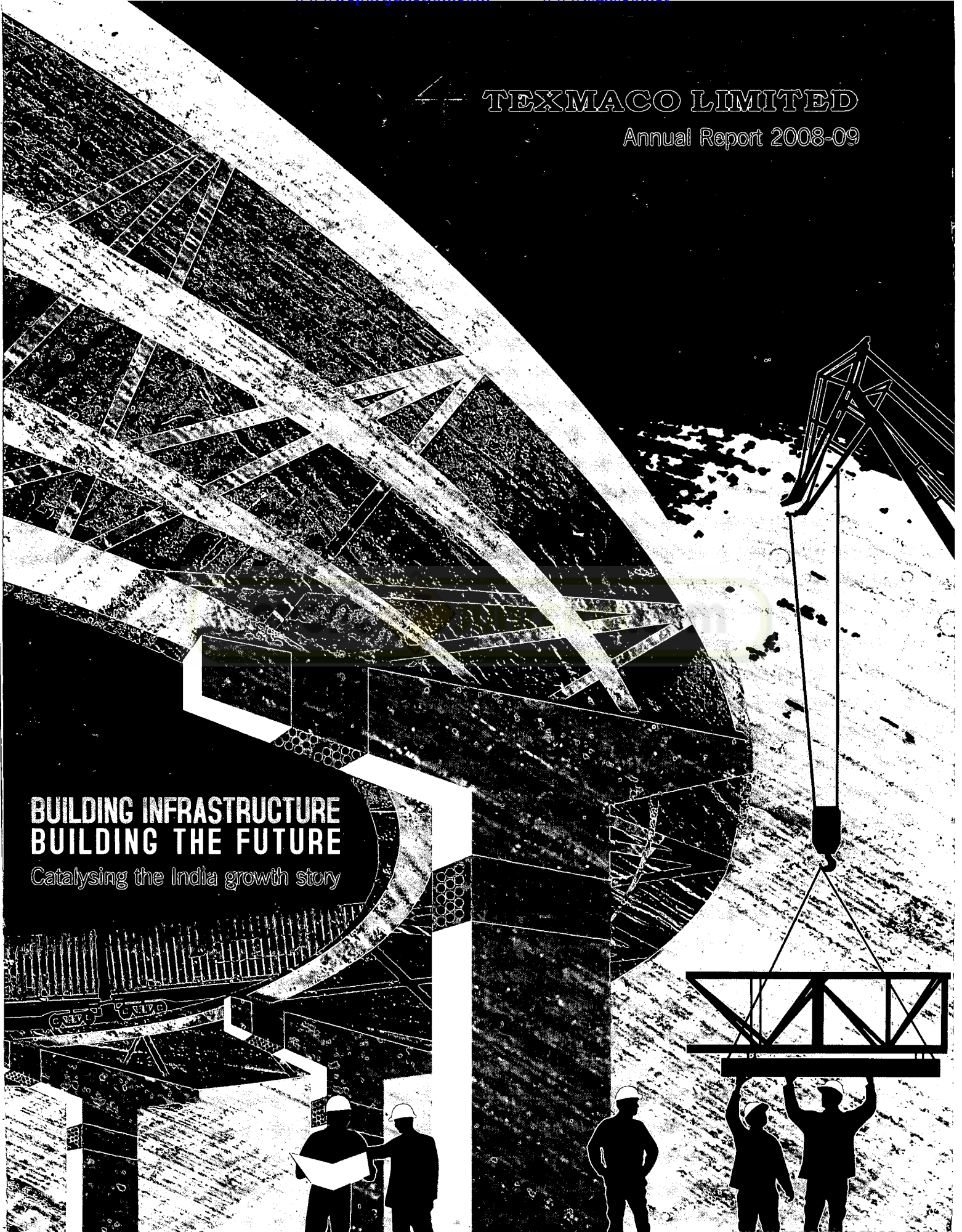


# TEXMACO LIMITED

Annual Report 2008-09

**BUILDING INFRASTRUCTURE  
BUILDING THE FUTURE**

*Catalysing the India growth story*



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# CORPORATE INFORMATION

## Directors

S. K. Poddar, Chairman  
B. P. Bajoria  
A. C. Chakrabortti  
Manish Gupta  
Dr. H. Sadhak

## Directors

S. Dhasarathy  
H. C. Gandhi  
Akshay Poddar  
D. H. Kela  
(Wholetime Director)

## President & CEO

Ramesh Maheshwari

## Secretary

A. K. Vijay

## Auditors

Messrs. K. N. Gutgutia & Co.

