TIL Tractors India



Driving Integrated Excellence

TIL Limited Annual Report 2009 -10

Forward-Looking Statement

In this Annual Report, the forward-looking information if any, is for enabling investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccuracies in our assumptions. Should known or unknown risks or our uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, arising as a result of new information, future events or otherwise.

Contents

Corporate Information

Board of Directors

Mr. A. Mazumdar
Chairman

Mr. Sumit Mazumder
Vice Chairman and Managing Director

Mr. S. K. Bhatnagar
Director and President (w.e.f. 1st April, 2010)

Mr. R. L. Gaggar
Solicitor and Advocate

Mr. U. V. Rao
Former Chief Executive and Managing Director - L&T Limited

Mr. G. Swarup
Managing Director of Paharpur Cooling Towers Limited

Dr. T. Mukherjee
Former Dy. Managing Director of TATA Steel Limited

Mr. K. B. Saha
Nominee of Life Insurance Corporation of India
(w.e.f. 27th October, 2009)

Company Secretary

Mr. Debashis Nag

Auditors

Price Waterhouse

Bankers

Bank of India

Union Bank of India

ING Vysya Bank Ltd.

State Bank of Bikaner & Jaipur

State Bank of India

State Bank of Hyderabad

Axis Bank Ltd.

CITI Bank N.A.

Registered Office

1, Taratolla Road
Garden Reach
Kolkata 700 024
Telephone: (033) 2469 3732 - 36 (5 Lines)
(033) 6633 2000 / 2845
E-mail: secretarial.department@tilindia.com

Registrar and Share Transfer Agent

C B Management Services (P) Limited
P-22, Bondel Road, Kolkata 700 019
Telephone: (033) 4011 6700 / 4011 6711 / 4011 6718
E-mail: rta@cbmsl.com

India is steadily emerging as the epicenter of opportunities and the focal point of business interest for the world. The government is planning an investment of US$ 354 billion in the infrastructure sector by 2012, with another US$150 billion expected to be invested by the private sector. Indian economy is estimated to grow over 8 per cent in 2010, the fastest among major economies in the world, with the country's vast untapped demands and under penetrated markets propelling the growth momentum forward.

Infrastructure development, thus, remains the critical driver to creating economic buoyancy and growth in India.

For TIL, this signifies opportunities–unlimited. We are an organization with zeal to grow and believe that the future depends on what we do in the present. Therefore, in 2009-10 we initiated steps that went beyond delivering a profitable bottom line and were aimed at creating long term value for our stakeholders.

2009-10 was a year when we pursued integrated and holistic excellence by enhancing the gamut of our products and services portfolio, further improving customer centricity, increasing coverage, focusing on growing and nurturing people capabilities and creating better operational efficiencies.

Driving integrated excellence for us is an effort to align our organizational DNA to the evolving market developments, with reinforced consistency and at a more energetic pace of value creation for our stakeholders.

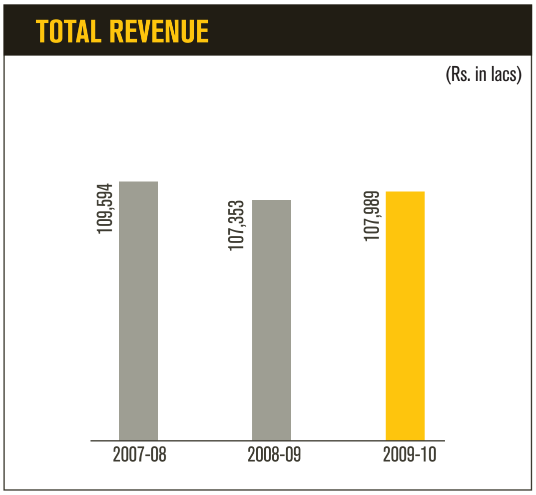
Our Performance Highlights

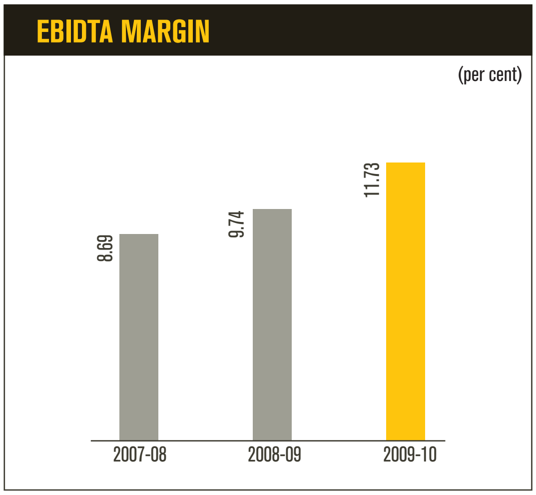
Rs. 107,989 lacs

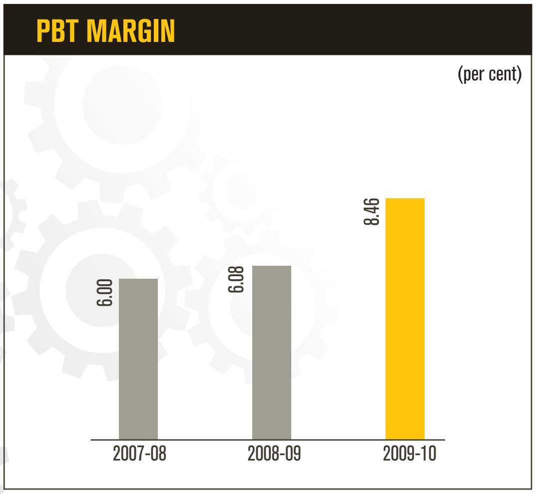
Revenue generated in 2009-10

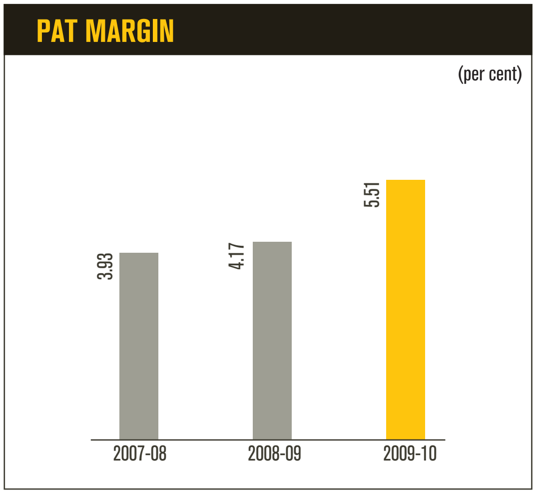
Rs. 5,953 lacs

Post tax profit reported in 2009-10









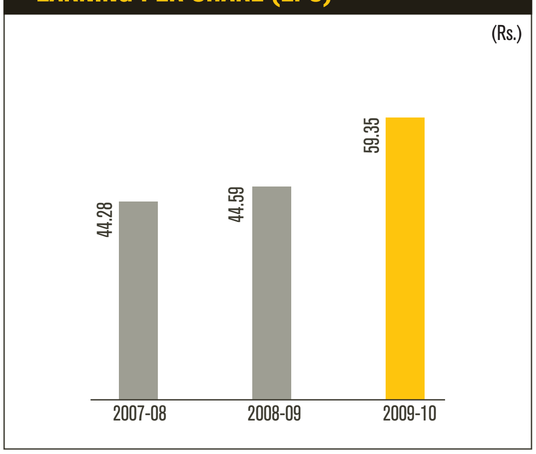
Rs. 59.35

Earnings per share posted in 2009-10

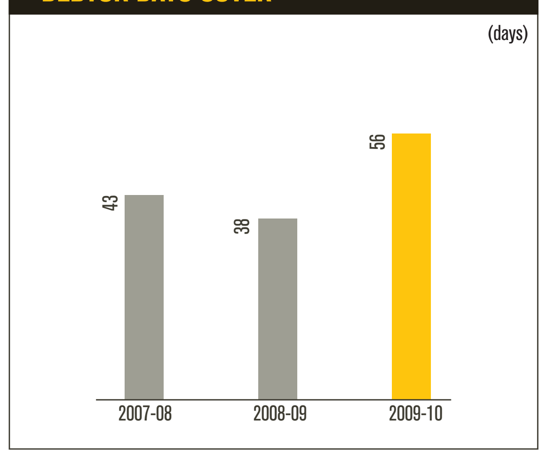
Rs. 6 per share

Proposed dividend in 2009-10

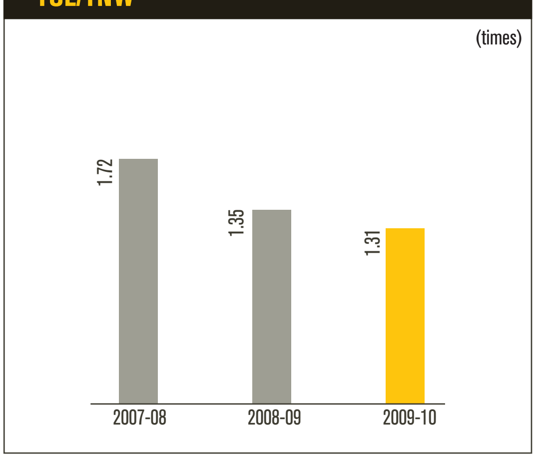
EARNING PER SHARE (EPS)



DEBTOR DAYS COVER



TOL/TNW



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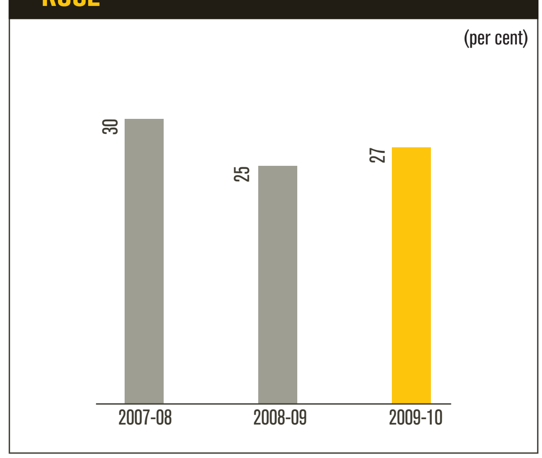


Corporate Identity

Since 1944, TIL has been partnering India's Infrastructure growth with its extensive range of high technology equipment, representing global leaders and offering superior product support and customized solutions with the eventual aim of enhancing customer experience.

Our Vision

A responsible corporate citizen, valued by customers, respected by principals, and worthy of high esteem of all stakeholders. We will achieve this by manufacturing world class products, represent global leaders and build a world class service organization. We will focus on growth opportunities resulting from India's infrastructure build, and leverage rentals and used equipment. The unstinted commitment and relentless contribution of each employee will translate into positive growth every year.

Our Values at Work

Our values are our driving force and represent what we stand for. Over six decades, TIL has professed a value-based culture across the organization. Our values are a source of pride for each of us as we continue to serve our customers with highest standards of ethics and integrity. We remain committed to use our values to the best interest of all our stakeholders. Our values at work are : Leadership, Integrity, Knowledge, Teamwork, Accountability, Transparency and Customer Orientation.

Presence

- Headquartered in Kolkata
- Four regional offices (Kolkata, Delhi, Mumbai and Chennai) and a network of over 60 branches pan India
- Overseas office is in Phuentsholing (Bhutan) and subsidiaries in Nepal, Myanmar and Singapore
- Manufacturing locations are based in Kolkata (Cranes, Reach Stackers and Lorry Loaders) and Sahibabad (Generator Sets)
- A state-of-the-art Component Rebuild Center at Asansol, West Bengal
- Listed on the Kolkata, Mumbai and National Stock Exchanges

Business

MATERIAL HANDLING SOLUTIONS (MHS)

Designs, manufactures and markets a comprehensive range of equipment for material handling, lifting and road building solutions with integrated customer support and after-sales service.

CONSTRUCTION & MINING SOLUTIONS (CMS) AND POWER SYSTEMS SOLUTIONS (PSS)

Both the divisions of CMS and PSS operate as exclusive dealer for Caterpillar products across North and East India, Bhutan, Nepal and Myanmar - selling and servicing an extensive range of Construction and Mining equipment as well as a wide range of Engines and Generator Sets - for continuous and standby applications in diesel, gas and heavy fuel configurations. PSS division of TIL also undertakes turnkey projects and provides after-market support under one umbrella.

Recently, TIL transferred the Caterpillar business consisting of Construction, Mining and Power Systems Solutions to Tractors India Private Limited (TIPL)-a 100% wholly owned subsidiary company of TIL Limited.

RENTALS AND USED EQUIPMENT

TIL brings the global concept of providing Equipment on Rent for Construction, Mining and Power applications. Apart from six Rental stores in Sahibabad, Bhubaneswar, Asansol, Lucknow, Udaipur and Chandigarh, TIL is steadily increasing focus in this segment of business through its other branch outlets. The Rental stores are a 'one stop shop', offering new and relatively new rental equipment with an option to rent or buy.

Services

Complementing its wide portfolio of industry leading products, TIL offers a full extent of innovative and value added services and solutions contributing to the customer's success. TIL's integrated product support and service solutions start from:

- Pre–purchase consultancy
- Equipment investment analysis
- Engineers 'on call' for site visits
- Component repair & complete machine rebuilds
- Ready parts availability
- Scheduled Oil Sampling(S▪ O▪ S[SM]) services
- Customer Support Agreements (CSA) and Maintenance and Repair Contracts (MARC), providing guaranteed equipment availability at a fixed cost to deliver the highest asset uptime and lowest cost of operation over the entire product life cycle
- Maintenance and Operator training for customers

Global Partners

- Caterpillar
- Grove Worldwide, USA
- Manitowoc Crane Group, USA
- Paceco Corp, USA (a part of Mitsui Engineering and Shipbuilding – Japan)
- FAMAK-SA, Poland
- NACCO Materials Handling Group, Inc. (NMHG) - a part of NACCO Industries Inc-USA
- Astec Industries-USA
- Potain – a part of Manitowoc Crane Group

Industry Segments

Construction, Mining, Engineering, Agro Industries, Ports, Airports, Railways, Roads, Defense, Power, Pharma, Healthcare, Hospitality and Retail.

6 Sigma

TIL's all-encompassing quality culture is reflected in the various 6 Sigma initiatives aimed at improving operational efficiency across the organization. TIL has used 6 Sigma initiatives since 2002 to achieve growth benefits, cost savings and quality improvements. The 6 Sigma methodology ensures alignment of our resources to enterprise goals and delivering commitments to our customers and shareholders.

Corporate Social Responsibility

TIL is committed to good corporate citizenship and believes that as an organization it has a responsibility to society, community and environment. The various CSR initiatives at TIL are carried out continously and are aimed at touching lives and making a difference.

Chairman's Message

Mr. A. Mazumdar, Chairman, TIL Limited, outlines the Company's strategic response to a positive external environment.

Dear Shareholders,

2009-10 will go down in history as one of the most challenging business environments in modern times. The downturn adversely impacted the developed and developing nations and the industries we serve were affected the most.

True to our belief that the downturn was a temporary phenomenon, India was quick on economic recovery backed by strong fundamentals. The untapped growth potential in the infrastructure space is poised to drive the economy of our country with a continued growth momentum.

To sustain the growth story, India requires enhanced investments in infrastructure sector. We are already witnessing higher industrial output signifying a considerable improvement in business confidence and capacity utilization. Another positive indication is the renewed focus on building roads – with an ambitious target of 20 kilometers of new roads per day. Other reassuring signs of turnaround include the accelerated pace of action on many projects that were deferred due to the downturn. These projects can now be expected to be finalized in the next couple of years.

Despite the difficult market, we delivered results, which include amongst others, a positive bottomline growth, investments for the future and continued efforts to strengthen our foundation for growth.

> "I also assure that the Company will continue in its endeavor to deliver superior value for all who work with us and invest in us. The ultimate goal is to drive greater growth for our business, consolidate our image and create sustainable value for all our stakeholders"

STRONGER RESOLVE

For TIL the developments in Indian Infrastructure space signify huge opportunities that are likely to outnumber the challenges. However, the need of the hour is to act with speed and diligence. We have the technology edge, we are always open to embracing innovation and most of our products are preferred for superior quality and performance assurance. However, there are newer markets to explore, and room for improvement that need to be achieved. I am happy to report that we are resolute in our focus and determination.

Business strategy operates at various levels. It might be obvious that all these strategies must integrate seamlessly to achieve goals. However, it is important to constantly monitor and course-correct as we go along, because strategy implementation comes with practical risks that need regular appraisal and mitigation thereof. The most logical and assured measure for TIL, therefore, is to pursue excellence through integrated approach and achieve our vision of being the Total Solutions Provider.

BUSINESS REALIGNMENT

The opportunity for our products and services in the infrastructure space is growing rapidly and it is imperative that we reach out to the furthest potential customers. Thus geographic penetration and presence remain the key focus area for us. The objective of having a more cohesive and customer-centric organization warranted a mission-critical business realignment, which we achieved in 2009-10. And our consistent strategy to have a unified, top-down and bottom-up approach towards achieving corporate excellence remains our priority.

REINFORCING ORGANIZATIONAL VALUES

We are also focusing on multiple initiatives to attract and retain talent, develop capabilities, motivate employees and create a superior customer experience. We are trying to build a value-focused and performance-driven organization by recruiting the right people, giving them the right opportunities and aligning their career goals with our organizational objectives. Values are our founding pillars that shape our culture, define the character of our Company and unite each of us towards our shared goal of creating a positive difference to the Indian Infrastructure industry.

WAY AHEAD

I take this opportunity to acknowledge the efforts of all our shareholders, customers, principals, employees, bankers, suppliers and advisors and other partners in the business, who directly or indirectly influenced our business performance in 2009-10.

I also assure that the Company will continue in its endeavor to deliver superior value for all who work with us and invest in us. The ultimate goal is to drive greater growth for our business, consolidate our image and create sustainable value for all our stakeholders.

A Mazumdar
Chairman

Vice Chairman & MD's Message

Mr. Sumit Mazumder, Vice Chairman and Managing Director, TIL Limited, discusses the reasons behind TIL's performance and shows the road ahead.

> "We expect to grow on the strength of our world class technology, innovative products and service offerings backed by a motivated workforce and operational excellence"

ON STRONG BUSINESS PERFORMANCE

In my communication to you last year around the same time, I had mentioned about TIL's organizational preparedness for achieving the next level of growth. I am happy to reiterate my commitment and express deep satisfaction at the level of achievement in 2009-10, considering the moderate economic growth that the country has witnessed.

However, 2009-10 is a significant year for various reasons. India continued to be the world's second fastest growing economy, although it faced a moderate buoyant growth. In this scenario, TIL was able to realize higher margins, reduction in cost and prudent utilization of available resources. All these actions enabled TIL to achieve on a standalone basis a total income of Rs. 874 crores vis-à-vis Rs. 853 crores in 2008-09.

Besides, increasing our EBIDTA by 27% and PAT by 45%, we also enhanced shareholder value by a satisfactory margin: our earnings per share escalated by 45% from Rs. 32.17 in 2008-09 to Rs. 46.72 in 2009-10. The Company remains focused on working capital management, maintaining average 12 months' moving average debtors days' cover at 57 days, which is in line with last year. The Company also maintained its inventory days' cover at 85 days. The maintenance of lower levels of debtors and inventory translated into an improved current ratio of 1.53 in 2009-10 and an improvement in credit worthiness ratio (TOL/TNW) of 1.17 in the current year. The Company has also been able to achieve a healthy 29% Return on Capital Employed.

On a consolidated basis, the Group Turnover including income from operations and Other Income stood at Rs. 1079.84 Crores compare to Rs. 1073.53 Crores in the previous year and profit after tax was Rs. 59.53 Crores compare to Rs. 44.72 Crores in the previous year, registering an increase of 33%. The Group EPS stood at Rs. 59.35 compared to Rs. 44.59 in the previous year.

All these numbers reflect a fundamental reality: our ability to successfully implement effective cost management, create operational efficiency and better working capital management. In the business segments, although the revenue of the Material Handling Solutions division declined marginally, the division was able to improve its margin by 4% through selling an increased number of higher capacity Cranes. In our Construction and Mining Solutions division margin improved to 9%, primarily on account of an increase in parts and service margin, change in product mix and increased sale in rental segment. The margin for Power Systems Solutions declined marginally due to lower contribution in the Engine business.

ON DRIVING INTEGRATED EXCELLENCE

For our accelerated growth strategy, we need multi-dimensional excellence with each dimension complementing each other. Last year, we spoke about gearing up for the next level of growth. This year our strategy for driving integrated excellence is an extension of that with a laser focus on taking the Company to the next orbit of growth and achieving excellence in financial performance and beyond.

With the equipment rental market in India poised to grow exponentially, Rental remains a focus area for us with plans to further scale up our Rental business by opening more Rental stores and offering Rental solutions through branch outlets. Apart from enhanced focus on new equipment sale, we offer equipment Rentals, used-and-refurbished equipment, spare parts and specifically packaged customer solutions.

Besides, creating an integrated platform for further growth through the strategic realignment of our Caterpillar business, our focus on product redesign, better component sourcing and logistics rationalization continue relentlessly. The launch of Accelerated Improvement Program (AIP) in our Material Handling Solutions business division was conceived as an integrated and focused approach towards reducing the manufacturing cost by 25% of the current level, AIP is also about enhancing quality of our MHS products and services, thereby ensuring better competitive edge and enhanced customer satisfaction. In fact our efforts are aimed at providing better quality products to the customer at very competitive prices along with superior service facilities.

ON BUSINESS ALLIANCE AND CUSTOMER CENTRICITY

As a part of our new business initiative to leverage market opportunities further and enhance customer value, we have entered into business agreements with renowned global names, such as SITECH, Claycrete and SEM. Synergized with the existing businesses these associations will enhance our offer to provide Total Solutions to our customers. SITECH is the distribution arm of TRIMBLE, which offers world class construction technology solutions enabling customers to better manage the worksite and all the machines in their fleet. This is done with a complete portfolio of Connected Site Solutions-Site Positioning Systems, Construction Asset Management Services, Construction Software and powerful Wireless and Internet-based infrastructures that allow organizations to make decisions in real time. We would be represented as “SITECH India North & East” covering North and East India.

Under the agreement with Claycrete we will market the Claycrete Solutions–an innovative process that combines engineering and road-building expertise with proprietary chemical science and soil-mixing methodology providing strong, long lasting, all-weather roads.

Through the SEM tie-up we aim to establish market leadership in wheel loader segment that promises a huge opportunity in India, especially in favor of small and medium wheel loaders.

Our strategic partnership with Astec is catalyzing positive response of multiple products (Portable Hot Mix Double Barrel Plant and Crushing & Screening

> "We will drive the business forward and focus on delivering our promise to be the Total Solutions Provider to our customers and help build a stronger India"

Plant). Our new business team at the Material Handling division has taken proactive actions to ensure the enquiries translate into results.

With our continued focus on offering value added solutions to the customers, we have commissioned the 50,000 sq ft state-of-the-art Component Rebuild Center (CRC), dedicated to fully serve customers' machine and maintenance requirements, helping them to reduce machine downtime, improve efficiency, lower costs and maximize machine productivity, so the customers can focus on their core business needs.

ON STRATEGIC PRIORITIES FOR 2010-11

Each year, we identify corporate priorities to stay responsive to the evolving competitive landscape. Our corporate priorities for 2010-11 comprise the following:

- Enhance scale of operations to maximize output at optimized costs
- Institutionalize technology innovations to keep abreast of market developments
- Enhance coverage to capture missed opportunities resulting in higher sales and market share
- Extract productivity gains from efficiency improvement initiatives
- Drive profit through maximizing realizations
- Consistent research and development initiatives to achieve superior quality and design excellence
- Enhanced focus on leadership development programs
- Impart trainings across all functional levels; supported by customized external courses

ON MOVING FORWARD

We expect these initiatives will enable us to improve our performance and capitalize effectively on the emerging opportunities in the infrastructure space. To all our employees, I thank you for your commitment. I also take this opportunity to thank all our valued shareholders, customers, principals, suppliers, bankers and other partners for their continued confidence in the Company. We will drive the business forward and focus on delivering our promise to be the Total Solutions Provider to our customers and help build a stronger India.

Sumit Mazumder
Vice Chairman & Managing Director

Driving Integrated Excellence is about Adapting Proactively

TIL constantly endeavors to be dynamic, resilient and embrace change for continuous improvement. In 2009-10, we took some measures in an effort to adapt more effectively to the emerging market dynamics.

Organizational realignment

The organizational realignment was created by us with the aim to be more customer-centric, enhance personalized focus, extend coverage further and respond quicker to the emerging market dynamics. As a part of the realignment strategy, TIL's business of Construction, Mining and Power Systems under Caterpillar dealership will operate under a newly formed 100% subsidiary-Tractors India Private Limited (TIPL). Further subdivided into four Territorial divisions, TIPL comprises the following:

TIPL East - West Bengal, Bihar, Northeastern states, Bhutan; headquartered at Kolkata.

TIPL South-East – Orissa and Jharkhand; headquartered at Bhubaneswar.

TIPL North – Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir and Rajasthan; headquartered at Udaipur.

TIPL North-Central – NCR, Uttar Pradesh and Uttaranchal; headquartered at Sahibabad.

Created on the basis of geographical profiles as well as industry segments, each of the Territories has a full complement of Sales, Service, Rental & Used Equipment and Logistics personnel totally dedicated to optimize on the business potential of the Territory. The objective is to have the maximum foot print in the industry with strategic direction, policies and operational standards being seamless and uniform in all the four Territories.

Effective improvement

Another proactive measure initiated by the Material Handling Solutions division has been Accelerated Improvement Program (AIP). It is a focused approach to optimize internal efficiencies, so that emerging opportunities can be harnessed without diluting the potential value spread.

AIP is an adaptable process improvement tool that empowers people to derive effective improvements by focusing on quality, cost and business process, leading to quicker results and better business efficiency. The division commenced AIP in 2009 with a stated objective to achieve reduction in the manufacturing cost.

The entire exercise is subdivided into three waves or modules covering fabrication, machine shops, assembly, test bed and paint shop - with employee participation at all levels and proactive team inputs. So far a total of 55 members have participated in this process across all levels. Out of 646 ideas generated across three waves, 250 have been accepted and already 178 are implemented with 40 in progress.

AIP will continue to encourage infusion of innovative ideas to attain target at the earliest and create a sharper business edge for TIL.

Through these adaptive steps we are suitably poised to raise our organizational effectiveness to higher level of excellence and reinforcing our commitment to being a Total Solutions Provider.

Driving Integrated Excellence is about Augmenting Relevance

We are forming new business associations to expand our product portfolio, deepen market penetration and offer superior solutions to a wider cross-section of customers. Our Material Handling Solutions division collaborated with Nacco Materials Handling Group Inc [NMHG] and Astec Industries. With NACCO, we formed a strategic alliance to manufacture 'Hyster' brand of Reach Stackers and distribute a comprehensive range of high-capacity Forklift Trucks, Container Handlers and Reach Stackers in India, Bhutan and Nepal. Technical Collaboration with Astec Industries-USA was made to bring latest technology Hot Mix Asphalt Plant and Aggregate Crushers and Screens for road building activities.

In 2009-10, the MHS division of TIL signed a distributorship agreement with Potain–a part of Manitowoc Crane Group for sales and service of Tower Crane range. In the same fiscal we also added some more strategic dealership agreements under Tractors India Private Limited (TIPL) - the 100% subsidiary of TIL, offering unique solutions and services to our customers.

Thus, TIL is poised to augment its products and service repertoire to be the most preferred partner to our present and potential customers.

Alliances forged during 2009-10 under TIPL comprise:

SEM-medium wheel loaders

Through this business alliance with SEM (formerly Shandong Engineering and Machinery Company- China), we expect to establish market leadership in wheel loader segment that promises a huge opportunity in India. The tie-up enables TIPL to offer more cost-effective machines, coupled with best-in-class product support as the key differentiator.

SITECH-site technology

SITECH is the distribution arm of TRIMBLE- a leading provider of GPS [Global Positioning System] and other positioning technologies. With this association, TIPL will be offering the most comprehensive portfolio of construction technology systems available to the heavy and highway contractors. The comprehensive, reliable and resilient construction technology systems enable customers to better manage the worksite and machinery through a complete portfolio of Connected Site Solutions and Site Positioning Systems. These innovative solutions utilize technology that makes significant improvements in project workflow, increases production, improves accuracy and lowers operating costs.

Claycrete–road building solutions

TIPL entered into an agreement with Claycrete to market their innovative road building solutions within the territories of Northern and Eastern India. Claycrete is a unique process that combines project management and proprietary chemicals to transform native soils containing clay and/or limestone into pavement like roads, site pads or solid base for paved roads. The result is weather-resistant, long-lasting and environment-friendly roads.

These new initiatives seek to ensure that we not only service the growing requirements of our existing customers, but facilitate the creation of newer user groups and industry segments. It also enables us to position ourselves as a diverse and multiple solutions Company, committed to our nation building role.

Driving Integrated Excellence is about Enhancing Customer Experience

TIL is committed to providing differentiated and innovative service offerings through which our customers derive maximum equipment productivity and become more profitable.

Our 50,000 sq ft, state-of-the-art Component Rebuild Center [CRC] commissioned in 2009, is one such tool of customer-driven service excellence.

Located in Asansol, West Bengal, the CRC is developed to provide quality repair, faster turnaround and maximum value, resulting in higher return on customers' equipment investment.

The CRC is divided into 32 bays for all assembly jobs and is pressurized to ensure dust-free environment. The shop floor is epoxy coated for better contamination control. To maintain the high quality of assembly, the CRC is equipped with high pressure washers for both bigger and smaller components, Magnaflux crack detector to check internal cracks and engine Dynamometer to check engines having HP between 300-3500 of Power Test, USA. The facility is supported by a large warehouse for storing new and reusable parts of the assembly. The effluent treatment plant in the facility is state-of-the-art and conforms to the pollution control norms thereby reinforcing our commitment towards environment protection.

Such endeavor in enhancing customer experience is critical to our mission of integrating excellence in areas of service and support ultimately leading to a stronger TIL.

Driving Integrated Excellence is about

Attuning Talent and Capability

People are our most valued asset. The mission to enhance value for our stakeholders can only be achieved through the quality and commitment of our people. Towards this end, we continuously strive to unleash the potential of each individual.

Employee development at TIL is a continuous process, catalyzed by various training and developmental initiatives with an objective to hone talent, improve capabilities, and enhance productivity.

People initiatives undertaken by TIL during 2009-10 consisted of organizational restructuring, which was carried out by creating new process flow, organization structure and role descriptions. These were effectively cascaded down every level of the organization through various workshops. A very important goal of TIL was also to lay out the manpower planning for next 3 years. TIL also conducted a Job Evaluation Process for the entire organization, leading to the creation of job band and compensation indexing.

In the service front, Product Support workshops were conducted by creating projects enabling TIL service teams to overcome some of the challenges being faced across locations. This initiative was adopted for the first time and was linked to Rapid Improvement Workshop Mechanism. Besides organizing programs on managerial effectiveness for middle management, trainings were also conducted for junior level employees based on evaluation of their training requirements and job functions.

