



**TEXMACO RAIL & ENGINEERING LTD.**

Annual Report 2017-18

# Going Global



A journey is only as good as the progress we make, consistently, and on a greater scale than before.

For Texmaco Rail & Engineering, our journey from being a single product manufacturer, to a multi-business entity as a ***total rail solution provider*** has been a story of continuous improvements, innovations and victories. We have made our mark across the length and breadth of the country and strengthened and sustained our position as a key national player. And now, we are treading a step further, moving beyond borders and going global with our strategies grounded, capabilities optimum and vision soaring !



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# Corporate Information

## Directors

- Mr S. K. Poddar, Executive Chairman
- Mr Sandeep Fuller, Managing Director#
- Mr A. C. Chakrabortti
- Mr D. R. Kaarthikeyan
- Mr Sunil Mitra
- Mr Sabyasachi Hajara
- Mr V. K. Sharma
- Ms Mridula Jhunjhunwala
- Mr Akshay Poddar
- Mr D. H. Kela, ED & CEO (SF)
- Mr G. C. Agrwal, ED & CEO (HED)\*
- Mr A. K. Vijay, ED & CFO

# Re-designated w.e.f 15th May 2018  
\* Appointed w.e.f. 15th May 2018

## Company Secretary

Mr Ravi Varma

## Auditors

Messrs L. B. Jha & Co., Kolkata

## Bankers

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

## Registered & Corporate Office

Belgharia, Kolkata 700 056  
Phone: (033) 2569 1500  
Fax: (033) 2541 2448  
Email: texrail\_cs@texmaco.in  
Website: www.texmaco.in

## Kolkata Office

Birla Building, 9/1, R.N. Mukherjee Road  
Kolkata 700 001  
Phone: (033) 3057 3700  
Fax: (033) 2242 5833

## Regional Offices

- New Delhi • Mumbai • Jaipur

## Works (Kolkata)

### Heavy Engineering

- Agarpara • Sodepur • Panihati • Belgharia

### Steel Foundry

- Belgharia

## Subsidiaries

- Texmaco Hi-tech Private Limited
- Bright Power Projects (India) Private Limited
- Texmaco Defence Systems Private Limited
- Texmaco Transtrak Private Limited
- Texrail SA (Pty) Limited
- Belur Engineering Private Limited

## Joint Ventures

- Touax Texmaco Railcar Leasing Private Limited
- Wabtec Texmaco Rail Private Limited

## Registrar & Share Transfer Agent

**Messrs Karvy Computershare Private Limited**  
Plot No: 31- 32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad  
Telangana 500032  
Phone: 040-67162222  
E-mail: einward.ris@karvy.com

## CIN

L29261WB1998PLC087404

# Business Units

Rolling Stock	Steel Foundry	Rail EPC	Traction & Coaching	Process Equipment & Others	Bridges and other Steel Structures
<ul style="list-style-type: none"><li>➤ High Payload Stainless / High Tensile Steel Freight Wagons</li><li>➤ Commodity Specific Wagons for Bulk Transport</li><li>➤ Special Purpose New Design Freight Wagons</li><li>➤ Bottom Discharge Coal Hopper Wagons</li><li>➤ Container Flat wagons</li><li>➤ Tank Wagons (SS &amp; MS)</li><li>➤ Defence Equipment Wagons</li><li>➤ Auto Car Wagons</li><li>➤ High capacity Parcel vans</li><li>➤ Brake Vans (type BVCMI)</li></ul>	<p><b>Domestic</b></p> <ul style="list-style-type: none"><li>➤ High Speed Bogies</li><li>➤ H.T. Couplers</li><li>➤ Draft Gears</li><li>➤ Draw Bars</li><li>➤ Tight Lock Couplers</li><li>➤ CMS Crossings</li><li>➤ Industrial Castings for:<ul style="list-style-type: none"><li>- Earth Moving Equipment</li><li>- Hydro Power Projects</li></ul></li></ul> <p><b>Exports</b></p> <ul style="list-style-type: none"><li>➤ High Axle Load Bogie Castings</li><li>➤ Shroud Castings</li><li>➤ Center Plate</li><li>➤ AAR Yokes &amp; Follower</li></ul>	<p><b>Design, Supply, Installation &amp; Commissioning</b></p> <ul style="list-style-type: none"><li>➤ Main Line Railway Tracks</li><li>➤ Metro Railway Tracks</li><li>➤ Railway Signaling</li><li>➤ Railway Telecom</li><li>➤ Buildings, Platforms &amp; Foot Over Bridges</li><li>➤ Bridges &amp; Culvert for Railways</li><li>➤ Automatic Fare Collection</li></ul> <p><b>Railway Overhead &amp; other Electrification</b></p> <ul style="list-style-type: none"><li>➤ Railways Electrification</li><li>➤ Other Power Supply Installation</li></ul>	<ul style="list-style-type: none"><li>➤ Loco-shells, Bogies &amp; Components</li><li>➤ Coach-bogies &amp; Underframes</li><li>➤ EMU Coaches</li></ul>	<ul style="list-style-type: none"><li>➤ Horton Sphere</li><li>➤ Cryogenic Vessels</li><li>➤ Clay Filter</li><li>➤ Gas Cooler</li><li>➤ Cold Box</li><li>➤ Heat Exchanger</li><li>➤ Agro Machinery</li></ul>	<ul style="list-style-type: none"><li>➤ Industrial Structure</li><li>➤ Fabrication and erection of Steel Bridges in Railways and Roadways.</li><li>➤ Steel/Concrete Flyovers</li><li>➤ Other types of bridges – Concrete and Steel.</li><li>➤ Fabrication and erection of Bailey Bridges</li><li>➤ Ship Hull Blocks</li></ul>

