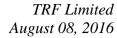


"TRF Limited Q1 FY2017 Results Conference Call"

August 08, 2016









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MR. P. K. TIBDEWAL - CHIEF OPERATING OFFICER - TRF

LIMITED

Mr. Sandeep Tanwar - Vice President, Projects -

TRF LIMITED

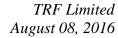
MR. SUBHASISH DATTA - CFO - TRF LIMITED

MR. CHANDAN DUTTA - DEPUTY CHIEF FINANCE &

ACCOUNTS - TRF LIMITED

MR. ANIRUDH IYER - EO TO THE MD – TRF LIMITED MR. T.K. SRIVASTAVA - COMPANY SECRETARY – TRF

LIMITED





Moderator:

Ladies and gentlemen, good day and welcome to the Q1 FY'16-17 results call of TRF limited hosted by Emkay Global Financial Services. As a reminder all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call, please signal the operator by pressing "*" and then "0" on your touchtone telephone. Please note that this conference is being recorded. I would now hand the conference over to Mr. John Perinchery, Senior Research Analyst at Emkay Global. Thank you and over to you Sir!

John Perinchery:

Good afternoon everyone. I would like to welcome the management and thank them for giving us this opportunity. We have with us today Mr. P.S. Reddy, Managing Director, Mr. Subhasish Datta, CFO, Mr. Anirudh Iyer, EO to the MD, Mr. Rajen Sahay, Head Corporate Communications, Mr. Chandan Dutta, Deputy Chief Finance and Accounts, and Mr. T.K. Srivastava, Company Secretary.

P.S. Reddy:

Good afternoon. I have to clarify a bit here on the people who are participating from TRF. Mr. Rajan Sahay is not here, and we have Mr. P.K. Tibdewal, our Chief Operating Officer who is with us and Mr. Sandeep Tanwar, Vice President, Projects is also with us.

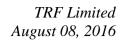
Thanks Mr. Perinchery. Good afternoon to all of you. Thanks for joining on the call with us. As you may have seen from the Q1 results which TRF has declared last week, the net sales and income from the operations on a standalone basis is about 122 Crores as against Rs.77 Crores for Q1 2015-2016.

The net profit after tax is Rs.5.63 Crores for Q1 2016-2017 as against a loss of Rs.20.62 Crores for Q1 2015-2016. As you know this reporting is as per IND-AS, Indian Accounting Standards. TRF Group turnover is Rs.242 Crores and profit after tax is Rs.8.8 Crores for Q1 2016-2017 based on management accounts, and during this quarter all operating subsidiaries have made profit.

So, as we have been sharing with you in the past also, that the prevailing economic conditions are posing challenges to TRF, rather they continue to pose challenges as a result of this the capital goods sector is severely impacted and our order book position as on June 30, 2016 is Rs.900 Crores of which about Rs.550 Crores is project orders and the balance pertains to product, spares and services.

With reference to the application, we have put in to the Board for Industrial, and Financial Reconstruction, there was a hearing held on July 14, 2016 where the BIFR has appointed Bank of Baroda as the operating agency to examine the scheme submitted by TRF and submit their report to the BIFR.

In terms of going forward what we intent to do is, we wish to close those projects, which are now in a very advanced stage. The focus on cost reduction continues, Capability building and





optimizing cost through improvement initiative is being given priority and fast track and our focus continues to improve the share of revenue from the products and the spares business and we are also focusing on restructuring the organization.

So with these few words, I now invite the questions from the shareholders.

Moderator: Thank you very much Sir. Ladies and gentlemen we will now begin the question and answer

session. We have the first question from the line of Abhijit Vara of Sundaram Mutual Fund.

Please go ahead.

Abhijit Vara: Thanks for taking my question. Sir, I have couple of questions, first one is, would you please

elaborate on this restructuring which you just mentioned, organizational restructuring?