Other activities aimed at enhancing employee engagement and motivation were Employee Opinion survey, Employee Reward and Recognition Awards events, and 'Values' workshops.

A major area of focus for TIL in 2010-11 remains career development and succession planning. With the initial work already in place, there will be a series of career planning workshops in 2010-11 aimed at providing critical input for succession planning.

For the year under review: Employee strength stood at 1639 with an average age of about 38 years. Attrition level stood at 11%.

To augment the skills and efficiency of our service people as well as to develop certified operator trainers, TIL took initiatives in areas of technical and operator trainings with the objective of enhancing customers' business efficiencies in line with our mantra of making customers more profitable.

- Dealer Learning and Management System (DLMS): Over 250 people completed the certification in foundation course in 2009-10
- Technician Career Development Program (TCDP): 33 service engineers completed the program during the year
- Capability Development Program (CDP): 74 training sessions conducted and 615 personnel trained
- 1658 operators belonging to 394 customers were trained by our Certified Dealer Instructors (CDI)

TIL's multiple people-initiatives helped enhance people engagement and reduce attrition. The ongoing and future initiatives are expected to improve the engagement level further, making us a preferred employer in the industry.

Material Handling Solutions (MHS)

Revenue, 2009-10 - Rs. 16,991 lacs

Proportion of Company's total revenue, 2009-10 - 20%

Capital employed - Rs. 9,249 lacs

Order book as on 31st March, 2010 - Rs. 4,950 lacs

OVERVIEW

The Material Handling Solutions division of TIL designs, manufactures and markets a comprehensive range of equipment for material handling, lifting and road building solutions with integrated customer support and after-sales service. Over the years, TIL has emerged as the foremost material handling and lifting equipment manufacturer and cutting-edge service provider with over 60 percent market share in mobile Crane segment. Its equipment range is recognized as state-of-the-art and sets the industry standard for quality, durability and value.

The Company's fully-integrated plant at Kolkata is the only purpose built mobile Crane manufacturing facility in India that possesses modern and fully equipped machine shop with latest CNC-controlled plasma cutting machines, fabrication and assembly shop, capable of building structures that can withstand a load up to 100 MT. The Research & Development center is equipped with the latest software and technology, enabling the division to provide superior products at a competitive price. It is certified under ISO 9000:2000 and ISO 3834-2 international standards, reinforcing the division's commitment to excellence.

PRODUCT PORTFOLIO	
▪ Mobile Cranes (Industrial Cranes, Truck Mounted Cranes, Rough Terrain Cranes, All Terrain Cranes) ▪ Lattice Boom Crawler Cranes ▪ Lorry Loaders ▪ Big Forklift Trucks	▪ Rubber Tyre Gantry Cranes ▪ Reach Stackers ▪ Electric Level Luffing Cranes ▪ Hot Mix Asphalt plants and Crushing & Screening plants ▪ Tower Cranes

SECTORS SERVED	
▪ Port	▪ Oil & Petrochemicals
▪ Railways & Airport	▪ Steel Plants
▪ Construction & Road Building	▪ Cement
▪ Engineering Plants	▪ Power
▪ Mining	▪ Defense

SEGMENT STRENGTHS

Manufacturing excellence: The Company's plant at Kamarhatty, West Bengal has state-of-the-art facilities, including fully equipped machine shop, fabrication, assembly and paint shop set up.

Design excellence: Dedicated team of engineers, research and development experts work consistently at the R&D center, equipped with the latest software like Auto CAD, Pro E, SolidWorks, ANSYS and other cutting edge and advanced technologies to create superior and innovative designs setting the standard for excellence.

Integrated support: Possesses five depots with Stock Keeping Units (SKU) of over 75,000 items. Integrated support is provided by a qualified and experienced team across 20 locations, dedicated to post-sales service, on-site demos and total lifecycle support.

Strategic partnership: Manufacturing and technical collaborations are with global leaders like - Grove Worldwide USA, Manitowoc Crane Group - USA, Paceco Corp-USA (a part of Mitsui Engineering and Shipbuilding Japan), FAMAK - SA, Poland. Recent partnerships include Hyster (a part of NACCO-USA), Astec Industries – USA and Potain Tower Canes (a part of Manitowoc Crane Group).

Talent Pool: A young, dynamic and dedicated team led by experienced management.

IT enabled: The Company's plant is linked with service locations and customer support teams across its pan India network through robust Oracle ERP system, real-time information exchange enabling superior communication and speedier customer service.

HIGHLIGHTS 2009-10

- Supplied 14 Cranes worth Rs. 27 crores to a Navaratna PSU and 12 Cranes worth Rs. 6 crores to Defense sector
- Embarked on "Accelerated Improvement Program" with the objective of a quantum improvement in plant throughput and costs
- Significantly reduced delivery time from an average 115 days to 72 days
- Added 29 new customers
- Commenced exports of Boom weldments to a leading European company for prototype approval
- Entered into a Distributorship Agreement with Potain [a part of Manitowoc Crane group] for sales and service of Tower Crane range
- Technical Collaboration with Astec Industries - USA for bringing latest technology Hot Mix Asphalt Plants and Aggregate Crushers and Screens for road building activities

STRATEGY & ROAD AHEAD

- Leverage the growth envisaged in sectors like Port, Mining, Construction, Power and Coal
- Continued focus on higher capacity products, delivering higher volumes and margins
- Continuous up-gradation of product technology
- Enhance manufacturing capacity through various initiatives to enhance throughput and reduce costs
- Optimize emerging opportunities and achieve higher growth through the new business initiatives and new technology agreements with Astec, Hyster and Potain
- Enhance production range of Cranes beyond 75 tons
- Introduce smaller capacity Cranes for new applications to enable TIL to reach untapped customer segment
- Focus on enhancing service delivery

Construction and Mining Solutions (CMS)

Revenue, 2009-10 - Rs. **47,696** lacs

Proportion of Company's total revenue, 2009-10 - **56%**

Capital employed - Rs. **12,872** lacs

Order book as on 31st March, 2010 - Rs. **10,020** lacs

OVERVIEW

The Construction and Mining Solutions division is the exclusive dealer of Caterpillar machines across North and East India as well as Bhutan. It provides a comprehensive portfolio of Construction, and Mining equipment serving a wide range of industries creating industry benchmark in quality and reliability. The division offers superior product support with customized solutions that help customers become more profitable.

PRODUCT PORTFOLIO	
▪ Wheel Loaders	▪ Track - Type Tractors
▪ Backhoe Loaders	▪ Track - Type Loaders
▪ Excavators	▪ Compactors
▪ Off Highway Trucks	▪ Paving products
▪ Motor Graders	▪ Wheel Dozers

SECTORS SERVED	
▪ Construction	▪ Power (thermal and hydro)
▪ Urban and Rural infrastructure.	▪ Mining and Quarrying: Coal, Iron Ore, Metal and Limestone.
▪ Roads	
▪ Ports	
▪ Airport	

SEGMENT STRENGTHS

Brand: The strength of Caterpillar brand combined with TIL's service excellence is the benchmark in our industry.

Experience: Rich credentials, built over 66 years as a Caterpillar dealer.

Innovative and unmatched service and support solutions: Solutions like equipment on Rent and resources like Customer Support Agreement [CSA], Maintenance & Repair Contract [MARC], Component Rebuilds and Scheduled Oil Sampling [SOS] fluid analysis services add immense value to customers' operation and contribute to their success.

People: Trained and developed to evolve as a partner to the customer's business.

Network: More than 60 branches and service locations enabling TIL to reach out to the customers with a quicker response time

Integrated communication: Using unified voice/data communication consolidation, spanning across all branches pan India and connected with the enterprise email setup.

HIGHLIGHTS 2009-10

- Achieved a breakthrough order from a Spanish contractor entering the Indian market for the first time in the mining segment, for 7 Units of 100 T Trucks, valued at Rs. 17 crores
- Secured an order for underground mining support equipment for the first time valued at Rs. 3.69 crores
- Received an order from a steel major for the first time ever for two units of 988H Wheel Loader and the 773 Water Sprinkler
- Surpassed a Rental fleet of over 200 units and recorded a healthy top line growth of 43% during the year
- Renewed Maintenance and Repair Contract (MARC) with two major companies for another five years
- Signed a Customer Support Agreement (CSA) with a major infrastructure organization for 100 machines deployed in Bihar
- Added 428 new customers
- Commissioned a state-of-the-art Component Rebuild Center (CRC) at Asansol, West Bengal to provide world class rebuild services
- Continued up-gradation of skill levels of sales and service engineers, and technicians to world-class standard through e-learning and certification through Caterpillar Dealer Learning Management System (DLMS)

STRATEGY & ROAD AHEAD

- Make optimal use of the Indian infrastructure growth opportunity and further improve market share and profitability
- Enhance customer loyalty by catering to customers' needs, extending faster and better service with deeper understanding of their businesses to make them more profitable
- Make Rental an integral and significant part of the business, considering its nascent yet potential growth opportunity
- Increase focus on regional markets, industry segments and customers through the newly formed Territorial dealerships under Tractors India Private Limited (TIPL), increasing market coverage, supported by opening new branches
- Quick evaluation and roll out of new business opportunities (SEM, Claycrete and SITECH) to synergize with the Company's 'Total Solutions' value proposition
- To further build on the various training and development initiatives planned jointly with CAT Distribution team and to drive the process down to the operator level-the key touch point with the customer
- The recently created Center of Excellence will be the key enabler to create business processes with various ISO management systems, across functions. Furthermore, impart technical training, using 6-Sigma and Caterpillar Production System (CPS) to achieve the "Gold Standard" in safety, quality, velocity and distribution with an embedded culture of continuous improvement throughout the organization
- Leverage the Component Rebuild Center at Asansol to reinforce the Company's commitment towards providing superior product support
- Take advantage of the business opportunity presented by solid waste handling industry

Power Systems Solutions (PSS)

Revenue, 2009-10 - Rs. 20,793 lacs

Proportion of Company's total revenue, 2009-10 - 24%

Capital employed - Rs. 9,339 lacs

Order book as on 31st March, 2010 - Rs. 13,600 lacs

OVERVIEW

The Company's Power System Solutions division caters to the sales, service and after-market support for Caterpillar Engines and Generator Sets (diesel, gas and heavy fuel configurations) for continuous and emergency standby power. The products have world-class quality and low life-cycle costs and enjoy excellent customer acceptance, due to the hallmark of reliability and quality power. The division also provides single source of complete power solutions, application engineering, feasibility studies, supply chain management, on-site installation services and uninterrupted product uptime through on-site support and maintenance.

PRODUCT PORTFOLIO

- Complete portfolio of diesel and natural gas Generator Sets up to 10 MW single Generator Sets
- Engines for industrial, oil & gas, as well as other applications
- Diesel Generators from 200 kVA to 3100 kVA
- Gas Generators from 156 kVA to 7625 kVA on a single set
- Engine and Generator Sets used for the Petroleum sector

SECTORS SERVED

- Captive power generation
- Oil & Gas sector for exploration, production and distribution
- Various Infrastructure projects
- Energy efficient co-generation power plants
- Blowers, Pumps and allied industries
- Healthcare, Hospitality & Retail
- IT, Real Estate & Auto Ancillaries

SEGMENT STRENGTHS

Portfolio diversity: Offers the entire portfolio of Caterpillar Engines and DG sets.

Service: Service offerings designed for immediate and round-the-clock response to customers' product support needs.

One single source: Catering to versatile power requirements with customized products and solutions.

Reliability: Every fourth generator set sold by the Company is backed by customer support agreement to ensure effective running, delivering higher productivity, resulting in almost zero downtime. PSS's reliable after-sales support has further strengthened relationships with our customers over the decades.

HIGHLIGHTS 2009-10

- Secured a prestigious order (4 Units) from one of the major infrastructure companies for high capacity Engines of 2,000 kVA at a total value of approximately Rs. 12 crores
- Contracted 10 DG sets in the 725 / 1,000 kVA for another new business account based out of Hardwar valued at Rs. 5 crore
- In Petroleum segment, successfully continued with the year-on-year annual maintenance and parts contract for product support with a major customer
- Achieved, for the first time, a five-year contract for Camp Power for erecting and commissioning 2 units of Gas Engines worth Rs. 11 crores from a Petroleum major
- Crossed 90 units of the Rental fleet for the engine business, reflecting around 50 per cent business growth
- Added 261 new customers

STRATEGY & ROAD AHEAD

- Widen footprint and field resource to enhance market coverage significantly
- Explore aggressively the opportunities in the CNG and City Gas business
- Enhance portfolio of value-added products to drive the margins
- Consistently generate repeat business from existing clientele
- Increase focus in Uttar Pradesh, Punjab and Rajasthan for optimizing emerging opportunities
- Special emphasis on Rental business in view of the huge growth opportunity
- Conduct customer focused programs especially in potential territories (Nepal and Bhutan) of Hydro Power
- Continue to invest in people and infrastructure in line with growth plans
- Constantly look for new business opportunities that synergize with our core business, strengthening our value proposition of offering Total Solutions to our customers

Finance Review

TIL has a strong Balance Sheet resilient to weather economic headwinds as evidenced by healthy Current Ratio of 1.5 and a TOL/TNW of 1.17. The working capital has also been efficiently managed with Debtors and Inventory cover at 57 days and 85 days, respectively. Finance cost as compared to the TIL's business growth has also been highly competitive and interest cover is 5.7 times.

HIGHLIGHTS 2009-10 VIS-À-VIS 2008-09

- Total income increased from Rs. 87,579 lacs in 2008-09 to Rs. 88,794 lacs in 2009-10
- EBIDTA grew 27% from Rs. 8,528 lacs in 2008-09 to Rs. 10,838 lacs in 2009-10, EBIDTA margin increased from a level of 10% to 12.5%
- Profit Before Tax surged 49% from Rs. 5,057 lacs in 2008-09 to Rs. 7,549 lacs in 2009-10
- Profit After Tax surged 45% from Rs. 3,227 lacs in 2008-09 to Rs. 4,687 lacs in 2009-10
- Proposed Dividend increased from 40% to 60% during the year 2009-10
- Earnings Per Share enhanced 45% from Rs. 32.17 in 2008-09 to Rs. 46.72 in 2009-10

REVENUE ANALYSIS

Revenue by business segments: The Company earned revenue from the following segments:

(Rs. in lacs)

Segment	2009-10	2008-09
Construction & Mining Solutions (CMS)	47,696	48,041
Power Systems Solutions (PSS)	20,793	17,831
Material Handling Solutions (MHS)	16,991	18,663

OTHER INCOME

Other Income for 2009-10 was Rs. 1,930 lacs vis-à-vis Rs. 730 lacs in 2008-09 which includes income from subsidiaries registering an increase of 145% from Rs. 675 lacs in 2008-09 to Rs. 1,652 lacs in 2009-10.

COSTS ANALYSIS

The Company's total operational cost declined marginally from Rs. 76,737 lacs in 2008-09 to Rs. 76,572 lacs in 2009-10. Operational cost decreased due to process up-gradation, technological modification and resource optimization.

OTHER EXPENSES

The Company's overheads decreased from Rs. 6,868 lacs in 2008-09 to Rs. 5,844 lacs in 2009-10, mainly due to expense rationalization. However, employee costs have increased from Rs. 6,524 lacs to Rs. 8,048 lacs in 2009-10, which was primarily due to the following:

a) New recruitments.
b) Additional contributions to Retiral Benefit Funds.
c) Revision in pay structure with a view to retain the best talents and attract fresh resources from industries in similar space.

This, in turn, would lead to enhanced top line with a corresponding increase in bottom line and increased market coverage resulting in higher customer satisfaction. Finance cost declined by 22% from Rs. 2,039 lacs to Rs. 1,600 lacs during the current year resulting from efficient working capital management.

RETURN ON CAPITAL EMPLOYED

The Company reported a 29% Return on Capital Employed during 2009-10 vis-à-vis 25% in 2008-09.

NET WORTH

The Company's net-worth increased from Rs. 15,861 lacs as on 31st March, 2009 to Rs. 19,830 lacs as on 31st March, 2010, registering an increase of 25%.

CAPITAL EXPENDITURE

In 2009-10 the Company incurred a net Capital expenditure of Rs. 3,113 lacs towards Land for new production facility and Rental Assets. These Rental Assets are intended to increase the rental asset base for future volume expansion of rental business.

Directors' Report

Your Directors have pleasure in presenting the Annual Report and Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS

(Rs./Crores)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Profit for the year after meeting all expenses but before charging Depreciation and Interest.	108.38	85.28
Less: Interest	16.00	20.39
Depreciation	16.89	14.32
Profit Before Tax	75.49	50.57
Tax Provision		
a) Current Tax	25.75	17.65
b) Deferred Tax (Credit)/Charge	2.87	(0.25)
c) Fringe Benefit Tax	-	0.90
Profit After Tax	46.87	32.27
Balance Net Profit available for appropriation	46.87	32.27
Appropriations		
General Reserve	4.69	3.23
Proposed Dividend:		
Equity Shares	6.02	4.01
Tax on Dividend	1.00	0.68
Balance Carried Forward	35.16	24.35

2. PERFORMANCE

Turnover including income from operations and Other Income achieved for the year under review was Rs. 887.94 Crores which was increased from Rs. 875.79 Crores over the previous year. The profit before tax improved to Rs. 75.49 Crores from Rs. 50.57 Crores in the previous year, registering an increase of 49%.

MYANMAR TRACTORS LTD.

The Wholly Owned Subsidiary Company, Myanmar Tractors Ltd., in the Union of Myanmar, achieved a turnover including income from operations and Other Income of Rs. 53.06 Crores compared to Rs. 41.78 Crores in the previous year and a profit before tax of Rs. 3.79 Crores compared to Rs. 2.44 Crores in the previous year.

TIL OVERSEAS PTE. LTD.

The Wholly Owned Subsidiary Company, TIL Overseas Pte. Ltd., in Singapore, achieved a turnover including income from operations and Other Income of Rs. 160.58 Crores compared to Rs. 170.49 Crores in the previous year and achieved a profit before tax of Rs. 10.92 Crores compared to Rs. 8.70 Crores in the previous year. This activity is totally for and on behalf of Myanmar Tractors Limited.

TRACTORS NEPAL PVT. LTD.

The Wholly Owned Subsidiary Company, Tractors Nepal Pvt. Ltd., in Nepal, achieved a turnover including income from operations and Other Income of Rs. 2.51 Crores compared to previous year of Rs. 1.97 Crores and earned a profit before tax of Rs. 1.37 Crores compared to Rs. 1.21 Crore in the previous year.

TRACTORS INDIA PVT. LTD.

The newly formed Wholly Owned Subsidiary Company, Tractors India Pvt. Ltd., in India, did not have any operations during the year under review.

CONSOLIDATED PERFORMANCE

On a consolidated basis, your Company's Group turnover including income from operations and Other Income stood at Rs. 1079.89 Crores compared to Rs. 1073.53 Crores in the previous year and profit before tax is Rs. 91.36 Crores compared to Rs. 65.30 Crores in the previous year, registering an increase of 40%.

3. FINANCE

After providing Rs. 28.62 Crores as Provision for Taxation, Rs. 7.02 Crores (including Dividend Tax of Rs. 1.00 Crore) distributed as Equity Dividend. Rs. 35.16 Crores has been carried forward to Balance Sheet. The Reserve & Surplus (excluding Revaluation Reserves) of the Company increased from Rs. 132.59 Crores to Rs. 181.22 Crores and the Shareholders' Fund (excluding Revaluation Reserves) increased from Rs. 151.41 Crores to Rs. 191.25 Crores.

The Reports and Accounts of Subsidiary Companies are annexed to this Report along with the statement pursuant to Section 212 of the Companies Act, 1956.

4. DIVIDEND

The Board has recommended a Dividend @ Rs. 6 /- on each Equity Share (Face Value of Rs. 10/- each) for the year under review.

5. FIXED DEPOSIT

The Company has not accepted any deposits from the public during the year. Deposit outstanding as on 31st March, 2010 including unclaimed deposit was nil.

6. RESTRUCTURING

The Board, Shareholders and other concerned authorities had approved the proposal for transferring Company's Caterpillar Business in favour of Tractors India Private Limited, a wholly owned subsidiary company. The proposal is pending for approval before the Hon'ble Calcutta High Court.

7. PREFERENTIAL ISSUE OF WARRANTS

During the year under review, no option for conversion of warrants into Equity shares issued to Promoters and ENAM Group had been exercised by them. The time frame for conversion of the warrants lapsed in terms of relevant rules governing such issue. The unsubscribed warrants stand forfeited.

8. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure forming part of this Report.

9. PARTICULARS OF EMPLOYEES

The Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended is given in the Annexure forming part of the Report.

In terms of Section 219(1) (b) (iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company.

10. SUBSIDIARY COMPANIES

The statement required u/s.212 of the Companies Act, 1956 in respect of Subsidiary Companies is appended herewith.

11. DIRECTORS

The Board of Directors at its meeting held on 30th March, 2010 accepted the proposal of Mr. S. Mazumder, Vice Chairman and Managing Director of the Company expressing his intention of not drawing remuneration from the company w.e.f. 1st April, 2010 in view of his appointment as Chairman and Managing Director of Tractors India Private Limited, a wholly owned subsidiary Company of TIL Limited w.e.f. 1st April, 2010. The Board of Directors further noted that Mr. S. Mazumder would continue to act as Vice Chairman and Managing Director of the Company.

The Board of Directors at its meeting held on 30th March, 2010 appointed Mr. S. K. Bhatnagar as a Wholetime Director of the Company w.e.f. 1st April, 2010. The details of the terms of appointment are given in the Notice convening the Annual General Meeting. The Board recommends Mr. Bhatnagar's appointment.

Mr. U. V. Rao and Mr. G. Swarup retire by rotation and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

12. CORPORATE GOVERNANCE

In terms of Clause 49 of the Listing Agreement of the Stock Exchanges, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance Report are annexed herewith forming part of this Report.

13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of clause 49 of the Listing Agreement of the Stock Exchanges, Management Discussion and Analysis Report is annexed herewith forming part of this Report.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.

ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The annual accounts have been prepared on a going concern basis.

15. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility has always been an integral part of your Company's Values and Vision. Your Company is strongly committed towards sustainable development of People, Communities and Society at large and follows the 'triple bottom line' approach of balancing the economic prosperity, social capital and environmental quality - aimed at enhancing Shareholder Value.

As a Corporate Citizen your Company has made positive contributions towards maintaining healthy and safe workplace- conducting safety awareness trainings for its workforce. In areas of community development your Company, on an ongoing basis has undertaken:

- Education - Scholarship Schemes for Children through TIL Welfare Trust.
- Vocational trainings for Youth in the project sites.
- Flood and calamity relief for the disaster struck.
- Medical assistance through Mobile Medical Van in partnership with Help Age India around the communities where your Company operates, providing free health check- up, medicines to the underprivileged people and senior citizens.
- Observing TIL Caring Day. Every year through a matching Contribution scheme, your Company reaches out to the lesser - privileged sections of the society.
- Initiating a Blood Donation Camp in association with Rotary Club.
- Last year your Company also participated in the 'Kolkata Maidan Clean Up Drive' by voluntary deployment of a CAT 424 B Backhoe Loader with an operator. Members from Cat Rental team also joined in the drive to promote a garbage free cleaner City.

Your Company shall continue to work towards good corporate citizenship with the existing activities as well as new initiatives in future.

16. ENVIRONMENT

As a good Corporate Citizen, your Company pursues activities and services that signify its effort towards protecting and preserving our environment. Services such as Contamination Control and Effluent Treatment Plant in Component Rebuild Center at Asansol help in reducing negative impact on environment.

Also every year on the World Environment Day, your Company undertakes different initiatives to make the world a greener place to live in. The activities range from:

- Sapling and tree plantation at various project sites , TIL offices and surrounding communities to create awareness about global warming,
- Celebration of World Environment Day by creating awarness on environmental concerns.

Focused on making the world a better and greener place, Your Company, through its many initiatives will constantly strive to touch lives and make a difference.

17. AUDITORS

Messrs. Price Waterhouse, Chartered Accountants, Statutory Auditors of the Company, hold office till conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

18. AUDITORS' REPORT

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comment under Section 217(3) of the Companies Act.

19. ACKNOWLEDGEMENTS

The Board wishes to record its appreciation for the continued co-operation, support received from the valued Customers, Employees, Principals, Shareholders, Suppliers, Banks and Financial Institutions throughout the period under review.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 11th May, 2010

A. Mazumdar
Chairman

Annexure to Directors' Report

Information in accordance with Section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

FORM A

CONSERVATION OF ENERGY

The Company has always been conscious of the need for and significance of conservation of energy and has been steadily making progress towards this end/objective and enjoying tangible results.

1. **Measures taken:**

   The Company's manufacturing process is not energy intensive in nature and hence it is committed to conserve energy by optimal usage of this scarce resource. Energy Conservation measures have been implemented at all factories and offices, like energy efficient blowers and pumps, backward curve blowers, LED & CFL lamps, 28 W lighting with electronic ballast for office area, Low height lighting for factories etc.

2. **Improvements:**

   The Company has embarked upon a system of periodic and regular monitoring of the power aspect and maintenance of all equipment, thereby conserving energy to an advantageous level.

3. **Impact of (1) & (2): The outcome of these changes has been satisfactory .**
4. **Total Energy Consumption and Energy Consumption Per Unit of Production.**

(Rs./Crores)

				Year ended 31.03.2010	Year ended 31.03.2009
A.	**Power and Fuel Consumption**				
	a)	Electricity			
		Purchased Units		1,716,033	1,884,854
		Total amount (Rs. Lacs)		105.70	108.86
		Rate Per Unit (Rs.)		6.16	5.78
	b)	Own Generation			
		Through Diesel Generator			
		Units		160,307	128,046
		Units per litre		4.06	4.15
		Cost per unit (Rs.)		8.59	8.36
B.	**Consumption per unit of Production**		Standard Unit		
	Product – Cranes & DG Sets Electricity (in '000)		Nos.	4.49 *	4.63 *

* Comparison with previous year not relevant because of change in product mix and capacity utilization.

FORM B

TECHNOLOGY ABSORPTION

I. **Research and Development**

   1. Specific Areas: Our Research and Development activities are commensurate with the realms of the industry. Improving on existing models and import substitution of components together with developing new models and absorbing superior technology designs from foreign collaborators are some measures undertaken to answer the demanding technology parameters of operation.

2. Benefits Derived: Improvised formulation with technology and cost efficiencies have boosted and asserted the Company's claim as the market leader in the material handling industry.

3. Plan of Action: New technical collaborations, revamping of existing models, creating an excellent and conducive work ambience and enlightening and directing the existing and incumbent workforce towards achieving a much higher objective of customer satisfaction shall remain a priority.

II. Technology Absorption, Adoption & Innovation

1. Efforts made: The Company has continued its endeavor to absorb, adopt and implement the best technologies for its product range to meet the requirements of a globally competitive market. All of the Company's products are compliant with the prevalent regulatory norms in India.

2. Benefits: The Company believes that the improved technology and the value addition that is being made to its product range will enhance the quality of its products.

3. Imported Technology: In order to acquire the latest state of the art technology available globally the Company has executed technical collaboration agreements with some of the world's finest and distinguished enterprises.

FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Efforts:

The Company is exploring the possibility of achieving the fabrication orders, specific market access, designs subcontracting from its principal(s), to enhance its foreign exchange earnings.

2. Earnings and Outgo:

	Rs. in Lacs
i) Foreign Exchange Earnings - Export sales (FOB), Commission, Dividend, etc.	5,775

a) Foreign Exchange outgo (includes raw material, capital goods, components & spares, and other expenditure in foreign currency, including dividends) :

		Rs. in Lacs
a)	Raw Material	3,647
b)	Machines (Trading items)	13,304
c)	Components & Spares	11,826
d)	Travelling	24
e)	Technical Know-how Fees	22
f)	Royalty	128
g)	Dividend	78

Kolkata
11th May, 2010

A. Mazumdar
Chairman

Management Discussion & Analysis

INDUSTRY STRUCTURE AND DEVELOPMENT

The business is organized into 3 major groups and the revenue percentage for 2009-10 of the business divisions are given below :

Material Handling Solutions	20%
Construction and Mining Solutions	56%
Power System Solutions	24%

The financial year 2009-10 is the third year of the 11th 5-year Plan wherein the Govt. has planned investments towards infrastructural development to the tune of Rs. 22,500,000 lacs, which the Management Consultants McKinsey in their report mentioned that the Govt. has revised the figure to Rs. 37,500,000 lacs. Although the Indian economy has emerged as the fastest growing economy after China, a significant part of the Govt's proposed investment in the infrastructure sector is yet to happen. This would lead to aggressive investments by the Govt. during 2010-11 and 2011-12, which would also conclude the 11th 5-year Plan tenure.

The growth rate in India has been far better than other emerging economies due to the proactive measures undertaken by the Indian Govt. in response to the global economic slowdown and also due to greater reliance on domestic demand. As per the report by the Centre for Monitoring Indian Economy (CMIE), India's gross domestic product (GDP) growth has been estimated at 7.1% in 2009-10. This report also mentions that the 4th quarter GDP is estimated to have grown by an impressive 8.4%. As per the report, the drivers for the overall growth in 2009-10 have been the following :

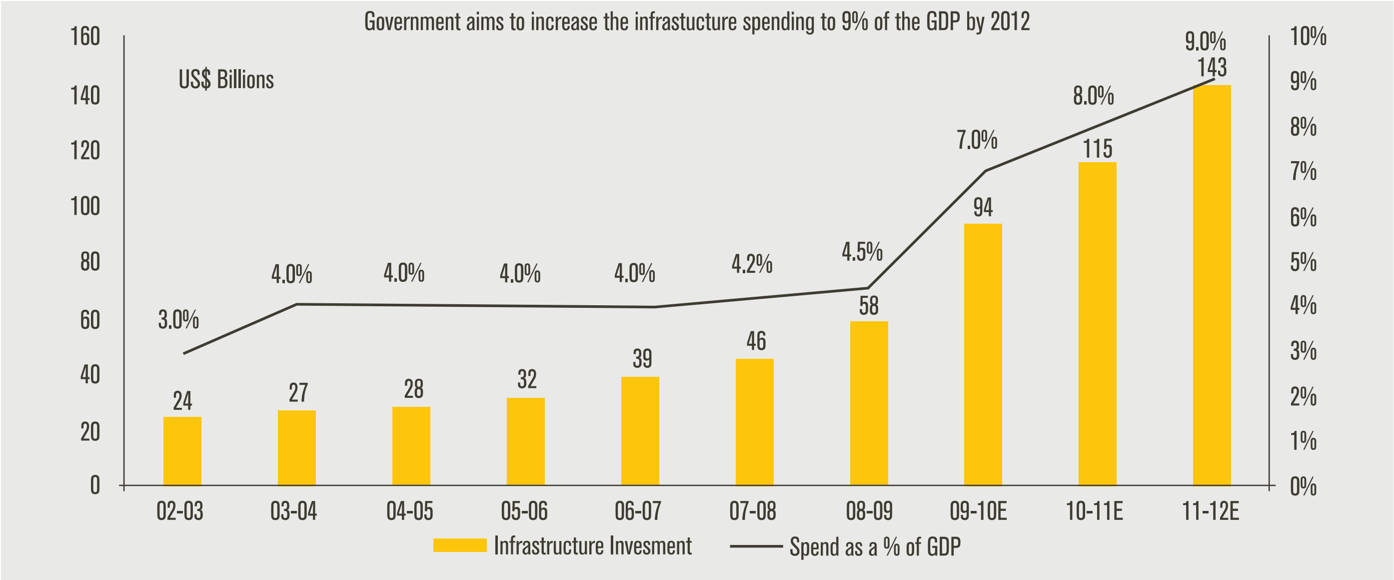
a) Growth in industrial sector by 9.4%.

b) Growth in manufacturing sector by 10.3%

c) Growth in Mining and Quarrying sector by 10.3%

d) Growth in Services Sector by 8.2%

The infrastructure industry which constitutes the core sector registered a robust growth of 7.2% in March – the highest in 2009-10. The core sector data is encouraging and is expected to give the overall Index of Industrial Production (IIP) a strong foothold. Infrastructure is definitely going to be one of the key growth drivers for the Indian economy. The cement, coal and steel industries have already begun registering a turnaround. The realty business looks positive with demands from housing and commercial sectors. The roads and highways sector has very aggressive plan to achieve a target of constructing 20 kms a day. The process for awarding such contracts has been restructured and simplified in order to ensure that projects are awarded to those with strong credentials and high net worth. The Honorable Minister for Roads and Highways has already undertaken a number of Road Shows abroad to attract Global Contractors of repute to bid for such contracts in India. This demonstrates the Govt. of India's resolve to accelerate the construction of Roads & Highways.



