



Texmaco Rail & Engineering Ltd.

Belgharia Works

CIN No.: L29261WB1998PLC087404

GSTIN No. 19AABCT2592E1ZA

8th July, 2021

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra - Kurla Complex
Bandra (E), Mumbai - 400051
Symbol - TEXRAIL

BSE Limited
P. J. Towers,
Dalal Street,
Mumbai - 400001
Scrip Code - 533326

Dear Sirs,

In compliance with the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we write to inform you that CARE Ratings Limited vide its letter dated 7th July, 2021 has rated the following to the bank facilities of the Company as mentioned hereunder:

Name of the Company	Credit Rating Agency	Facilities	Existing Rating	Revised Rating
Texmaco Rail & Engineering Limited	CARE Ratings Limited	Long-term Bank Facilities	CARE A-; Stable (Single A Minus; Outlook: Stable)	CARE A-; Negative (Single A Minus; Outlook: Negative)
		Short-term Bank Facilities	CARE A2 (A Two)	CARE A2 (A Two)
		Long-term / Short-term Bank Facilities	CARE A-; Stable / CARE A2 (Single A Minus; Outlook: Stable / A Two)	CARE A-; Negative / CARE A2 (Single A Minus ; Outlook: Negative / A Two)

Rationale for ratings are as mentioned below:

As informed by CARE Ratings Limited, the ratings assigned to the Company continue to draw strength from the experience of the promoters, long track record, leadership position in domestic wagon segment, diversified operations in the railways segment, Joint Venture with leading technology & engineering and leasing companies and rising demand for commodity specific wagons among private players as well as export destinations. The ratings also factor in the healthy order book position as on 31st March, 2021, though the same has reduced as compared to 30th June, 2020, on account of lower inflow of orders during FY 2020-21.



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The ratings take note of the moderation in financial performance of the company in FY 2020-21 on account of COVID-19 pandemic related impact on order execution and significant increase in raw material prices (mainly steel) during the year which could not be entirely passed on. The net profit has been impacted with lower operating margin and increase in capital charge and accordingly, the debt coverage indicators have witnessed deterioration. Though there has been reduction in inventory levels, the operating cycle witnessed further elongation in FY 2020-21 to 242 days (227 days in FY 2019-20) due to the increase in collection period. The company continues to have significant amount of unbilled debtors as on 31st March, 2021.

The ratings remain constrained by the high working capital intensity of operations, competition in the various business segments of the company and exposure to volatility in the raw material prices.

This is for your information and record.

Thanking you,

Yours faithfully,

For **Texmaco Rail & Engineering Limited**

Ravi Varma
Company Secretary &
Compliance Officer

