

25th July, 2024

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,

We are enclosing herewith a copy of Press Release issued by the Company for your information and record.

Thanking you,

Yours faithfully,

For **Texmaco Rail & Engineering Limited**

K.K. Rajgaria

K.K. Rajgaria
Company Secretary &
Compliance Officer



An adventz group company

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CIN: L29261WB1998PLC087404

Texmaco acquires 100% shareholding of Jindal Rail Infrastructure Limited (“JRIL”)**Expands its wagons market presence, capabilities and product offerings****Cash consideration of Rs. 615 Crores, 8.1x FY 2024 EV/ EBITDA**

Kolkata, 25th July 2024: Texmaco Rail & Engineering Limited, (“Texmaco” or the “Company”) (BSE: 533326; NSE: TEXRAIL) a leading manufacturer of freight wagons and provider of railway infrastructure in India, has announced that it has entered into definitive agreements with Jindal Rail & Infrastructure Limited (“JRIL”), JITF Urban Infrastructure Services Limited, and Siddeshwari Tradex Private Limited for the acquisition of 100 percent of the share capital of JRIL on a fully diluted basis. The transaction is subject to certain adjustments at closing specified in the definitive agreements.

About JRIL

JRIL specializes in manufacturing commodity specific special purpose wagons primarily for the private sector in India. Since operational in 2012, JRIL has delivered over 8,600 wagons to customers in India and internationally. JRIL’s manufacturing facility is located in Vadodara, Gujarat spanning over 123 acres, of which half is currently utilized. JRIL meets the technical and pre-qualification criteria for major Indian and international wagon tenders.

In FY 2024, JRIL manufactured over 1,650 wagons and has the capacity to increase production even further. The current orderbook is over 2,000 wagons which is expected to be delivered over the next 12 to 14 months. For FY 2024, JRIL generated Total Revenues of Rs. 750.11 Crores, an EBITDA of Rs. 84.88 Crores, and a Profit Before Tax of Rs. 57.37 Crores. JRIL is a market leader in the design and development of new commodity specific special purpose wagons, having introduced multiple designs with Indian Railways for use in sectors such as steel, cement and automobiles. These wagons are also suitable for the Dedicated Freight Corridor Corporation (DFCC).

Transaction Overview

Texmaco has agreed to acquire the entire shareholding of JRIL for a cash consideration of Rs. 615 Crores which is subject to certain closing adjustments. The Enterprise Value of JRIL is Rs. 687 Crores and the transaction represents an acquisition FY 2024 EV/ EBITDA multiple of 8.1x. While definitive agreements have been executed today, the transaction is subject to certain conditions precedent for closing which are expected to be completed within 45 days.

Strategic Rationale

1. JRIL is a G-105 certified entity and is focussed on commodity specific special purpose wagons for private sectors and has the ability to supply Indian Railways
2. Texmaco’s technical expertise is set to enhance JRIL’s wagon production with minimal capex
3. JRIL’s 60+ acres surplus land bank enables rapid expansion and flexible manufacturing opportunities for passenger and freight wagons, as well as a components ecosystem
4. Texmaco’s foundry expertise is set to drive future vertical integration at JRIL
5. Unlocking major cost savings through bulk material purchases for Texmaco and JRIL
6. Enhanced EBITDA margins on consolidated basis driven by increased private sector freight car orders
7. Strategic expansion into Western India strengthens Texmaco's national presence

This acquisition marks a significant milestone in Texmaco’s journey to expand its strategic capabilities and market presence, positioning the Company for sustained growth and innovation in the railway manufacturing industry.



Commenting on the Acquisition of JRIL:

“The Adventz Group has always been committed to participating in India’s development. The JRIL acquisition will exponentially boost our participation in domestic and foreign markets, catalyzing the nation’s economic growth” said **Mr. Saroj Kumar Poddar, Chairman of Texmaco**.

“We are ever focused on forming strategic alliances to boost growth and enhance synergies across the industry, and this low-risk acquisition is in line with our overarching vision” said **Mr. Indrajit Mookerjee, Vice Chairman of Texmaco**.