Source : Goldman Sachs Research

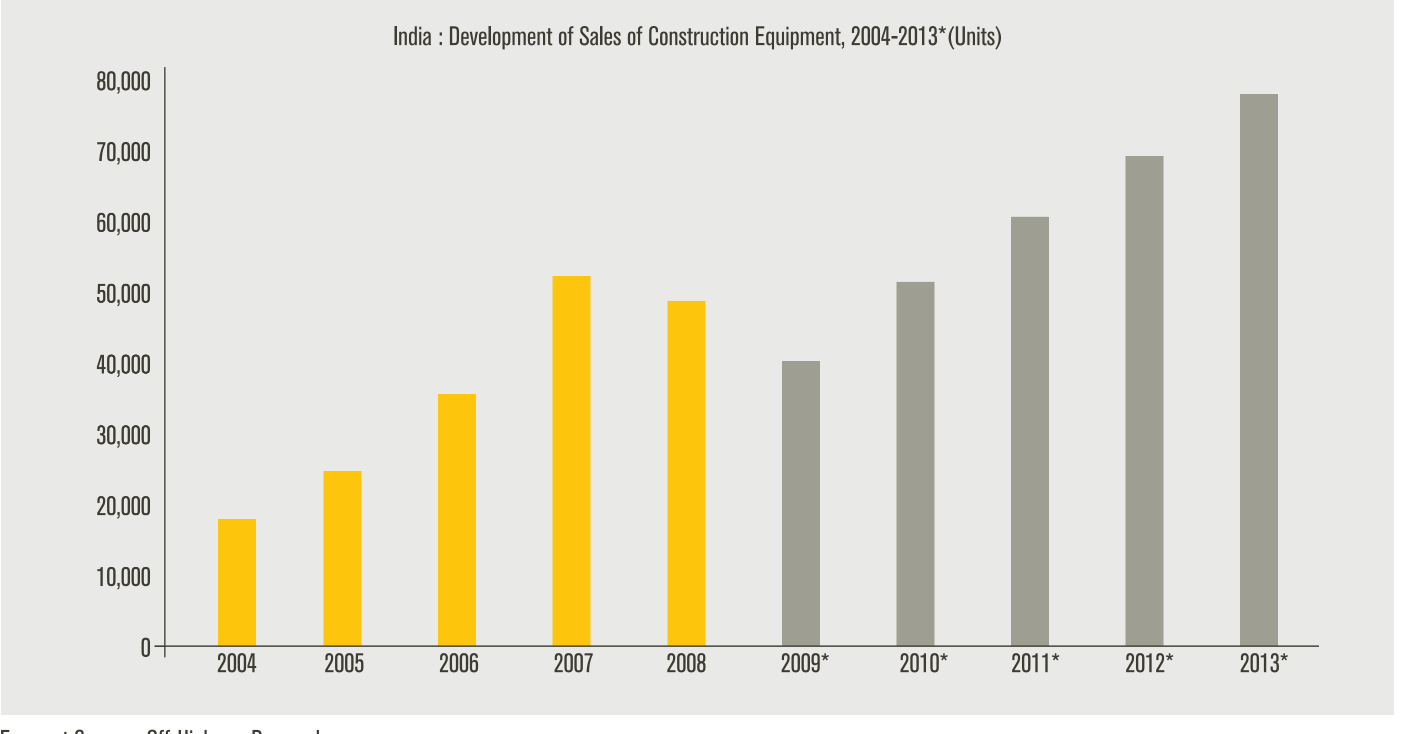
Many key projects during the financial year 2009-10 that were deferred are now expected to be finalized during 2010-11 and 2011-12. Other construction projects, which were also stalled, are showing signs of revival and expected to be back on track by Aug 2010. According to a report published in March 2010 by domestic broking major, Edelweiss Capital, India is likely to be a US $ 4 trillion economy by 2020. Also, as per Economic Intelligence Unit (EIU), the research arm of London based Economist Magazine, India is all set to become the world's fastest growing economy by 2018.

Infrastructure development being the key priority, for current plan period, the government has targeted investments of

- $150 billion in Power
- $ 80 billion in Roads & Highways sectors
- $ 65 billion for Railways,
- $ 22 billion for Ports
- $ 8 billion for Airports

For the 12th five year plan (2012-17), Prime Minister's Committee on Infrastructure has projected that India will require investments worth $ 1 trillion. Government is also making radical changes in policy matters to promote Public Private Partnership (PPP) module and facilitating private investments and attracting FDIs in infrastructure development.

With the Government's growing thrust on the infrastructure segment, the construction equipment sector is going to witness an exponential growth. The growth rate forecast for commercial, industrial and residential sectors pose an optimistic picture. According to a study conducted by leading management consulting firm McKinsey, Indian Earthmoving and Construction Equipment (ECE) industry has the potential to grow five-fold from its current size of US$ 2.3 billion to about US$ 12-13 billion by 2015, growing at a CAGR of 24%.



Forecast Source : Off-Highway Research

With economic activity picking up, Indian ports are also showing signs of turnaround. According to the Planning Commission, there is an investment opportunity of US$ 25 billion by 2011-12 in India's Shipping and Ports sectors. In order to expand capacity at important ports in the country, the Ministry of Shipping has awarded seven projects worth over US$ 387 million, to be developed through the PPP route. Traffic at Ports have been growing at a brisk pace and therefore, increasing cargo handling capacities of the Ports is critical to India. To meet this demand, India's ports are likely to increase cargo handling capacity to 1,855 MT by 2012 from the present 758 MT.

In the Railways sector, the Annual Plan for 2010-11 envisages investment of US$ 8.99 billion, according to data released by Press Information Bureau (PIB). Apart from fast track projects, the Indian Railways Ministry has also decided to diversify infrastructure facilities including cultural complexes, housing, schools, parking lots and super-fast passenger rail corridors, all of which will open new areas of opportunities. Your Company is taking all possible measures to optimize the huge potential in the Ports and Railways sectors.

The demand for the power sector continues to be robust as the shortfall in power generation continues to be 13% at peak demand and per capita usage is only 10% of the global average. These indicate that there is going to be a continuous increase in demand for power generation which can be provided through generator sets for user segments like textile, IT, Real Estate, Auto ancillaries, Petroleum, etc.

In the Construction and Mining Sector, the growth is likely to be 25 - 27%. during 2010 - 11. In addition, because of the Indian economy maturing there will be increased demand for Rental and Used Equipment as well. Your Company has initiated all necessary steps required to seize the emerging opportunities.

SEGMENTWISE PERFORMANCE

Material Handling Solutions (MHS)

Material Handling Solutions accounted for about 20% of Company sales during the year 2009 – 10. The overall sales for the Division were impacted on account of Economic slowdown witnessed in the country for most part of the year.

The Division retained its dominance in Mobile Crane market with market share exceeding 60%. Margins also improved during the year due to various measures taken to reduce costs in spite of lower sales. This Division also improved its order backlog position as on 31/3/10 to Rs. 46 crores compared to Rs. 20 crores a year earlier. However, the performance in respect of Port Equipment and Component exports suffered due to Global slowdown and downturn in Container traffic in the ports across India.

Mining segment continued to have confidence in TIL cranes. Your Company received orders from a Navratna PSU for 14 new cranes valued at Rs. 27 crores during the year under review.

Your Company has been serving Indian Defense over the decades for varied range of Material Handling equipment. Defense again reaffirmed their confidence by placing order for 12 nos. cranes valued at Rs. 6 crores. Orders from the Defense Authorities for larger quantities are in the pipeline.

With the objective of quantum improvement in plant throughput and costs, MHS Division of your Company has embarked on an ambitious "Accelerated Improvement Program" This program involves all sections of employees with focus on participation from shop floor workmen.

In line with the Division's plan to continuously enhance its Product offerings, new Technology Transfer agreements have been made with Astec Inc, USA for manufacturing and marketing of a range of Aggregate Crushers and Screens as well as Double Barrel Continuous Hot Mix Asphalt Plants. Astec is a leading global brand in the field of Road Making and Construction Equipment with factories spread over various parts of USA.

This Division also entered into an agreement with Potain Cranes, a global leader in Tower Cranes and part of Manitowoc Crane Group for marketing of Potain Tower Cranes in the territory of North and East India. Potain has more than 100,000 cranes sold and installed globally and produces over 60 models which range from 1.0 ton to 160 tons for varied applications including construction sites, dam building projects, power stations, ship building yards and bridge building projects.

The Division with its robust expansion plans and diverse product portfolio is well positioned to leverage the growth opportunities in the Indian Infrastructure space.

Construction & Mining Solutions (CMS)

Construction & Mining Solutions accounted for 56% of the Company's revenue. Difficult industry and economic conditions continued to prevail for the major part of the financial year 2009-10. In terms of unit sales, 850 units were sold with an order backlog of 88 units valued at Rs. 87 crores.

During 2009-10, your Company achieved breakthroughs in the mining segment. An established Spanish contractor making their entry in India booked an order for 7 units of 100 ton Trucks valued at Rs. 17 crores. Purchase of further 12 Trucks and support equipment valued at Rs. 40 crores is under consideration. For the first time, your Company secured an order for underground mining support equipment valued at Rs. 3.69 crores. A steel major has also placed an order for 2 units 988H Wheel Loaders and 773 Water Sprinklers valued at Rs. 6.30 crores. Negotiation for purchase of additional equipment by the customer is under progress. The Company's focus on rentals continue along with the strategy to provide easier access to Caterpillar equipment and DG sets. The Construction & Mining Rentals recorded a healthy top line growth of 43% during the year under review. To meet customer expectations, your Company also invested substantially in the training and development of employees to deliver quality Rental solutions. The Rental fleet surpassed 200 units and in order to enhance coverage and be closer to the customer, new Rental outlets have been opened during the year under review apart from the standalone Rental stores in Asansol, Bhubaneswar, Lucknow, Udaipur, Chandigarh and Sahibabad.

Product and service support continue to be a priority for your Company. As a testimony to this, Maintenance and Repair Contract (MARC) with two major groups have been renewed for another 5 years. Furthermore, your Company has signed a customer service agreement with a major infrastructure organization for 100 machines deployed in Bihar.

In our continuous endeavor to be a total solutions provider, your Company invested in a state-of-the-art Component Rebuild Centre at Asansol (West Bengal) which also conforms to the 5-star contamination control norms of Caterpillar and is fully equipped to enable customers to achieve optimum component life and reliability through world class rebuild practices.

Power Systems Solutions (PSS)

Power Systems Solutions accounted for 24% of the revenue during the period under review and in terms of units, 503 engines were sold during the year including those sold in the Petroleum segment. Your Company's order backlog for this business is Rs. 136 Crores. A prestigious order (4 Units) from one of the major infrastructure Company for high capacity engines of 2,000 KVA each was secured for the *Kishanganga Project* – the total value of this being approx. Rs. 12 Crores. Furthermore, 10 DG Sets in the 725 / 1,000 KVA range have been contracted for another new business account based out of Hardwar for a value of Rs. 5 Crores. Both these new businesses demonstrate your Company's strength in the larger capacity engine business. Product Support continues to be a focus area with the ONGC Annual Maintenance & Parts Contract rolling on successfully since last year.

In the Petroleum segment, your Company has secured for the first time a contract from CAMP POWER for 2 Units of Gas Engines for erection, commission and running for 5-Years. This pertains to the G3516C Engine and the value of the order would be around Rs. 11 crores. With increase in prospects in the CNG and City Gas business, your Company is set to aggressively explore the evolving opportunities.

The Rental Fleet for the engine business crossed 90 Units reflecting a business growth of around 50%.

With the initiatives on increasing footprint and field resource, your Company significantly improved the market coverage and added 428 new customers in the CMS business and 261 new customers in the PSS business, to the existing customer base.

Formation of Tractors India Private Limited (TIPL)

During the financial year 2009-10, your Company decided to transfer the Caterpillar Business to Tractors India Private Limited (TIPL) , a 100% wholly owned subsidiary company of TIL Ltd with effect from 1st April 2010. The Caterpillar business consisting of the Construction & Mining Solutions and Power System Solutions will be managed by TIPL. The formation of this subsidiary Company has been done to have laser focus on the Caterpillar Business and achieve higher growth both in terms of Sales and Profits, and also to have a more dynamic customer-centric organization. This initiative also conforms to the re-alignment of Caterpillar's "India Acceleration Program", which is also in line with Caterpillar's vision 2020 and its enterprise strategy. TIPL has further re-structured the organization by creating four strategic business units or territorial dealerships. This re-structuring is on the basis of the geographical profile and boundaries, and also keeping the industry segments under consideration. The benefits your Company will derive out of this re-structuring are as follows :-

- Improved market coverage – extensive foot print
- Better proximity to customers
- Quantum leap in customer delight
- Enhanced customer loyalty
- Increased market share
- Sustainable growth in sales and profits

The formal signing of the Territorial Dealership Agreements with Caterpillar has been completed to create the most effective and significant business and market distribution. With the formation of TIPL, your Company corroborates the fact that the Customer ultimately remains the nucleus of all business activities. The Head Office for TIPL will remain in Kolkata. The strategic direction, policies and operational standards will be seamless and uniform in all the four territories. Each territory will be independent profit centers with Head Offices in Kolkata, Bhubaneswar, Sahibabad and Udaipur. This will bring the right focus with sectoral and locational attention necessary to drive the business forward and further to establish your Company as a Total Solutions Provider.

OPPORTUNITIES & THREATS

During the first 9 months of the Financial Year 2009 / 10 the economy was recovering and the investments by the Government in the infrastructure sector was not significant. There was an expectation that the economy will recover significantly from January 2010 and the budget for 2010 / 11 will also be a stimulus for increase in investments in the infrastructure sector. Although the GDP growth has been estimated at 7.1% for 2009/10, there has also been deferment of investments in the infrastructure sector in that Financial Year. The investments in the infrastructure industry is likely to increase in 2010 / 11 and 2011 / 12 as many key projects are expected to be funded which includes building of national highways, construction of expressways, metro rail projects, flyovers, commercial projects including IT parks, hotels, doubling of major ports cargo capacity, privatization of mining and upgrading metro airports. All these will require additional investments in the construction, mining and material handling equipment.

During 2009 / 10 the Company has initiated various strategies through the following:

- Market penetration by opening of new Branches,
- Expansion of manufactured range of products through technical collaboration agreements,
- Operational excellence,
- Focused organization structure,
- Human Resource Development.

The Company continues to pursue its objective of sustainable growth in terms of the top line and the bottom line, maximizing the operational efficiency and also follow the best practices for attainment of the highest standards of quality, safety and productivity.

Since your Company imports material required to manufacture finished products and also imports capital goods, the dependence on such imports is significant and any adverse Foreign Exchange fluctuation will have an impact in the business process. In addition to this, any economic slowdown in terms of further deferment of Government expenditure towards infrastructure sector and steep hike in steel prices will also have an impact on the business. Your Company has been facing competition both locally and internationally and the recent development in this respect has been the availability of Chinese products, which can pose a threat for the growth of the business.

RISKS & CONCERNS

The Company's business involves manufacturing and dealership activities. The vital risk perceived by the Management is the industry risk, which includes industry slowdown that can significantly affect the Company's future performance and prospects. In addition to this, any rise in input cost, viz steel and cement and also the cost of land where your Company is proposing to set up the new factory can also affect the Company's performance. With the opening up of the economy, there is always the risk of increased competition from international players. Your Company also has a Client Concentration risk as a significant proportion of the revenues are generated by a cluster of customers, which can have a material impact in the event of their attrition. Finally, the business also runs the risk of people attrition, which leads to drainage in knowledge and experience. However, your Company has analyzed the various types of risks and has framed a risk management policy which includes mitigation of such risks. The Board of Directors reviews these risks periodically. The review of the risk is done with a plan to mitigate the same in a structured manner with strategic interventions at the appropriate time.

OUTLOOK

Backed by the strong domestic demand and robust business confidence coupled with Govt's thrust towards infrastructural developments, the Indian economy is projected to grow at 8.5% in 2011 – 12 according to the World Economic Outlook report (2010) by the International Monetary Fund (IMF).

Infrastructure sector in India is on an exciting growth path at the moment with the Govt identifying infrastructure development as a key focus area for the next five years. The increased focus and spending on the sector will be providing an exciting opportunity and your Company is well positioned to optimize the emerging opportunities through its improved and innovative product and service portfolio along with focus on Rental and Used Equipment, new business tie-ups and strategic realignment.

The business opportunities in the coming years look very positive and encouraging and your Company is committed to its Nation Builder role. Your Company is determined to take advantage of the growth potential and be a partner in the building of 'Modern India'.

INTERNAL CONTROLS & THEIR ADEQUACY

The Company has an adequate system of internal controls implemented by the Management towards operations, optimum utilization of resources and effective monitoring and compliance with all applicable rules. The Internal Control System is commensurate with the size and nature of operation. A firm of Chartered Accountants conducts the internal audit in addition to your Company's own Internal Audit Dept. The Company has an Audit Committee that reviews Audit Reports submitted by the Internal Auditors. The Committee also meets Company's Statutory Auditors and the Internal Auditors to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its major observations from time to time.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Total income of TIL for the year stands at Rs. 887.94 crores vis-à-vis Rs. 875.79 crores in 2008-09. PBT for the year stands at Rs. 75.48 crores compared to Rs. 50.57 crores in the previous year. EBIDTA for the year is Rs. 108.38 crores (i.e. an increase of 27%) vis-à-vis Rs. 85.28 crores in 2008-09.

On an activity basis, TIL transacted Rs. 1050.40 crores in 2009-10 vis-à-vis Rs. 999.60 crores in 2008-09 registering an increase of 5%.

KNOWLEDGE RESOURCES

Your Company recognizes that the most important asset in an organization is the right Human Capital. Your Company constantly strives through various measures to energize and motivate employees, empowering them to contribute successfully to your Company's business performance. The focus for the year under review was on organizational restructuring in line with the goals and objectives of your Company. People development and enhancement of knowledge and skill levels for all employees remained a key objective. To this direction your Company initiated Competency Development and Management System, focusing both on behavioral and technical competencies. The process was aimed at defining the competencies, which are critical for successful execution of a job. With the same vision, Job Evaluation was conducted for the entire organization leading to creation of "Job band" and "Compensation indexing" with an aim to utilize the same for career development of employees through a series of career planning workshops. This in turn would provide critical input for succession planning process. Like every year Employee Opinion Survey was conducted for 2009-10 and your Company took several activities towards enhancing employee engagement and motivation for creating ideal work environment. As on 31st March 2010, your Company's employee strength stood at 1639.

INDUSTRIAL RELATIONS

The industrial relation was harmonious and cordial with all workmen and unions.

CAUTIONARY STATEMENT

Certain statements made in the Management Analysis and Report relating to Company's objectives, projections, outlook, expectations, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, etc. whether express or implied. Several factors could make a significant difference to the Company's operations. These include economic conditions, political scenario, pace of country's infrastructure development, Govt. Regulations and taxation, natural calamity, etc. over which the Company does not have any control.

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance Policies followed by your Company is aimed at ensuring transparency, professionalism and accountability in its dealings with its customers, principal, employees, shareholders and with every individual who comes in contact with the company.

Company's philosophy on Corporate Governance is bounded upon a rich legacy of fair ethical governance practices, many of which were in place even before that they were mandated by adopting honesty, integrity and ethical behavior.

As a good corporate citizen, the Company has established systems to encourage environmental and social initiatives that contribute to organizational sustainability, systematic training, conservation of energy and other scarce resources.

The Company is in full compliance with the requirements of Corporate Governance under the revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges which is given below.

1. Board of Directors

a) The Board comprises 7 Members of whom 2 are Wholetime Directors and 5 Non-Executive Independent Directors including a Nominee Director of Life Insurance Corporation of India (LIC).

Composition, Category, Directorships and Committee Memberships in other Companies as on 31st March, 2010

The Board of your Company consists of the following Directors:

Name of Directors	Category of Director	Directorships held in other Indian Public Limited Companies	Committee# Positions held in other Indian Public Limited Companies	
			As Chairman	As Member *
Mr. A. Mazumdar – Chairman and Wholetime Director	Executive	-	-	-
Mr. Sumit Mazumder – Vice-Chairman and Managing Director	Executive	1	-	-
Mr. R.L. Gaggar – Director	Non-Executive Independent	13	-	8
Mr. U.V. Rao – Director	Non-Executive Independent	2	1	2
Mr. K.B. Saha@ – Director (Nominee of LIC){+}	Non-Executive Independent	1	-	-
Mr. G. Swarup – Director	Non-Executive Independent	7	-	1
Dr. T. Mukherjee** – Director	Non-Executive Independent	4	-	-

Only Audit Committee and Shareholders' Grievance Committee have been considered for this purpose.

* Includes Chairmanship

@ Mr. K.B. Saha appointed in place of Mr. K.S. De with effect from 27th October, 2009.

{+} LIC being an Equity Investor.

** Dr. T. Mukherjee appointed as Director with effect from 4th June, 2009.

During the year ended on 31st March, 2010 five meetings of the Board of Directors were held on 11th May 2009, 28th July 2009, 27th October 2009, 27th January, 2010 and 30th March, 2010.

b) Attendance of Directors at the Board Meetings and Annual General Meeting (AGM) during the year ended 31st March, 2010 :

Name of Director	No of Board Meetings		Attendance at the last AGM Held on 28th July, 2009
	Held	Attended	
Mr. A. Mazumdar	5	4	Yes
Mr. Sumit Mazumder	5	5	Yes
Mr. R.L. Gaggar	5	5	Yes
Mr. U.V. Rao	5	4	Yes
Mr. K. S. De @	2	2	Yes
Mr. K.B. Saha @	3	3	No
Mr. G. Swarup	5	5	Yes
Dr. T. Mukherjee **	4	4	Yes

@ Mr. K.B. Saha appointed in place of Mr. K.S. De with effect from 27th October, 2009.

** Dr. T. Mukherjee appointed as Director with effect from 4th June, 2009.

Pursuant to the declaration made in Form 24 AA under section 299 of the Companies Act, 1956, none of the Non-Executive Independent Directors has any pecuniary relationship and/or transaction with your Company other than receiving Sitting Fees, Commission and/or reimbursement of expenses, if any, incurred for attending meetings of the Board and/or Committee thereof.

Resume and other information of the Directors getting appointed, as required under Clause 49IV (G) of the listing Agreement, are given in the Notice calling the Annual General Meeting.

2. Audit Committee

a) The Audit Committee of the Company was constituted on 31st October, 2000. The broad terms of reference and composition of the Audit Committee are as per Clause 49 of the Listing Agreement and are in accordance with Section 292A of the Companies Act, 1956.

b) The Audit Committee as at 31st March, 2010 comprises five Directors, all being Non-Executive Independent Directors namely, Mr. U.V. Rao, Mr. R.L. Gaggar, Mr. K.B. Saha, Mr. G. Swarup and Dr. T. Mukherjee. Mr. K.B. Saha became member of the Committee in place of Mr. K.S. De w.e.f. 27th October, 2009 (Mr. K. S. De was a member of the Audit Committee during the period 01.04.2009 to 27.10.2009). Dr. T. Mukherjee became member of the Committee w.e.f. 4th June, 2009. The Vice Chairman & Managing Director, Chief Financial Officer, Presidents (Material Handling Solutions Business Segment) and (Construction and Mining Solutions & Power Systems Solutions Business Segments) are permanent invitees and Statutory Auditors and Internal Auditors are invitees. The Company Secretary, Mr. Debashis Nag, is the Secretary to the Audit Committee.

c) Mr. U. V. Rao, Chairman of the Audit Committee attended the AGM held on 28th July, 2009.

i. During the year ended 31st March, 2010 Audit Committee meetings were held on 11th May 2009, 28th July 2009, 27th October 2009 and 27th January, 2010.

ii. The Annual Financial Statements for the financial year 2008-09 were reviewed by the Audit Committee at its meeting held on 11th May, 2009 and were recommended to the Board for adoption.

iii. The unaudited financial results for each quarter were reviewed and approved by the Audit Committee during the year before recommendation to the Board of Directors for adoption.

d) Attendance of the members at the Audit Committee meetings held during the year ended 31st March, 2010 :

Name	Status	Meetings held	Meetings attended
Mr. U. V. Rao	Chairman	4	4
Mr. R. L. Gaggar	Member	4	4
Mr. K. S. De *	Member	2	2
Mr. K.B. Saha *	Member	2	1
Mr. G. Swarup	Member	4	4
Dr. T. Mukherjee*	Member	3	3

* Mr. K.B. Saha inducted in place of Mr. K.S. De as a member of the Committee w.e.f. 27th October, 2009 (Mr. K S De was a member of the Audit Committee during the period 01.04.2009 to 27.10.2009). Dr. T. Mukherjee became member of the Committee w.e.f. 4th June, 2009.

3. Remuneration and Compensation Committee

The Remuneration Committee was constituted on 31st May, 1999. The broad terms of reference of the Remuneration Committee were:

To consider and review from time to time the terms and conditions and remuneration package payable to Wholetime Directors and Senior Executives of the Company and to recommend to the Board accordingly.

The Remuneration Committee as at 31st March, 2010 comprises three Independent Non-Executive Directors namely, Mr. R.L. Gaggar (Chairman), and Mr. U.V. Rao and Dr. T. Mukherjee (Members). Mr. K. S. De was a member of the Remuneration Committee for the period 01.04.2009 to 27.10.2009 and Dr. T. Mukherjee became a member of the Committee w.e.f 9th December 2009. During the year, the said Committee has been reconstituted w.e.f. 9th December, 2009 (further amended w.e.f. 27th January, 2010), under the name and style as "Remuneration & Compensation Committee". Remuneration of Whole-time Directors of the Company largely consists of base remuneration, perquisites and special pay/incentives/commission. The components of the total remuneration vary for different cadres and are governed by industry patterns, qualifications and experience of the incumbent, responsibilities handled by him, individual performance, etc. In addition to the existing terms of reference of the said Committee, the terms of reference also include implementation, administration and superintendence of the Employee Stock Option Plan (ESOP) and formulation of detailed terms and conditions of the ESOP Scheme.

During the year ended 31st March, 2010 two meetings of the Remuneration Committee were held on 11th May, 2009 and 30th March, 2010.

Attendance of the members at the 'Remuneration & Compensation Committee' meetings held during the year ended 31st March, 2010 :

Name	Status	Meetings held	Meetings attended
Mr. R.L. Gaggar	Chairman	2	2
Mr. U.V. Rao	Member	2	1
Mr. K.S. De	Member	1	1
Dr. T. Mukherjee	Member	1	1

Remuneration of Directors for the Year Ended 31st March, 2010 :

Name of the Director	Salary [including Special Pay/ Incentives]	Perquisites (computed under the Income Tax Act, 1961)	Contribution to Provident and other Funds	Commission	Sitting fees	
					Board Meeting	Committee Meeting
Mr. A. Mazumdar	3,867	2,417	926	16,344		-
Mr. Sumit Mazumder	3,733	2,516	1,026	16,356	-	-
Mr. R. L. Gaggar	-	-	-	800	75	105
Mr. U.V. Rao	-	-	-	800	60	75
Mr. K.S. De *@	-	-	-	-	30	45
Mr. K.B. Saha*@	-	-	-	800	45	15
Mr. G. Swarup	-	-	-	800	75	60
Dr. T. Mukherjee **	-	-	-	660	60	60

* Payable to LIC as per terms of nomination.

@ Mr. K.B. Saha appointed in place of Mr. K.S. De with effect from 27th October, 2009 (Mr. K.S. De was nominee director of LIC during the period 01.04.2009 to 27.10.2009).

** Dr. T. Mukherjee appointed as Director with effect from 4th June, 2009.

All the Directors of the Board, other than the Vice Chairman & Managing Director and the Nominee Director, are liable to retire by rotation. The terms of appointment of Wholetime Directors are decided by the Board as per the recommendation of the 'Remuneration and Compensation Committee', subject to the Shareholders' approval.

The Service Contracts with the Wholetime Directors are for a period of five years from the date of appointment. The Notice period for the termination of Contract is three months. There is no Severance Fees payable by the Company to the Whole-time Directors. The Company, at present, has no Stock Option Scheme.

The Non-Executive Directors do not hold any shares in the Company. The Non-Executive Directors, in addition to sitting fees, are also paid commission pursuant to approval by the Shareholders in the Annual General Meeting held on 24th July, 2007. The said approval authorized the Board to fix the commission within the overall limit of 1% of the profits.

4.A. Shareholders' / Investors' Grievance Committee

a) The Shareholders'/ Investors' Grievance Committee of the Company was constituted on 31st October, 2000. The terms of reference of the Shareholders'/ Investors' Grievance Committee is to look into Shareholders'/Investors' complaints relating to transfer/ splitting/ consolidation of shares, non-receipt of dividend/ Annual Report, revalidation of dividend warrant, etc and redress the same expeditiously.

b) The Shareholders'/ Investors' Grievance Committee comprises one Independent Non-Executive Director and two Wholetime Directors: -

Name	Status
Mr. R. L. Gaggar	Chairman
Mr. A. Mazumdar	Member
Mr. Sumit Mazumder	Member

The Company Secretary, Mr. Debashis Nag, is the Compliance Officer.

c) During the year ended 31st March, 2010 no meeting of Shareholders'/ Investors' Grievance Committee was held as no grievances have been received from any of the Shareholders.

d) During the year ended 31st March, 2010 no complaint was received from the Shareholders'/Investors' and the Registrar of the Company, M/s. C. B. Management Services Pvt. Ltd., Kolkata, has certified the same.