Hydro-mechanical Equipment
<ul style="list-style-type: none"><li>➤ Gates in a wide range : Radial /Vertical/Mitre/Torispherical Flap type/ Hinged type</li><li>➤ Penstocks / Pressure Shaft Liners</li><li>➤ Bifurcation, Trifurcation, Transition, Expansion Joints, Manifolds, Reducers, Dismantling Joints, Fixed &amp; Rocker, Supports and Specials</li></ul> <p><b>Fixed &amp; Rocker Supports and Specials</b></p> <ul style="list-style-type: none"><li>➤ Stoplogs / Bulkhead Gates</li><li>➤ Hydraulic, Rope Drum, Hoists, Screw Hoists, Travelling Hoists etc.</li><li>➤ Knife Edge Gate Valve (Screw / hydraulic / Electric Acuator operated) / Filling-in-valves</li><li>➤ Trashracks / Screens</li><li>➤ Trash Rack Cleaning Machines</li><li>➤ Goliath / EOT Cranes / Lifting Beams</li><li>➤ Refurbishment / replacement &amp; overhauling of HM equipment of old hydro projects / barrages</li><li>➤ Automation of dam &amp; barrage equipments operation through SCADA &amp; ARMAC system</li></ul>





# From the desk of The Chairman



*We have abiding faith in the native genius of our people and their will and determination to rise as an 'United India'. We believe in people empowerment and will continue to strive relentlessly to attain our full potential, given strong national leadership.*

## Inspired India

India has caught the imagination of the world as the fastest growing economy in a democratic framework. There is a new found respect for India on the world stage and an expressive recognition in the comity of nations impressed with the aura of our Prime Minister, Shri Narendra Modi. The economy has gained momentum to reshape India's future. Our country is acknowledged as a dominant global player with its rich natural resources, entrepreneurial mindset and youth power as the core strengths. India ranks world's 7th largest economy based on IMF report of 2018. The Forex Reserves of the country are at an all-time high at over US\$ 400 billion, and the GDP growth at around 7% is faster than in any G-20 country. We aim at a US\$ 10 trillion economy by 2030 to emerge as the 3rd largest in the World, next only to US and China.

The present government is on a mission to transform India, touching the lives of the lowest sections of society. Some of the groundbreaking reforms include 'Aadhar' card creating an identity for every single citizen of the country, which will help the government to deliver the fruits of reforms direct to the intended beneficiaries. The country has been inspired by the Prime

Minister's new Digital India vision. The Government's scheme to provide bank accounts to all citizens, and have them linked to mobile phones and biometric national IDs, has turbocharged digital payments. It is helping to push more of the Indian economy out of the shadows. The year also witnessed a major structural reform of implementation of The Goods and Services Tax (GST) on 1st July, 2017. It ushered 'one nation, one tax' regime. GST is expected to boost the entire tax structure of the country and spur economic growth and investments in the long run. It must be added, however, that the GST, which was defined as a 'Good and Simple Tax', still suffers from quite a bit of complexity.

