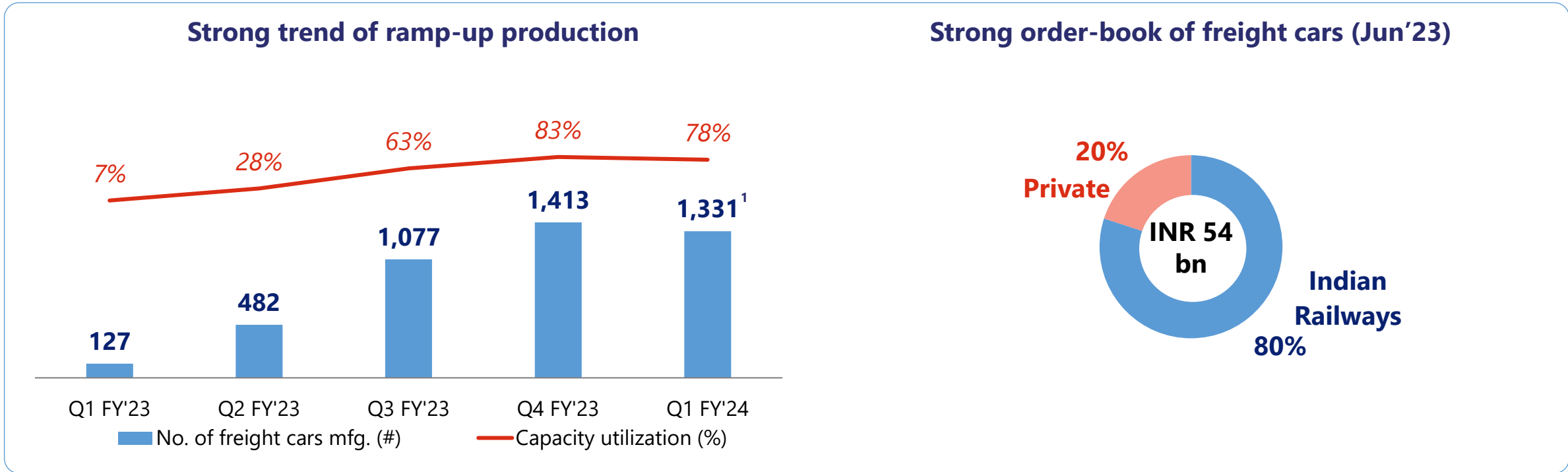
... and many more



Over 50,000+ freight cars supplied over past c.20 years



Technically equipped to cater to markets across all gauges



✓ **Annual wagon manufacturing capacity of 6,800 units as of Jun'23**

✓ **Strategic alliance with Hindalco for Aluminum freight cars**

✓ **Won its largest ever order of 20,000+ freight cars from IR**

Note: Indian Railways (IR)

1. Minor decline due to change in specifications from IR



12,000+ VUs sold to Indian Railways in over 10 years



Note: Vehicle Units (VUs)



7,000+ VUs sold to private parties in 10 years



550+ VUs exported to foreign markets over the past 10 years

	Gondola Wagon for Iron Ore (Liberia)
	Tank Wagon (Sri Lanka)
	Oil Tank Wagon (Bangladesh)
	Mineral Wagon (Ghana)
	Tank car for Phosphoric acid (Senegal)
	Container flat Wagon (Mali)
	Cars with sliding doors (Uganda)
	Side discharge cars (Vietnam)
	Low sided flat cars (Hungary)

Six manufacturing facilities

5 located at Agarpara, Belgharia, Sodepur and Panihati in Kolkata, WB
1 facility located at Raipur, CG

Strategic location

Connectivity to major highways and ports
Facilities in Kolkata situated within a radius of 5km
Internal network of 15 rail lines

2 wagon manufacturing facilities

12 Bays for production of freight cars/Loco shells
Large yard to hold 200+ freight cars

Total ~200-acre facilities

~114 acres at Belgharia & Agarpara & ~42 acres at Panihati & Sodepur
~30 acres at Raipur, CG

Effective expansion

Expansion of capabilities by enhancing existing facilities
Establishing new mfg. facilities

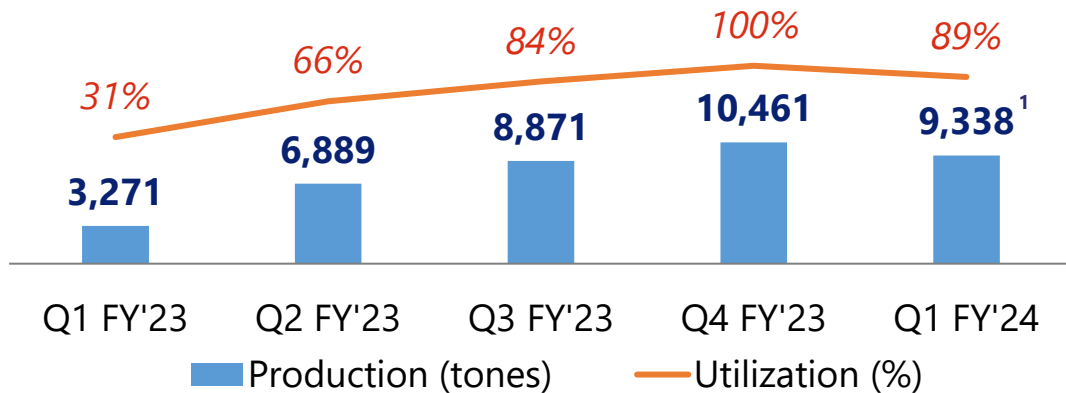
Largest and internationally approved steel foundry in India