P.S. Reddy: I think what we mean by restructuring is in terms of our way or methodology for executing the

projects, typically the projects which involve the power plants, they are given for a duration of about two and a half to three years, but because of various reasons such as non-availability of front, non-availability of land or non-availability of coal linkages, these projects have got delayed and they are getting delayed in the order of three to four years. As a result, you are in a situation where the material has been supplied as per the original contract terms and the material is waiting

projects. That is the first thing we are looking at. Historically if you have seen the greenfield

at the site due to non-availability of front and other such reasons. As a result, your retention money is stuck for a longer period. Originally the duration was three years, now you are ending the project execution say six years to that extent your cash flow is stuck for a longer period. So

the point we are now trying to bring to the table is that whenever the site is not available and it is not fully made available, part availability of front is not going to help unless the front is fully

available, we will not be manufacturing or supplying to that site. So the change is that you will be sending the materials only on a just-in-time basis to the site when the front is available for

erection. This is the kind of change we are trying to bring in. We are also trying to bring in a

change in terms of strengthening the organization by way of putting a contract administration team in place, which would look at the end-to-end project execution and make sure that unless

the site is not ready, no manufacturing or dispatch clearance would be given.

Abhijit Vara: So your working capital would be more disciplined going forward?

P.S. Reddy: Absolutely, I think today the concern remains is that if you do not adhere to the contract terms,

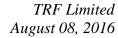
there would be risk of LD for the delay by the customer, but the point is that when the front itself is not available, the question of imposing LD does not arise. So these are the kind of commercial

discipline we wish to bring into the system, so that the cash flow is not impacted severely.

Abhijit Vara: Sir what is the updated retention money situation as of Q1?

P.S. Reddy: As of Q1 we have about 300 Crores of retention money, which is there and this is largely because

of three major projects I think which I mentioned in the last conference call also. The three large





projects, which is DVC, Barh and Vindhyachal. These are the three projects, which are at a very advanced stage. These three itself account for nearly 100 Crores. Our focus is on collecting this retention money. And on the smaller projects also, we have been able to complete and collect the retention money over the last six months. I think this has been mentioned, if you see, the annual report itself talks about. We have also made efforts to collect the retention money for some of the projects against the bank guarantees. So the effort is to complete the projects, collect retention money, wherever there are challenges in completing the projects, we have made request to the customer and submitted the bank guarantee and collected the money, so that the cash flow is not affected.

Abhijit Vara: I was wondering this time consolidated accounts are not made available. Is it because of IND-AS

the change in accounting system?

P.S. Reddy: Yes please. I request my CFO to throw some light on this.

Subhasish Datta: As you know that every company was working on this IND-AS, so we have been also doing this

thing in the first quarter of 2016-2017, we have done that management account but then we had to take a call that SEBI has allowed this thing instead of going for that limited review, we will just give that information on the management account basis. In September 2016, we will come

out with the CFS.

Abhijit Vara: Consolidated financial?

Subhasish Datta: Yes.

Abhijit Vara: Sir just two more questions from me. One is in the order book you mentioned the couple of slow

moving orders and also given a break up between project and product. In the projects specifically

what will be the slow moving orders?

P.S. Reddy: In the project there is no slow moving order as on date.

Abhijit Vara: Also the press release we have mentions, gives a picture that the subsidiaries are doing

incrementally better compared to last year. The standalone is also doing better, so what would you ascribe this improvement in performance. Is it because of some cost control or higher

turnover is leading to better for operating leverage if you could please elaborate Sir?

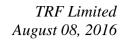
P.S. Reddy: I think I have been bringing attention of all of you that there are three things which have been

environment as such that it continues to be a challenge, so given that environment continues to be a challenge we have looked at the major factors in our control...One of the major factors in our control is cost reduction that is where the focus has been. Second focus has been on the

impacting our performance for the past couple of quarters. So one is the general economic

collections, so that is important for us to improve the cash flow, which is a big, big major

challenge and the third thing we have looked at is wherever possible how do you optimize and





bring in design changes to reduce both cost and time. These are the levers, so just now the performance improvement in Quarter 1 as far as subsidiaries is concerned there is a particularly the subsidiaries in the auto sector is concerned there is a good improvement in the demand and therefore they have been able to do well. The topline is better and therefore correspondingly the bottomline is better and there have been some cost reduction efforts that have been made by the subsidiaries that have also added to the bottomline. As far as rest is concerned the impact is more because of the cost reduction efforts that the team has initiated.

Abhijit Vara: How about the tractor division Sir?

P.S. Reddy: The tractor division you mean the trailer?

Abhijit Vara: Yes.

P.S. Reddy: It is the trailer business is doing well as of now.