## Infrastructure Development – Focus on Rail Sector

The Government has accorded high priority to buttress the industrial and social infrastructure in the country, which has suffered from gross under-investment over successive 5-year Plans. It is evident from the Asian Development Bank's report 'Meeting Asia's infrastructure needs', which placed India's investment in infrastructure at a meagre 5.5% of GDP in 2015. According to the

World Economic Forum's 'Global Competitiveness Report for 2017-18', India ranked 66th out of 137 countries in its infrastructure rating. In contrast, the emerging economies in South East Asia spent as much as 7 – 10% of their GDP on infrastructure during their growing years. It is acknowledged that we will have to substantially scale up our allocation on infrastructure to fulfil our aspiration to be the Growth Engine of the world. The 'Make in India' movement launched by the Prime Minister would require India to grow into a major manufacturing hub. It would call for robust expansion of the manufacturing sector as a prime mover of economic growth. The issues bearing on the growth of this sector need to be holistically addressed to create a conducive environment for world class hi-tech facilities.

## Rail Network Transformation

The Government of India has planned unprecedented thrust on improving the rail infrastructure entailing massive outlays on network upgradation and expansion - involving track renewals & doubling, electrification and signalling with advanced Train Protection and Warning System (TPWS). Significantly, the electrification in FY 17-18 has increased 7 times.



The Indian Railways is planning to treble its freight traffic to 3 billion tonnes by 2030 on the back of the Eastern and Western Dedicated Freight Corridors, which are slated to be commissioned by April 2020. This will throw up a huge demand for wagons and locomotives, generating good business for your company as the leading manufacturer in the field.

Texmaco, as the total rail solution provider, with its recent acquisition of EPC companies - Kalindee specialising in track laying & signalling and Bright Power in overhead electrification (OHE), has built a substantial order book thru' successful participation in key railway projects across the country. The company has also secured some major projects in neighbouring countries and expects to tap export opportunities in other countries in South East Asia, Africa and West Asia in the near future.

Challenges in Banking Sector

Lately, the Banks have come under spotlight as a key sector crying out for reform. Banks were nationalised in 1969. Almost 5 decades later, there is a jolt to the entire banking system. State-owned lenders, which account for around two-third of the Sector have a bloated portfolio of stressed loans . Going by reports, some of these banks embarked on an ill-advised lending spree, backing lots of infrastructure projects that got snarled in bureaucracy. Bad loans have piled up, and there is disruption of the normal flow of credit to the trade and industry, demanding swift action including recapitalising the Banks.

International Trade - Borderless World

We are at the crossroads of disquieting global trade conflicts. There is a surge of politicised national identity in the garb of protectionism. The leading powers are overtaken by a skewed view of international trade settlement with all the portents of ugly consequences. The global economy is mired in structural malaise impacted by the spectre of the 'trade war' and rising oil prices. It is hoped that mature leadership of G-7 countries would save the world from plunging into a catastrophic situation.

Building a Knowledge & Happy Society

Our country has, no doubt, a huge demographic dividend. But, we cannot be frittering it away by smugly reproducing illiteracy and poverty, perpetuating the historic legacy of unequal society. Our Constitution mandates that the people have a fundamental right to a fair opportunity of starting out in life given equity and dignity. In our social ethos, we have to find a soul to bring purpose and meaning in the lives of the people.

The vital aspect of Population Management is proper education, failing which the greatest national asset will turn into an unlimited liability. There is a dire need to create millions of jobs for the skilled and not-so-skilled personnel. For sustained economic growth, the key challenge is transformation of our society into a 'knowledge society'. India has about 800 Universities, but these have to distinguish as centres of knowledge to reach global fame and preferred destination for R&D excellence.

Corporates and well-to-do individuals have all to volunteer and share the responsibility to meet the aspirations of the teeming millions to be partners in the growth of the country. Accordingly, our governance model has to target Gross National Happiness (GNH) of the people beside GDP/GNP. India ranked 133rd among 156 countries in World Happiness Index 2018, released by a UN Agency recently.

A Strong India

We have abiding faith in the native genius of our people and their will and determination to rise as an 'United India'. We believe in people empowerment and will continue to strive relentlessly to attain our full potential, given strong national leadership.