Capacity of 42,000 tones p.a., currently running at near 100% utilization

Versatile process with demonstrated quality & capability

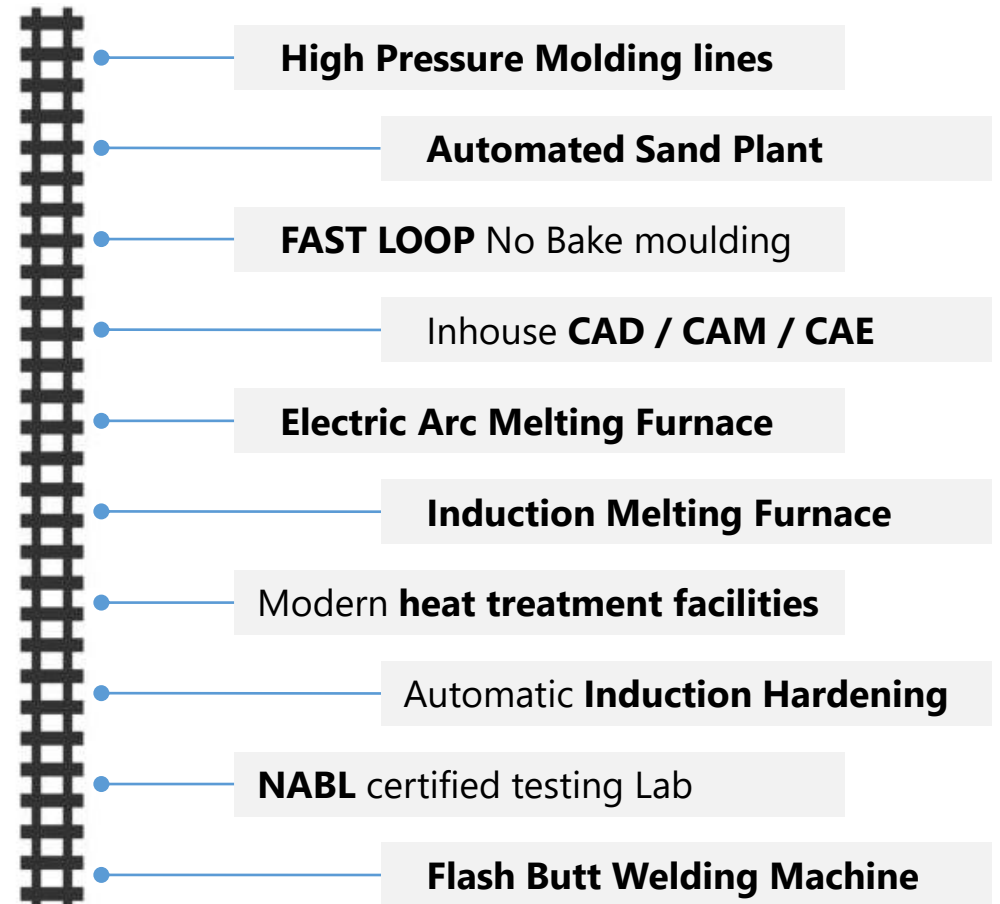
- ✓ **Two Class A Foundries** in Kolkata & Raipur with Railway Bogie, Coupler & Crossing mfg. facilities
- ✓ Proven capability of Railway & Mining Castings for domestic and export

Strong trend of ramp-up in utilization

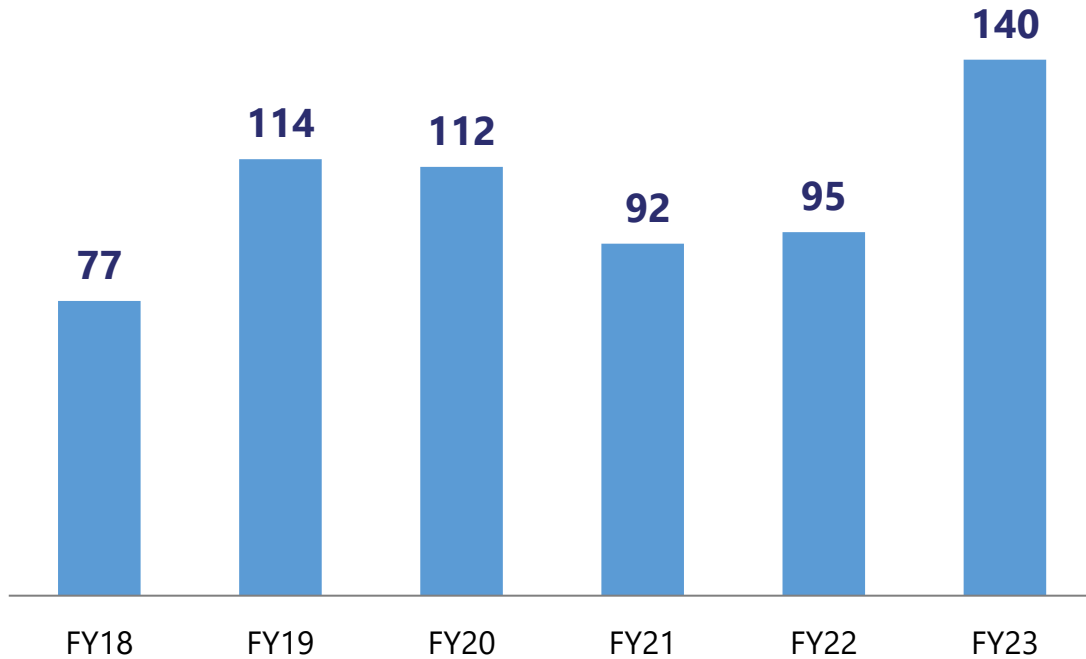


Note: Computer-Aided Design (CAD); Computer-Aided Engineering (CAE); Computer-aided Manufacturing (CAM); National Accreditation Board for Testing and Calibration Laboratories (NABL); Indian Railways (IR)
1. Minor decline due to change in specifications from IR

Industry leading Infrastructure base



Export Turnover (INR in cr)



Strong moat of technical capabilities and certifications

- ✓ **Only Indian company certified by Association of American Railroad (AAR)**
- ✓ **Exports to niche markets – USA, Australia, and Eurasia, etc.**
- ✓ **Manufacturer and Exporter of Critical Earth Moving, Defense and Industrial Castings**
- ✓ **Significant enquiries from fortune 500 companies for Industrial castings**
- ✓ **In-house R&D team recognized by Department of Science and Industrial Research, Govt. of India**

**Wabtec
Texmaco**



Hi-tech products

- TMX® Bogie mounted brake systems - durable, lightweight materials, freely suspended systems
- Low & High Friction Brake blocks for Freight, Loco & Coach applications
- Draft Gear and Friction Wedges

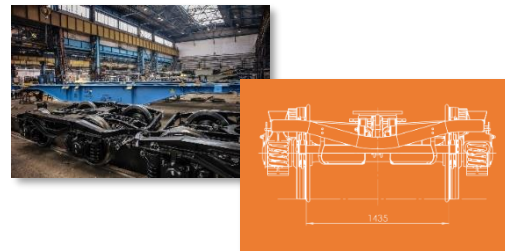
**Touax
Texmaco**



Leasing solutions

- Serves a diverse customer-base made of private companies or operators of industrial clients

