

TEXMACO RAIL & ENGINEERING LTD.

Annual Report 2014-15

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The Unfolding Opportunities



The onset of FY '15 witnessed all-round buoyancy in public mood with heightened expectation of bold reforms and new paradigm in governance. The transition called for challenging adjustments to attune with the new pace of developmental strategy required for reaping the demographic dividend and meeting aspirations of the youth of the country.

Texmaco, with its world-class infrastructure, is poised to move in step with national priorities and create significant milestones in its contribution to the country's economy. The company is focusing on the creation of the right platforms through joint ventures with leading multinationals.

The highly professional and systems-driven management of the company is ready to play its part in the growth story of a dynamic India.

Business units



Rolling Stock

- High Payload Stainless / High Tensile Steel Freight Wagons
- Commodity Specific Wagons for Bulk Transport
- Special Purpose New Design Freight Wagons
- Bottom Discharge Coal Hopper Wagons
- Container Flat Rakes
- Tank Wagons
- Defence Equipment Wagons
- Chemical Carrying Wagons
- Auto Car Wagons
- Brake Vans
- EMU Coaches
- Coach Bogies
- Loco Shells & Components



Steel Foundry

Domestic

- High Speed Bogies
- H.T. Couplers
- Draft Gears
- Draw Bars
- Tight Lock Couplers
- CMS Crossings
- Industrial Castings for:
 - Earth Moving Equipment
 - Hydro Power Projects

Export

- High Axle Load Bogie Castings
- Shroud Castings
- CMS Frogs
- Rotary Yokes



Hydro-mechanical Equipment

- Gates in a wide range (Radial, Vertical, Mitre, Flap type)
- Penstocks / Pressure Shaft Liners
- Bifurcation, Trifurcation, Transition, Expansion Joints, Manifolds, Fixed & Rocker Supports and Specials
- Stoplogs / Bulkhead Gates
- Hydraulic, Rope Drum, Hoists, Screw Hoists, Travelling Hoists etc.
- Knife Edge Gate Valve (Screw / hydraulic / Electric Acuator operated) / Filling-in-valves
- Trashracks / Screens
- Trash Rack Cleaning Machines
- Goliath / EOT Cranes / Lifting Beams
- Refurbishment / replacement & overhauling of HM equipment of old hydro projects / barrages



Bridges and other Steel Structures

- Industrial, Power House and Flyover Steel Structures
- Steel Bridges
- Ship Hull Blocks



Process Equipment & Others

- Horton Sphere
- Cryogenic Vessels
- Clay Filter
- Gas Cooler
- Cold Box
- Heat Exchanger
- Agro Machinery

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Corporate Information



Directors

S.K. Poddar, *Executive Chairman*
Ramesh Maheshwari, *Executive Vice Chairman*
A. C. Chakraborti
Sampath Dhasarathy*
D. R. Kaarthikeyan
Hemant Kanoria
Sunil Mitra
Ms. Mridula Jhunjhunwala
Akshay Poddar
D. H. Kela, *ED & CEO (SF)*
Sandeep Fuller, *ED & CEO (HED)*
A. K. Vijay, *ED, CFO & Secretary*

Auditors

M/s. K. N. Gutgutia & Co., Kolkata

Bankers

State Bank of India
ICICI Bank
HDFC Bank
YES Bank
Axis Bank

* Resigned w.e.f. 31st May, 2015



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Email: texrail_cs@texmaco.in
Website: www.texmaco.in

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Kolkata 700 001
Phone: (033) 3057 3700
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Regional Offices

• New Delhi • Mumbai

Works (Kolkata)

Heavy Engineering

• Agartara • Sodepur • Panihati • Belgharia

Steel Foundry

• Belgharia

CIN: L29261WB1998PLC087404

Chairman's Message



'Make in India' Initiative

India is agog with expectations of 'achhe din', but the transformation cannot be done overnight. Doubtless, it will require a longer time horizon for correcting the deep-seated maladies, economy imbalances and broadbasing development moving away from an elitist approach. It would all need patience and perseverance, given the backlog of several decades. This is a truly daunting task to attain deliverance from mass deprivation and gross inequalities. The present leadership of Prime Minister Shri Narendra Modi exudes optimism of a new developmental paradigm to generate all-inclusive growth.

The Indian economy has to realize its full potential to pull millions of countrymen out of a dark alley and provide them self-esteem through job creation and gainful employment opportunities to harness the country's rich demographic dividend. In this direction, the government has already launched major schemes for providing vocational and technical training to build new skills. The National Mission for Skill Development aims at consolidating several initiatives in this regard. The movement for encouraging start-ups is catching up and gaining momentum.