4.B. Share Transfer and Certificate Committee

The Board has delegated the powers of approving transfer of shares to Share Transfer and Certificate Committee. The Committee met ten times during the year ended 31st March, 2010 and approved the transfer of shares lodged with the Company. At the year-end, there was no share pending for transfer.

5. General Body Meetings

a) Location and time of last three Annual General Meetings (AGM).

Financial Year (31st March)	Date	Time	Location
2006-2007	24.07.2007	10:30 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024
2007-2008	29.07.2008	10:00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024
2008-2009	28.07.2009	10:00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024

b) Special Resolutions passed at the last three AGMs.

Financial Year	Item
2006-2007	Payment of Commission to the Directors of the Company, other than Managing Director and Whole-time Directors, but including Nominee Director.
2007-2008	Nil
2008-2009	Reappointment of Mr. A. Mazumdar, Chairman and Wholetime Director for a period of five years w.e.f. 1st June, 2009 to 31st May, 2014.

c) Location and time of last Extraordinary General Meeting (EGM).

Financial Year (31st March)	Date	Time	Location
2007-2008	28.11.2007	10.30 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024

d) Special Resolutions passed at the last Extraordinary General Meeting (EGM).

Financial Year	Item
2007-2008	i) Alteration of Capital Clause of the Memorandum of Association and Article of Association of the Company.
	ii) To offer, issue and allot in one or more trenches, 29,93,842 warrants of Rs. 10/- each at a premium of Rs. 316/-, to one or more entities belonging to the Indian Promoter Group and others on preferential basis. The said warrants are convertible at the option of the holder into Equity Shares of Rs. 10/- each at the ratio of 1 Equity share for every warrant held.

e) Special Resolution passed during the year ended 31st March, 2010 through Postal Ballot.

Date	Item
15th January, 2010	Approval for transfer of Company's Caterpillar Business (involved in the business of dealership, sales, service and repair of construction, earthmoving equipment, engines, motors, electrical and engineering consultancy, etc. of Caterpillar Inc.) on a going concern basis by way of slump sale to a wholly owned subsidiary of the Company M/s Tractors India Private Limited.

6. Disclosures

a) A statement in summary form of transactions with related parties in the ordinary course of business are placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on arms length basis.

b) The Company did not have any materially significant related party transactions, which may have potential conflict with the interest of the Company.

c) While preparing the financial statements during the year under review, no accounting treatment which was different from the prescribed Accounting Standard was followed.

d) The Company has complied with the requirements of the regulatory authorities on capital markets and no penalties/strictures have been imposed against it, by Stock Exchanges or SEBI or any Statutory Authority, in the last three years.

e) The policy of risk assessment is in place and the Management follows the procedures to inform the Board about the Risk Assessment. These procedures are periodically reviewed to ensure that the Executive Management controls risk through properly defined framework.

f) There were no material financial and commercial transactions where senior management of the Company had personal interest that may have a potential conflict with the interest of the Company at large.

7. Subsidiary Companies

The Company has total four subsidiaries, which include three foreign non-listed subsidiary companies namely, Myanmar Tractors Limited, Myanmar, TIL Overseas Pte. Limited, Singapore and Tractors Nepal Private Limited, Nepal and one Indian subsidiary namely, Tractors India Private Limited. The Management periodically brings to the attention of the Board of Directors all significant transactions and arrangements entered into by the subsidiary companies. The Audit Committee reviews the financial statements including the Investments made by these subsidiary companies. The minutes of the Board Meetings of the subsidiary companies are also placed at the Board Meeting of the Company.

8. Means of Communication

a) The Company had arranged to publish the quarterly results in the newspapers immediately after they were taken on record by the Board of Directors and had the same displayed on its website **www.tilindia.in.** The Company did not make any presentation to Institutional Investors or Analysts. The Company's financial results are normally published in prominent business dailies in English viz. Economic Times/Business Standard and a regional newspaper published in Bengali – Aajkal. Pursuant to amended Clause 52 of the Listing Agreement with the Stock Exchanges, the Company is also posting financial results and other shareholders' related information in the Corporate Filing and Dissemination System (CFDS), viz., www.corpfiling.co.in.

b) The Management Discussion and Analysis Report forms part of the Directors' Report.

9. General Shareholder Information

a) AGM: Date, time and venue

Forthcoming Annual General Meeting will be held on 29th July, 2010 at 10 a.m. at the Company's registered office at 1, Taratolla Road, Garden Reach, Kolkata 700024.

b) Financial Calendar (Tentative)

Financial Reporting for the year ended 31st March, 2010	May 2010
Mailing of Annual Reports for 2009-2010	June 2010
Financial Reporting for the quarter ending 30th June, 2010	July 2010
Limited Review Report for the quarter ending 30th June, 2010	July 2010
Financial Reporting for the quarter /half year ending 30th September, 2010.	October 2010
Limited Review Report for the half year ending 30th September, 2010	October 2010
Financial Reporting for the quarter ending 31st December, 2010	January 2011
Limited Review Report for quarter ending 31st December, 2010	January 2011
Financial Reporting for the year ending 31st March, 2011	May 2011

c) Date of Book Closure

The Share Transfer Books and Register of Members will remain closed from 22nd July, 2010 to 29th July, 2010, both days inclusive.

d) Dividend Payment Date - On or about 5th August, 2010.

e) Listing on Stock Exchanges

Name of the Stock Exchange	Address	Code
The Calcutta Stock Exchange Association Ltd.	7, Lyons Range, Kolkata-700 001	30148
Bombay Stock Exchange Ltd.	Phiroze Jeejeeboy Tower, Dalal Street, Fort, Mumbai-400 001	505196
National Stock Exchange of India Ltd.	Exchange Plaza, 5th Floor, Plot No.C/1, G-Block Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.	TIL-EQ

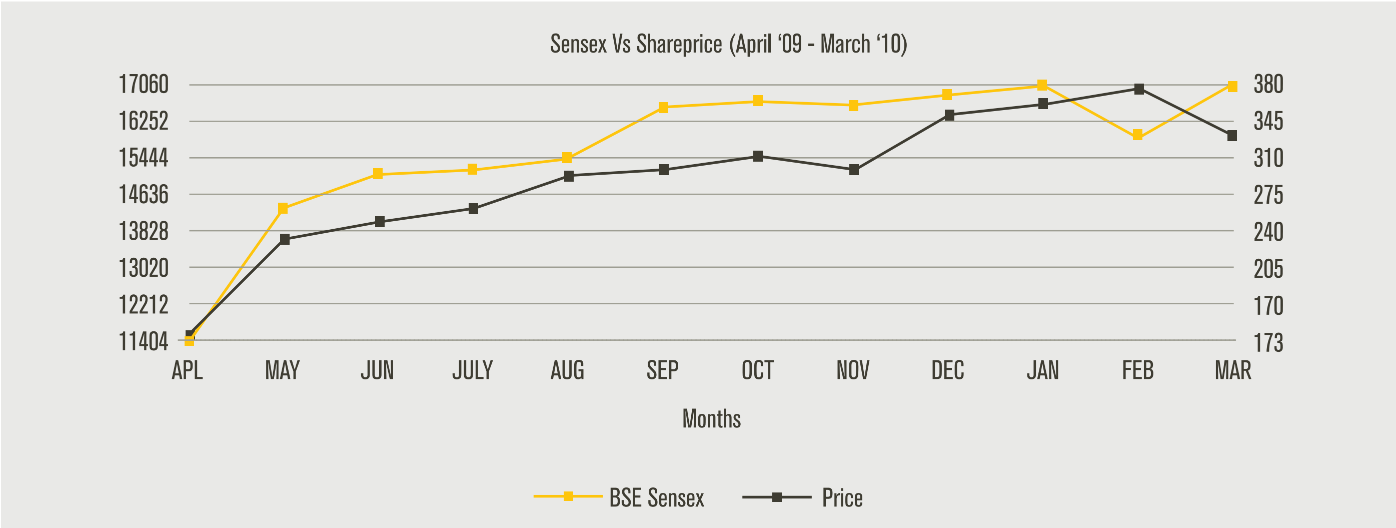
Listing fees for the year 2010-11 have been paid to the Stock Exchanges.

The International Security Identification Number (ISIN) is INE806C01018.

f) Market Price Data

Months	Bombay Stock Exchange Limited * Market Price (Rs.)	
	High	Low
April 2009	144.10	82.00
May 2009	245.00	124.90
June 2009	265.00	188.00
July 2009	279.00	186.10
August 2009	314.00	232.25
September 2009	316.00	272.10
October 2009	332.00	255.00
November 2009	321.20	242.50
December 2009	374.00	309.90
January 2010	388.80	292.00
February 2010	404.90	306.00
March 2010	354.50	322.00

* Where Equity Shares of the Company are regularly traded.



g) Registrar and Share Transfer Agents

The share management work, both physical and demat, is being handled by the Registrar and Share Transfer Agent of the Company whose name and address are given below:

C.B. Management Services (P) Ltd.

P-22, Bondel Road, Kolkata 700 019

Telephone Numbers	:	40116700, 40116711, 40116718, 40116723
Fax Number `	:	033 2247 0263
E-Mail	:	rta@cbmsl.com

h) Share Transfer System

Share Transfer requests, valid and complete in all respects are normally processed within 15 days from the date of receipt. The Board has delegated the powers to Share Transfer & Certificate Committee for expediting share transfer. Valid requests for demat/remat of shares are completed generally within 10 days from the date of demat/remat request. The Company's shares are compulsorily traded in the dematerialized form.

i) Shareholding Pattern as on 31st March, 2010

Category code			Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in demateria-lized form	Total shareholding as a percentage of total number of shares		Share pledged or otherwise encumbered	
							As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a Percen-tage
(A)	Shareholding of Promoter and Promoter Group									
	1		Indian							
		(a)	Individuals/ Hindu Undivided Family	6	757,647	713,447	7.55	7.55	NIL	NIL
		(b)	Central Government/ State Government(s)							
		(c)	Bodies Corporate	16	2,416,628	21,514,963	24.09	24.09	NIL	NIL
		(d)	Financial Institutions/Banks							
		(e)	Any Others(Specify)							
			Sub Total(A)(1)	**22**	**3,174,275**	**2,864,940**	**31.64**	**31.64**	**NIL**	**NIL**
	2		Foreign							
		(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)							
		(b)	Bodies Corporate	1	1,930,828	-	19.25	19.25	NIL	NIL
		(c)	Institutions							
		(d)	Any Others(Specify)							
			Sub Total(A)(2)	**1**	**1,930,828**		**19.25**	**19.25**	**NIL**	**NIL**
			Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**23**	**5,105,103**	**2,864,940**	**50.89**	**50.89**	**NIL**	**NIL**
(B)			Public shareholding							
	1		Institutions							
		(a)	Mutual Funds/ UTI	6	29,435	28,350	0.29	0.29		
		(b)	Financial Institutions / Banks	9	2,503	1,562	0.02	0.02		
		(c)	Central Government/ State Government(s)							
		(d)	Venture Capital Funds							
		(e)	Insurance Companies	5	1,849,292	1,849,292	18.44	18.44		
		(f)	Foreign Institutional Investors	2	35,000	35,000	0.35	0.35		
		(g)	Foreign Venture Capital Investors							
		(h)	Any Other (specify)							
			Sub-Total (B)(1)	**22**	**1,916,230**	**1,914,204**	**19.10**	**19.10**	**NA**	**NA**

i) Shareholding Pattern as on 31st March, 2010

Category code			Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in demateria-lized form	Total shareholding as a percentage of total number of shares		Share pledged or otherwise encumbered	
							As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a Percen-tage
(A)	2	Non-institutions								
		(a)	Bodies Corporate	314	925,227	921,784	9.23	9.23	-	-
		(b)	Individuals							
		(i)	Individual shareholders holding nominal share capital up to Rs 1 lac	6,511	1,688,143	1,344,716	16.83	16.83	-	-
		(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lac	15	294,815	279,815	2.94	2.94	-	-
		(c)	Any Other (specify)							
		(i)	Non-Resident	117	75,841	60,265	0.76	0.76	-	-
		(ii)	Clearing Member	61	23,406	23,406	0.23	0.23	-	-
		(iii)	Trust	5	1,500	1,500	0.02	0.02	-	-
			Sub-Total (B)(2)	**7,023**	**3,008,932**	**2,631,486**	**30.01**	**30.01**	**-**	**-**
			Total Public Shareholding (B)= (B)(1)+(B)(2)	**7,045**	**4,925,162**	**4,545,690**	**49.11**	**49.11**	**-**	**-**
			TOTAL (A)+(B)	**7,068**	**10,030,265**	**7,410,630**	**100.00**	**100.00**	**-**	**-**
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
	GRAND TOTAL (A)+(B)+(C)			**7,068**	**10,030,265**	**7,410,630**	**100.00**	**100.00**	**-**	**-**

j) Distribution of shareholding as on 31st March, 2010

Range / Category (Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares to total Shares
1-500	6,221	88.02	704,799	7.03
501-1000	419	5.93	332,303	3.31
1001-2000	204	2.89	308,948	3.08
2001-3000	75	1.06	188,794	1.88
3001-4000	37	0.52	133,727	1.33
4001-5000	24	0.34	110,080	1.10
5001-10000	36	0.51	279,719	2.79
10001 & above	52	0.73	7,971,895	79.48
Total	**7,068**	**100.00**	**10,030,265**	**100.00**

k) Dematerialisation of Shares and Liquidity

The Company has entered into agreements with NSDL and CDSL whereby shareholders have an option to dematerialize the shares with either of the Depositories. As on 31st March, 2010 Company's total shares representing 7,410,630 shares (73.88%) were held in dematerialized form out of which 6,921,888 shares (69.01%) were held in NSDL and 488742 shares (4.87%) in CDSL. The balance 2,619,635 shares representing26.12% were in paper form.

l) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

2,693,707 Convertible Equity Warrants allotted on 28th December, 2007 on a preferential basis to the Indian Promoter Group and certain other companies, lapsed during the quarter ended 30th June, 2009 on expiry of the stipulated period to exercise the option by the allottees; accordingly the 10% consideration amount received against allotment, amounting to Rs. 878.15 lacs, has been forfeited and credited to Capital Reserve Account.

m) Plant Locations

Kamarhatty	–	517, B.T. Road, Kolkata 700 058, West Bengal
Sahibabad	–	Plot No.11, Site-4, Sahibabad Industrial Area, Ghaziabad 201 010 Uttar Pradesh

n) Address for correspondence

Registered Office:

1, Taratolla Road, Garden Reach, Kolkata 700 024

Phone Nos. (033) 2469-3732/36 (5 lines)

Fax Nos. (033) 2469-2143/2469-3731

Email – secretarial.department@tilindia.com

Website: www.tilindia.in

10. Code of Conduct

A Code of Conduct for the Board of Directors and Senior Managers has been formulated and adopted by the Board of Directors in the Meeting held on 15th March, 2005. The Code of Conduct, as approved by the Board, is also posted on the Website of the Company. A declaration by the Vice Chairman & Managing Director (CEO) stating that all Board Members and Senior Management Personnel have complied with the Code of Conduct for the Financial Year ended 31st March, 2010 forms part of the Annual Report.

11. CEO and CFO Certification

As per Clause 49(V) of the Listing Agreement, a certificate duly signed by the Vice Chairman & Managing Director and CFO, in respect of the financial year ended 31st March, 2010 has been placed before the Board in the Meeting held on 11th May, 2010.

12. Non-Mandatory Requirements

a) Office of Non Executive Chairman and tenure of office of Non Executive Directors

The Chairman of the Company being a Wholetime Director, the requirement relating to maintenance of non-executive Chairman's office is not applicable. Mr. R.L. Gaggar and Mr. U. V. Rao, all being non-executive independent Directors, are holding office for a term exceeding ten years from the date of initial appointment. Mr. G. Swarup, non executive independent Director was appointed w.e.f. 26th March, 2008 and Dr. T Mukherjee was appointed w.e.f. 4th June, 2009.

b) Remuneration and Compensation Committee

The Company has a 'Remuneration and Compensation Committee' in place. For details regarding composition and scope of Remuneration and Compensation Committee, please refer to Item No. 3 of this Report.

c) Shareholder's Rights – Furnishing of Half yearly Results

As the Company's Half-yearly Results are published in newspapers and also posted on its Website viz. www.tilindia.in and the corporate filing and dissemination system (CFDS), viz., www.corpfiling.co.in, the same are not mailed to the shareholders.

d) Audit Qualifications

The Company does not have any audit qualification pertaining to the financial statements, for the period under review.

e) Training of Board Members

The Company, at present, does not have any facility for the training of Board members in the Business model of the Company as well as in the risk profile of the business parameters of the Company and in their responsibilities as directors and the best ways to discharge them.

f) Mechanism for evaluating Non-Executive Board Members

The Company at present does not have any mechanism for evaluating the performance of Non-Executive Directors by a peer group.

g) Whistle Blower Policy

The Company at present does not have any Whistle Blower Policy.

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges on Code of Corporate Governance, certificate from the Statutory Auditors regarding compliance of Corporate Governance by the Company is annexed. The Auditors' certificate will be sent to the Stock Exchanges where the Company's shares are listed.

For and on behalf of the Board of Directors

A. Mazumdar
Chairman

Place : Kolkata
Date : 11th May, 2010

Certificate of Compliance

of the Code of Conduct of the Company

This is to confirm that a Code of Conduct for the Board Members and Senior Management Personnel of the Company has been adopted by the Company. The Code of Conduct as adopted by the Board was also circulated and posted on the Website of the Company. The Company received declarations affirming compliance of the Code from the Directors and Senior Managers of the Company for the Financial Year ended 31st March,2010.The same has also been noted by the Board in its meeting held on 11th May ,2010.

TIL LIMITED

Sumit Mazumder
Vice Chairman & Managing Director

Kolkata
11th May, 2010

Auditor's Certificate
regarding Compliance of Conditions of Corporate Governance

To The Members of TIL LIMITED

We have examined the compliance of conditions of Corporate Governance by TIL Limited ,for the year ended 31st March,2010,as stipulated in Clause 49 of the Listing Agreenent of the said Company with stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance(as stipulated in Clause 49 of the Listing Agreement),issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expansion of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **PRICE WATERHOUSE**
Firm Registration Number - 301112E
Chartered Accountants

S.K. Deb
Partner
Membership Number - 13390

Kolkata
11th May, 2010

Ten Years Financial Highlights

		2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
1	Share Capital	100,303	100,303	100,303	97,301	122,211	137,306	137,306	97,301	97,236	97,236	97,236
2	Share Warrant	-	87,815	87,815	-	-	-	-	-	-	-	-
3	Reserves & Surplus	1,882,666	1,397,943	1,123,720	754,929	629,501	547,768	500,270	518,876	517,350	514,493	513,676
4	**Net Worth***	**1,982,969**	**1,586,061**	**1,311,838**	**852,230**	**751,712**	**685,074**	**637,576**	**616,177**	**614,586**	**611,729**	**610,912**
5	Borrowings	1,093,818	1,134,290	787,561	846,020	1,241,288	1,165,053	1,038,908	1,044,076	1,093,858	959,202	843,687
6	Funds Employed	3,076,787	2,720,351	2,099,399	1,698,250	1,993,000	1,850,127	1,676,484	1,660,253	1,708,444	1,570,931	1,454,599
7	Gross Block	1,912,860	1,609,642	1,411,669	1,233,473	1,244,038	1,150,192	818,842	799,248	691,938	657,260	596,468
8	Depreciation	822,817	688,940	578,655	502,996	459,573	383,040	303,200	299,582	234,771	205,365	178,452
9	Net Block	1,090,043	920,702	833,014	730,477	784,465	767,152	515,642	499,666	457,167	451,895	418,016
10	Investments	74,972	74,866	74,866	74,866	44,906	54,042	54,042	54,042	54,042	51,481	51,981
11	**Sales**	**8,245,861**	**8,327,483**	**7,175,289**	**5,686,866**	**4,544,037**	**3,214,343**	**2,739,745**	**2,682,644**	**2,473,134**	**2,324,783**	**2,527,078**
12	Other Income	633,481	430,433	379,595	283,862	270,569	291,298	248,268	106,630	79,883	76,477	62,317
13	Expenses	1,523,996	1,513,501	1,083,886	919,126	798,157	757,221	733,812	695,686	554,153	549,372	548,001
14	Depreciation	168,928	143,203	114,045	112,181	119,626	81,237	49,773	23,702	21,461	18,220	15,726
15	**Profit Before Tax**	**754,860**	**505,704**	**502,533**	**286,313**	**188,480**	**100,372**	**83,872**	**20,349**	**40,384**	**22,056**	**43,020**
16	Taxation											
	- Current Tax	257,500	176,500	155,850	104,000	67,500	29,500	15,780	1,384	5,000	1,803	9,400
	- Deferred Tax	28,728	(2,504)	16,950	(7,383)	(7,183)	3,100	12,320	3,411	10,160	-	-
	- Fringe Benefit Tax		9,000	7,300	6,000	9,650	-	-	-	-	-	-
17	**Profit After Tax**	**468,632**	**322,708**	**322,433**	**183,696**	**118,513**	**67,772**	**55,772**	**15,554**	**25,224**	**20,253**	**33,620**
18	Dividend	60,182	40,121	40,121	29,277	21,909	15,163	8,967	-	-	9,724	14,595

* Including Revaluation Reserve, Intangible Assets but exclulding Deffered Tax credit

Auditors' Report to the Members of TIL Limited

1. We have audited the attached Balance Sheet of TIL Limited as at 31st March, 2010, the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, all of which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order,2004 (together the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

4. Further to our comments in paragraph 3 above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Act;

   e) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Act;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India :

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

      ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **PRICE WATERHOUSE**
Firm Registration Number - 301112E
Chartered Accountants

S.K. Deb
Partner
Membership Number - 13390

Kolkata
11th May, 2010

Annexure To Auditors' Report

Referred to in Paragraph 3 of the Auditors' Report of even date to the Members of TIL Limited on the Financial Statements for the year ended 31st March, 2010

1. (a) The Company has maintained proper records to show full particulars, including quantitative details and situation, of fixed assets.

   (b) The fixed assets of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a part of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

   (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

2. (a) The inventory of the Company (other than stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

   (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

   (c) On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records, which were not material, have been properly dealt with in the books of account.

3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. According to the information and explanations given to us, there have been no contracts or arrangements during the year referred to in Section 301 of the Act, the particulars of which are required to be entered in the register maintained under that Section. Further, there have been no transactions made in pursuance of such contracts and exceeding the value of rupees five lacs in respect of any party during the year.

6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975, as applicable, with regard to deposits accepted from the public. According to the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act, for any of the products of the Company.

9 (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is regular in depositing during the year the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities.

   (b) According to the information and explanations given to us and the records of the Company examined by us, as at 31st March, 2010, there were no dues in respect of Customs Duty, Wealth Tax and Cess which have not been deposited on account of dispute other than certain disputed dues of Income Tax, Sales Tax, Service Tax and Excise Duty in respect of which amounts involved and the forum at which dispute is pending are set out below:

Name of the Statute	Nature of Dues	Amount (Rs. '000) [net of payments]	Forum where dispute is pending
The Central Sales Tax Act, 1956	Sales Tax dues for the year 2001-02	485	The High Court of Jharkhand at Ranchi
The Central Sales Tax Act, 1956	Sales Tax dues for the year 2003-04	1,145	The Joint Commissioner (Appeals), Ghaziabad, Uttar Pradesh
The Uttar Pradesh Trade Tax Act, 1948	Entry Tax dues for the year 2004-05	642	The Joint Commissioner (Appeals), Ghaziabad, Uttar Pradesh
The Central Sales Tax Act, 1956	Sales Tax dues for the year 2004-05	87	The Joint Commissioner (Appeals), Ghaziabad, Uttar Pradesh
The Central Sales Tax Act, 1956	Sales Tax dues for the year 2005-06	316	The Joint Commissioner (Appeals), Ghaziabad, Uttar Pradesh
The Central Sales Tax Act, 1956	Sales Tax dues for the year 2006-07	83	The Joint Commissioner (Appeals), Ghaziabad, Uttar Pradesh
The Central Sales Tax Act, 1956	Sales Tax dues for the year 2006-07	2,185	The Additional Commissioner (Appeals), Commercial Taxes, Kolkata
The West Bengal Value Added Tax Act 2003	Sales Tax dues for the year 2006-07	105	The Additional Commissioner (Appeals), Commercial Taxes, Kolkata
The Uttar Pradesh Value Added Tax Act, 2008	Entry Tax dues for the year 2008-09	898	The Joint Commissioner (Appeals)/ The Deputy Commissioner (Appeals), Ghaziabad, Uttar Pradesh
The Income tax Act, 1961	Income tax dues for the assessment year 2004-05	1,000	Commissioner of Income-tax (Appeals)
The Income tax Act, 1961	Income tax dues for the assessment year 2006-07	135	Commissioner of Income-tax (Appeals)
The Income tax Act, 1961	Income tax dues for the assessment year 2007-08	674	Commissioner of Income-tax (Appeals)
The Central Excise Act, 1944	Dispute regarding Duty Exemption Certificate produced by Ministry of Defence for the year 2007-08	1,946	Commissioner of Central Excise (Appeals)
The Central Excise Act, 1944	Dispute regarding applicability of Service Tax on payment of Royalty and Technical Knowhow fees for the period 2005-08	1,526	Commissioner of Central Excise (Appeals)
The Central Excise Act, 1944	Excise valuation disputes for the year 2002-03	1,857	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax dues for the period August 2004 to July 2007	9,498	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax dues for the period October 2006 to January 2008	660	The Commisioner of Central Excise, Jaipur
Finance Act, 1994	Service Tax dues for the period January 2004 to August 2007	86,103	Customs, Excise and Service Tax Appellate Tribunal, Kolkata

10. The Company has no accumulated losses as at 31st March, 2010, and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions, are not prejudicial to the interest of the Company.
16. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year and accordingly, the question of creation of security or charges in this respect does not arise.
20. The Company has not recently raised any money by public issue.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **PRICE WATERHOUSE**
Firm Registration Number - 301112E
Chartered Accountants

S.K. Deb
Partner
Membership Number - 13390

Kolkata
11th May, 2010

Balance Sheet as at 31st March, 2010

(Rs. '000)

	Schedules	As at 31.03.2010	As at 31.03.2009
SOURCE OF FUNDS			
1. Shareholders' Funds	A		
(a) Capital		100,303	100,303
(b) Equity Warrants (Note 17 on Schedule 'O')		-	87,815
(c) Reserves and Surplus	B	1,882,666	1,397,943
		1,982,969	**1,586,061**
2. Loan Funds	C		
(a) Secured Loans		499,000	685,125
(b) Unsecured Loans		594,818	449,165
		1,093,818	**1,134,290**
3. Deferred Tax Liability (Net)		59,674	30,946
Total		**3,136,461**	**2,751,297**
APPLICATIONS OF FUNDS			
1. Fixed Assets	E		
(a) Gross Block		1,912,860	1,609,642
(b) Less : Depreciation		822,817	688,940
(c) Net Block		1,090,043	920,702
(d) Capital Work-in-Progress		195,364	187,334
		1,285,407	**1,108,036**
2. Investments	F	74,972	74,866
3. Current Assets, Loans and Advances			
(a) Inventories	G	1,465,139	1,462,172
(b) Sundry Debtors	H	1,533,793	1,071,452
(c) Cash and Bank Balances	I	1,826	2,954
(d) Other Current Assets	J	121,425	173,820
(e) Loans and Advances	K	934,048	621,859
		4,056,231	**3,332,257**
Less : Current Liabilities and Provisions	D		
(a) Liabilities		1,344,089	1,115,711
(b) Provisions		936,060	648,151
		2,280,149	1,763,862
Net Current Assets		1,776,082	1,568,395
Total		**3,136,461**	**2,751,297**
Notes	O		

The Schedules referred to above form an integral part of the Balance Sheet.

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

This is the Balance Sheet referred to in our report of even date.

For **PRICE WATERHOUSE**
Firm Registration No. 301112E
Chartered Accountants

S.K. Deb
Partner
Membership Number 13390

Kolkata
11th May, 2010

Profit & Loss Account for the year ended 31st March, 2010

(Rs. '000)

	Schedules	Year Ended 31.03.2010	Year Ended 31.03.2009
INCOME			
Sales and Services (Gross) (Note 14.1 on Schedule 'O')		8,245,861	8,327,483
Less: Excise Duty (Note 14.2 on Schedule 'O')		138,359	231,426
Sales and Services (Net)		8,107,502	8,096,057
Selling Commission Earned		219,589	197,805
Rental from Machinery		188,735	130,528
Other Income	L	225,157	102,100
		8,740,983	**8,526,490**
EXPENDITURE			
Cost of Materials and Direct Manufacturing Expenses	M	6,293,199	6,363,872
Expenses	N	1,364,046	1,309,833
		7,657,245	**7,673,705**
Interest on :			
Fixed Loans		32,390	56,260
Others		127,560	147,618
		159,950	**203,878**
Depreciation and Amortisation		170,473	144,748
Less : Transfer from Revaluation Reserve (Note 3 on Schedule 'O')		1,545	1,545
		168,928	143,203
Total Profit Before Taxation		**754,860**	**505,704**
Profit from continuing operations before tax (Note 27 on Schedule 'O')		**420,602**	**267,285**
Less : Provision for Taxation :			
Current Tax		143,485	93,292
Deferred Tax Charge/ (Credit)		15,993	(1,312)
Fringe Benefit Tax		-	1,508
		159,478	93,488
Profit from continuing operations after tax		**261,124**	**173,797**
Profit from discontinuing operations before tax (Note 27 on Schedule 'O')		**334,258**	**238,419**
Less : Provision for Taxation :			
Current Tax		114,015	83,208
Deferred Tax Charge/ (Credit)		12,735	(1,192)
Fringe Benefit Tax		-	7,492
		126,750	89,508
Profit from discontinuing operations after tax		**207,508**	**148,911**
Total Profit After Taxation		**468,632**	**322,708**
Add : Balance of Profit and Loss Account brought forward from previous year		923,486	679,989
Balance available for Appropriations		**1,392,118**	**1,002,697**
APPROPRIATIONS			
General Reserve		46,863	32,271
Proposed Dividend :			
Equity Shares		60,182	40,121
Tax on Dividend		9,997	6,819
Balance Carried Forward		1,275,076	923,486
		1,392,118	**1,002,697**
Earnings Per Share - (Note 5 on Schedule 'O')			
Basic (Rs.)		46.72	32.17
Diluted (Rs.)		46.72	32.17
Notes	O		

The Schedules referred to above form an integral part of the Profit and Loss Account.

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

This is the Profit & Loss Account referred to in our report of even date.

