

TEXMACO RAIL & ENGINEERING LIMITED

Financial Results for Q1, 2015-16

Press Note

Texmaco Rail & Engineering Ltd., a 'ADVENTZ' Group Company, has shown a loss in the 1st Qtr. April-June 2015. The performance for the quarter was severely impacted due to abrupt downward revision of price by Railways against existing wagon orders due to predatory prices quoted by one of the Bidders against tender for wagons for 2015-16, resulting in zero despatches of Indian Railways wagons from end April, 2015. Representations have been made by the Wagon Industry at various levels in the Ministry of Railways who has taken cognizance of the same and is likely to revisit the tender conditions to enable the Wagon Industry recover from the present difficult conditions. The management expects that there will be improvement in the performance of the Company from the 2nd Quarter of the year.

The Gross Sales in the first quarter ended 30th June, 2015, stood at Rs. 127.61 Cr., EBITDA at Rs. 0.10 Cr. and net loss at Rs. 4.10 Cr. after providing for Interest and Depreciation.

The execution of the prestigious Defence wagon order for 974 wagons has started in June 2015 and it will pick up in the coming months. The production of commodity specific and special wagons has picked up. The Steel Foundry Division has shown improved performance during the quarter following effective cost control measures. The performance of Hydro Mechanical Equipment Division of the Company is satisfactory and could have been better but for a devastating earthquake in Nepal resulting in stoppage of despatches to Nepal. The export of Bridge Girders for Bangladesh has commenced during the quarter.

The merger scheme of arrangements between Kalindee Rail Nirman (Engineers) Ltd. and Texmaco Rail & Engineering Limited was approved by the shareholders of the respective companies at their Court convened Extra-ordinary General Meetings held on 11th & 14th July 2015 respectively.



A.K. Vijay
Executive Director

22.07.2015