

TEXMACO RAIL & ENGINEERING LIMITED

**Texmaco Expects to fare better
in the new business environment**

Financial Results for Q1 (*April-June 2014*) of 2014-15.

Press Note

Texmaco Rail & Engineering Ltd., a 'ADVENTZ' Group Company, has shown a decline in turnover, as expected, for the 1st Qr. April-June 2014. The company had reported earlier that the wagon orders for 2013-14 were released by the Railways as late as in end April 2014. However, the capacity continued to go idle during the first Quarter awaiting final clearances for drawings from Railways, which were received only in end June'14. The matched free supply inputs were also not available from the Railways. The management hopes that there will be marked improvement in the performance of the company from the 2nd Quarter of the year.

The Gross Sales in the first quarter ended 30th June, 2014, stood at Rs. 60.06 Cr. and net loss at Rs.7.84 Cr. against Gross Sales of Rs.165.45 Cr. and net profit of Rs. 11.37 Cr. respectively in the corresponding quarter of the previous year. It was a complete aberration in working after years of smooth and successful working.

For future, the corporate outlook has dramatically changed. The new Government has brought a lot of cheer to the Rail Sector, and the gloom has been lifted by the high priority accorded for accelerated growth of this Sector. The Rail Budget of the Government ushers in a new era with its pronouncement to make Indian Railways the largest freight carrier of the world. The Industry is greatly buoyed with the new policy initiative of the Government for raising the resources by attractive private investment thru' PPP model and the FDI in the select sectors.

The Rail Budget has put special emphasis on Wagon Leasing Scheme which was virtually in hibernation so far.

Texmaco is well positioned on this score thru' its Lease Finance company in Joint Venture with the renowned Touax of France. Besides, the long awaited Eastern and Western Sectors of Dedicated Freight Corridor (DFC) have been put on fast track.

The modernization work of the old Foundry has been completed, and the expanded capacity of the State-of-Art Steel Foundry is ready to make a new thrust on the export front.

The performance of Hydro Mechanical Equipment Division of the Company is appreciably picking up. New enquiries and orders are flowing in. The Company has recently participated in an export requirement for supply and launching of 102.4 mtr span Bridge and is well placed in the tender. This opens vast opportunities for the company in a most promising sector.

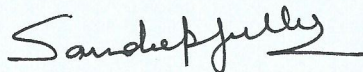
The State-of-Art EMU Coach Manufacturing Unit at Sodepur Works is fully operational, and the first rake comprising nine coaches, manufactured with the technical support of KHI, Japan, is scheduled to be delivered in the current quarter. The Company is exploring earliest opportunity to take up for manufacture of Metro Coaches.

The Company has already successfully taken up the manufacture of locomotive assemblies and components.

Texmaco's JV with the United Group Rail, Australia, expects improved working in the current year. It has secured some Hi-tech export orders for supply of Flexi-curve bogies which will be manufactured first time in India.

The Company's strategic investment in Kalindee and proposed merger proposal will enable it to offer Total Rail Solution in rail segment.

To take full advantage of the emerging opportunities announced in the Rail Budget by the new Government, the Company is looking into the possibility of raising resources to the extent of Rs.300 crore by way of further issue of securities at such premium as may be approved by the Board and subject to the approval of the Shareholders of the Company.



Sandeep Fuller
Executive Director & CEO

Dated: 21st July, 2014