For **PRICE WATERHOUSE**
Firm Registration No. 301112E
Chartered Accountants

S.K. Deb
Partner
Membership Number 13390

Kolkata
11th May, 2010

Schedules forming part of the Balance Sheet

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'A'		
Share Capital		
Authorised		
20,000,000 Equity Shares of Rs. 10/- each	200,000	200,000
	200,000	**200,000**
Issued, Subscribed and Paid up		
10,030,265 Equity Shares of Rs. 10/- each fully paid up (Note below)	100,303	100,303
Total	**100,303**	**100,303**

Note: Of the above equity shares, 1,992,078 shares were allotted as fully paid up, pursuant to a scheme of amalgamation in October,1984, without payment being received in cash.

(Rs. '000)

	As at 31.03.2009	Additions	Deductions	As at 31.03.2010
SCHEDULE 'B'				
Reserves and Surplus				
Capital Reserve (Note 17 on Schedule 'O')	19	87,815	-	87,834
Capital Redemption Reserve	40,005	-	-	40,005
Securities Premium Account	193,377	-	-	193,377
Revaluation Reserve (Note 3 on Schedule 'O')	71,990	-	1,545	70,445
Amalgamation Reserve	2,045	-	-	2,045
Development Rebate Reserve	84	-	-	84
General Reserve	166,937	46,863	-	213,800
	474,457	**134,678**	**1,545**	**607,590**
Profit and Loss Account	923,486	351,590	-	1,275,076
Total	**1,397,943**	**486,268**	**1,545**	**1,882,666**

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'C'		
Loan Funds		
(a) Secured Loans		
Cash Credit / Working Capital Demand Loans		
From Banks [Secured by a first pari passu charge on all the current assets of the Company (namely Stocks and Book Debts) and a second pari passu charge on all movables, fixed assets (excluding such movables as may be agreed by Consortium Bankers from time to time), both present and future, under a joint deed of hypothecation between the Company and its Consortium Bankers.]	214,856	341,396
Interest accrued and due	2,086	243
Term Loans		
From Banks		
In Indian Rupee	59,560	343,486
In Foreign Currency (Repayable with in one year Rs. 73,928 thousand)	221,117	-
Interest accrued and due on term loans [Term Loans are secured by equitable mortgage on certain immovable properties of the Company and by first pari passu charge on all movable properties of the Company and second pari passu charge on the current assets of the Company, both present and future.]	1,381	-
Total	**499,000**	**685,125**

Schedules forming part of the Balance Sheet

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'C' (Contd.)		
(b) Unsecured Loans		
From Banks (Short Term)		
In Indian Rupee	200,000	-
In Foreign Currency [Repayable within one year Rs. 594,718 thousand (Previous year Rs. 448,340 thousand)]	394,718	448,340
From Others [Repayable within one year Rs. 100 thousand (Previous year Rs. 725 thousand)]	100	825
Total	**594,818**	**449,165**

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'D'		
Current Liabilities and Provisions		
Current Liabilities :		
Sundry Creditors (Note 11 on Schedule 'O')	941,675	653,470
Advance from Customers and others	166,458	137,858
Investor Education and Protection Fund (the Fund) shall be credited by the following amount :		
Unclaimed/Unpaid Dividends @	1,216	849
Unclaimed/Unpaid Matured Deposits @	10	30
Security Deposit from Customers	23,611	15,985
Other Liabilities	208,449	301,153
Interest accrued but not due on Loans	2,670	6,366
	1,344,089	**1,115,711**
Provisions for :		
Accrued Leave Encashment Benefit for employees	29,721	22,393
Provision for Taxation [Includes Fringe Benefit Tax Rs. 22,494 thousand (Previous year Rs. 22,494 thousand)]	836,160	578,818
Proposed Dividend :		
On Equity Shares	60,182	40,121
Tax on Dividend	9,997	6,819
	936,060	**648,151**
Total	**2,280,149**	**1,763,862**

@ No amount is due at the year end for credit to the Fund

Schedules forming part of the Balance Sheet

(Rs. '000)

	Cost/ Valuation as at 31.03.2009	Additions/ Adjustment during the year	Sales/ Adjustment during the year	Total Cost/ Valuation as at 31.03.2010	Depreciation Provided up to 31.03.2009	Depreciation Provided during the year	Depreciation on Sales/ Adjustment during the year	Depreciation Provided up to 31.03.2010	Net Value of Assets as at 31.03.2010	Net Value of Assets as at 31.03.2009
SCHEDULE 'E'										
Fixed Assets										
Tangible Assets										
Freehold Land	39,543	-	-	39,543	-	-	-	-	39,543	39,543
Leasehold Land	45,112	-	-	45,112	5,141	908	-	6,049	39,063	39,971
Buildings :										
Leasehold	79,291	55,103	-	134,394	21,373	2,326	-	23,699	110,695	57,918
Freehold	102,914	210	-	103,124	42,036	1,082	-	43,118	60,006	60,878
Plant and Machinery [Note 10.2 on Schedule 'O']	1,108,696	289,463	82,777	1,315,382	463,755	149,683	35,770	577,668	737,714	644,941
Tubewell	671	200	-	871	338	12	-	350	521	333
Furniture and Equipment	105,793	22,959	29	128,723	52,330	11,103	28	63,405	65,318	53,463
Motor Vehicles and Motor Cycle	33,428	9,912	1,598	41,742	12,923	3,049	798	15,174	26,568	20,505
Sub total	**1,515,448**	**377,847**	**84,404**	**1,808,891**	**597,896**	**168,163**	**36,596**	**729,463**	**1,079,428**	**917,552**
Intangible Assets (acquired items)										
Technical Know-how [Note 12 on Schedule 'O']	84,194	9,312	-	93,506	81,044	2,310	-	83,354	10,152	3,150
Software	10,000	463	-	10,463	10,000	-	-	10,000	463	-
Sub total	**94,194**	**9,775**	**-**	**103,969**	**91,044**	**2,310**	**-**	**93,354**	**10,615**	**3,150**
Total	**1,609,642**	**387,622**	**84,404**	**1,912,860**	**688,940**	**170,473**	**36,596**	**822,817**	**1,090,043**	**920,702**
Previous year ended 31.03.09	1,411,669	253,127	55,154	**1,609,642**	578,655	144,748	34,463	**688,940**		
Capital Work-in-Progress									**195,364***	**187,334***
Grand total									**1,285,407**	**1,108,036**

* Includes expenditure on New Project Rs. 163,664 thousand (Previous year Rs. 110,243 thousand)

Schedules forming part of the Balance Sheet

(Rs. '000)

		As at 31.03.2010		As at 31.03.2009	
		Number	Value	Number	Value
SCHEDULE 'F'					
Investments - Long Term - At Cost					
Trade - Unquoted :					
Subsidiary :					
Myanmar Tractors Limited	Shares of Kyats 1000/- each fully paid (equivalent to US$ 168.55 each)	19,714	41,625	19,714	41,625
Tractors Nepal Private Limited	Shares of Nepalese Rupees 100/- each fully paid	36,800	2,300	36,800	2,300
TIL Overseas Pte Limited	Shares of Singapore $10 each fully paid	107,577	30,222	107,577	30,222
Tractors India Private Ltd.	Shares of Rs. 10/- each fully paid (Note below)	10,570	106	-	-
Other than Trade :					
Quoted :					
Eveready Industries India Limited	Shares of Rs. 5/- each fully paid	1,266	180	1,266	180
Mcleod Russel India Limited	Shares of Rs. 5/- each fully paid	1,266	181	1,266	181
Bank of India	Shares of Rs. 10/- each fully paid	7,900	356	7,900	356
Unquoted :					
Woodlands Nursing Home and Research Centre Limited	1/2 % Debentures of Rs. 100/- each fully paid	20	2	20	2
Gulshan Villa Premises Co-operative Society Limited	Shares of Rs. 50/- each fully paid (Rs. 500/-)	10		10	
Total			**74,972**		**74,866**
Aggregate book value of investments					
Quoted			717		717
Unquoted			74,255		74,149
Total			**74,972**		**74,866**
Aggregate market value of quoted investments			3,106		1,841

Note: The Company has during the year acquired 10,570 number of equity shares of Rs.10/- each at par of Tractors India Private Limited to make it a wholly owned subsidiary.

Schedules forming part of the Balance Sheet

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'G'		
Inventories (Note 2.5 on Schedule 'O')		
Stores - at or under cost	5,335	8,559
Loose tools - at or under cost	11,808	19,005
Raw Materials - at lower of cost and net realisable value [Including in Transit Rs. 5,109 thousand (Previous year Rs. 7,785 thousand)]	250,402	374,993
Stock-in-Trade - at lower of cost and net realisable value	1,038,693	960,267
Work-in-Progress - at lower of cost and net realisable value	158,901	99,348
Total	**1,465,139**	**1,462,172**

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'H'		
Sundry Debtors (Unsecured -Considered Good)		
Debts outstanding for more than six months	94,356	128,792
Other Debts	1,439,437	942,660
Total	**1,533,793**	**1,071,452**

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'I'		
Cash And Bank Balances		
Cash in hand	316	297
Balance with Scheduled Banks		
On Current Accounts	284	1,488
On Dividend Accounts	1,216	849
On Fixed Deposit	10	184
Remittance-in-Transit	-	136
Total	**1,826**	**2,954**

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'J'		
Other Current Assets (Unsecured - Considered Good)		
Claims Receivable [Including Rs. 1,073 thousand (Previous year Rs. 843 thousand) with Customs, Excise, Port Trust Authorities]	78,065	122,246
Accrued duty benefits pertaining to Exports / Deemed Exports	6,934	21,515
Deposits [Including Rs. 390 thousand (Previous year Rs. 977 thousand) with Customs, Excise, Port Trust Authorities]	36,426	30,059
Total	**121,425**	**173,820**

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'K'		
Loans And Advances (Unsecured-Considered Good)		
Advances recoverable in cash or in kind or for value to be received	81,575	54,300
Advance Income Tax (Including Tax deducted at source) [Includes Fringe Benefit Tax Rs. 22,029 thousand (Previous year Rs. 22,029 thousand)]	852,473	567,559
Total	**934,048**	**621,859**

Schedules forming part of the Profit & Loss Account

(Rs. '000)

	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE 'L'		
Other Income		
Technical and Other Fees from subsidiary companies	164,013	66,387
Sale of Scraps	8,119	10,653
Income from Long Term Investments - Dividends :		
From subsidiary companies (Trade Investments)	1,150	1,150
Others	66	33
Profit on Sale of Fixed Assets (Net)	10,471	5,981
Interest :		
On Income Tax Refunds	-	2,267
On deposit with Banks and Others	439	367
Bad Debts Recovery	3,261	5,162
Liabilites written back	25,076	-
Discounts	4,759	3,575
Miscellaneous Income	7,803	6,525
Total	**225,157**	**102,100**

(Rs. '000)

	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE 'M'		
Cost Of Materials And Direct Manufacturing Expenses		
Opening Stock		
Raw Materials -		
in Hand	367,208	399,573
in Transit	7,785	106,001
Stock in Trade	960,267	711,000
	1,335,260	**1,216,574**
Add : Purchases [Note 15 on Schedule 'O']	6,245,333*	6,398,481*
	7,580,593	**7,615,055**
Less : Closing Stock		
Raw Materials		
in Hand	245,293	367,208
in Transit	5,109	7,785
Stock in Trade	1,038,693	960,267
	1,289,095	**1,335,260**
	6,291,498	**6,279,795**
Add : Opening Work-in-Progress	99,348	95,669
	6,390,846	**6,375,464**
Less : Closing Work-in-Progress	158,901	99,348
	6,231,945	**6,276,116**
Less : Capitalised	24,347	13,953
	6,207,598	**6,262,163**
Direct Wages	13,656	13,588
Incentive Payments	11,380	15,951
Consumption of Stores	34,924	38,462
Carriage Inward	25,641	33,708
Total	**6,293,199**	**6,363,872**

* Purchases are net of Nil (Previous year Rs. 2,700 thousand) on account of accrued duty benefit pertaining to Exports/ Deemed Exports.

Schedules forming part of the Profit & Loss Account

(Rs. '000)

	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE 'N'		
Expenses		
Salaries, Wages, Bonus etc.	653,593	519,116
Contribution to Provident and other Funds	92,788	74,148
Staff Welfare Expenses	20,535	17,602
Rent	28,186	22,686
Rates and Taxes	7,621	14,620
Bank Charges	31,785	38,894
Insurance	18,750	17,487
Repairs and Maintenance :		
Buildings	12,634	15,015
Plant and Machinery	30,349	30,093
Other	24,447	17,508
	67,430	**62,616**
Travelling Expenses	106,524	116,524
Stationery and Printing	9,789	10,975
Postage,Telephone and other Communication Expenses	18,855	20,304
Advertising	3,714	5,671
Gas and Electricity	21,181	19,650
Commission	22,808	25,991
Miscellaneous Expenses (Note 16.1 on Schedule 'O')	113,340	195,355
Forwarding Charges	39,345	24,606
Royalties	15,000	18,300
Medical Expenses	12,791	11,958
Professional Fees (Note 16.2 on Schedule 'O')	20,403	21,727
Motor Car and Van Expenses	8,861	8,896
Service Support Expenses	43,124	47,668
Debts/Advances/Claims written off	7,623	15,039
Total	**1,364,046**	**1,309,833**

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O'

Notes

1. The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable Accounting Standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. **Significant Accounting Policies**

2.1 Sales

Revenue from sales/services (exclusive of Sales Tax/ Value Added Tax) is being recognised on accrual basis in keeping with related arrangements with customers and is net of credit notes on account of returns and allowances.

2.2 Fixed Assets

Fixed Assets (comprising both tangible and intangible items) are stated at cost except in case of certain items of Land, Buildings and Plant and Machinery which are stated on the basis of revaluation (with corresponding credit to the Revaluation Reserve Account), being inclusive of resultant write ups.

Software are capitalised where it is expected to provide future enduring economic benefit. Capitalisation costs include license fees and cost of implementation/ system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

Impairment loss, if any, is recognised wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount i.e. net selling price or value in use, whichever is higher.

2.3 Depreciation

Depreciation (including amortisation) is calculated in the following manner :

(a) Leasehold land is amortised over the period of lease.

(b) Depreciation on revalued assets other than land is calculated on their respective revalued amounts at rates considered applicable by the valuers on the straight line method. (Also refer Note 3 below)

(c) In respect of other assets, at rates prescribed in Schedule XIV to the Companies Act, 1956 on 'Straight Line Method' except Plant and Machinery under operating leases which are depreciated over a period of 3 to 6 years, being the useful life as estimated by the management.

(d) Technical Know-how fees are amortised under straight line method over total useful lives (currently 5 to 10 years), as estimated by the Management.

(e) Software capitalised, are amortised within a period of three years from the date of capitalisation.

2.4 Investments

Long term Investments are stated at cost less provision, if any, for permanent diminution in value.

2.5 Inventories

Inventories, other than Stores and Loose Tools are valued at lower of weighted average cost (inclusive of conversion expenses and applicable overheads for manufacturing activities) and net realisable value. Stores are valued at weighted average cost less write offs.

Loose Tools acquired prior to 1st September, 2008 are written off over a period up to 5 years, after retaining 10% residual value. Loose Tools acquired on or after 1st September,2008 are fully charged off.

2.6 Taxation

Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred Tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisation.

2.7 Employee Benefits

2.7.1 Short-term Employee benefits (i.e. benefits payable within one year) are recognised in the period in which the employee services are rendered.

2.7.2 Contributions towards provident funds are recognised as expense. Provident fund contributions in respect of employees are made to Trusts administered by the Company and such Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act,1952 and shortfall, if any, on account of interest, is made good by the Company. (Also refer note 19.2 below)

Contributions under Employees' Pension Scheme is made as per statutory requirements and charged as expenses for the year.

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

2.7.3 The Company also contributes to the Central Government administered Employees' State Insurance Scheme for its eligible employees, which is a defined contribution plan.

2.7.4 Provisions for Gratuity for eligible employees is (being a defined benefit plan) made on the basis of year-end actuarial valuation.

2.7.5 In respect of certain eligible employees who have attained 45 years of age as on 1st April 2009, provision for Superannuation under defined benefit plan is made on the basis of year end actuarial valuation (Refer Note 19.3 below)

In respect of certain eligible employees who have not attained 45 years of age as on 1st April 2009 provision for Superannuation is made :-

- under defined contribution scheme in respect of services rendered with effect from 1st April, 2009.
- under defined benefit scheme in respect of services rendered up to 31st March, 2009, based on frozen pensionable salary as on 31st March, 2009. (Refer Note 19.3 below)

2.7.6 Actuarial gains / losses arising in Defined Benefit Plans are recognised in the Profit and Loss Account as income or expenses in the year in which they occur.

2.7.7 Accrued liability towards Leave Encashment benefits, covering eligible employees, evaluated on the basis of year-end actuarial valuation, is recognised as a charge.

2.8 Foreign Currency Transactions

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the year end are translated at year end rates or at contract rates, where covered by forward exchange contracts. The difference in transactions of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and the spot rate on the date of transaction is charged to the Profit and Loss Account over the period of the contract. Profit/ (Loss) on cancellation of forward contracts are recognised as income or as expenses for the year. Foreign currency non monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions.

2.9 Borrowing Cost

Borrowing Cost, if any, that are attributable to the acquisition, construction or production of 'Qualifying Assets' are capitalised as part of cost of such assets. A 'Qualifying Asset' is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as expenses in the period in which they are incurred.

2.10 Leases

For assets acquired under Operating Lease, rentals payable are charged to Profit and Loss Account. Assets acquired under Finance Lease are capitalised at lower of the Fair Value and Present Value of Minimum Lease Payments.

Assets leased out under operating leases are capitalised. Rental income is recognised on accrual basis over the lease term.

3. Based on the valuation report submitted by the valuers appointed for the purpose, certain items of the Company's fixed assets (viz. Freehold and Leasehold Land, Freehold and Leasehold Buildings and Plant and Machinery) were revalued on 31st March,1993 after considering the following factors :-

- The then estimated current market value pertaining to Leasehold Land and Freehold Land and Buildings thereon.
- Value of Plant and Machinery based on their the then current cost of replacement.
- Adjustments for the then condition, the standard of maintenance, depreciation up to valuation date etc.

The resultant revaluation surplus of Rs. 247,234 thousand arising from the aforesaid revaluation were transferred to Revaluation Reserve as reflected in the Company's annual accounts for 1992-93.

Depreciation on these revalued assets as calculated in the manner indicated in Note 2.3(b) above includes an additional charge of Rs. 1,545 thousand (Previous Year Rs. 1,545 thousand)and an amount equivalent to the additional charge has been transferred to the Profit and Loss Account from Revaluation Reserve; such transfer, according to an authoritative professional view being acceptable for the purpose of the Company's annual accounts. In consequence, the effective depreciation rates (other than leasehold land) are as per Schedule XIV to the Companies Act, 1956.

4. Ownership of a flat (cost Rs. 3,937 thousand) belonging to the Company in a Co-operative Housing Society is registered in the name of the Managing Director of erstwhile Spundish Engineering Ltd.

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

5. **Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS:**

			Year Ended 31.03.2010	Year Ended 31.03.2009
	Profit after Tax attributable to the Equity Shareholders (Rs. '000)	A	468,632	322,708
5.1.	**Basic**			
i.	Number of Equity Shares at the beginning of the year		10,030,265	10,030,265
ii.	Number of Equity Shares issued during the year		-	-
iii.	Number of Equity Shares at the end of the year		10,030,265	10,030,265
iv.	Weighted average number of Equity Shares outstanding during the year	B	10,030,265	10,030,265
v.	Nominal Value of each Equity Share (Rs.)		10/-	10/-
	Basic Earnings per Share (Rs.)	**A/B**	**46.72**	**32.17**
5.2.	**Diluted**			
i.	Number of Potential Equity Shares at the beginning of the year		2,693,707	2,693,707
ii.	Number of Potential Equity Shares issued during the year		-	-
iii.	Number of Potential Equity Shares converted/forfeited during the year (Refer Note 17 below)		(2,693,707)	-
iv.	Number of Potential Equity Shares at the end of the year		-	2,693,707
	Diluted Earnings per Share (Rs.)		**46.72**	**32.17 ***

*In view of the average market price of Equity Shares of the Company being less than the applicable conversion price, the conversion option embedded in the 2,693,707 number of Convertible Equity Warrants allotted to the promoter group and certain other companies/ entities/ persons on 28th December, 2007 was considered as anti-dilutive and accordingly not considered for computation of diluted earnings per share as per Accounting Standard 20 "Earnings Per Share". Diluted Earnings per share for the year ended 31st March, 2009 was considered as equal to Basic Earnings per share i.e. Rs. 32.17.

6. **Contingent Liabilities in respect of -** (Rs. '000)

			As at 31.03.2010	As at 31.03.2009
	6.1	Sales Tax Matters under dispute [Net of payments Rs. 3,243 thousand (Previous year Rs. 300 thousand)]	6,546	4,046
	6.2	Income Tax Matters under dispute * Excludes disputed Income Tax matters, in view of favourable Tribunal decision in similar case.	1809*	2028*
	6.3	Service Tax matters under dispute [Net of payments Rs. 20,208 thousand (Previous year Rs. 9,807 thousand)]	96,261	12,056
	6.4	Excise Duty matters under dispute [Net of payments Rs. 1,648 thousand (Previous year Rs. 1,648 thousand)]	5,329	8,507
7.	**Guarantees**			
	7.1	Bank Guarantees outstanding	337,816	361,545
	7.2	Corporate Guarantee given on behalf of Overseas Subsidiaries		
		Limit	298,980	307,380
		Amount outstanding at year-end	Nil	Nil
8.	Capital Commitment [Net of advance Rs. 22,237 thousand (Previous year Rs. 20,358 thousand)]		18,566	57,960

9. Based on legal proceedings initiated by the Employees' Union/ Association and the interim order of the Hon'ble Calcutta High Court dated 22nd December, 2006 and 18th April, 2007 restraining the Company from making any contribution/ deduction towards Employees' State Insurance in respect of its Kamarhatty (with effect from October 2006) and Taratolla (with effect from March 2007) units, in respect of employees whose monthly salaries (i.e. basic, dearness allowance and overtime) are between Rs. 7,501 and Rs. 10,000, no contributions/ deductions have been made and deposited with the appropriate authorities. The related amounts involved as on 31st March, 2010 being (Employer's) Rs. 669 thousand (Previous Year Rs. 568 thousand) and (Employees') Rs. 246 thousand (Previous year Rs. 209 thousand).

10.1 The Company has taken various residential/ commercial premises under cancellable operating lease. Leases range for periods between 3 to 5 years. Terms of the lease include operating term for renewal, increase in rent for future periods, terms of cancellation etc. The operating lease payments for the year amount to Rs. 18,572 thousand (Previous year Rs. 11,811 thousand).

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

10.2 The Company has given various Plant and Machinery (namely Diesel Generating Sets, Machines etc.) under cancellable operating leases. Leases range for periods between 6 months to 3 years. Terms of lease include terms for renewal, cancellation etc. Initial Direct costs (commissioning, installation etc.) for such assets are borne by the lessee, other than transportation cost, which is borne by the Company and charged off to revenue. Lease rentals recognised as income during the year Rs. 188,735 thousand (Previous Year Rs. 130,528 thousand). Other details for such Plant and Machinery are as below.

(Rs. '000)

Gross value		Accumulated	Depreciation	Depreciation	
As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009	Year Ended 31.03.2010	Year Ended 31.03.2009
550,748	442,511	154,762	106,939	75,378	55,371

11 There are no outstanding dues for micro and small enterprises based on information available with the Company.

12 Technical Know-how [shown under Intangible Assets - Schedule 'E'] represents technical drawings, designs etc. relating to manufacture of the Company's products and acquired pursuant to various agreements conferring the right to manufacture and usage only.

13 The Company has certain long-term composite maintenance contracts with a party which entails, inter alia, supply of spare parts. The billing/payment schedule is time phased. Pending supply of spare parts, related amount of Rs. 17,078 thousand (Previous year Rs. 9,519 thousand) billed during the year as per the payment schedule of the aforesaid contract, has been considered as liability and the related sales will be recognised on supply of spares, as and when required, under the said contracts, in future in keeping with the accounting policies set out in Note 2.1 above. During the year an amount of Rs. 95,005 thousand (Previous year Rs. 11,629 thousand) has been released from the accumulated liabilities in this regard on a prudent basis and adjusted against related contractual dues.

14.1 Sales-others [Note 23.2(g) below] include Service Income Rs. 236,933 thousand (Previous Year Rs. 161,467 thousand).

14.2 Excise Duty is net of Nil (Previous Year Rs. 15,185 thousand) on account of accrued duty benefit for the year pertaining to Export/ Deemed Exports.

(Rs. '000)

			Year Ended 31.03.2010	Year Ended 31.03.2009
15.	Purchases for the year includes :			
	a)	Marine Insurance Charges	3,243	2,292
	b)	Raw materials purchased	1,115,669	1,294,181
		Excludes : Items being recoverable other than through Sales	93,735	89,695
16.1.	Miscellaneous expenses include, charge/(credit) on account of :			
	a)	Discounting Charges	1,133	5,593
	b)	Loss/ (Gain) on Foreign Exchange (net)	(2,747)	36,635
16.2.	Professional fees include :			
	Amount paid/ payable to Auditors			
	As Auditors			
		Audit Fees	1,250	1,250
		Tax Audit Fees	300	300
		Limited Reviews	750	750
		Fees for Certificates etc.	600	325
		Expenses reimbursed *	26	30
	* Excluding Service Tax Rs. 301 thousand (Previous year Rs. 125 thousand)			

17. The Company had allotted on 28th December, 2007,on a preferential basis, to the Indian promoter group and certain other companies/ entities/ persons 2,993,842 number of Convertible Equity Warrants against receipt of 10% of the consideration of Rs. 326/- per Warrant, determined in keeping with the related Securities and Exchange Board of India (SEBI) Guidelines. Each Warrant was convertible into one equity Share of nominal value of Rs. 10/- each at a price of Rs. 326/- per share in lots at the option of the warrant holders within eighteen months from the date of allotment in accordance with relevant SEBI Guidelines and the terms of the issue, upon payment of balance consideration by the warrant holders.

Out of the said 2,993,842 number of convertible Equity Warrants, the Company upon realisation of balance consideration and exercise of conversion option by certain warrant holders (out of the Indian Promoter Group), issued and allotted in March, 2008, 300,135 number of Equity Shares of Rs. 10/- each at a premium of Rs. 316/- per share against conversion of equivalent number of Equity Warrants.

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

The stipulated period to exercise the option by allotees of remaining 2,693,707 number of convertible Equity Warrants expired during the current year and accordingly the said Equity Warrants were forfeited and the10% of the consideration amount received against such allotment amounting to Rs. 87,815 thousand has been forfeited and credited to Capital Reserve Account.

18. Year-end Deferred Tax balance comprises the following :

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
Timing Difference resulting in liabilities/ (assets) on account of :		
Difference between net book value of depreciable Capital Asset as per books vis-à-vis written down value as per Income Tax.	78,400	47,615
Disallowances allowable for tax purpose on payment	(18,726) *	(16,669) *
Deferred Tax Liability (Net)	59,674	30,946

* Includes Rs. 11,571 thousand (Previous year Rs. 11,571 thousand) relating to additional liability on account of certain defined post retirement benefit adjusted against opening balance of General Reserve.

19. Employee Benefits

19.1 The Company has recognised, in the Profit and Loss Account for the year ended 31st March, 2010 an amount of Rs. 16,250 thousand (Previous year Rs. 8,729 thousand) as expenses under defined contribution plans as detailed below:

(Rs. '000)

Benefit (Contribution to)	For the year	
	2009-10	2008-09
Employees Pension Scheme	8,490	8,147
Employees State Insurance	445	582
Superannuation Fund	7,315	-
Total	**16,250**	**8,729**

19.2 Provident Fund :-

In terms of the Guidance on implementing Accounting Standard (AS) 15 on Employee Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants on India, a provident fund set up by the Company is treated as a defined benefit plan since the Company is obligated to meet interest shortfall, if any. However, at the year end, no shortfall remains unprovided for. The Actuary has expressed his inability to provide an actuarial valuation of the provident fund liability as at the year end in the absence of any guidance from the Actuarial Society of India. Accordingly, complete information required to be considered as per AS 15 in this regard are not available and the same could not be disclosed. During the year, the Company has contributed Rs. 17,974 thousand (Previous year Rs. 15,334 thousand) to the Provident Funds.

19.3 A. Superannuation Fund :-

Up to 31st March, 2009 all eligible employees of the Company were entitled to Superannuation under the Company's Superannuation Scheme' (a defined benefit plan). Under the aforesaid scheme, the Company makes periodic contribution to the Tractors India Limited Superannuation Funds Scheme (a funded defined benefit plan) and a predetermined percentage of salary is paid as pension on retirement. The quantum of pension depends on the average basic salary of the eligible employee during the last thirty six months before retirement. The benefit vest to employees with twelve year of continuous service and attainment of forty eight years of age on retirement/ death/ termination.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation of superannuation fund were carried out as on 31st March, 2010.

However with effect from 1st April, 2009 the Board of Trustees of the Fund with the consent of the Company's Management has amended the aforesaid Superannuation Scheme as follows :

(i) Members who have attained at least 45 years of age as on 1st April, 2009 would continue to remain under the purview of the Defined Benefit Scheme.

(ii) Members who have not attained 45 years of age as on 1st April, 2009 will come under the purview of 'Defined Contribution' Scheme in respect of services rendered with effect from 1st April, 2009. The benefit of services rendered till 31st March, 2009 under the 'Defined Benefit' Scheme based on pensionable salary as on 31st March, 2009 will be frozen. Thus for this category of employees, the benefit on cessation of service will be (a) Amount accumulated by annual contribution at 15% of basic salary and (b) amount frozen as on 31st March, 2009. In view of the aforesaid change the charge for the year in respect of superannuation scheme is lower by Rs.17,109 thousand with corresponding favourable impact on the profit before tax for the year.

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

B. Gratuity Fund :-

The Company makes periodic contributions to the Tractors India Limited Staff Gratuity Fund, a funded defined benefit-plan for qualifying employees. Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Company's plan (based on last drawn salary and year of service) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death/ retirement/ termination and the benefit vests after 5 years of continuous service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2010.