Distributive justice and a general welfare of the masses will need robust GDP growth in a stable environment with the right macro-economic priorities. Innovative schemes will have to be launched across all Ministries to boost economic growth. A number of measures have been initiated by the Government to remedy the virtual paralysis of the economy in the recent foregoing years. But unfortunately, some of the major policy actions, for instance the GST, have been stymied in the legislative process in mindless political wrangles, regardless of the general consensus on substantive provisions. The alternate route of Ordinances is not the solution for such an imbroglio. For a populist country like India, major economic reforms have to be supported across party lines for the people's cause we all profess to espouse.

In addressing the economic issues, we have also to reckon global developments, which impact merchandise exports, rendering the economy vulnerable to external shocks. The softening of crude and gold prices is expected to help contain the Current Account Deficit within 1.5% of GDP. However, the outlook for capital flows remains uncertain as the US Monetary Policy (later in 2015) would substantially affect the capital movement in emerging markets.

For Texmaco Rail, the emphasis of the Government in revitalizing the manufacturing sector with a special priority on the Rail Sector would be conducive to its accelerated growth and diversification programme. This will enable the Company to fulfill its corporate vision of becoming a global engineering enterprise. The 'MAKE IN INDIA' slogan of the Prime minister will need to be backed by appropriate labour market reforms, regulatory framework and an administrative environment to curb unhealthy business practices and facilitate the ease of doing business.

The time is not far when India will earn its rightful place in the Comity of Nations.



S.K. Poddar

Executive Chairman

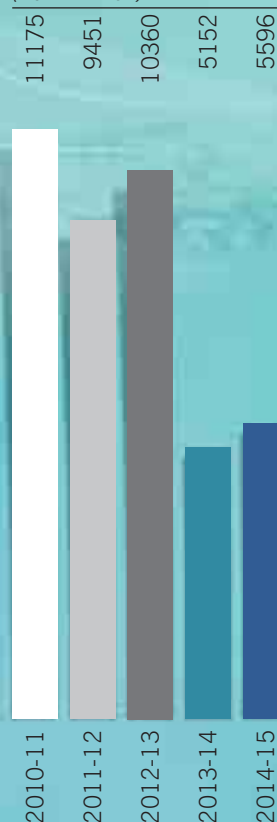


Straitened Business Scenario

During FY'15, the company was navigated through a difficult business environment. The working results were impacted by inefficient resource utilization owing to inadequate Railway wagon orders, aggravated by uneconomic wagon prices and unhealthy industry competition.

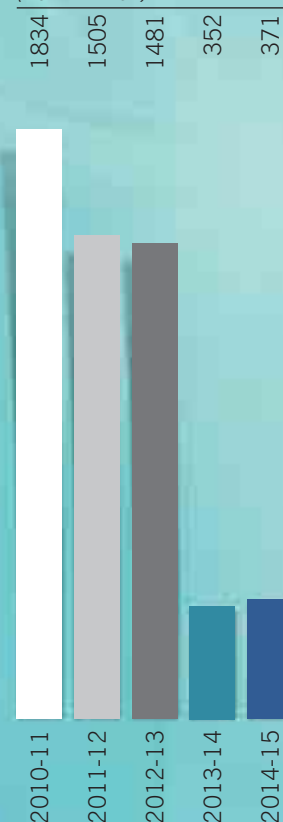
Gross turnover

(Rs. in million)



EBIDTA

(Rs. in million)



Financial highlights for ten years

	05-06	06-07	07-08	08-09	09-10
Gross sales *	39,216.52	47,612.75	94,352.84	109,125.45	112,549.43
Other income	259.30	455.92	596.37	796.95	1,452.96
Gross profit (PBDT)	3,300.74	4,836.63	10,958.15	12,273.12	15,086.20
Profit before tax	2,873.16	4,313.54	10,072.12	11,137.72	13,937.64
Tax for the year	906.15	1,391.20	3,099.10	3,508.36	4,592.03
Profit after tax	1,967.01	2,922.34	6,973.02	7,629.36	9,345.61
Extraordinary /exceptional items	65.62	74.73	63.95	45.38	41.13
Profit after tax (PAT) and extraordinary / exceptional items	1,901.39	2,847.61	6,909.07	7,583.98	9,304.48
Equity #	1,032.57	1,032.57	1,107.83	1,107.83	1,271.83
Free reserves	11,445.60	13,809.99	21,567.28	28,409.95	52,978.05
Equity share book value (Rs.) ##	118.78	142.03	206.08	26.64 *##*	42.65
Rate of dividend	30%	40%	75%	75%	90%