**Texmaco
Nymwag¹**



Freight cars & components

- Manufacturing of freight cars for domestic and international markets
- Manufacturing of Railway components for domestic and international markets

Note 1. JV agreement signed; construction of facility underway

Component systems & Solutions

State-of-the-art products from the Hi-tech mechanical and fabrication workshop



 **Australia**



 **Mozambique**



 **Kazakhstan**

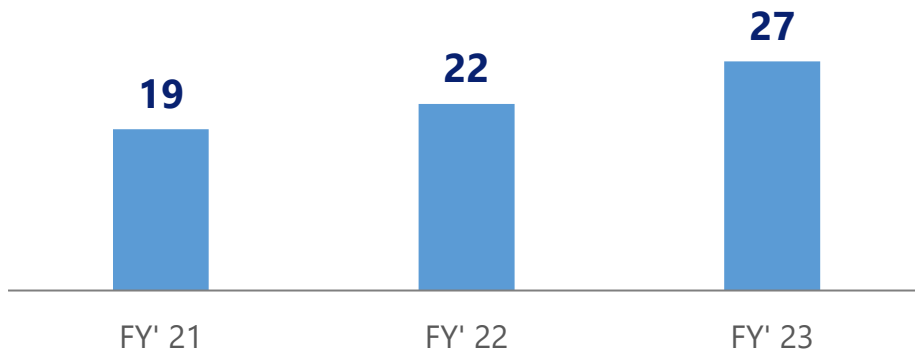


Spreading wings in international markets



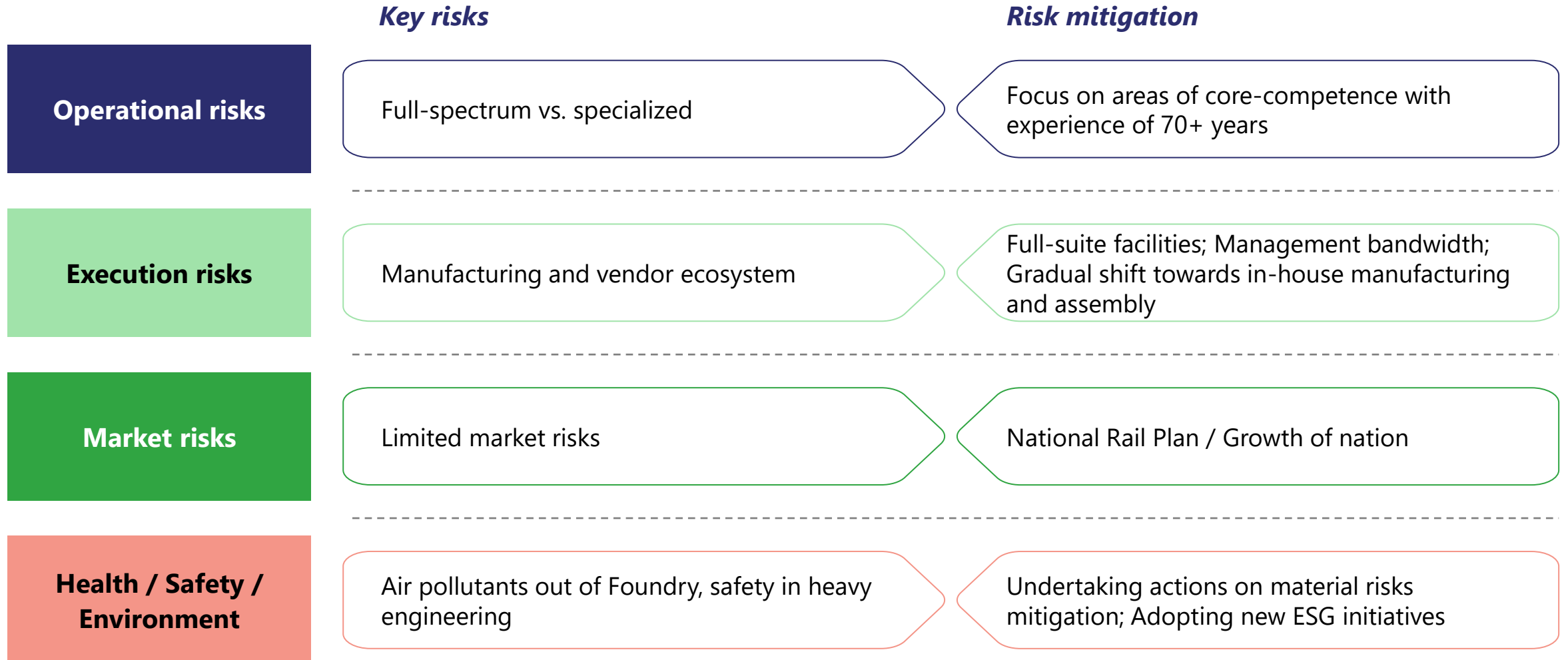
Large equipment base, enabling automation and precision

Hi-tech components turnover (INR cr)



- Surge in global demand for high standard components; supply-chain disruptions create new and large opportunities
- One of the few manufacturers with capabilities, client relationships and certifications to tap the global market
- Expected to be qualified supplier to the European region soon
- Texmaco JV with WABTEC to mfg. world class braking systems and other components for supply to domestic and US market

A De-risked business model



01

Focus areas

Identify Strategic
Business Units (SBUs)

02

Management

Infusion of best talent from
within & outside the
industry

03

Efficiency

Rationalization of
product and process
Focused cost reduction

04

Monitoring

Equip management
with tools to monitor
and execute



Indrajit Mookerjee
Executive Director & Vice Chairman

- B.Tech in Chemical Engineering from IIT, KGP
- Masters Degree in Chemical Engineering from Georgia Institute of Technology, USA
- Held senior management positions with various multinationals



Sudipta Mukherjee
Dy. Managing Director

- Postgraduate from IISWBM, Production Management from AOTS Japan
- Ex. Management Certification from Tepper School of Business, USA & Fulbright Fellowship in Leadership & Management from Carnegie Mellon University, USA