Abhijit Vara: So can we expect the current quarter performance to continue in the sense that profitability

improvement and the topline growth, broadly in terms of whatever you are seeing in terms of the

trends?

P.S. Reddy: I would say that the economic environment as well as the commercial vehicle sector is concerned

in the country has been doing well and barring any no major unforeseen circumstances I think the

growth in this sector...

Abhijit Vara: Yes and the standalone should also see this trend?

P.S. Reddy: Standalone, the challenge for us just now is the order book that is where the focus is. The order

book and cash flow for standalone continues to be a challenge, barring this cost reduction efforts

are continuing.

Abhijit Vara: Just one clarification, at Rs.900 Crores I think you are fairly covered in terms of the topline

which you can execute and achieve?

P.S. Reddy: When you look at this 900 Crores it has got now project orders of which largely the TRF owned

items, we more or less completed the supply and now it is largely on the bought out items and the spares and services. In order for us to do well, we also need to load our plants where the order

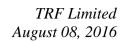
book matters.

Abhijit Vara: BIFR how different will the things be once BIFR is implemented?

P.S. Reddy: First is we will be getting the clearance from BIFR for our schemes. The good news is that at

least now there is an operating agency in place. The operating agency is required to study our

scheme and submit it to the BIFR and we are now hopeful that this approval we should be able to





get it in the next few months or so. Once the approval comes we will be putting our plans in place and implement that. Once we do that implementation, I am sure we will be in a much better position then what we are at present. And this proposal is turning around on our own, without seeking any sacrifice from any of the financial institution.

Abhijit Vara: Sir, you are not looking at increasing any equity from the major shareholder?

P.S. Reddy: I am saying that all these are part of the proposals. Now what extent these proposals would be

reviewed and approved is still not known.

Abhijit Vara: I will get back to queue. Thank you.

Moderator: Thank you Sir. We have our next question from the line of Raj Kumar from Fortune Financials.

Please go ahead.

Raj Kumar: Good afternoon everybody. Sir, my main question is around the quantum of retention money,

you mentioned is at around 300 Crores. One I wanted to ask what is the challenge in collecting this retention money because last two to three quarters we have been hearing from the management that this quarter enough amount of retention money will be obtained from the customers against which provisions have been made. So I am basically looking at receiving the retention money against which the company has made provisions, those provisions will be

written back and networth will turn positive. That is my major question.

P.S. Reddy: I think when you talk about the 300 Crores of retention, the retention money is payable only

when the performance guarantee is completed.

Raj Kumar: My question is in the next one or two quarters what is the expectation of collecting this retention

money against which in the past provisions have been made, which actually led to major losses in

the company last year?

P.S. Reddy: I think I need to bring in a little bit of a clarity. I think the major losses that have been made is

not because of the provisions that have been made. The key factors for our major losses has been

the cost increase in our project.

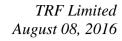
Raj Kumar: But I understand there is a part of retention money of 300 Crores against which provisions have

been made. Am I correct?

P.S. Reddy: Correct, you are right absolutely.

Raj Kumar: How much is that retention money against the provision that has been made?

Subhasish Datta: About 20 Crores is the retention money provision that has been made.





Raj Kumar: We expect to collect the collection money in the next one quarter?

Subhasish Datta: I think I would like to differentiate two things. One is your focus is on how much of this

provision of retention you are in a position to collect over the next one quarter.

P.S. Reddy: The point I was mentioning in my initial opening remarks was that the focus is on the entire

retention money of 300 Crores you will need to try and collect to improve the cash flow of the organization. The question is as per the policy where within one year or so if you do not collect there is certain percentage of the retention money, which is provided for. Out of this 20 Crores, which we have been provided for we find in about two projects we have reasonable chance to

collect the retention money and write back the provision.

Raj Kumar: Sir that will aggregate how much?

P.S. Reddy: As of now, unless we are in a position to engage with the customer and reach that agreement we

will not be able to put a number right now. So may be, I think once we complete the job in the subsequent conference calls we will be in a position to talk about these numbers with certainty.

Right now the engagement is on.

Raj Kumar: Thank you.

Moderator: Thank you. We have a follow on question from the line of Abhijit Vara of Sundaram Mutual

Fund. Please go ahead.

Abhijit Vara: In the annual report there is a mention of dividend income from subsidiaries of 21 Crores nearly

given to the parent. Is all the money received or some portion is yet to be received?