## Bankers

State Bank of India

## Registered Office

Belgharia  
Kolkata 700 056

## Corporate Office

Birla Building  
Kolkata 700 001

## Regional Offices

New Delhi  
Mumbai  
Chennai

## Heavy Engineering Divn.

Agarpara (W. Bengal)  
Sodepur                   ,,  
Panihati                   ,,

## Steel Foundry Divn.

Belgharia

## Mini Hydel Power Divn.

Darjeeling (W. Bengal)

## Real Estate Divn.



Texmaco Limited





# A TRIBUTE TO DR. K.K.BIRLA

Dr. Krishna Kumar Birla, the Group Chairman,  
left for his heavenly abode on 30th August, 2008.

An Industrialist, Parliamentarian, Educationist. Philanthropist.  
Above all, a Humanist.

Dr. Krishna Kumar Birla was born on 11th November, 1918 in Pilani (Rajasthan) to the legendary Late G. D. Birla. He was a patriarchal figure in the industry, and has left a void which would not be easy to fill. He belonged to a rare generation of entrepreneurs who sincerely believed that creation of wealth was a part of nation building. He stood tall with his spiritual strength and moral values and distinguished himself with the unique qualities of his head and heart. He was well ahead of his times, and for him, achieving excellence was a journey and not a destination.

Dr. Birla built an industrial empire encompassing a wide spectrum of business interests in fertilisers, media, engineering, textiles, sugar, cement, shipping, engineering & financial services, information technology, plantations and infrastructure sectors.

He was a builder of modern educational & scientific institutions. The most renowned was the Birla Institute of Technology & Science (BITS), Pilani, which gained recognition as a distinguished private

university with Dr. Birla as its Chancellor. Under his inspiration, BITS has set up 3 premier campuses at Goa, Hyderabad and Dubai. He made outstanding contribution for empowerment of the society and to the world of art & culture.

Dr. K.K. Birla was conferred upon the Degree of 'Doctor of Letters' (Honoris Causa) in 1997 for his unique contribution to education, industry and society. He was a member of the Rajya Sabha for three successive terms from 1984 to 2002 and served on several Committees of the Parliament. He was on the Central Board of the State Bank of India and ICICI, to name a few. He also headed the Federation of Indian Chambers of Commerce and Industries (FICCI) and Indian Sugar Mills Association.

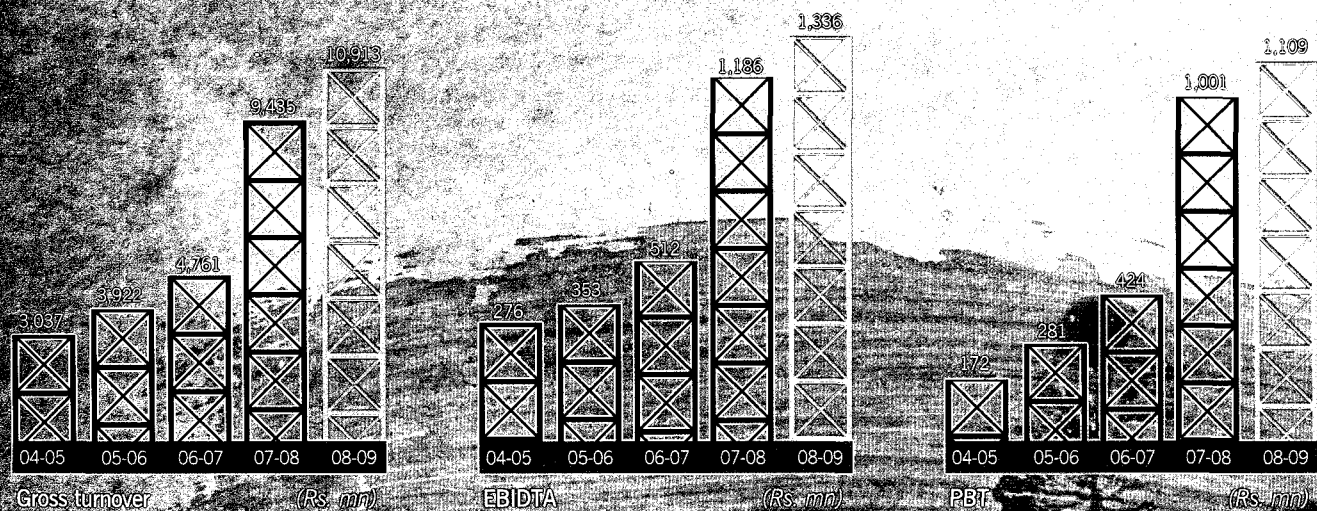
Dr. Birla leaves behind a rich legacy for generations to emulate.