Hemant Bhuwania
Chief Financial Officer

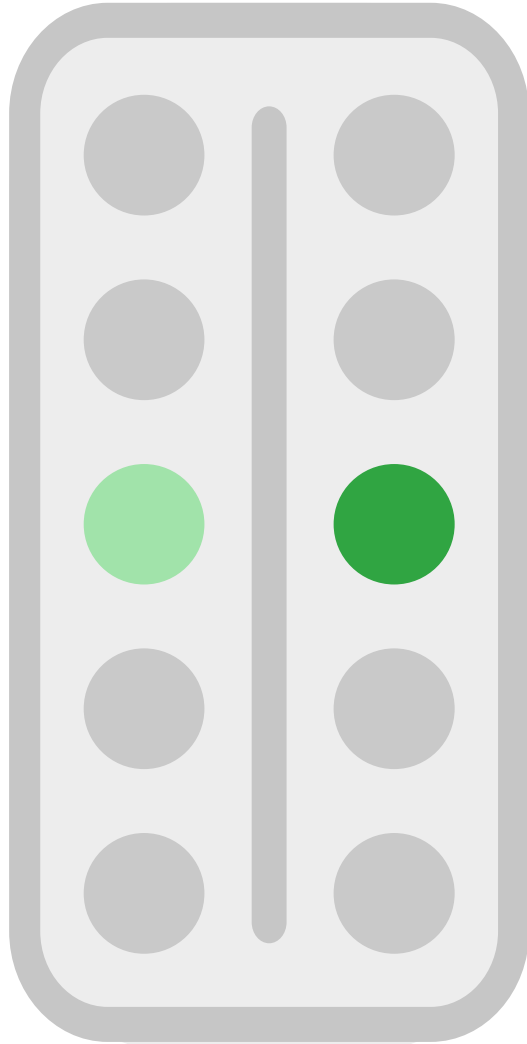
- Chartered Accountant, and B.Com (Hons.)
- Rich experience in Corporate Finance, Treasury, Budgeting, Costing, Banking, Finance & Accounts



Avijit Mitra
Chief Executive Officer (Steel Foundry)

- Diploma in Mechanical Engineering
- Advanced Diploma in Foundry Technology from NIFFT
- Held senior management roles across the leading auto manufacturing, foundry and metallics industries

Table of contents



Company Overview

Key Business Highlights

Growth outlook

Key financials

Annexure

01

Streamlining operations

- Re-engineer existing product lines
- Market focused approach
- Create centers of excellence
- Cost reduction
- Conscious and selective backward integration

02

Optimizing revenue mix

- Increase share of exports and sales to private parties across all segments
- Journey to manufacture 1,000 freight cars per month

03

Enabling transformation

- Re-organized key management
- Embracing new responsibilities
- Access to global technology
- Debt-free in 3 years

04

Demerging non-core businesses

- Kalindee
(Track laying, Signaling, Telecommunications, Auto Fare collection, etc.)

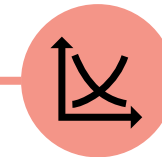
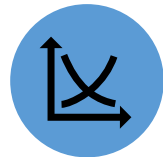
Strong growth visibility - existing and future

IR plans to procure 1,50,000 freight cars by 2025



Won its largest ever order of 20,000+ freight cars from Indian Railways, execution underway

Texmaco augmenting existing human capital and expand on technology and infrastructure



3-5x growth in export of components and railway castings; Qualified supplier to foreign players; also benefitting from geo-political shift in supply-chains

Strong infra spend by Govt. flowing down to rolling stock, where wagon manufacturers have received orders exceeding the total of last 10 years



Company expanding its global reach by capitalizing on existing moats – accreditations, partnerships, and R&D

Note: Indian Railways (IR)

Project costs

Process engineering by identifying Non-value added & complement vs. value added in the whole life cycle

Standardization

Creation of standard definitions and standardization of all activities
Defining SOPs

Sourcing

Renegotiation of existing supplier contracts based on assured offtake
Various other hand holdings to improve process

Inventory management

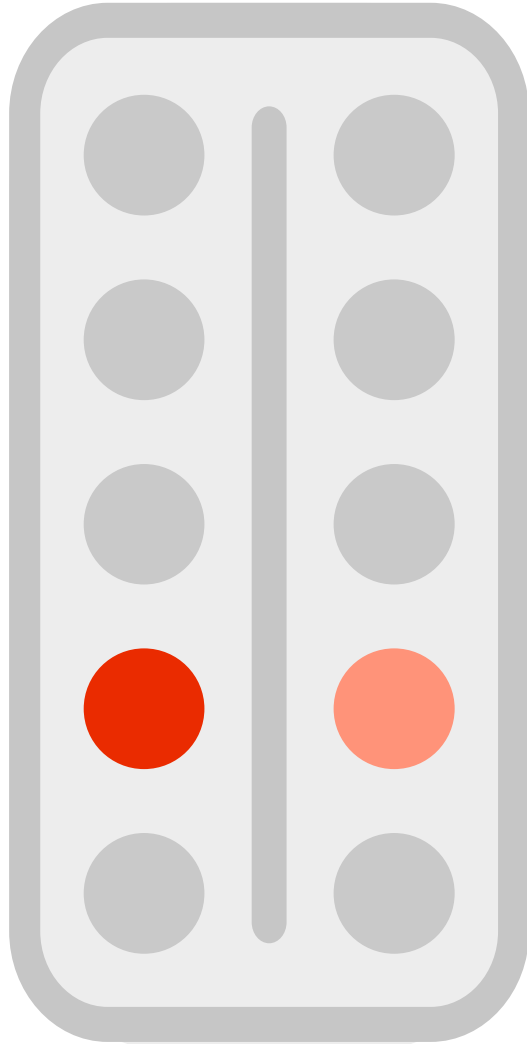
Inventory reduction with tie ups and backward integration
In-house component developments

Reorganization

Reorganization and having specific Job role aligned with targets

Note: Standard Operating Procedure (SOP)

