



Ref : SEC:152

Date :17.06.2019

General Manager – Corporate Services
BSE Ltd.
Floor 25, P J Towers
Dalal Street
MUMBAI - 400 001

Scrip Code: 505854

Manager Listing
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (East)
MUMBAI – 400 051

Scrip Symbol : TRF

General Manager
The Calcutta Stock Exchange Ltd.
7, Lyons Range
KOLKATA - 700 001

Scrip Code: 10030045

Dear Madam/Sir,

Subject: Update on Investors' Conference Call of TRF Limited (“Company”) to be held on June 17, 2019.

This has reference to our letter dated June 12, 2019.

Please find attached herewith an update on Investors' Conference Call of TRF Limited to be held on June 17, 2019 at 4.00 p.m.

This intimation is being provided in compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and records.

Thanking you,

Yours faithfully,
For TRF LIMITED

A handwritten signature in blue ink, appearing to read 'Subhashish Datta'.

(Subhashish Datta)
Company Secretary & Compliance Officer

Encl: As above

TRF Limited

We would like to inform that our Wholly Owned Investment Company, TRF Singapore Pte Limited (TRFS) has signed the Share Purchase Agreement (SPA) with Canyon Point Holdings Pte Limited (Canyon) on May 17, 2019 to divest the entire shareholding (1,52,306,150 ordinary shares) of its subsidiary, Dutch Lanka Trailer Manufacturers Limited (DLT). DLT has its headquarters in Colombo, Sri Lanka and is engaged in the business of manufacturing port and road trailers for export markets at Sri Lanka. DLT has a 100% subsidiary Dutch Lanka Engineering (DLE), of Sri Lanka and is engaged in the business of manufacturing road trailers, for the domestic Sri Lankan market. The gross consideration of this transaction is Rs 30 crore on cash-free debt-free basis.

In an another arrangement, DLT has signed another Share Purchase Agreement (SPA) with Canyon Point Holdings Pte Limited (Canyon) on May 17, 2019 to divest its entire shareholding (85,400 ordinary shares) representing 50% stake in its Joint Venture Company, Tata International DLT Limited (TIDLT). TIDLT is one the largest semi-trailer manufacturer in India. The net equity consideration of this transaction is Rs 137.50 crore.

TRFS appointed Ernst & Young Merchant Banking Services LLP and BDO India LLP, as independent valuers, for valuation for both DLT (including DLE) and TIDLT. The consideration offered by Canyon for the proposed sale/divestment is in line with the valuation report of these independent valuers.

Proposed divestment is in line with the objective of creating long term value for its shareholders by reviving the financial health of the Company. The Board of Directors of the Company at its meeting held on May 17, 2019 has accepted the proposal of divestment from its subsidiary TRFS, subject to shareholders approval. The proposed transactions will consummate upon fulfilling the conditions precedent including TRF Shareholders approval and other various regulatory approvals in accordance with the Share Purchase Agreements. In this regard, the Company is seeking shareholders approval by the way of Special Resolution through Postal Ballot dated 17 May 2019 for divestment of 50% shareholding in TIDLT held by DLT and entire shareholding in DLT (including DLE) held by TRF Singapore Pte Ltd.

The Management believes this divestment will help the Company in reduction of the total borrowings of the Company from the Banks, which was Rs.211.17 crore as on March 31, 2019 on a standalone basis. High borrowings has caused increase in cost of debt to Rs.60.86 crore, as on March 31, 2019 on a standalone basis. The proceeds from this divestment will generate cash flow of approximately Rs.120 crore. The capital profit generated out of these divestments will help the Company to reduce its negative net worth of Rs. 67.10 crore, as on March 31, 2019. This will further enable the Company to participate in the tendering process to obtain orders which will ultimately accelerate the performance of the Company.

Way forward

Going forward, the company plans to expedite closure of ongoing projects, focus on execution of captive orders, pursue growth in life cycle business and structural fabrication business, improve operational efficiencies, explore options for restructuring of remaining subsidiaries, optimize working capital and build human resource capability.

Disclaimer

Statements in this note describing the Company's performance may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, inferred or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company/subsidiaries operate, changes in or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/or other incidental factors.