P.S. Reddy: Part of the money we have received, partly we have not yet received.

Abhijit Vara: So, would it be 50% Sir?

P.S. Reddy: More than that.

Abhijit Vara: More than that. Also this execution period for the products order book as of now I think 350

Crores will be products and spares and services. What will be the execution period for this order

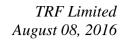
book?

P.S. Reddy: The execution period would vary anywhere between I would say next eight to 18 months.

Abhijit Vara: Okay and some outlook if you can throw on the products division order flow Sir?

P.S. Reddy: Let me just get back to you first for the Q1 and also to the last year at this stage. Last year at this

time we had very good order book for products. I think you must have seen in our report also for





the annual report that we had record order booking as well as products is concerned for the last financial year despite challenging economic conditions whereas in the first quarter which has gone by, we are not able to see that kind of orders getting confirmed. Challenge we are facing just now is the time taken by the customers in converting enquiries into orders. So that is the challenge, but you know going forward we are hoping that in the next three to six months things should improve and we should be in a position to get some of these enquiries which are should get converted into orders.

Abhijit Vara: This will be majorly power is it?

P.S. Reddy: Yes generally power.

Abhijit Vara: Any other industry you get into Sir apart from power?

P.S. Reddy: Our key sectors are power, steel, mining and ports. These are the four sectors where just now

when we are talking I think it is for bulk material handling systems and equipment, it is the power sector we are talking just now, but otherwise for the port and yard equipment the enquiry

from port sector we are expecting that in the next three months time things should be on.

Abhijit Vara: Sure out of this Rs.350 Crores, how much will be from power and how much from others?

P.S. Reddy: Out of this Rs.350, just give us sometime I will get back, just give me five minutes.

Abhijit Vara: Sure Sir and the repayment for the current year Sir, what would be the debt repayment for current

year, would you be able to make it on time?

P.S. Reddy: No you are talking about debt repayments in terms of the loans, which we are making repayment

or the working capital repayment?

Abhijit Vara: Loan Sir?

P.S. Reddy: The loan, we are on time as of now. We have not yet we have not breached even one.

Abhijit Vara: The growth in the turnover I have just realized that it is not coming at cost of increase in interest

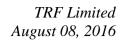
rate, is it because the working capital intensity itself coming down, I know that you have mentioned that retention money you are trying to reduce and improve the efficiencies of working

capital, but the working capital loans are also coming down Sir year-on-year?

P.S. Reddy: Working capital loans are not coming down year-on-year, as I said the challenges, if you are not

able to complete the PG details and collect retention money of the old projects your working capital because of the ongoing projects will increase that is the challenge we have just now which

is what is now our key concern and also the key focus area.





Abhijit Vara:

The interest cost; however, is not growing in tune with the revenue, so somehow it is getting controlled?

P.S. Reddy:

Yes it is, that is what, as I said the last year the effort we have said that wherever we are not in a position to conduct the PG test and collect the retention money or you have conducted the PG test, but you have not been able to close some of the items in the project and collect the retention money we have engaged with the customer against the bank guarantee we are able to secure the money, so that the cash flow is not impacted. So that effort is helping us.

Abhijit Vara:

When do you think EBIT will be positive Sir?

P.S. Reddy:

I would say that we want to make it EBIT positive as early as possible, but I say that you know it will take at least I think at least a year for us to come out of the current cash flow condition, it is only cash flow which is actually impacting our EBIT.

Abhijit Vara:

Are subsidiaries EBIT positive Sir?

P.S. Reddy:

Yes, please.

Abhijit Vara:

Thank you.

Moderator:

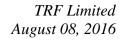
Thank you Sir. We have a next question from the line of Aravind Joshi from Bateleur Advisors. Please go ahead.

Aravind Joshi:

Can you just share with us some more flavor about how our subsidiaries are doing, the kind of margins these are doing and basic outlook for each of the segments that they operate in and what kind of footprint do you have in our exposure to the cement sector in the parent company?