Table of contents



Company Overview

Key Business Highlights

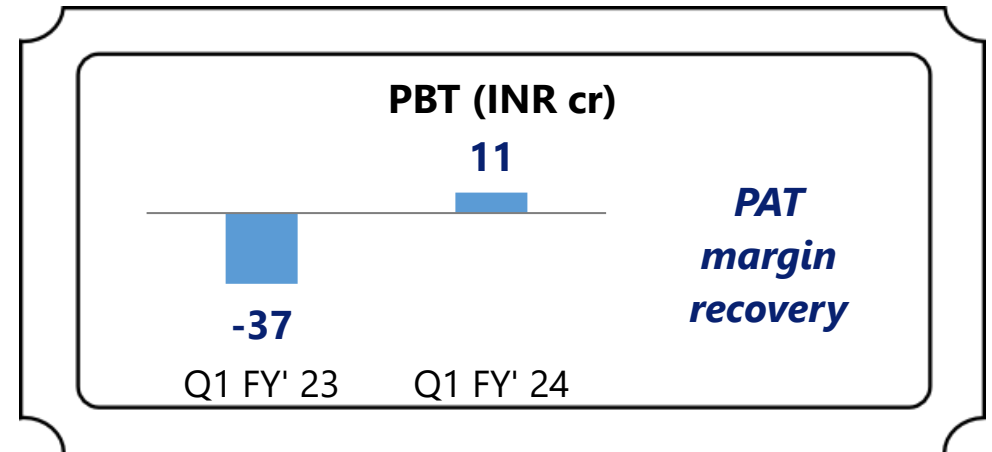
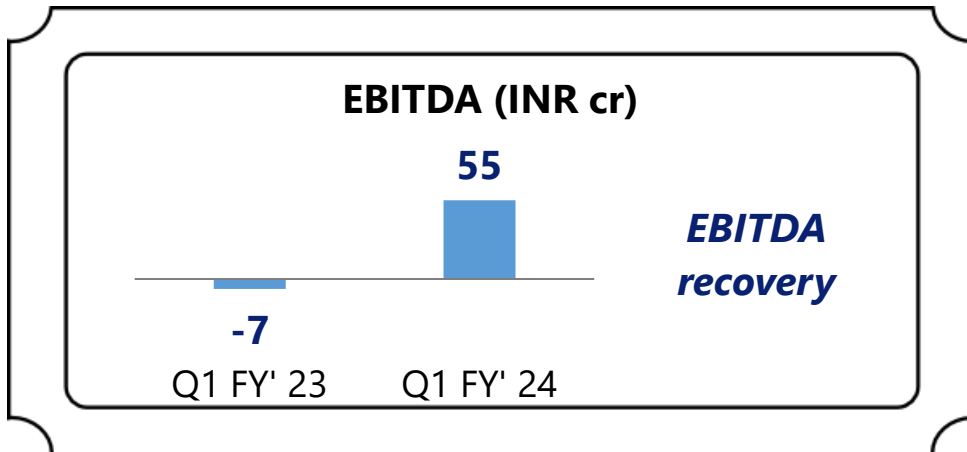
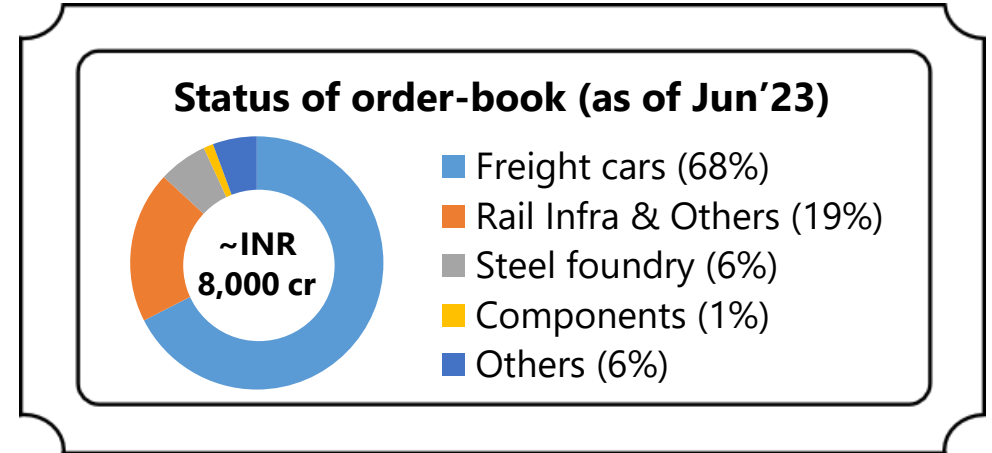
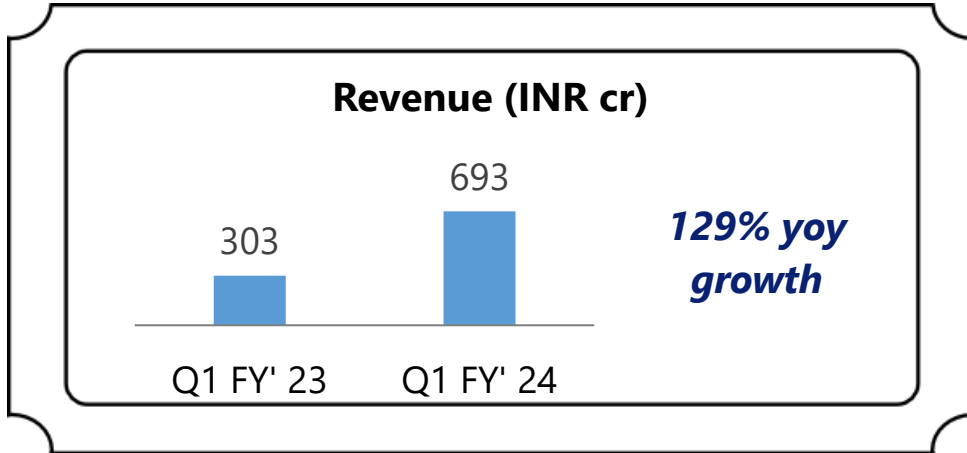
Growth outlook