We pay our respectful homage to the departed soul.



Texmaco Limited

# OUR TRACK RECORD



## FINANCIAL HIGHLIGHTS FOR TEN YEARS

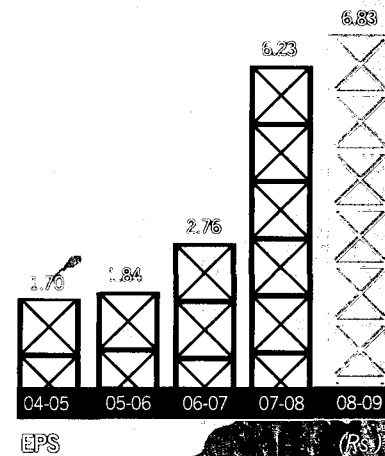
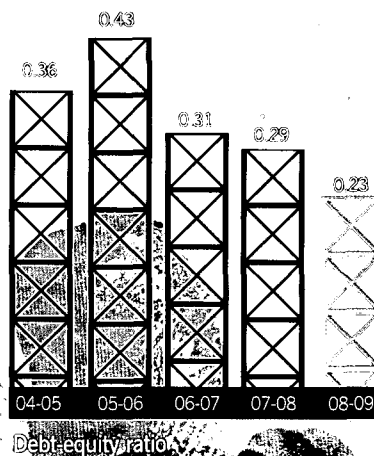
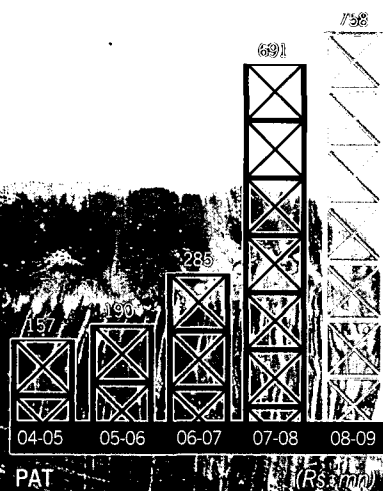
Sl.No.	Particulars	99-00	00-01	01-02	02-03
i)	Gross Sales ▲	14,052.47	15,010.39	9,895.67	12,789.08
ii)	Other Income	259.95	253.39	280.08	449.26
iii)	Gross Profit (PBDT)	533.40	651.58	(436.14)	729.24
iv)	Profit before Tax	282.99	422.28	(690.18)	437.19
v)	Tax for the year	10.00	15.00	(275.41)	298.23
vi)	Profit after Tax	272.99	407.28	(414.77)	138.96
vii)	Extraordinary Items ♦	130.01	120.49	97.73	12.66
viii)	Profit after Tax and Extraordinary Items	142.98	286.79	(512.50)	126.30
ix)	Equity ●	516.34	516.34	516.34	516.34
x)	Free Reserves	6,284.41	6,487.85	6,419.71	5,742.36
xii)	Eq.Share Book Value (Rs.) ♦	131.71	133.76	134.33	119.86
xi)	Rate of Dividend	15%	15%		10%

▲ Invoiced value varies depending on free-issue materials used by the Company for production of Wagons and Hydro-Mechanical Equipment.

♦ Includes Income from Development Agreement relating to Worli Land, Mumbai 03-04 Rs. 1,275.54 lakhs.

● 1:1 Rights shares issued at a premium of Rs. 20 per share in 04-05.