“This acquisition puts Texmaco Rail to have significant lead in Freight Rolling stock market within the country and in international Rail Freight Industry map on a shorter term. This also throws open tremendous opportunities to expand more on the whole Railway Rolling Stock and Component Value Chain with foray into newer product lines. We believe Texmaco Rail with its this expansion in western India will be more emphatically contributing towards Government’s Plan of Atmanirbhar Bharat and Vikshit Bharat” said **Mr. Sudipta Mukherjee, Managing Director of Texmaco**.

The date of the Texmaco Board of Directors meeting to approve the unaudited consolidated financial statements for Q1 FY 2025 will be announced in due course along with a management conference call.

Texmaco Overview

Texmaco operates through three business segments, Freight Car (freight car manufacturing, steel foundry and components systems), Infra – Rail & Green Energy and Infra – Electrical. The Company has six manufacturing facilities, with five located in West Bengal (Agarpara, Belgharia [2], Sodepur and Panihati) and one in Raipur, Chhattisgarh.

The Company manufactures freight cars for Indian Railways, commodity specific special purpose wagons for the private sector and for exports. Texmaco is one of the few companies working with mild steel, stainless-steel and composite materials for the manufacturing of rolling stock solutions. In FY 2024 Texmaco manufactured over 7,200 wagons, its highest-ever production.

The steel foundry, with a capacity of over 45,000 MTPA across two facilities in Belgharia and Raipur, is an integrated part of the Freight Car segment providing railway castings. The foundry in Belgharia is the largest in India accredited by the Association of American Railroads (AAR). The components business is a global sourcing partner for precision fabricated parts, machined systems and solutions. The Hi Tech division manufactures bogies through fabrication processes. Wabtec Texmaco Rail (40.0%) is a joint venture that manufactures railway components for India and international markets.

Saira Asia (51.0%), acquired in June 2024, manufactures interiors for railway passenger mobility and is based in Vadodara, Gujarat. Texmaco Nymwag (51.0%), represents Texmaco’s joint venture with NYMWAG CS to manufacture freight wagons and railway components for Indian Railways, the private sector and export markets. The facility is currently under construction and is anticipated to be operational within a year. Touax Texmaco Rail Car Leasing (50.0%) leases freight cars on long-term basis to private sector logistics and industrial transportation companies in India.

Infra - Rail & Green Energy (including Kalindee, Hydro Mechanical and Bridges) and Infra - Electrical (formerly known as Bright Power). The Texmaco Board of Directors, at its meeting on 14th October 2023, approved a scheme of arrangement for the demerger of Infra - Rail & Green Energy. The scheme has received no objection letters from the BSE and NSE, and is subject to approval of the National Company Law Tribunal (NCLT), Kolkata Bench.



Further Information on JRIL

JRIL, incorporated in 2007 and located in Vadodara, specializes in manufacturing freight wagons. It is situated alongside prominent Tier I and Tier II railway rolling stock OEMs such as Bombardier, Siemens, Alstom, ABB, Plasser, Schaeffler and Conmat. JRIL's manufacturing platform adheres to global best practices and is certified to ISO 9001, ISO 14001 and BS OHSAS 18001 standards.

The facility is equipped to manufacture wagons that meet the Research Design and Standards Organisation (RDSO) criteria. It comprises three covered bays, each 24 meters wide and 262 meters long. The facility is located over 123 acres, with only half the land area currently utilized. It features two full length railway sidings (700 meters each) with connectivity to Indian Railways network. Additionally, the manufacturing site has a power supply of 800 KVA at 440 volts and a 4 MVA transformer.