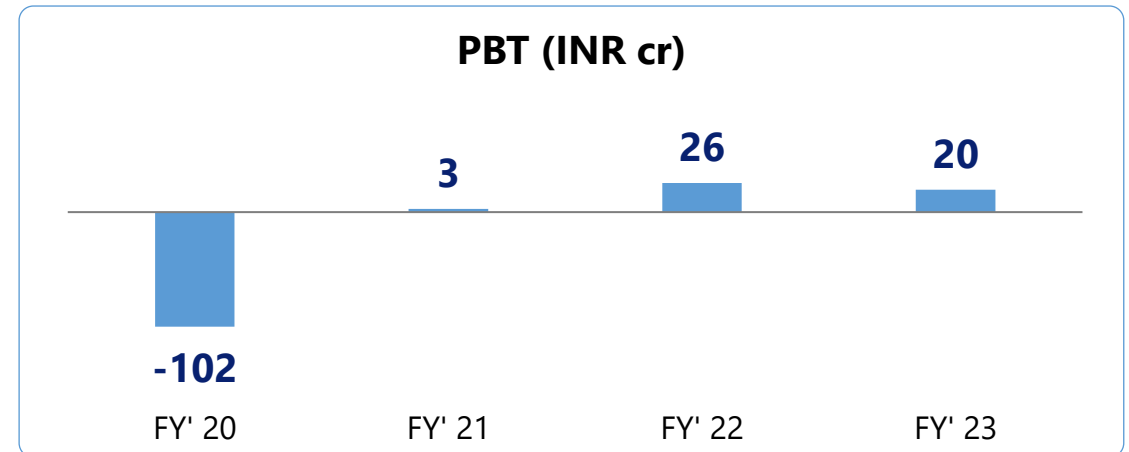
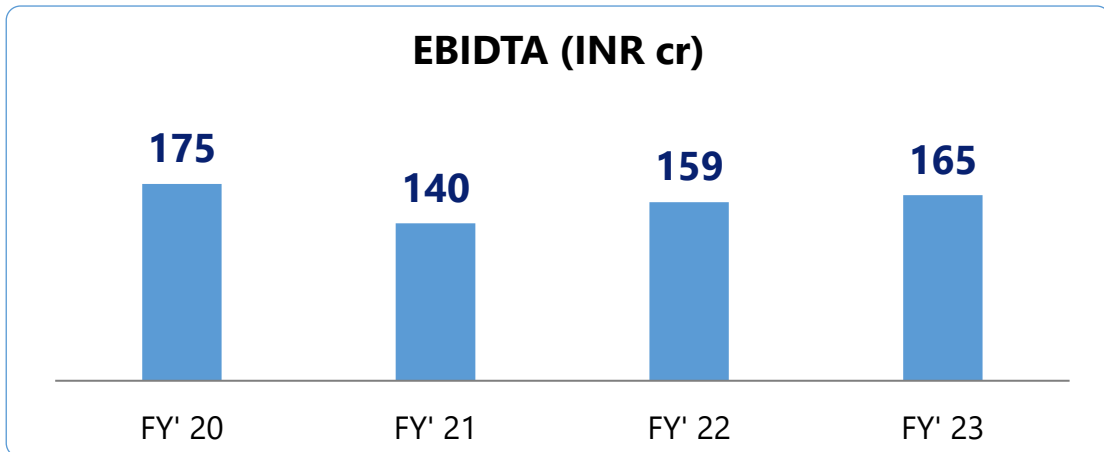
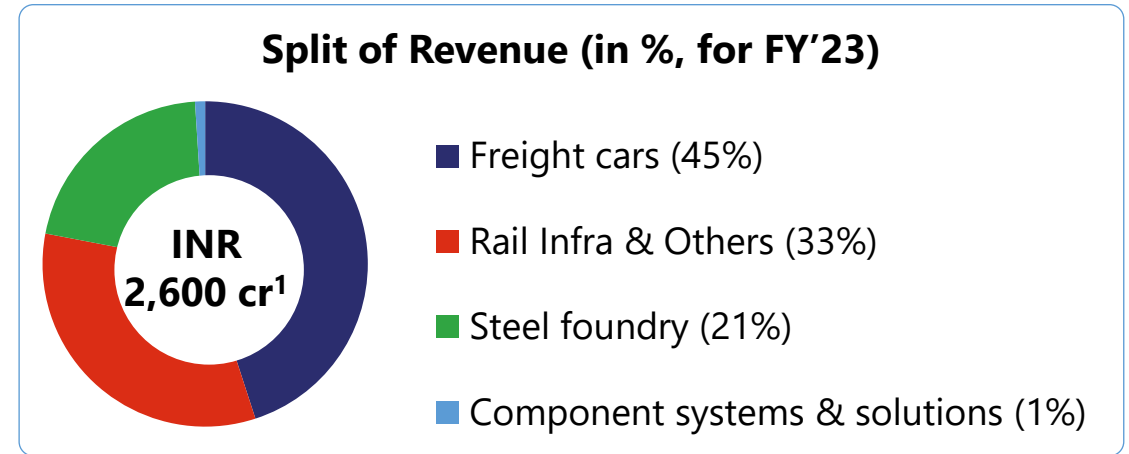
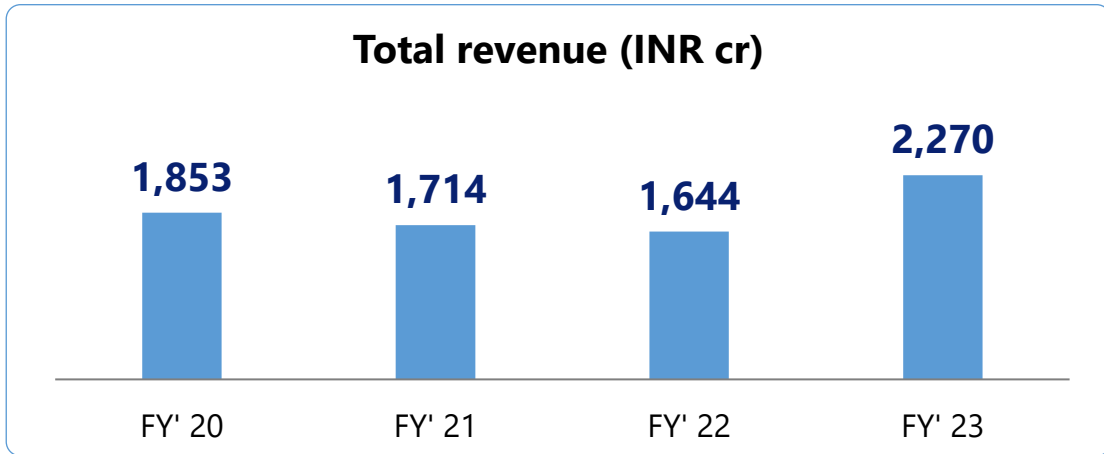
Key financials

Annexure

Snapshot of recent financial performance (Q1 FY'24)