EPS shown for all years based on all Equity Shares outstanding

03-04	04-05	05-06	06-07	07-08	08-09
16,936.39	30,371.98	39,216.52	47,612.75	94,352.84	109,125.45
285.47	226.06	259.30	455.92	596.37	796.95
1,168.05	2,302.00	3,300.74	4,836.63	10,958.15	12,273.12
843.87	1,904.62	2,873.16	4,313.54	10,072.12	11,137.72
208.78	151.90	906.15	1,391.20	3,099.10	3,508.36
635.09	1,752.72	1,967.01	2,922.34	6,973.02	7,629.36
+1,243.92	186.29	65.62	74.73	63.95	45.38
1,879.01	1,566.43	1,901.39	2,847.61	6,909.07	7,583.98
516.34	1,032.57	1,032.57	1,032.57	1,107.83	1,107.83
7,534.00	9,897.43	11,445.60	13,809.99	21,567.28	28,409.95
152.88	103.88	118.78	142.03	206.08	26.64
7.5% *	20%	30%	40%	75%	75%

♦ Computed on Post Right higher equity base of Rs. 1,032.57 lakhs in 04-05 and Equity base of Rs. 1,107.83 lakhs as per scheme of arrangement in 07-08.

\* On Post Rights enhanced Equity Capital.

■ Equity Shares of the Company were split to Re. 1/- Per Share (Previous year Rs. 10/- Per Share) w.e.f. 9th January 2009

Figures have been re-arranged, re-grouped wherever necessary to make them comparable



Texmaco Limited

## CHALLENGES OVERVIEW

The financial year 2008-09 has seen an unprecedented slow down of the world economy. In the ensuing depressing scenario, the two largest countries of the world – India and China – are expected to assist global recovery by achieving growth rates in excess of 6-7 %. India's fundamentals are strong. Fortunately, India has voted for stability in the recent elections through a decisive mandate in favour of the UPA

Government, which would lead to accelerated economic reforms.

A series of measures already taken by the Government have been serving to boost the incomes in rural India, which is providing a sustained stimulus to the domestic demand and spurring all-round growth. The Government, by all accounts, is fully committed to massive investment in infrastructure, including power, road and rail transport etc.

Texmaco, being in the Rail and Hydroelectric Power sectors, inter-alia, is poised for continued growth primarily on the strength of the rolling Indian economy.

The national economy is expected to grow at over 7%, going up to 9% by the terminal year (2011-12) of the current 11th Five Year Plan. The Plan provides for an outlay in the region of USD 80 billion for the Dedicated Freight Corridor project for movement of high speed trains with advanced technology.

This is an ideal setting for Texmaco, an infrastructure company, which is suitably positioned to address the emerging reality with its leadership in the Rail sector over several decades. Texmaco is the largest wagon manufacturing facility with a comparative advantage of outstanding



infrastructure in the industry, supported by an integrated State-of-the-Art Steel Foundry. The Company is set to embark on major product diversification into EMUs & Metro Coaches, Locomotives through Joint Ventures with global leaders.

The prospects of the Company's Hydro-mechanical business too appear attractive. There is a growing preference for renewable energy sources; and a high national priority to maximise the potential out of available natural resources while reducing the import of hydrocarbons. As a result, the development of India's Hydro-mechanical business is not only seen as a vote in favour of a greener world but also a means to strengthen India's energy security.

India is today recognised as a most competitive manufacturing destination in the world with its large reservoir of trained engineers and skilled manpower. This augurs well for the future growth and diversification of engineering industries like Texmaco.

In this backdrop, the Company is aiming to capitalise on its inherent strength built over seven decades, and take a strategic route to leap into the big league to exploit the new challenging opportunities.

In order to prepare itself for the future, the Company has decided to raise equity resources, and a Resolution is being placed before the shareholders in the forthcoming Annual General Meeting of the Company. These funds will be used for speedy expansion and diversification of the activities of the Company.

Finally, I take comfort from the fact that Dr. K. K. Birla, Founder Chairman, was active till the end and lived his life with integrity, values and principles. These values will guide our future destiny in Texmaco.

S. K. Poddar, *Chairman*



Texmaco Limited

## GROWTH TRAJECTORY

Texmaco was founded by the young Krishna Kumar Birla at the age of 21, just before outbreak of the second world war in the year 1939.

Texmaco started as a textile machinery manufacturing company, and has since grown into a diversified multi-business, multi-unit complex with comprehensive engineering capabilities.

- The Company enjoys a rich track record of pioneering a number of products and services for India's core sectors in technical collaboration with top multinational corporations.
- The Company is today leveraging its rich past and preparing for an exciting future. It is embarking on investments, joint ventures and infrastructure projects.
- The Company aspires to continue to be a major contributor to the infrastructural growth story of the country.