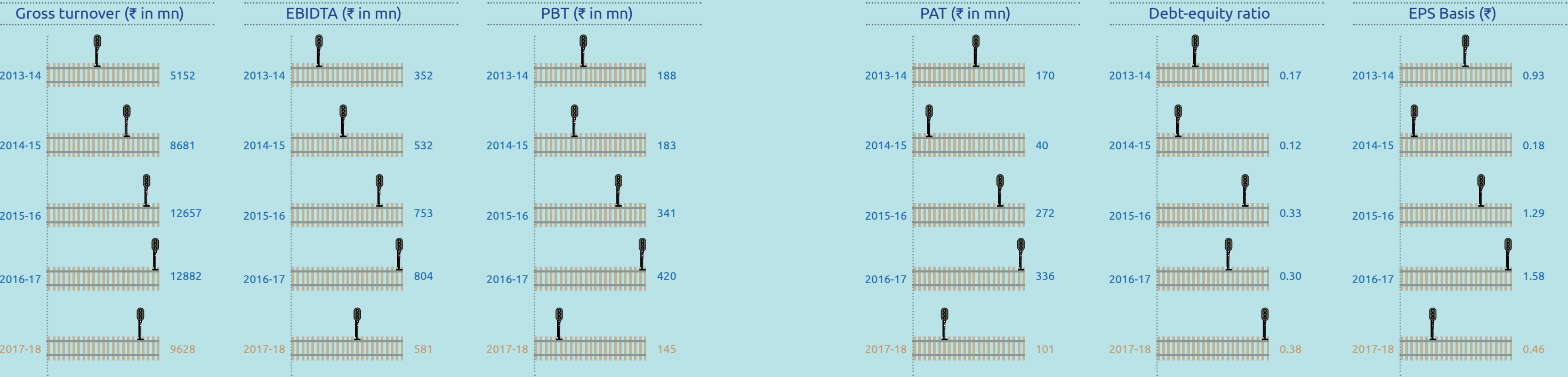


S.K. Poddar

Moments of Joy

Ms. Jyotsna Poddar  
the first lady of  
Adventz Group  
on a visit to  
Texmaco Works





Financial highlights of the last ten years

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15*	FY 2015-16	FY 2016-17	FY 2017-18
Gross sales **	1,09,125.45	112549.43	111750.32	94514.54	103596.50	51,517.43	86808.45	126572.68	128815.71	96275.19
Other income	796.95	1452.96	1866.49	2560.74	3096.69	2,289.02	3184.43	4492.58	4730.61	5159.91
Gross profit (PBDT)	12,273.12	15086.20	18424.71	14543.52	14415.85	3049.72	3499.17	4869.00	5817.36	3321.06
Profit before tax	11,137.72	13937.64	17566.21	13625.72	13476.67	1,875.94	1825.25	3414.27	4201.46	1451.41
Tax for the year	3,508.36	4592.03	5418.16	4320.03	4049.76	178.72	-196.27	693.81	844.16	443.70
Profit after tax	7,629.36	9345.01	12147.60	9305.72	9426.91	1,697.22	400.47	2720.46	3357.30	1007.71
Extraordinary items	45.38	41.13	-	-	-	-	-	-	-	-
Profit after tax and extraordinary	7,583.98	9304.48	12147.60	9305.72	9426.91	1,697.22	400.47	2720.46	3357.30	1007.71
Equity	1,107.83	1271.83	1817.83	1820.27	1820.27	1820.27	2100.64	2192.95	2194.15	2198.28
Free reserves	28,409.95	52978.05	40571.05	47837.94	55135.23	56300.04	97232.94	87476.34	91204.94	93072.00
Equity share book value (H)	26.64	42.65	23.00	27.28	31.29	31.93	47.29	40.89	42.57	43.34
Rate of dividend	75%	90%	100%	100%	100%	25%	25%	25%	25%	25%

\* Figures for the year 2014-15 and onwards are post merger of Kalindee Rail Nirman (Engineers) Limited into Texmaco Rail & Engineering Limited.

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



# Meeting of the Board of Directors

## Board & governance

Our Board of Directors comprise some of the most experienced minds in the industry and they have been at the core of our success as a Company.

Collectively, the Board members bring in a multifaceted array of skills and knowledge that give us the edge when it comes to taking well-rounded

decisions. Under their able and strategic guidance, the Company has successfully dealt with challenges and capitalised on rising opportunities.





# Products



MTV Tank Wagon Rake for transportation of Milk



Electric Locomotive Shell for Alstom being manufactured at Sodepur Works.

BTPGLN Tank Wagon for transportation of Liquefied Petroleum Gas



# Products

Texmaco Foundry  
*recognised as*  
**‘STAR PERFORMER’**  
By EEPC  
for consistent development,  
& Global Accolades.

Export Shipment  
ready for USA.