P.S. Reddy:

I think as far as the definite margins of the subsidiaries is concerned this is not in the public domain, we will not be able to share this, but definitely we will be able to give you the general outlook of these subsidiaries. So as I said the subsidiaries we have in the auto sector, which is York, DLT, Adithya Automotive Applications, given that the sector has improved their performance also improved and they are doing well. Particularly the subsidiaries in India both Tata DLT and Adithya Automotive Applications, so they are doing well because the commercial vechicle business has been doing well and going forward but for major unforeseen circumstances these subsidiaries should do well. In terms of which is our subsidiary in UK just now it is despite the global economic conditions and challenges they have because of the pound getting depreciated they are able to make profit in Q1 and we hope that the situation should continue and the company has taken the measures to cut down cost and improve margins, so hopefully going forward as the economic situation improves HRIL also should do well.





Aravind Joshi:

And looking at the improved scenario do you envisage some more capital investment needed in the subsidiaries to expand capacities or you feel we are reasonably covered for the next couple of years?

P.S. Reddy:

I think, you know, if you look at, I will take you back three or four years ago before the recession impacted us globally if you look at York for example, York if I remember the turnover was nearly I think 17 million three, four years ago from there we have to go back to that level I think it will take us at least another one to two years, after that only we will be in a position to think of capacity expansion, so same is the case with I would say the other subsidiaries we have enough capacities, so which should see us at least next couple of years before we think of making investments, this of course nothing to do with the general, you have nominal capex, which you always try to invest to debottleneck that in facility still continue, but the major expansion, no.

Aravind Joshi: And in the parent company any exposure we have to the cement sector?

P.S. Reddy: We have no exposure to the cement sector at all.

Aravind Joshi: Can you tinker around a bit and cater to the anticipated demand for the sector?

P.S. Reddy: Which we are looking at absolutely, so, we are looking at this sector because this is one sector,

which we have not tapped.

Aravind Joshi: Thanks.

Moderator: Thank you. Mr. Joshi. Our next question is from the line of Sushil Joshi from Indus Equity

Advisers. Please go ahead.

Sushil Joshi: In view of the previous gentleman asking you the question on subsidiaries, can you highlight on

DLT & York what is the rated capacity we are operating and what is the established capacity

today and what kind of orders are on hand?

P.S. Reddy: See, these are not in capital goods industry where you will look at the orders on hand, the order

would come in on an ongoing basis and we keep servicing done. This is typically you know,

operation and maintenance kind of sector. It is not capital good sector per se.

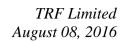
Sushil Joshi: Yes, but you will commercial vehicle business taking 15% to 20% growth year-on-year DLT &

sector dependence compared to east or west, India and surrounding nations would have done better for you and in the past York & DLT both have always given what kind of rated capacity

York have been significant beneficiary specific in India and Sri Lanka being stable on the same

we had or what kind of production operation we were achieving on quarter-on-quarter based on numbers not being given to ask at least if you can share that what is the utilization level do we a

ramp up quarter-on-quarter? What is situation on that?





P.S. Reddy:

See for example just to give you a flavour, if you look at York India just now it is operating, I think on two shift operations basis, it is going full. If the demand improves we many go for third shift also and York China these are the two manufacturing facilities of York India and China major manufacturing facilities. In China as we have clarified in the past, we have consolidated all those from a two plant location to one plant where again we are operating only in now two shifts, so there the team is trying if the demand improves we can go to the third shift as well. In terms of the DLT, DLT has got enough capacity and the order load has to improve in order to increase capacity utilization, but in term this capacity again would depend on the mix because they make different types of trailers. Just now given the current order load, I would say that the operating capacity is, I would say not more than it is 50% to 60% on DLT.

Sushil Joshi: How is the pricing environment, both locations?

P.S. Reddy: Pricing continues to be a challenge both for the DLT as wall as York. That is you know just now

in the market you do not have pricing power, but to overcome these challengers York is looking at developing and pushing new product into the market to improve the margins under topline.

Sushil Joshi: When you say improving margins, what kind of margins are we looking at?

P.S. Reddy: See, I will not able share the margins because this is something, which is not in the public

domain so may be we will come with kind of MIS going forward which will help you to

understand reasonably the margins of the subsidiaries.

Sushil Joshi: Are we able to sustain with interest servicing and other factors, depreciation on both the plants

with 60% capacity utilization?

P.S. Reddy: We are.

Sushil Joshi: So any improvement would lead to operational benefit to the parent company?

P.S. Reddy: Yes it will.

Sushil Joshi: Can you just share the current debt status of the parent company and at consolidated level?