19.4 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(Rs. '000)

		Superannuation Fund (Funded)				Gratuity Fund (Funded)			
		2009-10	2008-09	2007-08	2006-07	2009-10	2008-09	2007-08	2006-07
1.	**Reconciliation of the Opening and Closing balances of the Present Value of Obligation**								
a.	Present Value of Obligation at the Beginning of the Year	188,976	141,204	121,103	111,543	53,945	54,762	55,674	50,111
b.	Current Service Cost	7,560	7,417	14,386	6,321	4,323	4,025	4,711	3,264
c.	Interest Cost	12,957	11,546	9,507	8,276	4,026	4,333	4,247	3,669
d.	Curtailment Cost/ (Credit)	-	(17,109)	-	-	-	-	-	-
e.	Actuarial (gain)/ loss	35,039	56,646	3,678	3,086	9,139	(1,594)	(3,006)	3,554
f.	Benefits paid	(54,016)	(10,728)	(7,470)	(8,123)	(7,246)	(7,581)	(6,864)	(4,924)
g.	Present Value of Obligation at the end of the Year	190,516	188,976	141,204	121,103	64,187	53,945	54,762	55,674
2.	**Reconciliation of the Opening and Closing balances of the Fair Value of Plan Assets**								
a.	Fair value of Plan Assets at the Beginning of the Year	154,162	125,015	103,326	86,900	57,770	53,793	50,167	43,916
b.	Adjustment to (a) above, on restatement by new actuary	-	-	(8,026)	-	-	-	(2,000)	-
c.	Expected return on Plan Assets	13,182	11,382	7,600	6,752	4,579	4,565	3,983	3,675
d.	Actuarial gain/ (loss)	2,058	(7)	-	-	(4,920)	(407)	-	-
e.	Contributions by the Employer	75,238	28,500	29,585	17,797	6,172	7,400	8,507	7,500
f.	Benefits paid	(54,016)	(10,728)	(7,470)	(8,123)	(7,246)	(7,581)	(6,864)	(4,924)
g.	Fair value of Plan Assets at the end of the Year	190,624	154,162	125,015	103,326	56,355	57,770	53,793	50,167
3.	**Reconciliation of the Present Value of Obligation and Fair Value of the Plan Assets**								
a.	Fair value of Plan Assets at the end of the Year	190,624	154,162	125,015	103,326	56,355	57,770	53,793	50,167
b.	Present Value of Obligation at the end of the Year	190,516	188,976	141,204	121,103	64,187	53,945	54,762	55,674
c.	(Asset)/ Liabilities recognised in the Balance Sheet	(108)	34,814	16,189	17,777	7,832	(3,825)	969	5,507
4.	**Expenses recognised during the year**								
a.	Current Service cost	7,560	7,417	14,386	6,321	4,323	4,025	4,711	3,264
b.	Interest cost	12,957	11,546	9,507	8,276	4,026	4,333	4,247	3,669
c.	Expected return on Plan Assets	(13,182)	(11,382)	(7,600)	(6,752)	(4,579)	(4,565)	(3,983)	(3,675)
d.	Curtailment Cost/ (Credit)	-	(17,109)	-	-	-	-	-	-
e.	Actuarial (Gain)/ Loss	32,981	56,653	3,678	3,086	14,059	(1,187)	(3,006)	3,554
f.	Expense recognised during the year	40,316	47,125	19,971	10,931	17,829	2,606	1,969	6,812

The expense for the defined benefit (referred to in para 19.2 and 19.3 above) are included in the line item under 'Contribution to Provident and other Funds' on Schedule 'N'.

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

		Superannuation Fund % Invested				Gratuity Fund % Invested			
		31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2010	31.03.2009	31.03.2008	31.03.2007
5.	**Investment Details of Plan Assets as at**								
a.	Govt of India Securities	19.63	17.87	15.29	12.45	14.97	15.05	13.29	12.31
b.	Public Sector (PSU) Bonds	42.47	46.69	39.79	46.68	27.18	26.42	24.58	28.85
c.	State/ Central Govt Securities	17.30	11.82	17.62	3.95	16.58	17.32	17.18	7.27
d.	Special Deposit Scheme	16.30	21.12	25.97	33.24	40.87	41.09	44.34	48.18
e.	Other including Bank Balance	4.30	2.50	1.33	3.68	0.40	0.12	0.61	3.39
	Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
6.	**Assumptions**								
a.	Discount rate per annum	8.30	8.00	8.50	8.10	8.30	8.00	8.50	8.13
b.	Salary escalation rate per annum	4.00	3.00	3.00	3.00	4.00	3.00	5.00	3.00
c.	Expected rate of return on Plan Assets per annum	8.00	8.50	8.10	7.15	8.00	8.50	8.13	8.13
d.	Method used	Projected Unit Credit Method				Projected Unit Credit Method			
7.	**Actual Return on Plan Assets**	7.61%	7.38%	7.09%	7.36%	7.89%	7.20%	7.64%	7.70%

19.5 The basis used to determine overall expected rate of return on assets and the effect on major categories of Plan Assets is as follows :

The major portions of the Assets are invested in PSU Bonds and Special Deposits. Based on the asset allocation and prevailing yield rates on these asset classes, the long term estimate of the expected rate of return on the fund assets have been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

19.6 The estimate of future salary increases take into account inflation, seniority, promotion and other relevant reasons.

20. Information given in accordance with the requirements of Accounting Standard 17 on "Segment Reporting" :-

The Company's business segments are organised on product lines as follows:

Material Handling Solutions (MHS) - engaged in manufacturing and marketing of various Material Handling Equipment namely Mobile Cranes, Port Equipment (Reach stacker, Level Luffing Cranes), Self Loading Truck Cranes etc. and dealing in spares and providing services to related equipment.

Construction & Mining Solutions (CMS) - engaged as a dealer for Caterpillar Inc. USA for their earthmoving, construction mining equipments, spares etc. and providing related services in Eastern and Northern India and Bhutan.

Power Systems Solutions (PSS) - engaged in assembly, supply, erection and commissioning of Generating Sets powered by Caterpillar engines and dealing in spares and providing related services in Eastern and Northern India and Bhutan.

Other represents all unallocated expenditure and includes expenses incurred on common services provided to the segments which are not directly identifiable to the individual segments as well as expenses incurred at the corporate level which relate to the Company as a whole.

There has been no inter segment revenue during the year.

The Company operates predominantly within the geographical limits of India, accordingly secondary segments have not been considered.

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

(Rs. '000)

	Year Ended 31.03.2010				
	MHS	CMS	PSS	OTHERS (Unallocated)	TOTAL
Segment Revenue	**1,699,138**	**4,769,620**	**2,079,262**	**192,963**	**8,740,983**
	(1,866,321)	(4,804,093)	(1,783,096)	(72,980)	(8,526,490)
Segment Results	**383,825**	**428,586**	**228,224**	**-**	**1,040,635**
	(348,616)	(340,976)	(228,936)	-	(918,528)
Less : Unallocated expenses net of					
unallocated (income)				**125,825**	**125,825**
				(208,946)	(208,946)
Interest expenses				**159,950**	**159,950**
				(203,878)	(203,878)
Profit before tax					**754,860**
					(505,704)
Depreciation and Amortisation	**26,378**	**87,178**	**37,619**	**17,753**	**168,928**
	(28,308)	(64,263)	(27,000)	(23,632)	(143,203)
Non Cash Expenses other than Depreciation and Amortisation	**3,910**	**452**	**3,261**	**-**	**7,623**
	(435)	(10,000)	(4,604)	-	(15,039)
Segment Assets	**1,224,435**	**1,912,407**	**1,291,269**	**988,499**	**5,416,610**
	(1,231,602)	(1,789,050)	(760,488)	(734,019)	(4,515,159)
Segment Liabilities (excluding Shareholders' funds)	**299,580**	**625,232**	**357,342**	**2,151,487**	**3,433,641**
	(258,148)	(597,854)	(196,489)	(1,876,607)	(2,929,098)
Capital Expenditure	**82,592**	**173,206**	**134,316**	**5,538**	**395,652**
	(42,392)	(229,313)	(49,590)	(13,383)	(334,678)

Previous year's figures in bracket.

21. Related Party Disclosure in keeping with Accounting Standard 18 on "Related Party Disclosures":-

a) List of Related Parties

Subsidiaries	Myanmar Tractors Limited
	Tractors Nepal Private Limited
	TIL Overseas Pte. Limited
	Tractors India Private Limited
Key Management Personnel	Mr. A. Mazumdar (Chairman and Whole time Director)
	Mr. S. Mazumder (Vice Chairman & Managing Director)

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

b) Particulars of transactions during the year ended 31st March, 2010 :

(Rs. '000)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
I) Subsidiary Companies		
a) Income from Technical and Other Fees		
TIL Overseas Pte. Limited	125,821	26,385
Myanmar Tractors Limited	38,192	41,753
b) Dividend Income		
Tractors Nepal Private Limited	1,150	1,150
c) Stock transfer		
Tractors Nepal Private Limited	201	206
d) Investment		
Tractors India Private Limited (Refer Note on Schedule F)	106	-
e) Expenses		
Tractors India Private Limited	63	-
f) Year-end Balances		
i) Receivable		
Myanmar Tractors Limited	-	19,349
Tractors Nepal Private Limited	1,461	110
TIL Overseas Pte. Limited	2,759	1,590
ii) Corporate Guarantee		
Myanmar Tractors Limited	Refer Note 7.2 above	Refer Note 7.2 above
iii) Investments		
Myanmar Tractors Limited	41,625	41,625
Tractors Nepal Private Limited	2,300	2,300
TIL Overseas Pte. Limited	30,222	30,222
Tractors India Private Limited	106	-
iv) Payable		
Tractors India Private Limited	63	-
II) Key Management Personnel		
a) Remuneration		
Mr. A. Mazumdar	23,554	17,825
Mr. S. Mazumder	23,631	17,380
b) Year end Balance		
Commission Payable		
Mr. A. Mazumdar	16,344	10,804
Mr. S. Mazumder	16,356	10,884

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

(Rs. '000)

	Year Ended 31.03.2010	Year Ended 31.03.2009
22.1 Managerial Remuneration		
a) Executive Directors		
i) Salaries and Allowances	7,600	7,200
ii) Contribution to Funds :		
Provident Fund	550	490
Superannuation Fund	1,295	2,274
Gratuity Fund	107	99
	1,952	**2,863**
iii) Estimated value of benefits computed where		
necessary under Income Tax Rules.	4,933	3,454
iv) Commission	32,700	21,688
b) Non Executive Directors		
i) Sitting Fees	705	540
ii) Commission	3,860	2,400
	51,750	**38,145**
22.2 Computation of Net Profits under Sections 198 and 349 of the Companies Act, 1956		
Profit as per Profit & Loss Account	754,860	505,704
Add : Directors' Remuneration :		
Sitting Fees	705	540
Salaries. Commission and estimated value of		
other benefits	51,045	37,605
	51,750	**38,145**
Depreciation charged to Accounts	168,928	143,203
	975,538	**687,052**
Deduct : Depreciation under Section 350 of the Companies Act, 1956.	82,542	69,972
Adjusted Profit in accordance with Section 198 of the Companies Act, 1956.	892,996	617,080
10% there of, being the maximum permissible limit under section 198 of the Companies Act,1956.	89,300	61,708
Executive Directors Commission restricted (As per service agreement)	32,700	21,688
1% there of, being the maximum permissible limit under section 198 of the Companies Act,1956.	8,930	6,171
Other Directors' Commission restricted to	3,860	2,400

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

		Year Ended 31.03.2010		Year Ended 31.03.2009	
23.1	**Particulars of Goods Manufactured**				
	a) Diesel-Hydraulic/ Electric Cranes/				
	Carrier Units (Trucks) --				
	Licensed Capacity	1,414	Nos	1,414	Nos
	Installed Capacity *	220	Nos	220	Nos
	Actual Production	84	Nos	137	Nos
	b) Diesel Generating Sets --				
	Licensed Capacity	500	Nos	500	Nos
	Installed Capacity *	400	Nos	400	Nos
	Actual Production	325	Nos	282	Nos
	c) Self-Propelled Rubber Tyred Container				
	Handling Mobile Crane --				
	Licensed Capacity	Not Applicable		Not Applicable	
	Installed Capacity *	30	Nos	30	Nos
	Actual Production	9	Nos	16	Nos
	* As certified by the Management				

23.2 Particulars of Cranes and other classes of Goods Dealt in Stock, Purchases and Sales

Class of Goods	Unit of Qty.	Opening Stock Qty.	Opening Stock Value Rs. '000	Purchases Qty.	Purchases Value Rs. '000	Sales(Gross) Qty.	Sales(Gross) Value Rs. '000	Closing Stock Qty.	Closing Stock Value Rs. '000
a) Diesel Hydraulic/ Electric Cranes/ Carrier Units (Trucks)	**Nos.**	**2**	**21,320**	**-**	**-**	**88 ***	**1,143,972**	**-**	**-**
		-	-	-	-	135	1,372,660	2	21,320
b) Earthmoving Equipment, etc.	**Nos.**	**116**	**344,409**	**800**	**2,519,380**	**864 ** **	**2,673,544**	**52**	**139,321**
		130	323,753	890	2,833,850	904	3,014,435	116	344,409
c) Diesel Generating Set	**Nos.**	**-**	**-**	**-**	**-**	**325 *** **	**602,563**	**-**	**-**
		1	2,892	-	-	283	601,227	-	-
d) Packaged Diesel Generating Set	**Nos.**	**38**	**129,115**	**132**	**686,024**	**156**	**701,795**	**14**	**371,121**
		2	8,343	140	463,341	104	488,213	38	129,115
e) Self-Propelled Rubber Tyred Container Handling Mobile Crane	**Nos.**	**2**	**30,242**	**-**	**-**	**11**	**193,184**	**-**	**-**
		1	15,118	-	-	15	257,492	2	30,242
f) Goods, Components and Spares for Earthmoving and Construction / Material Handling Equipment			**435,181**		**1,899,913**		**2,693,870**		**528,251**
			360,894		1,793,156		2,431,989		435,181
g) Others (Note 14.1)			-		-		**236,933**		-
			-		-		161,467		-
Total			**960,267**		**5,105,317**		**8,245,861**		**1,038,693**
Previous year			711,000		5,090,347		8,327,483		960,267

Figures in bold type relate to the Current Year

*includes 2 (Previous Year Nil) sales return from earlier year sale

**Includes 14 (Previous Year 31) Capitalised during the year (Refer Schedule 'M')

***Includes 19 (Previous Year 9) capitalised during the year (Refer Schedule 'M')

With the exception of Cranes/ Carrier Units (Trucks), Earthmoving Equipment,Diesel Generating Sets and Self-Propelled Rubber Tyred Container Handling Mobile Crane mentioned above, none of the items included in the above classes of goods exceeded individually 10% of the total value of Purchases, Stock or Turnover and accordingly quantitative information has not been provided for.

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

23.3 Details of Raw Materials (Including Components) consumed:

Particulars	Unit	Quantity	Value (Rs. in '000)	Percentage
Indigenous :				
Iron and Steel	**Tonnes**	**415**	**19,355**	
		416	23,834	
Valves (for Cranes)	**Nos**	**1,078**	**8,985**	
		2,019	13,786	
Engine	**Nos**	**358**	**303,379**	
		354	293,726	
Ballast/ Tail Weight (for Cranes)	**Nos**	**273**	**15,872**	
		297	17,334	
Acoustic Enclosure (for D G Set)	**Nos**	**301**	**63,343**	
		307	76,612	
Tyres, Tubes and Flaps (for Cranes)	**Set**	**264**	**10,061**	
		331	13,987	
Chassis (for Cranes)	**Nos**	**33**	**49,279**	
		29	45,030	
Hydraulic Ram and Cylinder	**Nos**	**1,334**	**62,535**	
		1,593	74,463	
Alternator (for DG Sets)	**Nos**	**299**	**61,712**	
		267	74,030	
Miscellaneous *	**-**	**-**	**197,827**	
	-	-	262,036	
Total	**A**		**792,348**	**63.89**
			894,838	62.81
Imported :				
Iron and Steel	**Tonnes**	**1,352**	**107,844**	
		1,852	178,537	
Transmission	**Nos**	**93**	**47,736**	
		136	57,687	
Axle	**Nos**	**106**	**83,684**	
		143	101,422	
Miscellaneous *	**-**	**-**	**208,648**	
	-	-	192,278	
Total	**B**		**447,912**	**36.11**
			529,924	37.19
Total	**A+B**		**1,240,260**	**100.00**
			1,424,762	100.00

* As none of the Miscellaneous items exceeded individually 10% of the total value of consumption quantitative information has not been provided for.

Figures in bold type relate to the Current year.

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

(Rs. '000)

			Year Ended 31.03.2010		Year Ended 31.03.2009	
23.4	Value of Imported and Indigenous Consumption of Stores					
			Value	%	Value	%
	Imported		8,251	24	12,125	32
	Indigenous		26,673	76	26,337	68
			34,924	**100**	**38,462**	**100**
24.	C.I.F. Value of Imports :					
	(a)	Raw Materials with Components	364,698		510,885	
	(b)	Spare Parts (excluding items in transit at year-end)	1,182,561		205,301	
	(c)	Capital Goods	-		7,491	
	(d)	Machines (Trading Items)	1,330,411		1,598,737	
25.		Expenditure in Foreign Currency :				
		(on payment basis)				
		Travelling	2,390		3,261	
		Technical Know-How Fees (net of tax)	2,245		620	
		Royalty (net of tax)	12,768		16,728	
		Others	-		271	
26.		Earnings in Foreign Exchange				
		(Remittance received) on account of				
	(a)	Export of goods calculated on FOB basis	62,756		78,721	
	(b)	Commission, others (including Dealer's profit)	340,756		234,013	
	(c)	Technical Fees	173,964		74,274	

27. The Board of Directors has approved a Scheme of Arrangement under Sections 391 to 394 of the Companies Act for transfer with effect from 1st April, 2010 of the undertaking of the Company pertaining to dealership business of Caterpillar (comprising Construction and Mining Solutions and Power System Solutions) on a going concern basis to Tractors India Private Limited (TIPL) a wholly owned subsidiary of TIL Limited (in consideration for 44,89,430 nos of equity shares of Rs. 10/- each at a premium of Rs. 203.48 each of TIPL aggregating to Rs. 958,396 thousand). The aforesaid Scheme of Arrangement has been approved by the Board of Directors of TIPL and by the Shareholders of TIL Limited and final approval from the Hon'ble High Court of Kolkata is pending.

a)	Description of Discontinuing Operations	Dealership business of Caterpillar Inc USA comprising : **i) Construction and Mining Solutions (CMS) :-** Engaged as a dealer for Caterpillar Inc. USA for their earthmoving, construction mining equipments, spares etc. and providing related services in Eastern, Northern India and Bhutan.
		ii) Power Systems Solutions (PSS) :- Engaged in assembly, supply, erection and commissioning of Generating Sets powered by Caterpillar engines and dealing in spares and providing related services in Eastern, Northern India and Bhutan.
b)	Business or Geographical Segments in which Discontinuing Operations is reported as per AS-17, Segment Reporting	Reported as primary business segments under the heading 'Construction and Mining Solutions' and 'Power Systems Solutions' as reported in Note number 20 on Segment Reporting.

Schedules forming part of the Accounts for the year ended 31st March, 2010

SCHEDULE 'O' (Contd.)

c)	Date and nature of Initial Disclosure Event	At a meeting held on 27th October, 2009 the Board of Directors approved the Scheme of Arrangement and proposed to seek approval of the Shareholders and other concerned authorities.		
d)	Date or period in which the Discontinuance is expected to be completed	On approval of the Scheme of Arrangement by the Hon'ble High Court at Kolkata, which is expected by end July 2010, the discontinuance would be effected retrospectively from 1st April, 2010.		
e)	Carrying amounts, as on the Balance Sheet date, of the total Assets to be disposed off and the total Liabilities to be settled as per the proposed Scheme of Arrangement		As at 31.03.2010 (Rs. '000)	As at 31.03.2009 (Rs. '000)
		Total Assets :	3,419,261	2,658,078
		Total Liabilities :	2,515,895	1,962,219
f)	Revenue and Expenses in respect of the ordinary activities attributable to the Discontinuing Operations (after allocation of interest on borrowings and corporate expenses as estimated by management)		Year ended 31.03.2010 (Rs. '000)	Year ended 31.03.2009 (Rs. '000)
		Total Revenue :	6,848,882	6,587,189
		Total Expenses:	6,514,624	6,348,770
g)	Pre-Tax profit/(loss) attributable to the Discontinuing Operations and Income Tax expense related thereto	Pre tax Profit :	334,258	238,419
		Income tax		
		Expense :	126,750	89,508
h)	Amount of cash flows attributable to Operating, Investing and Financial activities of the Discontinuing Operations	Cash flows attributable to :		
		Operating Activities :	331,763	32,844
		Investing Activities:	(260,502)	(242,293)
		Financing Activities :	(72,594)	210,268

(Rs. '000)

28.	Remittance in Foreign Currency on account of Dividend to Non-Resident Shareholders On Equity Shares :-		Year Ended 31.03.2010	Year Ended 31.03.2009
	(a)	Amount Remitted	7,760	7,760
	(b)	Number of Non - Resident Shareholders	2	2
	(c)	Number of Shares held by them	1,939,931	1,939,931
	(d)	Dividend for the year	2008-09	2007-08

29. Previous year's figures have been rearranged/ regrouped wherever necessary

Signatures to Schedules 'A' to 'O'

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

For **PRICE WATERHOUSE**
Firm Registration No. 301112E
Chartered Accountants

S.K. Deb
Partner
Membership Number 13390

Kolkata
11th May, 2010

Cash Flow Statement for the Year Ended 31st March, 2010

(Rs. '000)

		Year Ended 31.03.2010		Year Ended 31.03.2009	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit Before Tax		754,860		505,704
	Adjustments for :				
	Depreciation and Amortisation	168,928		143,203	
	Debts Written off	7,623		15,039	
	Profit on Sale of Fixed Assets (Net)	(10,471)		(5,981)	
	Interest Expenses (Net)	159,511		201,244	
	Dividend Income	(1,216)		(1,183)	
	Unrealised Foreign Exchange (Gain)/ Loss (Net)	(7,323)		500	
			317,052		**352,822**
	Operating Profit before Working Capital Changes		1,071,912		858,526
	Adjustments for :				
	Trade and Other Receivables	(469,964)		(88,952)	
	Inventories	(2,967)		(117,593)	
	Loans and Advances	25,123		(39,250)	
	Trade Payable	246,358		(233,632)	
			(201,450)		**(479,427)**
	Cash Generated from Operations		870,462		379,099
	Direct Taxes Paid		(285,072)		(146,470)
	Net Cash from Operating Activities		**585,390**		**232,629**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(395,652)		(364,600)	
	Proceeds from Sale of Fixed Assets	58,276		26,672	
	Purchase of Investments	(106)		-	
	Interest Received	439		2,647	
	Dividend Received	1,216		1,183	
	Net Cash used in Investing Activities		**(335,827)**		**(334,098)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Interest Paid	(160,422)		(198,322)	
	Proceeds from Long Term borrowings	-		200,000	
	Repayment of Long Term borrowings	(63,534)		(63,925)	
	Increase in Cash Credit and other short term borrowings (Net)	19,838		211,240	
	Dividend Paid	(46,573)		(46,755)	
	Net Cash from/ (used in) Financing Activities		**(250,691)**		**102,238**
	Net Increase/ (Decrease) In Cash and Cash Equivalents (A+B+C)		**(1,128)**		**769**
	Cash and Cash Equivalents as at the beginning of the year (Schedule 'I')		2,954		2,185
	Cash and Cash Equivalents as at the close of the year (Schedule 'I')		1,826		2,954

Notes : 1) The above Cash Flow Statement has been prepared under the ' Indirect Method ' as set out in the Accounting Standard - 3 on Cash Flow Statements.
2) The Schedule referred to above forms an integral part of the Cash Flow Statement .
3) Previous year's figures have been rearranged/ regrouped wherever necessary.

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

This is the Cash Flow Statement referred to in our report of even date.

For **PRICE WATERHOUSE**
Firm Registration No. 301112E
Chartered Accountants

S.K. Deb
Partner
Membership Number 13390

Kolkata
11th May, 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	21-041725	State Code	21
Balance Sheet Date	31.03.2010		

II. Capital Raised during the Year

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (All Figures in Rs. '000)

Total Liabilities (Including Owner's Fund)	5416610	Total Assets	5416610
Sources of Funds			
Paid-up Capital	100303	Reserves & Surplus	1882666
Secured Loans	499000	Unsecured Loans	594818
Application of Funds			
Net Fixed Assets (Including Capital Work In Progress)	1285407	Investments	74972
Net Current Assets	1776082	Misc Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of Company

Turnover (Gross) (excluding Other Income 225,157)	8654185	Total Expenditure (Incld. Excise Duty)	8124482
Profit/(Loss) Before Tax	754860	Profit/(Loss) after Tax	468632
Earnings Per Share	46.72	Dividend Rate %	60.00

V. Generic Names of Two Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	8426
Product Description	CRANES
Item Code No. (ITC Code)	8502
Product Description	DGSETS

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

Kolkata
11th May, 2010

Auditors Report To the Board of Directors of TIL Limited

1. We have audited the attached Consolidated Balance Sheet of TIL Limited (the "Company") and its subsidiaries, hereinafter referred to as the "Group" (refer note 2 on Schedule 'P' to the attached Consolidated Financial Statements) as at 31st March, 2010, the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries included in the Consolidated Financial Statements, which constitute total assets of Rs. 1,198,300 ('000) and net assets of Rs. 855,461 ('000) as at 31st March, 2010, the total revenue of Rs. 2,084,705 ('000), net profit of Rs. 291,592 ('000) and net cash outflow amounting to Rs. 27,915 ('000) for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the Consolidated Financial Statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, notified under sub-section 3C of Section 211 of the Companies Act, 1956.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;
   (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **PRICE WATERHOUSE**
Firm Registration Number - 301112E
Chartered Accountants

S.K. Deb
Partner
Membership Number - 13390

Kolkata
11th May, 2010

Consolidated Balance Sheet

TIL LIMITED and its subsidiaries as at 31st March, 2010

(Rs. '000)

	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	A	100,303	100,303
(b) Equity Warrants (Note 14 on Schedule 'P')		-	87,815
(c) Reserves and Surplus	B	2,659,752	2,141,060
		2,760,055	**2,329,178**
2. Loan Funds	C		
(a) Secured Loans		499,000	685,125
(b) Unsecured Loans		594,833	449,165
		1,093,833	**1,134,290**
3. Deferred Tax Liability (Net)		59,674	30,946
Total		**3,913,562**	**3,494,414**
APPLICATIONS OF FUNDS			
1. Fixed Assets	E		
(a) Gross Block		2,109,029	1,818,715
(b) Less : Depreciation		951,745	814,821
(c) Net Block		1,157,284	1,003,894
(d) Capital Work-in-Progress		199,006	187,595
		1,356,290	**1,191,489**
2. Investments	F	**719**	**719**
3. Current Assets, Loans and Advances			
(a) Inventories	G	1,930,359	1,841,881
(b) Sundry Debtors	H	1,678,441	1,127,487
(c) Cash and Bank Balances	I	430,772	459,803
(d) Other Current Assets	J	183,249	274,355
(e) Loans and Advances	K	956,636	659,634
		5,179,457	**4,363,160**
Less : Current Liabilities and Provisions	D		
(a) Liabilities		1,655,636	1,387,743
(b) Provisions		967,274	673,211
		2,622,910	**2,060,954**
Net Current Assets		2,556,547	2,302,206
4. Miscellaneous Expenditure	L	**6**	-
(To the extent not written off or adjusted)			
Total		**3,913,562**	**3,494,414**
Notes	P		

The Schedules referred to above form an integral part of the Balance Sheet.

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

This is the Balance Sheet referred to in our report of even date.

For **PRICE WATERHOUSE**
Firm Registration No. 301112E
Chartered Accountants

S.K. Deb
Partner
Membership Number 13390

Kolkata
11th May, 2010

Consolidated Profit & Loss Account

TIL LIMITED and its subsidiaries for the year ended 31st March, 2010

(Rs. '000)

	Schedule	Year Ended 31.03.2010	Year Ended 31.03.2009
INCOME			
Sales and Services (Gross)		10,212,562	10,243,329
Less : Excise Duty		138,359	231,426
Sales and Services (Net)		10,074,203	10,011,903
Selling Commission Earned		231,066	209,369
Rental from Machinery		240,356	152,371
Other Income	M	114,900	130,238
		10,660,525	**10,503,881**
EXPENDITURE			
Cost of Materials and Direct Manufacturing Expenses	N	7,848,644	7,955,152
Expenses	O	1,544,778	1,502,585
		9,393,422	**9,457,737**
Interest on :			
Fixed Loans		32,390	56,260
Others		127,618	171,345
		160,008	227,605
Depreciation		195,061	167,069
Less : Transfer from Revaluation Reserve		1,545	1,545
		193,516	165,524
Profit Before Taxation		**913,579**	**653,015**
Less : Provision for Taxation :			
Current Tax		289,590	199,284
Deferred Tax Charged/(Credit)		28,728	(2,504)
Fringe Benefit Tax		-	9,000
		318,318	205,780
Profit After Taxation		**595,261**	**447,235**
Add : Balance of Profit and Loss Account			
brought forward from previous year		1,312,833	944,809
Balance Available for Appropriations		**1,908,094**	**1,392,044**
APPROPRIATIONS			
General Reserve		46,863	32,271
Proposed Dividend :			
Equity Shares		60,182	40,121
Tax on Dividend		9,997	6,819
Balance Carried Forward		1,791,052	1,312,833
		1,908,094	**1,392,044**
Earnings Per Share (Rs.) [Note 6 on Schedule 'P']			
Basic (Rs.)		59.35	44.59
Diluted (Rs.)		59.35	44.59
Notes	P		
The Schedules referred to above form an integral part of the Profit and Loss Account.			

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

This is the Profit & Loss Account referred to in our report of even date.

For **PRICE WATERHOUSE**
Firm Registration No. 301112E
Chartered Accountants

S.K. Deb
Partner
Membership Number 13390

Kolkata
11th May, 2010

Schedules forming part of the Consolidated Balance Sheet

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'A'		
Share Capital		
Authorised		
20,000,000 Equity Shares of Rs. 10/- each	200,000	200,000
	200,000	**200,000**
Issued, Subscribed and Paid up		
10,030,265 Equity Shares of Rs. 10/- each fully paid up (Note below)	100,303	100,303
Total	**100,303**	**100,303**

Note : Of the above Equity Shares, 1,992,078 Shares were allotted as fully paid up, pursuant to a scheme of amalgamation in October,1984, without payment being received in cash.