JRIL is an industry leader in the innovative design and development of wagons:

Commodity Specific Wagon	Description
Bogie Flat Steel Wagon (BFNV)	Designed and developed by JRIL, initial positive feedback from the steel industry
Autocar Taller Wagon (ACT1)	New design automobile carrier especially for SUVs, successful initial trials completed
Bogie Open Steel Wagon Multipurpose (BOSM)	New design open wagon for the steel industry is being developed, prototype wagon commissioned
Coil Multi-Purpose Wagon (CMP)	New design wagons for multiple steel products such as steel coils, plates, billets, TMT as well as containers, are being developed. Order received for design execution and three prototype wagons
Hood Transfer Mechanism (HTM)	Applications for the defence industry

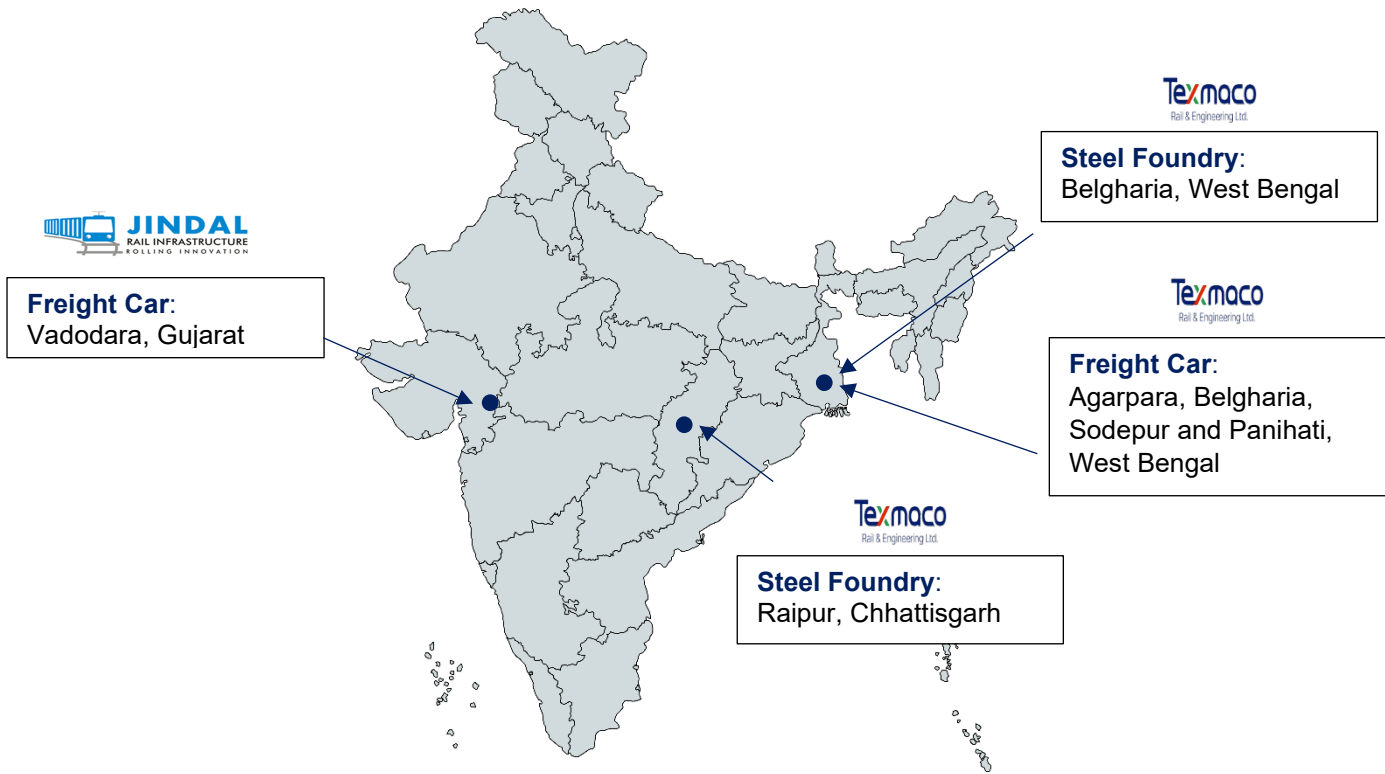
Bogie Covered Autocar Taller (BCATIC)



Bogie Open Steel Wagon Multipurpose (BOSM)



Texmaco and JRIL Combined Manufacturing Platform



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