P.S. Reddy: Yes, consolidated accounts we do not have when the public domain we are sharing with you as

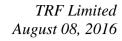
March 31, 2016. So the CFO will give you on update on this.

Sushil Joshi: So, those numbers are there in the balance sheet?

P.S. Reddy: Yes. I think you have correct.

Sushil Joshi: Yes, if you have can give me standalone now when you cannot give me consolidated might as

well give me standalone for the local and then we will calculate?





Subhasish Datta: Standalone debt is 410 Crores.

Sushil Joshi: As of June 30?

Subhasish Datta: As of June 30 correct.

Sushil Joshi: How much was long term and how much working capital out of that?

Subhasish Datta: Long term and working capital out of this, yes long term will be around 102, short-term will be

around 260.

Sushil Joshi: Against that what is the receivable numbers as of June 30, between retention and otherwise again

sales?

Subhasish Datta: Around 488.

Sushil Joshi: How much do you anticipate receiving this year out of 488?

Subhasish Datta: Out of 488 we should be able to easily collect, I think nearly 200 Crores.

Sushil Joshi: 200 Crores and what are the rate of interest being charged in view of BIFR status.

Subhasish Datta: I will not say we have BIFR status but I will give you the average interest is around 10.75 is what

we are paying.

Sushil Joshi: In the current order book what is the order from Tata Group Companies whether Tata Steel or

Tata projects?

Subhasish Datta: Tata Steel project I would say, we have more or less executed, I think the balance order load

would be about 100 Crores.

Sushil Joshi: The balance order book is from external sources?

Subhasish Datta: External.

Sushil Joshi: What is the number of projects? Are we L1 in what size of projects?

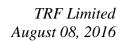
Subhasish Datta: As of today, there is no project where we have become L1 and order is not it awarded. We do not

have situation where we have L1 and orders is not yet awarded.

Sushil Joshi: What is the pipeline projects which we have bidded for what size?

P.S. Reddy: We are bidding for coal handling projects for power plants and also for the equipment typical

equipment we have been handling.





Sushil Joshi: Any size was visibility in terms of what we have ordered we have bidded for?

P.S. Reddy: This would vary from project-to-project. If it is difficult coal handling project it could be

depending on that there is customer is giving you with civil and structural or without civil and structural it will be varying anywhere between say 200 Crores and 400 Crores. It is very difficult

to generalize this. It would be varying from project-to-project and from customers.

Sushil Joshi: Thanks a lot and I will back if there are any further questions.

Moderator: Thank you. The next question is from the line of Sunil Kothari from Unique Investment. Please

go ahead.

Sunil Kothari: Thank you very much. Sir on your opening remarks you have given some numbers of

subsidiaries 246 Crores and 8.8 Crores some profit or something? Can you repeat please?

P.S. Reddy: See, what I mentioned is that the consolidated account as we have said, we have not reported

they are based on the management accounts we said that the TRF Group turnover, but the Q1

2016-2017 is 242 Crores with a PAT of about 8.8 Crores.

Sunil Kothari: Secondly this 550 Crores order book of projects, which are going on, which are stuck up what is

the status and something more on this project?

P.S. Reddy: These are basically the project we are doing for BHEL, NMDC Nagarnar and we are also doing

project for Bhushan. These are the large three projects.

Sunil Kothari: Okay, but at the project going as per plan or there is a delay like in some of the corporate are

delayed by almost three to four years?

P.S. Reddy: Correct these are all the projects, which we have bagged two to three years ago so the two

projects, I have mentioned are the two non-NTPC project apart from this NTPC project is the

Nabinagar project which is major project. As of now all this projects are delayed.

Sunil Kothari: Okay, so any activity from our side is going on this project?

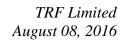
P.S. Reddy: Yes, we are working in all these three projects.

Sunil Kothari: Okay, but these are delayed?

P.S. Reddy: Yes, because when you compare with the original time line, they are delayed.

Sunil Kothari: Sir, next question is what we hear sometime is regarding products what we are trying now is

focusing on product to supply to project right?





P.S. Reddy: Yes.

Sunil Kothari: So, the enquiry is good, sometime orders also come but when the time of execution lifting comes

these are delayed and we hold on inventory. Is there any type of situation or we are facing because ultimately our product gets completed the project and when projects get completed or

commissioned then on the some of our product may be used so any light on that?