(Rs. '000)

	As per last Account	Additions	Deductions	As at 31.03.2010
SCHEDULE 'B'				
Reserves and Surplus				
Capital Reserve (Note 14 on Schedule 'P')	19	87,815	-	87,834
Foreign Currency Translation Reserve(Net)	153,773	-	92,660	61,113
Revaluation Reserve	71,990	-	1,545	70,445
Share Premium Account	193,377	-	-	193,377
Amalgamation Reserve	2,045	-	-	2,045
Development Rebate Reserve	84	-	-	84
General Reserve	366,934	46,863	-	413,797
Capital Redemption Reserve	40,005	-	-	40,005
	828,227	**134,678**	**94,205**	**868,700**
Profit and Loss Account	1,312,833	478,219	-	1,791,052
Total	**2,141,060**	**612,897**	**94,205**	**2,659,752**

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'C'		
Loan Funds		
(a) Secured Loans		
Cash Credit / Working Capital Demand Loans		
From Banks [Secured by a first pari passu charge on all the current assets of the Parent Company (namely Stocks and Book Debts) and a second pari passu charge on all movables,fixed assets (excluding such movables as may be agreed by Consortium Bankers from time to time), both present and future,under a joint deed of hypothecation between the Parent Company and its Consortium Bankers.]	214,856	341,396
Interest accrued and due	2,086	243

Schedules forming part of the Consolidated Balance Sheet

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'C' (Contd.)		
Term Loans		
From Banks		
In Indian Rupee	59,560	343,486
In Foreign Currency (Repayble within one year Rs. 73,928 thousand)	221,117	-
Interest accrued and due on term loans	1,381	-
[Term Loans are secured by equitable mortgage on certain immovable properties of the Parent Company and by first pari passu charge on all movable properties of the Parent Company and second pari passu charge on the current assets of the Parent Company,both present and future.]		
Total	**499,000**	**685,125**
(b) Unsecured Loans		
From Banks (Short Term)		
In Indian Rupee	200,015	-
In Foreign Currency	394,718	448,340
[Repayable within one year Rs. 594,718 thousand (Previous year Rs. 448,340 thousand)]		
From Others	100	825
[Repayable within one year Rs. 100 thousand (Previous year Rs. 725 thousand)]		
Total	**594,833**	**449,165**

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'D'		
Current Liabilities and Provisions		
Current Liabilities :		
Sundry Creditors	1,160,310	914,091
Advance from Customers and others	189,628	147,114
Investor Education and Protection Fund (the Fund) shall be credited by the following amount :		
Unclaimed/Unpaid Dividends @	1,216	849
Unclaimed/Unpaid Matured Deposits @	10	30
Security Deposit from Customers	23,611	18,140
Other Liabilities	278,191	301,153
Interest accrued but not due on Loans	2,670	6,366
	1,655,636	**1,387,743**
Provisions for :		
Accrued Leave Encashment Benefit for employees	29,721	22,393
Provision for Taxation	867,374	603,878
[Includes Fringe Benefit Tax Rs. 22,494 thousand (Previous year Rs. 22,494 thousand)]		
Proposed Dividend :		
On Equity Shares	60,182	40,121
Tax on Dividend	9,997	6,819
	967,274	**673,211**
Total	**2,622,910**	**2,060,954**

@ No amount is due at the year end for credit to the Fund.

Schedules forming part of the Consolidated Balance Sheet

(Rs. '000)

	Cost/ Valuation as at 31.03.2009	Additions/ Adjustment during the year	Sales/ Adjustment during the year	Total Cost/ Valuation as at 31.03.2010	Depreciation Provided up to 31.03.2009	Depreciation Provided during the year	Depreciation on Sales/ Adjustment during the year	Depreciation Provided up to 31.03.2010	Net Value of Assets as at 31.03.2010	Net Value of Assets as at 31.03.2009
SCHEDULE 'E'										
Fixed Assets										
Tangible Assets										
Freehold Land	39,543	-	-	39,543	-	-	-	-	39,543	39,543
Leasehold Land	45,112	-	-	45,112	5,141	908	-	6,049	39,063	39,971
Buildings :										
Leasehold	104,016	55,103	-	159,119	33,963	3,532	-	37,495	121,624	70,053
Freehold	102,913	210	-	103,123	42,037	1,082	-	43,119	60,004	60,876
Plant and Machinery	1,222,374	297,796	104,771	1,415,399	515,281	169,490	56,358	628,413	786,986	707,093
[Note 12 on Schedule 'P']										
Tubewell	672	200	-	872	338	12	-	350	522	334
Furniture and Equipment	139,614	24,761	902	163,473	84,206	11,944	863	95,287	68,186	55,408
Cycle and Motor Vehicles	66,299	9,950	1,598	74,651	38,976	5,722	798	43,900	30,751	27,323
Sub total	**1,720,543**	**388,020**	**107,271**	**2,001,292**	**719,942**	**192,690**	**58,019**	**854,613**	**1,146,679**	**1,000,601**
Intangible Assets (acquired items)										
Technical Know-how	84,312	9,312	-	93,624	81,019	2,310	-	83,329	10,295	3,293
[Note 10 on Schedule 'P']										
Goodwill arising on consolidation	-	35	-	35	-	-	-	-	35	-
[Note 16 on Schedule 'P']										
Software	13,860	463	245	14,078	13,860	61	118	13,803	275	-
Sub total	**98,172**	**9,810**	**245**	**107,737**	**94,879**	**2,371**	**118**	**97,132**	**10,605**	**3,293**
Total	**1,818,715**	**397,830**	**107,516**	**2,109,029**	**814,821**	**195,061**	**58,137**	**951,745**	**1,157,284**	**1,003,894**
Previous year	1,597,360	294,176	72,821	1,818,715	683,988	167,069	36,236	814,821		
Capital Work-in-Progress									**199,006***	**187,595***
Grand total									**1,356,290**	**1,191,489**

* Includes expenditure on New Project in the Parent Company Rs. 163,664 thousand (Previous year Rs. 110,243 thousand)

Schedules forming part of the Consolidated Balance Sheet

(Rs. '000)

		As at 31.03.2010		As at 31.03.2009	
		Number	Value	Number	Value
SCHEDULE 'F'					
Investments - Long Term - at Cost					
Other than Trade					
Quoted :					
Eveready Industries India Limited	Shares of Rs. 5/- each fully paid	1,266	180	1,266	180
Mcleod Russel India Limited	Shares of Rs. 5/- each fully paid	1,266	181	1,266	181
Bank of India	Shares of Rs. 10/- each fully paid	7,900	356	7,900	356
Unquoted :					
Woodlands Nursing Home and Research Centre Limited	1/2 % Debentures of Rs. 100/- each fully paid	20	2	20	2
Gulshan Villa Premises Co-operative Society Limited	Shares of Rs. 50/- each fully paid (Rs. 500/-)	10		10	
Total			**719**		**719**
Aggregate book value of investments					
Quoted			717		717
Unquoted			2		2
Total			**719**		**719**
Aggregate market value of quoted investments			3,106		1,841

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'G'		
Inventories		
Stores - at or under cost	5,335	8,559
Loose tools - at or under cost	22,504	37,312
Raw Materials - at lower of cost and net realisable value [Including in Transit Rs. 5,109 thousand (Previous year Rs. 7,785 thousand)]	250,402	374,993
Stock-in-Trade-at lower of cost and net realisable value	1,478,705	1,318,564
Work-in-Progress-at lower of cost and net realisable value	173,413	102,453
Total	**1,930,359**	**1,841,881**

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'H'		
Sundry Debtors (Unsecured -Considered Good)		
Debts outstanding for more than six months	95,750	128,878
Other Debts	1,582,691	998,609
Total	**1,678,441**	**1,127,487**

Schedules forming part of the Consolidated Balance Sheet

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'I'		
Cash and Bank Balances		
Cash in hand	19,072	24,385
Balance with Banks		
On Current Accounts	107,922	68,201
On Dividend Accounts	1,216	849
On Fixed Deposit	302,562	366,232
Remittance-in-Transit	-	136
Total	**430,772**	**459,803**

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'J'		
Other Current Assets (Unsecured-Considered Good)		
Interest accrued on Fixed Deposits	3,441	-
Claims Receivable [Including Rs. 1,073 thousand (Previous year Rs. 843 thousand) with Customs, Excise, Port Trust Authorities]	114,837	222,629
Accrued duty benefits pertaining to Exports/ Deemed Exports	6,934	21,515
Deposits [Including Rs. 390 thousand (Previous year Rs. 977 thousand) with Customs, Excise, Port Trust Authorities]	58,037	30,211
Total	**183,249**	**274,355**

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'K'		
Loans and Advances (Unsecured-Considered Good)		
Advances recoverable in cash or in kind or for value to be received	97,017	85,398
Advance Income Tax (Including Tax deducted at source)	859,619	574,236
[Includes Fringe Benefit Tax Rs. 22,029 thousand (Previous year Rs. 22,029 thousand)]		
Total	**956,636**	**659,634**

(Rs. '000)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'L'		
Miscellaneous Expenditure (To the extent not written off or adjusted)		
Deferred Revenue Expenditure	6	-
Total	**6**	**-**

Schedules forming part of the Consolidated Profit & Loss Account

(Rs. '000)

	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE 'M'		
Other Income		
Sale of Scraps	8,119	10,653
Income from Long Term Investments - Dividend	66	33
Profit on Sale of Assets (Net)	19,523	6,785
Interest :		
On Income Tax Refunds	-	2,267
On deposit with Banks and Others	17,611	27,188
Bad Debts Recovery	3,261	5,162
Liabilites written back	25,076	-
Discounts	4,759	3,575
Miscellaneous Income	36,485	74,575
Total	**114,900**	**130,238**

(Rs. '000)

	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE 'N'		
Cost of Materials and Direct Manufacturing Expenses		
Opening Stock		
Raw Materials		
in Hand	367,208	399,573
in Transit	7,785	106,001
Stock in Trade	1,318,564	1,687,843
	1,693,557	**2,193,417**
Add : Purchases	7,765,351*	7,307,548*
	9,458,908	**9,500,965**
Less : Closing Stock		
Raw Materials		
in Hand	245,293	367,208
in Transit	5,109	7,785
Stock in Trade	1,478,705	1,318,564
	1,729,107	**1,693,557**
	7,729,801	**7,807,408**
Add : Opening Work-in-Progress	102,453	98,790
	7,832,254	**7,906,198**
Less : Closing Work-in-Progress	173,413	102,453
	7,658,841	**7,803,745**
Less : Capitalised	24,347	13,953
	7,634,494	**7,789,792**
Direct Wages	13,656	13,590
Incentive Payments	11,540	16,131
Consumption of Stores	34,924	38,462
Carriage Inward	154,030	97,177
Total	**7,848,644**	**7,955,152**

* Purchases are net of Nil (Previous year Rs. 2,700 thousand) on account of accrued duty benefit pertaining to Exports/ Deemed Exports.

Schedules forming part of the Consolidated Profit & Loss Account

(Rs. '000)

	Year Ended 31.03.2010	Year Ended 31.03.2009
SCHEDULE 'O'		
Expenses		
Salaries, Wages, Bonus etc.	753,495	569,123
Contribution to Provident and other Funds	93,668	75,022
Staff Welfare Expenses	26,660	23,057
Rent	37,934	32,717
Rates and Taxes	22,669	26,204
Bank Charges	35,616	44,241
Insurance	21,747	21,064
Repairs and Maintenance :		
Buildings	16,557	17,570
Plant and Machinery	39,492	33,431
Others	25,623	10,130
	81,672	**61,131**
Travelling Expenses	123,363	130,585
Stationery and Printing	10,770	11,731
Postage, Telephones and other Communication Expenses	23,669	24,123
Advertising	7,760	8,318
Gas and Electricity	26,083	25,873
Commission	20,827	43,366
Miscellaneous Expenses	127,404	226,578
Forwarding Charges (Net)	39,345	24,606
Royalties	15,000	18,300
Medical Expenses	14,912	13,612
Professional Fees	8,540	21,027
Motor Car and Van Expenses	16,229	15,945
Service Support Expenses	27,522	53,082
Debts/ Advances/ Claims written off	9,893	32,880
Total	**1,544,778**	**1,502,585**

Schedules forming part of the Consolidated Accounts for the year ended 31st March, 2010

SCHEDULE 'P'

1. The Consolidated Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable Accounting Standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

2. The Consolidated Financial Statements represent consolidation of Financial Statements of TIL Limited (TIL) (Parent Company) with its subsidiaries (together referred as ' the Group') as detailed below :

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Accounting Year
Myanmar Tractors Limited. (MTL)	Myanmar	81%	1st April to 31st March
TIL Overseas Pte. Limited. (TILO)	Singapore	100%	1st April to 31st March
Tractors Nepal Private Limited. (TNPL)	Nepal	100%	1st April to 31st March
Tractors India Private Limited. (TIPL)	India	100%	1st April to 31st March

(Refer Note 16 below)

3. The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Parent Company and its subsidiaries (indicated above) have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully adjusting/ eliminating intra-Group balances and intra- Group transactions and resulting unrealised profits. Unrealised losses resulting from intra-Group transactions are eliminated unless cost cannot be realised.
- The Consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, except as indicated in Note 4 below, in the same manner as the Parent Company's separate Financial Statements.
- The translation of the functional currencies into Indian Rupees (reporting currency) is performed for equity in the foreign subsidiary, assets and liabilities using the closing exchange rate at the Balance Sheet date, and for income and expenses using average exchange rate prevailing during the year. The resultant exchange difference arising out of such transactions is recognised as part of equity (Foreign Currency Translation Reserve) by the Parent Company until the disposal of investment.
- The excess of cost to the Parent Company of its investment in the subsidiaries over parent's portion of equity of subsidiaries at the dates they become subsidiaries is recognised in the consolidated Financial Statements as Goodwill. Goodwill arising on consolidation is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment loss.

4. Accounting policies for the Group are same as followed by the Parent Company (TIL Limited) as indicated in Note 2 on Schedule 'O' of TIL Limited's Accounts for the year ended 31st March, 2010, except as follows :

- Loose Tools of MTL are written off over a period of 4 years.
- Fixed Assets of the subsidiaries have not been revalued.
- Fixed Assets of MTL and TILO are depreciated under the Straight Line Method over their estimated useful lives (being lower than the useful lives prescribed under Schedule XIV to the Companies Act, 1956 of India) as indicated below :

Category of Assets	Useful lives (in years)
Motor Vehicles and Motor Cycles	5
Office Equipment	5
Furniture and Fittings	5
Computer Hardware	4
Computer Software	5
Machineries	5
Rental Machines	5

Schedules forming part of the Consolidated Accounts for the year ended 31st March, 2010

SCHEDULE 'P' (Contd.)

Depreciation charge for the year and year-end Accumulated Depreciation includes Rs. 24,488 thousand (previous year Rs. 22,212 thousand) and Rs. 128,378 thousand (previous year Rs. 125,431 thousand) respectively computed by certain subsidiaries applying different depreciation method/rates. Had the depreciation method/ rates of the Parent Company been followed by such subsidiaries, the impact thereof on depreciation charge for the year and year-end accumulated depreciation is not ascertainable at this stage.

- Employee Benefits

  None of the subsidiaries have any Defined Benefit Schemes for its employees. Refer Note 19 on Schedule 'O' of the Parent Company's Accounts for disclosure regarding Defined Benefit Schemes as required under Accounting Standard 15 on 'Employee Benefits'. The Group recognised in the Profit and Loss Account for the year ended 31st March, 2010 an amount of Rs. 16,492 thousand (Previous year Rs. 8,996 thousand) as charge under defined contribution plans and Rs. 76,119 thousand (Previous year Rs. 65,065 thousand) as charge under defined benefit plans.

5. Ownership of a flat (cost Rs. 3,937 thousand) belonging to the Parent Company in a Co-operative Housing Society is registered in the name of the Managing Director of erstwhile Spundish Engineering Ltd.

6. Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS:

			Year Ended 31.03.2010	Year Ended 31.03.2009
	Profit after Tax attributable to the Equity Shareholders (Rs. '000)	A	595,261	447,235
6.1.	**Basic**			
i.	Number of Equity Shares at the beginning of the year		10,030,265	10,030,265
ii.	Number of Equity Shares issued during the year		-	-
iii.	Number of Equity Shares at the end of the year		10,030,265	10,030,265
iv.	Weighted average number of Equity Shares outstanding during the year	B	10,030,265	10,030,265
v.	Nominal Value of each Equity Share (Rs.)		10	10
	Basic Earnings per Share (Rs.)	**A/B**	**59.35**	**44.59**
6.2.	**Diluted**			
i.	Number of Potential Equity Shares at the beginning of the year		2,693,707	2,693,707
ii.	Number of Potential Equity Shares issued during the year		-	-
iii.	Number of Potential Equity Shares converted/ forfeited during the year (Refer Note 14 below)		(2,693,707)	-
iv.	Number of Potential Equity Shares at the end of the year		-	2,693,707
	Diluted Earnings per Share (Rs.)		**59.35**	**44.59 ***

* In view of the average market price of Equity Shares of the Parent Company being less than the applicable conversion price, the conversion option embedded in the 2,693,707 number of Convertible Equity Warrants allotted to the promoter group and certain other companies/ entities/ persons on 28th December, 2007 was considered as anti-dilutive and accordingly not considered for computation of diluted earnings per share as per Accounting Standard 20 "Earnings Per Share". Diluted Earnings per share for the year ended 31st March 2009 was considered as equal to Basic Earnings per share i.e. Rs. 44.59.

Schedules forming part of the Consolidated Accounts for the year ended 31st March, 2010

SCHEDULE 'P' (Contd.)

(Rs. '000)

		Year Ended 31.03.2010	Year Ended 31.03.2009
7.	**Contingent Liabilities in respect of -**		
7.1	Sales Tax Matters under dispute [Net of payments Rs. 3,243 thousand (Previous year Rs. 300 thousand)]	6,546	4,046
7.2	Income Tax matters under dispute * Excludes disputed Income Tax matters, in view of favourable Tribunal decision in similar case	1,809 *	2028*
7.3	Service Tax matters under dispute [Net of payments Rs. 20,208 thousand (Previous year Rs. 9,807 thousand)]	96,261	12,056
7.4	Excise Duty matters under dispute [Net of payments Rs. 1,648 thousand (Previous year Rs. 1,648 thousand)]	5,329	8,507
7.4	Others	575	575
8.	**Guarantees**		
8.1	Bank Guarantees outstanding	346,593	368,609
8.2	Corporate Guarantee given by the Parent Company on behalf of Overseas Subsidiaries		
	- Limit	298,980	307,380
	- Amount outstanding at year-end	Nil	Nil
9.	Capital Commitment (Net of advance Rs. 22,237 thousand) (Previous Year Rs. 20,358 thousand)	18,566	57,960

10. Technical Know-how [shown under Intangible Assets - Schedule 'E'] represents technical drawings, designs etc. relating to manufacture of the Parent Company's products and acquired pursuant to various agreements conferring the right to manufacture and usage only.

11. The Parent Company has certain long-term composite maintenance contracts with a party which entails, inter alia, supply of spare parts. The billing /payment schedule is time phased. Pending supply of spare parts,related amount of Rs. 17,078 thousand (Previous year Rs. 9,519 thousand) billed during the year as per the payment schedule of the aforesaid contract, has been considered as liability and the related sales will be recognised on supply of spares,as and when required,under the said contracts,in future in keeping with the accounting policies set out in Note 2.1 on Schedule 'O' of Parent Company. During the year an amount of Rs. 95,005 thousand (Previous year Rs. 11,629 thousand) has been released from the accumulated liabilites in this regard on a prudent basis and adjusted against related contractual dues.

12. The Group has given various Plant and Machinery (namely Diesel Generating Sets, Machines etc.) under cancellable operating leases. Leases range for periods between 6 months to 3 years. Terms of lease include terms for renewal, cancellation etc. Initial Direct costs (commissioning, installation etc.) for such assets are borne by the lessee, other than transportation cost, which is borne by the lessor and charged off to revenue. Lease rentals recognised as income during the year Rs. 240,356 thousand (Previous Year Rs. 152,371 thousand). Other details for such Plant and Machinery are as below.

(Rs. '000)

Gross value		Accumulated Depreciation		Depreciation	
As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009	Year Ended 31.03.2010	Year Ended 31.03.2009
647,032	568,207	199,182	158,582	93,788	69,179

13. The Group has taken various residential/ commercial premises under cancellable operating lease. Leases range for periods between 3 to 5 years. Terms of the lease include operating term for renewal, increase in rent for future periods, terms of cancellation etc. The operating lease payments for the year amount to Rs. 28,320 thousand (Previous Year Rs. 21,842 thousand)

Schedules forming part of the Consolidated Accounts for the year ended 31st March, 2010

SCHEDULE 'P' (Contd.)

14. The Parent Company had allotted on 28th December, 2007,on a preferential basis, to the Indian promoter group and certain other companies/ entities/ persons 2,993,842 numbers of Convertible Equity Warrants against receipt of 10% of the consideration of Rs. 326/- per Warrant, determined in keeping with the related Securities and Exchange Board of India (SEBI) Guidelines. Each Warrant was convertible into one equity Share of nominal value of Rs. 10/- each at a price of Rs. 326/- per share in lots at the option of the warrant holders within eighteen months from the date of allotment in accordance with relevant SEBI Guidelines and the terms of the issue, upon payment of balance consideration by the warrant holders.

Out of the said 2,993,842 number of convertible Equity Warrants, the Parent Company upon realisation of balance consideration and exercise of conversion option by certain warrant holders (out of the Indian Promoter Group), issued and allotted in March,2008, 300,135 number of Equity Shares of Rs. 10/- each at a premium of Rs. 316/- per share against conversion of equivalent number of Equity Warrants.

The stipulated period to exercise the option by allotees of remaining 2,693,707 number of convertible Equity Warrants expired during the current year and accordingly the said Equity Warrants were forfeited and the 10% of the consideration amount received against such allotment amounting to Rs. 87,815 thousand has been forfeited and credited to Capital Reserve Account.

15. Information given in accordance with the requirements of Accounting Standard 17 on "Segment Reporting" :-

- The Group's business segments are organised on product lines as follows:

  Material Handling Solutions (MHS) - engaged in manufacturing and marketing of various Material Handling Equipments namely Mobile Cranes, Port Equipment (Reach stacker, Level Luffing Cranes), Self Loading Truck Cranes etc. and dealing in spares and providing services to related equipment.

  Construction & Mining Solutions (CMS) - engaged as a dealer for Caterpillar Inc. USA for their earthmoving, construction mining equipments, spares etc. and providing related services in Eastern and Northern India, Bhutan, Nepal, Myanmar and Singapore.

  Power Systems Solutions (PSS) - engaged in assembly, supply, erection and commissioning of Generating Sets powered by Caterpillar engines and dealing in spares and providing related services in Eastern and Northern India, Bhutan, Nepal, Myanmar and Singapore.

- Others represents all unallocated expenditure and includes expenses incurred on common services provided to the segments which are not directly identifiable to the individual segments as well as expenses incurred at the corporate level which relate to the company as a whole.

Schedules forming part of the Consolidated Accounts for the year ended 31st March, 2010

SCHEDULE 'P' (Contd.)

(Note 15 Cont'd.)

I) Information about primary segments - Business Segments

(Rs. '000)

	Year Ended 31.03.2010				
	MHS	CMS	PSS	OTHERS (Unallocated)	TOTAL
Segment Revenue	**1,699,138**	**6,463,111**	**2,470,476**	**27,800**	**10,660,525**
	(1,866,321)	(6,575,449)	(2,056,668)	(5,443)	(10,503,881)
Segment Results	**383,825**	**695,053**	**285,706**	**-**	**1,364,584**
	(348,616)	(548,066)	(260,422)	-	(1,157,104)
Less: Unallocated expenses net of unallocated (income)				**290,997**	**290,997**
				(276,484)	(276,484)
Interest expenses				**160,008**	**160,008**
				(227,605)	(227,605)
Profit before tax					**913,579**
					(653,015)
Depreciation and Amortisation	**26,378**	**106,635**	**42,750**	**17,753**	**193,516**
	(28,308)	(80,227)	(33,357)	(23,632)	(165,524)
Non Cash Expenses other than Depreciation and Amortisation	**3,910**	**2,722**	**3,261**	**-**	**9,893**
	(435)	(27,840)	(4,605)	-	(32,880)
Segment Assets	**1,224,435**	**2,944,516**	**1,457,643**	**909,878**	**6,536,472**
	(1,231,602)	(2,710,511)	(974,322)	(638,933)	(5,555,368)
Segment Liabilities (excluding Shareholders' Funds)	**299,580**	**922,015**	**403,381**	**2,151,441**	**3,776,417**
	(258,148)	(828,222)	(263,213)	(1,876,607)	(3,226,190)
Capital Expenditure	**82,592**	**183,907**	**137,169**	**5,538**	**409,206**
	(42,392)	(259,065)	(60,954)	(13,383)	(375,794)

Previous year's figures in bracket.

II) Information about secondary segments - Geographical Segments

	Year Ended 31.03.2010	Year Ended 31.03.2009
Revenue		
India	8,489,520	8,375,013
Outside India	2,143,205	2,123,425
	10,632,725	**10,498,438**
Assets		
India	4,428,311	3,781,140
Outside India	1,198,283	1,135,295
	5,626,594	**4,916,435**
Capital Expenditure		
India	390,114	321,295
Outside India	13,554	41,116
	403,668	**362,411**

Schedules forming part of the Consolidated Accounts for the year ended 31st March, 2010

SCHEDULE 'P' (Contd.)

16. The Parent Company has during the year acquired 10,570 number of equity shares of Rs. 10/- each at par of Tractors India Private Limited (TIPL) to make it a wholly owned subsidiary with effect from 14th December 2009. The accounts of TIPL have been consolidated from 14th December 2009 to 31st March 2010.

17. The Board of Directors of the Parent Company has approved a Scheme of Arrangement under Sections 391 to 394 of the Companies Act for transfer with effect from 1st April 2010 of the undertaking of the Parent Company pertaining to dealership business of Caterpillar (comprising Construction and Mining Solutions and Power System Solutions) on a going concern basis to a wholly owned subsidiary of the Company-Tractors India Private Limited (TIPL), (in consideration for 44,89,430 nos of equity shares of Rs. 10 each at a premium of Rs. 203.48 each of TIPL, aggregating to Rs. 958,396 thousand), subject to approval of the Shareholders of the Parent Company and other concerned authorities including the Hon'ble High Court at Kolkata. The aforesaid Scheme of Arrangement has also been approved by the Board of Directors of TIPL. The aforesaid Scheme of Arrangement has subsequent to the year end been approved by the Shareholders of the Parent Company and is pending final approval by the Hon'ble High Court at Kolkata. (Refer note 27 on schedule 'O' of the Financial Statements of the Parent Company).

18. Related Party Disclosure in keeping with Accounting Standard 18 on "Related Party Disclosures".

a) List of Related Parties

Key Management Personnel — Mr. A. Mazumdar (Chairman and Whole time Director - TIL Limited)
Mr. S. Mazumder (Vice Chairman and Managing Director - TIL Limited)

b) Particulars of transactions during the year ended 31st March, 2010

(Rs. '000)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
I) Key Management Personnel		
a) Remuneration		
Mr. A. Mazumdar	23,554	17,825
Mr. S. Mazumder	23,631	17,380
b) Year end Balance		
Commission Payable		
Mr. A. Mazumdar	16,344	10,804
Mr. S. Mazumder	16,356	10,884

19. Previous year's figures have been rearranged/ regrouped wherever necessary.

Signatures to Schedules 'A' to 'P'

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

For **PRICE WATERHOUSE**
Firm Registration No. 301112E
Chartered Accountants

S.K. Deb
Partner
Membership Number 13390

Kolkata
11th May, 2010

Consolidated Cash Flow Statement

of TIL LIMITED and its subsidiaries for the year ended 31st March, 2010

(Rs. '000)

		Year Ended 31.03.2010		Year Ended 31.03.2009	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax		913,579		653,015
	Adjustments for :				
	Depreciation and Amortisation	193,516		165,524	
	Debts Written off	9,893		32,880	
	Profit on Sale of Fixed Assets (Net)	(19,523)		(6,785)	
	Interest Expenses (Net)	142,397		198,150	
	Dividend Income	(66)		(33)	
	Unrealised Foreign Exchange Loss (Net)	(7,323)		500	
			318,894		**390,236**
	Operating Profit before Working Capital Changes		**1,232,473**		**1,043,251**
	Adjustments for :				
	Trade and Other Receivables	(560,847)		295,419	
	Inventories	(88,478)		491,784	
	Loans and Advances	82,929		(68,524)	
	Trade Payable	285,872		(959,516)	
			(280,524)		**(240,837)**
	Cash Generated from Operations		951,949		802,414
	Direct Taxes Paid		(311,480)		(191,344)
	Net Cash from Operating Activities		**640,469**		**611,070**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(409,241)		(405,716)	
	Proceeds from Sale of Fixed Assets	68,899		43,370	
	Interest Received	14,170		29,500	
	Dividend Received	66		33	
	Net Cash used in Investing Activities		**(326,106)**		**(332,813)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Interest Paid	(160,480)		(222,049)	
	Proceeds from Long Term borrowings	-		200,000	
	Repayment of Long Term borrowings	(63,534)		(63,925)	
	Increase in Cash Credit and other short term borrowings (Net)	19,841		123,710	
	Dividend Paid	(46,573)		(46,755)	
	Net Cash used in Financing Activities		**(250,746)**		**(9,019)**
D.	**EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS**		**(92,660)**		**129,097**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)		**(29,043)**		**398,335**
	Cash and Cash Equivalents as at the beginning of the year (Schedule 'I')	459,803		61,468	
	Add: Taken over consequent upon acquisition of Subsidiary (Refer Note 16 on Schedule 'P')	12	459,815	-	61,468
	Cash and Cash Equivalents as at the close of the year (Schedule 'I')		430,772		459,803

Notes :

1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.

2) The Schedule referred to above forms an integral part of the Cash Flow Statement .

3) Previous year's figures have been rearranged/ regrouped wherever necessary.

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

This is the Cash Flow Statement referred to in our report of even date.

For **PRICE WATERHOUSE**
Firm Registration No. 301112E
Chartered Accountants

S.K. Deb
Partner
Membership Number 13390

Kolkata
11th May, 2010

Statement Regarding Subsidiary Companies

Pursuant To Section 212(3) of the Companies Act, 1956.

Name of the Company	Tractors India Private Ltd. (TIPL)	Myanmar Tractors Ltd. (MTL)	Tractors Nepal Pvt. Ltd. (TNPL)	TIL Overseas PTE Ltd. (TILO)
	31st March	31st March	31st March	31st March
FINANCIAL YEAR ENDING OF THE SUBSIDIARY				
The Company's Interest in the subsidiary as on 31st March 2010.				
a) No. of Equity Shares	10570	19714	36800	107577
b) Face Value	Rs 10	Kyats 1000	NRS 100	S$ 10
c) Extent of Holding	100%	81%	100%	100%
Net Aggregate Profit/(Loss) of the subsidiary Company so far as it concerns the Members of the Company :-				
A) For the financial year ended on 31st March, 2010 :				
i) Not dealt with in the Books of Accounts of the Company.	Rs (15126) (100% of the PAT)	US$ 559315 (100% of the PAT)	NRS 16944098 (100% of the PAT)	US$ $1931241 (100% of the PAT)
ii) Dealt with in the Books of Accounts of the Company.	Nil	Nil	Nil	Nil
B) For the subsidiary Company's previous financial years since it became a subsidiary.				
i) Not dealt with in the Books of Accounts of the Company.	Rs (35765) (100% of the PAT)	US$ 6004086 (100% of the PAT)	NRS 24321159 (100% of the PAT)	US$ $ 7259336 (100% of the PAT)
ii) Dealt with in the Books of Accounts of the Company.	Nil	Nil	Nil	Nil

NOTES:

1. All Equity Shares are fully paid up.
2. There are no material changes between the end of the applicable Financial Year of the subsidiary and that of holding company, other than those reflected in the Accounts of TIL Limited.