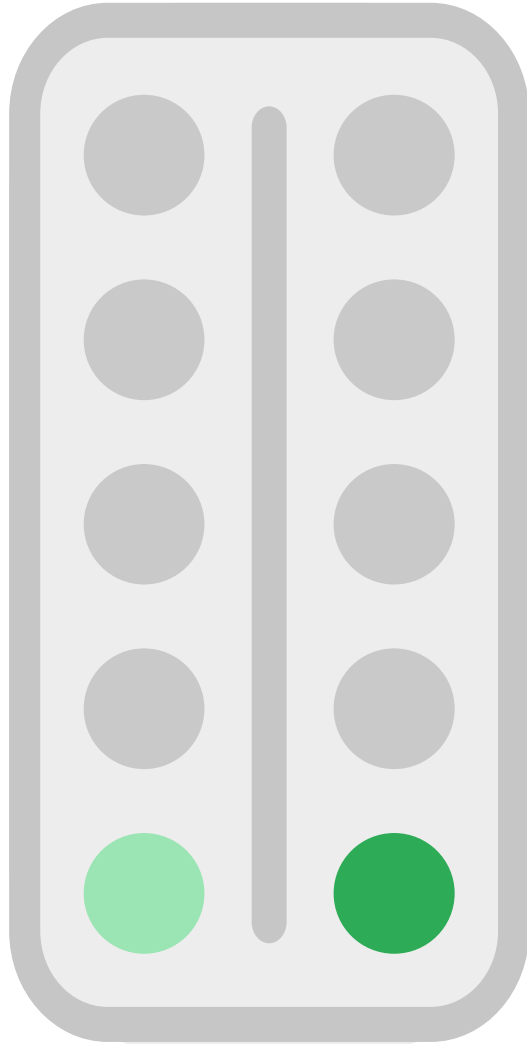
Demonstrated growth across revenue and profitability





Note 1. Gross revenue, excludes inter-segment eliminations of INR 357 cr

Table of contents



Company Overview

Key Business Highlights

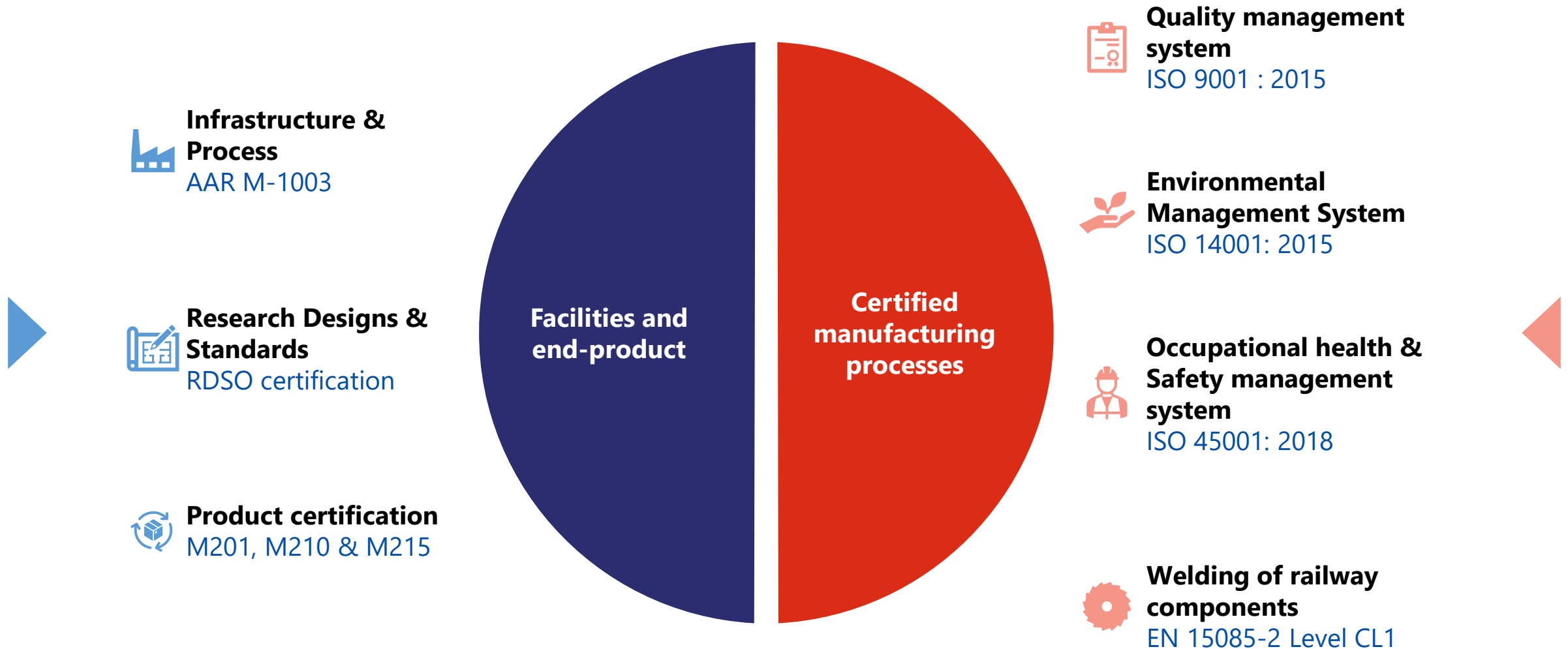
Growth outlook

Key financials

Annexure

- ISO 9001: 2015, ISO:14001, ISO:45001 certified by Berue Veritus
- AAR M 1003, M201, M210 & M215 by Association of American Railroads.
- Product and Facility Certified by Ukrain Railroad.
- DSIR, Govt. Of India recognised In house R&D Unit.
- Certified Export House recognised by Ministry of Commerce, Govt. Of India
- Best Foundry of the Year – 2009 by Institute of Indian Foundrymen.
- Casting of the year – 2012 by Institute of Indian Foundrymen.
- Star Performer of the Year (Export) -2015-16, 2016-17, 2017-18.
- Certified with ISO 17025:2017, General requirements for the competence of testing and calibration laboratories





**Gondola Wagon
(Liberia) For Iron Ore**



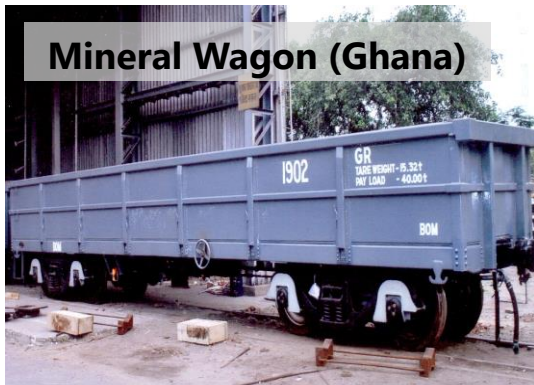
Tank Wagon (Sri Lanka)