P.S. Reddy: Absolutely you are right, I think that this not only TRF entire sector is impacted by this, but the

message is that are you choosing those the product orders which are related to a major project or are you choosing a standalone product order, that was makes the different. For example, if we

look at they are you trying to supply a stacker reclaimer for a power plant where your customer

has taken coal handling project as a whole and you are only supplier of stacker reclaimer or you

have taken stacker reclaimer order from my customer which has got nothing to do coal handling

project, that is what in you are trying to look at.

Sunil Kothari: What is our position currently, you feel any, say in the June quarter we completed, any product

which we prepared or we manufactured but not lifted by customer, any major incidence or is that

just minor?

P.S. Reddy: I can tell you there is no, I think no. there are projects where we are impacted because of the site

related issues. We are having this challenge. The challenge is not new. This is there at least three

years.

Sunil Kothari: So, we are holding on those products, as we are moving?

P.S. Reddy: We are holding on because no point in our pushing it in to the site, because as it is already some

material has already been dispatched and it is waiting at the site, there is no point in further

creating cash positions.

Sunil Kothari: Sir, last question is we said group turnover is 242 Crores and 8.8 Crores PAT?

P.S. Reddy: Yes.

Sunil Kothari: So, standalone what is PAT roughly 562 lakhs or 5.5 Crores?

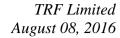
P.S. Reddy: Yes.

Sunil Kothari: So, one can attribute another 3 Crores of the subsidiaries?

P.S. Reddy: Yes, another 3 Crores correct.

Sunil Kothari: Great and last thing is our total interest cost annualized is roughly 60 Crores consolidated as per

last year's balance sheet?





P.S. Reddy: Correct.

Sunil Kothari: Around 12 to 13 crores depreciation, so almost 6-7% of the revenue which was last year at

around 11-1200 Crores is going towards the interest and depreciation so are we seeing any business where we are seeing double digit margins or we are yet stuck of between 4% to 6%

operating margin?

P.S. Reddy: Yes, see that what the focus is that when I talked about the mix when you say the project versus

product order, precisely the reason for focusing on product order is to improve the mix and

therefore the margins that is reason.

Sunil Kothari: But Sir product we cannot make this 500 Crores, 1000 Crores business. It will be very limited. So

what is the long-term strategy of the Group? It can be aligned with Tata Project or can we repay debt by utilizing any business or assets or selling something or any long term plan to revive this company or this will go on last three to five years where for the last 10 years, we are observing

then your topline will come down for the 1100 to 1200 Crores to may be 800 to 900 Crores. So

this sometime some problems comes we try to solve it out, somebody comes, somebody goes, why, there is permanent solution? I am really not able to understand Sir, please if you can

elaborate?

P.S. Reddy: I think let me there is no there are two or three things one is that is revival plan is not in the

public domain.

Sunil Kothari: But is there a revival plans?

P.S. Reddy: Yes, there is revival plan, which we have submitted to BIFR.

Sunil Kothari: Because of we are hearing this since last three to five years.

P.S. Reddy: Okay, so unfortunately, I will not be able to comment on this.

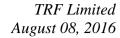
Sunil Kothari: That is problem in every three years we hear.

P.S. Reddy: Let me just say. Three years to five years ago if you are saying that there has been a revival plan,

I am saying that what is the fate of the revival plan, I am only responding to that, but unfortunately, I will not be able to comment on that, but definitely I will tell you that we have put in a turnaround plan which is under the active consideration of BIFR. The operating agency is looking at it. So you have to wait sometime for the operating agency to clear that BIFR plan

before we make it public.

Sunil Kothari: This would be within the next six months or year?





P.S. Reddy: Definitely, I mean, you will see the actions and you will see the results over the six to nine

months.

Sunil Kothari: Thank you.

Moderator: Thank you Sir. Ladies and gentlemen that was the last question. I would now hand the floor back

to Mr. John Perinchery of Emkay Global for closing comments. Over to you Sir!

John Perinchery: I would like to thank the management once again. Thank you and have a good day.

P.S. Reddy: Thanks a lot. Thank you.

Moderator: Thank you Sir. Ladies and gentlemen, on behalf of Emkay Global Financial Services that

concludes this conference. Thank you for joining us. You may now disconnect your lines.