

TEXMACO RAIL & ENGINEERING LIMITED

Financial Results for FY'15

Press Note

Texmaco Rail & Engineering Ltd., a "ADVENTZ" Group Company, has reported its Annual Results for FY 14-15 approved at its Board Meeting held on 22nd May 2015. The Company's overall performance has been smarting under severe pressures of grossly uneconomic and unworkable prices in respect of the orders placed by the Railway Board in April 2014 for FY 13-14 and non-release of wagon orders for FY 14-15.

The Gross Turnover for the year was marginally higher by Rs. 44.39 crore at Rs. 559.56 crore compared to Rs. 515.17 crore in the previous year.

The Gross Profit for the year (PBDT) was marginally higher by Rs.0.66 crore at Rs.31.16 crore as compared to Rs.30.50 crore in the previous year, profit before tax (PBT) was however marginally lower at Rs.16.22 crore as against 18.76 crore in previous year. The Net Profit stood at Rs.13.74 crore, after providing for a Tax liability of Rs. 2.49 crore as against Rs.16.97 crore and Rs.1.79 crore respectively in the previous year.

In spite of the pressure on margins, the Directors have recommended dividend @ 25% on the Equity Shares of the Company.


The current year's scenario for wagon orders from Indian Railways continues to be bleak owing to acute paucity of orders. Besides, what is more worrisome is the predatory pricing in the recent tender for '15-'16.

Even amidst such gloomy situation, there are some bright spots which are expected to sustain the working of the Company in the current year viz. the orders from the Ministry of Defence for 974 specialized wagons and export orders for Rs.100 crore in its newly commissioned Bridge and Structural Division, the work on which is progressing well.

While the performance of Steel Foundry too suffered during the year, it expects to commence export to US market from end of 2nd quarter 2016 which will place it in a favourable position.

On JV fronts, Touax Texmaco Rail Car Leasing Co. Pvt Ltd. has recently bagged few orders and the business scenario looks positive. The construction work on JV with Wabtec is likely to start in the first quarter, FY 16 itself. The JV Company with UGL, Australia is facing a setback due to significantly reduced orders from UGL. The JV is now developing new market for its products to reduce its dependence on UGL.

The Company's application to merge with it Kalindee Rail Nirman (Engineers) Limited by way of a Scheme of Amalgamation is on track, and post receipt of necessary approvals from the Stock Exchanges, applications have been filed with the respective High Courts at Calcutta and Delhi. The merger will enable the Company to target large value contracts with the combined strength of Texmaco and Kalindee for various Rail Solution requirements.


Sandeep Fuller
Executive Director

Date: 22nd May 2015 .