**Oil Tank Wagon
(Bangladesh)**



Mineral Wagon (Ghana)



**Tank car for transport of
Phosphoric Acid (Senegal)**



**MG Container flat
wagon for Mali**



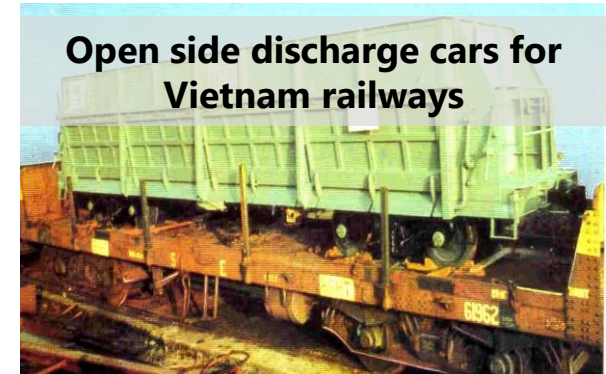
Brake Van (Bangladesh)



**Covered cars with sliding
doors for Zambian railways**



**Open side discharge cars for
Vietnam railways**





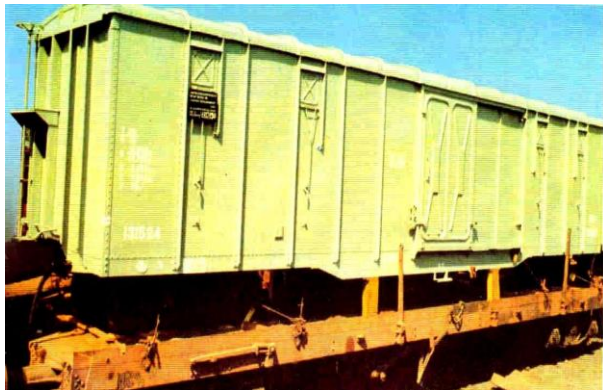
Open hopper side discharge cars for Bangladesh railway



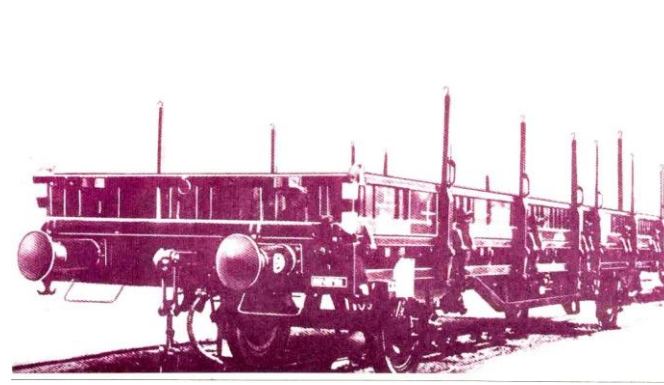
Covered side discharge hopper car for Bangladesh railway



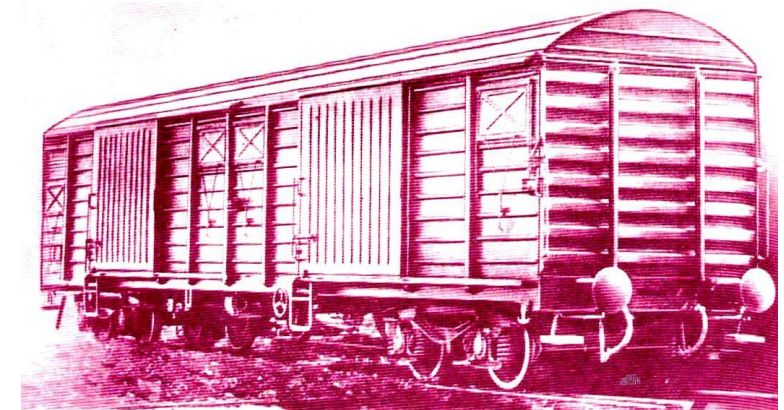
Covered cars with sliding doors for Uganda railways



Covered cars with sliding doors for Vietnam railways



Low sided flat cars for Hungarian railways



Covered car with sliding doors for Yugoslav railways

Loco shell & fabricated bogies



Loco Shells to Indian Railways



Flexi Curve Loco Bogie- Mozambique



Loco Bogie Frame- Queensland Railways



Flexi Curve Loco Bogie- Mozambique



Loco Bogie Frame- Queensland Railways



LHB Bogies - Indian Rlys.



LBogies for Bangalore Metro, through BEML



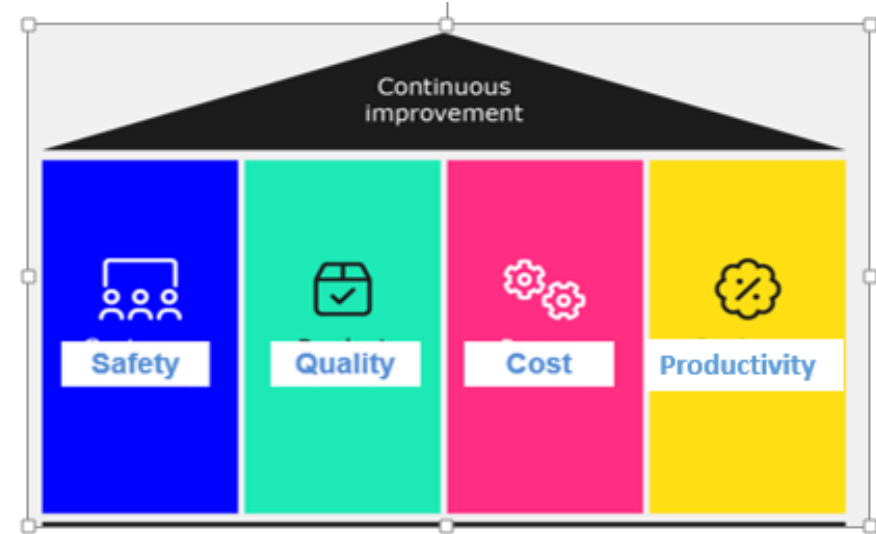
Kolkata & Raipur units

The plant



The products







Thank You



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