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

Kolkata
11th May, 2010

Myanmar Tractors Ltd. (MTL)

(INCORPORATED IN THE UNION OF MYANMAR)

A Subsidiary Company of TIL Limited

15th Annual Report 2009-2010

BOARD OF DIRECTORS

Mr. A. Mazumdar
(Chairman)
Mr. Sumit Mazumder
(Vice Chairman)
Mr. Shyamal Bandopadhyay
(Commercial Director)
Mr. Aloke Banerjee

GENERAL MANAGER

Mr. Heinz Ludi

AUDITORS

U Tin Win Group
(An Associate firm of Ernst
& Young International)

BANKERS

Myanma Foreign Trade Bank
Myanma Investment &
Commercial Bank
Myanmar Citizens Bank
Bank of India

REGISTERED OFFICE

16, Mya Mar Lar Lane
Industrial Zone
Tharketa Township
Yangon, Myanmar
Tel : 00951-547310-13, 547140-42
Fax : 00951-547307
E-mail : secretary@mtltd.com.mm

MANDALAY BRANCH

30,27th Street,
(Between 68th & 69th St.)
Chan Aye Tha Zan Township
Tel. : 00952-39259, 44325, 21613
Fax : 00952-39260
E-mail : mtlmdy@mtltd.com.mm

PHARKANT BRANCH

Ma Shi Ka Htaung Quarter
Pharkant Saitaung Road
Kachin State, Myanmar
Tel : 0095-74-70484, 00951-4482149
E-mail : mtlpkt@mtltd.com.mm

NAYPYI TAW OFFICE

No.593, Paung Long 19th Street
Quarter 2, Pyinmanar Township
Naypyi Taw, Myanmar
Tel : 0095-67-23784
E-mail : mtlnpt@mtltd.com.mm

Directors' Report for the Financial Year ended 31st March, 2010.

The Directors have pleasure in submitting their report and the audited financial statements for the year ended 31st March, 2010.

REVIEW OF OPERATIONS

Our business in Myanmar is now done jointly by Myanmar Tractors Ltd and TIL Overseas Pte Ltd (a group company registered in Singapore – owned 100% by TIL Ltd.).

Whereas TIL Overseas Pte Ltd sells Prime Products and Parts on CIF Yangon basis, Myanmar Tractors provides After Sales Service, Rental of Gensets/ Construction/ Earthmoving Equiptment, Technical Support etc.

Economic embargoes imposed on Myanmar by various countries continued to impact our business this year, specially the Sales of Equipment. However, youe company could sell more Parts and Product Support to the customers, to derive maximum productivity from the existing machines in Myanmar. This has helped your company to achieve higher turnover and profit this year.

Due to all the above, your company has achieved a turnover of US$ 11,191,969 (last year US$9,737,017) and a profit before tax of US$ 799,021(last year US$ 526,201).

Your Directors will make all possible efforts to maximize the future business opportunity in the environment under which your company operates.

DIVIDEND

Considering the increasing future requirements of funds for the company, the Board recommends no dividend this year and the entire profit is being retained in the business.

DIRECTORS

There is no change in the Board of Directors during the year.

Presently the Board consists of the following persons:-

1. Mr. A. Mazumdar
2. Mr. S. Mazumder
3. Mr. Shyamal Bandopadhyay
4. Mr. Aloke Banerjee

AUDITORS

The Report of the Auditors, U Tin Win group, T.A Firm of Ernst & Young International, is attached with the financial statements.

The Directors take this opportunity to thank all the Customers, Employees, Principals and all Stakeholders, whose continuous support helped the company to achieve a profitable performance, despite the adverse situations, as explained under the heading "Review of Operations".

S. Mazumder
Vice Chairman

3rd May, 2010

Independent Auditors' Report

TO THE MEMBERS OF MYANMAR TRACTORS LIMITED

We have audited the accompanying financial statements of the Company, which comprise the balance sheet as at March 31, 2010 and the profit & loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Myanmar Companies Act (Act) and generally accepted financial reporting standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion,

(i) the financial statements are properly drawn up in accordance with the provisions of the Act and International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results of the Company for the year ended on that date; and

(ii) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Myanmar
3rd May, 2010

U Tin Win Group
Certified Public Accountants

Balance Sheet as at 31st March, 2010

	Schedule	US$ As at 31.03.2010	INR As at 31.03.2010	US$ As at 31.03.2009	INR As at 31.03.2009
SOURCES OF FUNDS					
1. Shareholders' Funds					
(a) Capital	A	4,100,000	194,381,000	4,100,000	190,445,000
(b) Reserves and Surplus	B	6,513,292	308,795,175	6,004,086	278,889,796
		10,613,292	503,176,175	10,104,086	469,334,796
2. Loan Funds	C				
(a) Secured Loans		-		-	
(b) Unsecured Loans		-		-	
		-		-	
3. Deferred Tax Liabilitiy (Net)		-			
Total		10,613,292	503,176,175	10,104,086	469,334,796
APPLICATIONS OF FUNDS					
1. Fixed Assets	E				
(a) Gross Block		4,557,377	216,065,244	4,803,688	223,131,296
(b) Less : Depreciation		2,894,575	137,231,801	2,834,016	131,640,043
(c) Net Block		1,662,802	78,833,443	1,969,672	91,491,252
(d) Capital Work-in-Progress		80,977	3,839,120	6,557	304,573
		1,743,779	82,672,562	1,976,229	91,795,825
2. Investments	F	-		-	
3. Current Assets,Loans and Advances					
(a) Inventories	G	5,412,101	256,587,708	4,677,246	217,258,058
(b) Sundry Debtors	H	833,335	39,508,412	755,653	35,100,101
(c) Cash and Bank Balances	I	1,522,678	72,190,164	1,270,585	59,018,670
(d) Other Current Assets	J	2,058,755	97,605,575	5,053,688	234,743,817
(e) Loans and Advances	K	1,602,253	75,962,815	597,286	27,743,943
		11,429,122	541,854,674	12,354,458	573,846,589
Less : Current Liabilities and Provisions	D				
(a) Liabilities		2,319,903	109,986,601	4,091,601	190,054,876
(b) Provisions		239,706	11,364,461	135,000	6,270,750
		2,559,609	121,351,062	4,226,601	196,325,626
Net Current Assets		8,869,513	420,503,611	8,127,857	377,538,963
Total		10,613,292	503,176,175	10,104,086	469,334,796

For and on behalf of Board of Directors
Shyamal Bandopadhyay
Director

Sumit Mazumder
Vice Chairman

This is the Balance Sheet referred to in our report of even date.

Ms. Naing Naing Sann
Certified Public Accountant
For and on behalf of
U Tin Win Group
Myanmar

3rd May, 2010.

Profit & Loss Account for the year ended 31st March, 2010

	Schedule	US$ Year to 31.03.2010	INR Year to 31.03.2010	US$ Year to 31.03.2009	INR Year to 31.03.2009
INCOME					
Sales and Services (Gross)	O	9,564,370	453,446,782	8,267,568	384,028,540
Less : Excise Duty		-			
Sales and Services (Net)		9,564,370	453,446,782	8,267,568	384,028,540
Selling Commission Earned		-			
Rental from Machinery		1,088,829	51,621,383	470,246	21,842,927
Other Income	L	538,770	25,543,086	999,203	46,412,993
		11,191,969	530,611,250	9,737,017	452,284,459
EXPENDITURE					
Cost of Materials and Direct Manufacturing Expenses	M	4,606,356	218,387,338	4,134,613	192,052,766
Expenses	N	5,277,944	250,227,325	4,571,771	212,358,763
		9,884,300	468,614,663	8,706,384	404,411,529
Interest on :					
Debentures and Other Fixed Loans		-		-	
Others		1,219	57,793	35,840	1,664,788
		1,219	57,793	35,840	1,664,788
Depreciation and Amortisation		507,429	24,057,209	468,593	21,766,165
Less : Transfer from Revaluation Reserve		-		-	
		507,429	24,057,209	468,593	21,766,165
Profit Before Taxation		799,021	37,881,586	526,201	24,441,976
Less : Provision for Taxation :					
Current Tax		239,706	11,364,461	135,000	6,270,750
Deferred Tax(Credit)		-			
		239,706	11,364,461	135,000	6,270,750
Profit After Taxation		559,315	26,517,124	391,201	18,171,226
Add : Transfer from Revaluation Reserve on sale of Assets					
Less : Adjustment for over provision of tax & other prior period items		(50,109)	(2,375,668)	62,237	2,890,909
Add : Balance of Profit and Loss Account					
brought forward from previous year		6,004,086	284,653,719	5,550,648	257,827,600
BALANCE AVAILABLE FOR APPROPRIATIONS		6,513,292	308,795,175	6,004,086	278,889,734
APPROPRIATIONS					
General Reserve		1,681,003	79,696,352	1,681,003	78,082,589
Proposed Dividend :					
Equity Shares		-		-	
Balance Carried Forward		4,832,289	229,098,823	4,323,083	200,807,145
		6,513,292	**308,795,175**	**6,004,086**	**278,889,734**

For and on behalf of Board of Directors

Shyamal Bandopadhyay
Director

Sumit Mazumder
Vice Chairman

This is the Profit and Loss Account referred to in our report of even date.

Ms. Naing Naing Sann
Certified Public Accountant
For and on behalf of
U Tin Win Group
Myanmar

3rd May, 2010.

Schedules forming part of the Balance Sheet

	US$	INR	US$	INR
	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009	As at 31.03.2009
SCHEDULE 'A'				
Share Capital				
Authorised				
50,000, Ordinary Shares of Kyat 1,000/- each	8,333,333	395,083,318	8,333,333	387,083,318
	8,333,333	**395,083,318**	**8,333,333**	**387,083,318**
Issued,Subscribed and Paid up				
24,325 Ordinary Shares of Kyat 1,000/- each fully paid up	4,100,000	194,381,000	4,100,000	190,445,000
(Equivalent to US$ 168.55 per share)				
Total	**4,100,000**	**194,381,000**	**4,100,000**	**190,445,000**

Note: Of the above equity shares, 1,992,078 shares were allotted as fully paid up, pursuant to a scheme of amalgamation in October,1984, without payment being received in cash.

		As per last Account	Additions	Deductions	As at 31.03.2010
SCHEDULE 'B'					
Reserves and Surplus					
General Reserve	US$	1,681,003			1,681,003
	INR	79,696,352			79,696,352
	US$	1,681,003	-	-	1,681,003
	INR	79,696,352			79,696,352
Profit and Loss Account	US$	4,323,083	559,315	(50,109)	4,832,289
	INR	204,957,366	26,517,124	(2,375,668)	229,098,823
Total	**US$**	**6,004,086**			**6,513,292**
	INR	284,653,719			308,795,175

As income of US$ 50,019 accounted last year was reversed this year, by debiting Retain Earning.

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'C'		
Loan Funds	-	-
Secured Loans	-	-
Cash Credit / Working Capital Demand Loans	-	-
Term Loans	-	-
Total	**-**	**-**

	US$	INR	US$	INR
	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009	As at 31.03.2009
Unsecured Loans	-	-	-	-
Total	**-**		**-**	

Schedules forming part of the Balance Sheet

	US$ As at 31.03.2010	INR As at 31.03.2010	US$ As at 31.03.2009	INR As at 31.03.2009
SCHEDULE 'D'				
Current Liabilities and Provisions				
Current Liabilities :				
Sundry Creditors	2,030,591	96,270,319	3,918,724	182,024,710
Advance from Customers and others	249,312	11,819,882	132,878	6,172,165
Other Liabilities	40,000	1,896,400	40,000	1,858,000
Interest accrued but not due on Loans			-	
	2,319,903	109,986,601	4,091,601	190,054,876
Provisions for :				
Accrued Leave Encashment Benefit for employees			-	
Provision for Taxation	239,706	11,364,461	135,000	6,270,750
	239,706	11,364,461	135,000	6,270,750
Total	2,559,609	121,351,063	4,226,601	196,325,626

Schedules forming part of the Balance Sheet

		Cost/ Valuation as at 31.03.2009	Additions/ Adjustment during the year	Sales/ Adjustment etc during the year	Total Cost / Valuation as at 31.03.2010	Depreciation Provided up to 31.03.2009	Depreciation Provided during the year	Depreciation on Sales/ Adjustment etc during the year	Depreciation Provided up to 31.03.2010	Net Value of Assets as at 31.03.2010	Net Value of Assets as at 31.03.2009
SCHEDULE 'E'											
Fixed Assets											
Tangible Assets											
Buildings :											
Leasehold	US$	567,281	-	-	567,281	285,444	25,149		310,593	256,688	281,837
	Rs.	26,894,792			26,894,792	13,532,900	1,192,314		14,725,214	12,169,578	13,361,892
Plant and Machinery	US$	250,972	79,632	13,507	317,097	225,069	23,821	13,467	235,423	81,674	25,903
	Rs.	11,898,583	3,775,353	640,367	15,033,569	10,670,521	1,129,354	638,470	11,161,404	3,872,164	1,228,061
Rental Equipment	US$	2,472,375	96,132	427,433	2,141,074	1,008,058	388,312	415,800	980,570	1,160,504	1,464,317
	Rs.	117,215,299	4,557,618	20,264,599	101,508,318	47,792,030	18,409,872	19,713,078	46,488,824	55,019,495	69,423,269
Furniture and Equipment	US$	666,588	36,462	18,404	684,646	635,801	14,288	17,602	632,487	52,159	30,787
	Rs.	31,602,937	1,428,663	872,534	32,459,067	30,143,325	677,394	834,511	29,986,209	2,472,858	1,459,612
Cycle and Motor Vehicles	US$	760,346	807	-	761,153	593,525	55,859		649,384	111,769	166,821
	Rs.	36,048,004	38,260		36,086,264	28,139,020	2,648,275		30,787,295	5,298,968	7,908,984
Sub total	US$	4,717,562	213,033	459,344	447,1251	2,747,897	507,429	446,869	2,808,457	1,662,794	1,969,665
	Rs.	223,659,614	10,099,895	21,777,499	211,982,010	130,277,797	24,057,209	21,186,095	133,148,946	78,833,064	93,381,818
Intangible Assets											
(aquired items)		-	-	-	-			-	-	-	-
Software	US$	86,126	-	-	86,126	86,118		-	86,118	8	8
	Rs.	4,083,234			4,083,234	4,082,854	-		4,082,854	379	379
Sub total	US$	86,126	-	-	86,126	86,118	-	-	86,118	8	8
	Rs.	4,083,234			4,083,234	4,082,854	-		4,082,854	379	379
Total	US$	4,803,688	213,033	459,344	4,557,377	2,834,015	507,429	446,869	2,894,575	1,662,802	1,969,673
	Rs.	227,742,848	10,099,895	21,777,499	216,065,244	134,360,651	24,057,209	21,186,059	137,231,801	78,833,443	93,382,197
Previous year	US$	4,341,420	823,255	360,987	4,803,688	2,398,738	467,351	32,073	2,834,016		
	Rs.	205,826,719			227,742,836	113,724,169	22,157,111		134,360,699	-	-
Capital Work-in-Progress	US$									80,977	6,557
	Rs.									3,839,120	310,847
Grand total	US$									1,743,779	19,776,230
	Rs.									82,672,562	93,693,044

Schedules forming part of the Balance Sheet

	As at 31.03. 2010		As at 31.03. 2009	
Particulars	Numbers	Value	Numbers	Value
SCHEDULE 'F'				
Investments - Long Term - At Cost				
Trade				
Total		-		-
Aggregate book value of investments				
Total		-		-
Aggregate market value of quoted investments		-		

	US$	INR	US$	INR
	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009	As at 31.03.2009
SCHEDULE 'G'				
Inventories**				
Loose tools - at or under cost	219,551	10,408,913	335,947	15,604,754
Raw Materials -at lower of cost and net realisable value	-	-	4,300,109	199,740,033
Stock-in-Trade-at lower of cost and net realisable value	4,869,842	230,879,209	-	-
Work-in-Progress-at lower of cost/realisable value	322,708	15,299,586	41,190	1,913,271
Total	5,412,101	256,587,708	4,677,246	217,258,058

** Cost of inventories were valued on FIFO method.

	US$	INR	US$	INR
	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009	As at 31.03.2009
SCHEDULE 'H'				
Sundry Debtors (Unsecured -Considered Good)				
Debts outstanding for more than six months	18,508	877,464	-	-
Other Debts	814,827	38,630,948	755,653	35,100,101
Total	833,335	39,508,412	755,653	35,100,101

Schedules forming part of the Balance Sheet

	US$ As at 31.03.2010	INR As at 31.03.2010	US$ As at 31.03.2009	INR As at 31.03.2009
SCHEDULE 'I'				
Cash and Bank Balances				
Cash in hand	415,726	19,709,570	470,877	21,872,246
Balance with Banks				
On Current Accounts	1,106,952	52,480,594	799,708	37,146,424
Total	1,522,678	72,190,164	1,270,585	59,018,670

	US$ As at 31.03.2010	INR As at 31.03.2010	US$ As at 31.03.2009	INR As at 31.03.2009
SCHEDULE 'J'				
Other Current Assets (Unsecured-Considered Good)				
Interest accrued on Fixed Deposits	-		-	
Claims Receivable	386,998	18,347,575	1,936,169	89,935,027
Amount due from related company	1,494,023	70,831,630	3,115,074	144,695,187
Accrued duty benefits pertaining to Exports/Deemed Exports	-		-	
Deposits	177,734	8,426,369	2,446	113,602
Total	2,058,755	97,605,575	5,053,688	234,743,817

	US$ As at 31.03.2010	INR As at 31.03.2010	US$ As at 31.03.2009	INR As at 31.03.2009
SCHEDULE 'K'				
Loans and Advances (Unsecured-Considered Good)				
Advances recoverable in cash or in kind or for value to be received	1,464,147	69,415,209	488,661	22,698,311
Advance Income Tax (Including Tax deducted at source)	138,106	6,547,605	108,625	5,045,632
Total	1,602,253	75,962,815	597,286	27,743,943

Schedules Schedule Forming Part of the Profit and Loss Account

	US$	INR	US$	INR
	Year to 31.03.2010	Year to 31.03.2010	Year to 31.03.2009	Year to 31.03.2009
SCHEDULE 'L'				
Other Income				
Profit on Sale of Assets (Net)	187,412	8,885,203	16,570	769,680
a) Interest on deposit with Banks and Others	18,475	875,900	23,444	1,088,963
Bad Debts Recovery	-		-	
Miscellaneous Income	332,883	15,781,983	959,189	44,554,350
Total	538,770	25,543,086	999,203	46,412,993

	US$	INR	US$	INR
	Year to 31.03.2010	Year to 31.03.2010	Year to 31.03.2009	Year to 31.03.2009
SCHEDULE 'M'				
Cost of Materials and Direct Manufacturing Expenses				
Opening Stock				
Stock in Trade	4,300,108	203,868,120	4,505,544	209,282,519
	4,300,108	203,868,120	4,505,544	209,282,519
Add : Purchases	5,046,923	239,274,619	3,790,859	176,085,401
	9,347,031	443,142,740	8,296,403	385,367,919
Less : Closing Stock				
Stock in Trade	4,869,842	230,879,209	4,300,108	199,740,017
	4,869,842	230,879,209	4,300,108	199,740,017
	4,477,189	212,263,530	3,996,295	185,627,903
Add : Work-in-Progress on 01.04.2009	41,190	1,952,818	78,480	3,645,373
	4,518,379	214,216,348	4,074,775	189,273,276
Less : Work-in-Progress on 31.03.2010	322,708	15,299,586	41,190	1,913,271
	4,195,671	198,916,762	4,033,585	187,360,004
Less : Capitalised	-		-	
	4,195,671	198,916,762	4,033,585	187,360,004
Carriage Inward	410,685	19,470,576	101,028	4,692,762
Total	4,606,356	218,387,338	4,134,613	192,052,766

Schedules Schedule Forming Part of the Profit and Loss Account

	US$ Year to 31.03.2010	INR Year to 31.03.2010	US$ Year to 31.03.2009	INR Year to 31.03.2009
SCHEDULE 'N'				
Expenses				
Salaries, Wages, Bonus etc	2,028,821	96,186,404	997,147	46,317,456
Contribution to Provident and other Funds	13,096	620,881	12,001	557,426
Staff Welfare Expenses	128,329	6,084,078	116,269	5,400,682
Rent (Net)	156,373	7,413,644	170,321	7,911,422
Rates and Taxes	316,709	15,015,174	248,985	11,565,354
Bank Charges	17,977	852,290	55,346	2,570,811
Insurance	58,356	2,766,658	74,624	3,466,300
Repairs and Maintenance :				
Buildings	75,862	3,596,617	54,725	2,541,971
Plant and Machinery	192,167	9,110,637	71,466	3,319,579
Other Assets	24,279	1,151,067	10,457	485,713
	292,308	13,858,322	136,647	6,347,262
Travelling Expenses	338,169	16,032,592	290,132	13,476,631
Stationery and Printing	18,577	880,736	14,686	682,142
Postage, Telephones and other Communication Expenses	88,284	4,185,544	70,384	3,269,323
Advertising	85,334	4,045,685	56,940	2,644,860
Gas and Electricity	102,792	4,873,369	133,557	6,203,704
Commission	565,745	26,821,970	385,835	17,922,022
Miscellaneous Expenses	279,974	13,273,567	350,743	16,292,034
Forwarding Charges (Net)	-		-	
Royalties	-		-	
Medical Expenses	43,646	2,069,257	31,977	1,485,331
Professional Fees	326,621	15,485,102	959,765	44,581,087
Motor Car and Van Expenses	152,820	7,245,196	149,322	6,936,021
Service Support Expenses	218,803	10,373,450	116,530	5,412,802
Debts/Advances/Claims written off	45,210	2,143,406	200,562	9,316,092
Total	5,277,944	250,227,325	4,571,771	212,358,763

	US$ Year to 31.03.2010	INR Year to 31.03.2010	US$ Year to 31.03.2009	INR Year to 31.03.2009
SCHEDULE 'O'				
Sales and Service Gross				
Sector Analysis	-		-	
Prime Product	485,550	23,019,926	1,493,507	69,373,400
Spareparts and Accessories	7,794,449	369,534,827	5,400,604	250,858,056
Services	1,284,371	60,892,029	1,373,457	63,797,078
Total	9,564,370	453,446,782	8,267,568	384,028,534

Notes To The Financial Statements

1. Corporate Information

The financial statements of Myanmar Tractors Limited for the year ended 31 March 2010 were authorised for issue in accordance with resolution of the directors on 3rd May 2010. Myanmar Tractors Limited is a limited liability company which is in incorporated in Union of Myanmar, is a 81 % owned subsidiary of TIL Limited, which is the ultimate holding company.

Business of MTL in Myanmar is now done jointly by Myanmar Tractors Ltd and TIL Overseas Pte Ltd (a group company registered in Singapore- owned 100 % by TIL Ltd).

The registered office of Myanmar Tractors Limited is located at No 16, Mya Mar Lar Lane, Industrial Zone, Thaketa Township, Yangon, Myanmar.

The principal activities of the company are to carry out the business of Earthmoving and related Equipment, Generator Sets, Spare parts and providing service for the Equipments and to operate Rental fleet of Earthmoving Equipment and Generator Sets.

The company operate in Myanmar and employed 307 employees as of 31 March 2010. The employee cost of the company for the year ended 31 March 2010 amounted to US$ 2,213,891.(YE 2009: US$ 1,176,235)

2. Summary Of Significant Accounting Policies

(a) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principals in Myanmar.

The financial statements have been prepared on a historical cost basis.

The accounting policies have been consistently applied by the Company and, are consistent with those used in the previous year.

The financial statements are presented in United States dollars (USD or US$).

(b) Foreign currency translation

Transactions arising in currencies other than United States dollars during the year are translated at rates closely approximating those ruling on the transaction dates including monetary assets and liabilities. All exchange differences arising from translation are included in the profit and loss account.

(c) Property & equipment

Cost and valuation

All items of property and equipment are stated at costs less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised. Expenditure for maintenance and repairs are charged to the profit and loss account. When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the profit and loss account.

Depreciation

Depreciation is charged to the statement of income on a straight line method to write off the cost of fixed assets over their estimated useful lives. The estimated useful lives of fixed assets are as follows:-

Nature of the Asset	Estimate Useful Life
Office equipment	5 years
Motor vehicles & motor cycle	5 years
Office Furniture & fittings	5 years
Computer Heardware	4 years
Computer Software	4 years
Tools	4 years
Rental Machine	5 years

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Amortisation of Development of Leased Assets

Depreciation of leased Assets were amortised over five year.

Notes To The Financial Statements

(d) **Revenue recognition**

Sale

Revenue from sales/services/rental(exclusive of commercial tax) is being recognised on accrual basis in keeping with related arrangements with customer and is net of credit notes.

(e) **Employees' Retiral Benefit Scheme**

The company announced a comprehensive retirement benefit scheme for all employees in the current year, with retrospective effect, from the date joining by individual employees. To maintain prudent accounting practice , Board approved an expenditure and a provision in the account for the current year, which covers the accumulated liabilities of the company up to 31 March 2010, as per the announced Policy.

(f) **Taxation**

Taxation is provide in the Accounts as and when they are deducted on receipt and on residual profit, if applicable, as per the conventional procedure followed in the Host Country.

3. Registered Address

The registered address of the holding company which is also its ultimate holding Company is as follows:-

TIL LTD,

1, Taratolla Road,

Garden Reach,

Kolkata – 700024, India.

4. Comparison Of Last Year Figures

Last year figures were regrouped wherever necessary.

TRACTORS NEPAL PVT. LTD., JAWALAKHEL, LALITPUR
(INCORPORATED IN NEPAL)
A Subsidiary Company of TIL Limited

9th Annual Report 2009-2010

BOARD OF DIRECTORS

Mr. Sumit Mazumder
Mr. Aloke Banerjee
Mr. Subir Bhattacharyya
Mr. Debashis Nag

BANKERS

Nepal Grindlays Bank
New Baneswor Branch
Kathmandu
Nepal

AUDITORS

M/s. JBRH and Company
Chartered Accountants,
GPO Box : 10228
Putali Sadak,
Kathmandu,
Nepal.
Tel : 426 9234, 423 2006
Fax : 977-1-4223651
E-mail : jbrh@info.com.np

REGISTERED OFFICE

Ward No. 20, Jawalakhel,
Lalitpur Municipality,
Jawalakhel
(Behind Welham's College)
Nepal
Telefax : 009715550380)

Directors' Report

Your Directors have pleasure in presenting to you the Ninth Annual Report and Accounts for the period ended 31st March, 2010.

BUSINESS SCENARIO

Your Company has been able to maintain the services and support to the customers to make them more profitable despite slow recovery of world economy. The profit before taxation for 2009-10 increased by about 14% over last year from Nepalese Rupees 19,289,751 (Indian Rupees 1,20,56,094) in March, 2009 to Nepalese Rupees 21,935,131 (Indian Rupees 1,37,09,457) in March, 2010. It is expected that performance of the Company will continue to improve further.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to carry on the business of refurbishing, rebuilding and servicing of Earthmoving Equipment, Diesel Generator Sets and Material Handling Equipment. There has been no significant change in the nature of these activities during the year under review.

FINANCE

During the year under review the Company has registered a gross turnover including income from operations revenue of Nepalese Rupees 40,148,191 (Indian Rupees 2,50,92,620) and earned profit after tax of Nepalese Rupees 16,944,098 (Indian Rupees 1,05,90,062).

DIVIDEND

Board has recommended a Dividend of Nrs. 5/- per Equity Share for the year under review.

DIRECTORS

In accordance with the provisions of the Articles of Association of the Company Mr. Sumit Mazumder, Mr. Aloke Banerjee, Mr. Subir Bhattacharyya and Mr. Debashis Nag are Directors of the Company.

AUDITORS

M/s. JBRH & Company, Chartered Accountants, Auditors of the Company retires and being eligible offers themselves for reappointment.

ACKNOWLEDGEMENT

The Board of Directors thanks the shareholders, customers, bankers and employees for reposing their support and faith in the Company throughout the period under report.

For and on behalf of the Board of Directors

Aloke Banerjee
Director

Debashis Nag
Director

Place : Lalitpur, Nepal
Date : 23rd April, 2010.

Auditor's Report to the Shareholders of Tractors Nepal Private Limited

1. We have audited the accompanying Standard Consolidated Forms (SCF) of Tractors Nepal Private Limited expressed in Nepalese Rupee as of 31 march 2010 and for the year then ended. These Standard Forms are the responsibility of TIL Limited's management. Our responsibility is to express an opinion on these Standard Forms based on our audit.

2. We conducted our audit in accordance with International Standards on Auditing generally accepted in India and with your 'TIL Limited Group Audit Instructions for the year ending 31st march 2010. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether SCF are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in SCF. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall presentation of information in SCF. We believe that our audit provides a reasonable basis for our opinion.

3. On the basis of our examinations carried out as aforesaid and according to the information and explanations obtained, in our opinion:

    a. The accompanying SCF have been properly prepared to give the information required for the purpose of presentation of Consolidated Financial Statements of the Parent Company i.e. TIL Limited; and

    b. Present a true and fair view of the financial position of Tractors Nepal Private Limited as at 31 march,2010, and its profit/loss and cash flows for the year then ended in conformity with the accounting principles generally accepted in India.

4. This report is intended solely for the use of Price Waterhouse, Kolkata in connection with the audit of the CFS of TIL Limited and should not be used for any other purpose.

Jagdish Agrawal, FCA
Partner,
JBRH and Co.
Chartered Accountants

Date : 23 April, 2010

Balance Sheet as at 31st March, 2010

	Schedule	NRS	NRS As at 31.03.2010	Rs	Rs As at 31.03.2010	NRS As at 31.03.2009	Rs As at 31.03.2009
SOURCES OF FUNDS							
1. Shareholders' Funds							
(a) Capital	A		3,680,000		2,300,000	3,680,000	2,300,000
(b) Reserves and Surplus	B		39,425,257		24,640,786	24,321,159	15,200,724
2. Loan Funds	C						
(a) Secured Loans			-			-	
(b) Unsecured Loans			-			-	
Total			**43,105,257**		**26,940,786**	**28,001,159**	**17,500,724**
APPLICATIONS OF FUNDS							
1. Fixed Assets	E						
(a) Gross Block			1,680,125		1,050,078	1,586,925	991,828
(b) Less : Depreciation			878,955		549,347	719,326	449,579
(c) Net Block			801,170		500,731	867,599	542,249
(d) Capital Work-in-Progress			-			-	
2. Investments	F		-			-	
3. Current Assets,Loans and Advances							
(a) Inventories	G	10,201,942		6,376,214		4,467,094	2,791,934
(b) Sundry Debtors	H	14,182,977		8,864,361		7,607,943	4,754,964
(c) Cash and Bank Balances	I	20,252,391		12,657,745		15,026,450	9,391,531
(d) Other Current Assets	J	4,023,099		2,514,437		3,069,449	1,918,406
(e) Loans and Advances	K	1,787,264		1,117,041		2,302,366	1,438,979
			50,447,674		31,529,797	32,473,303	20,295,815
Less : Current Liabilities and Provisions	D						
(a) Liabilities		960,190		600,119		790,002	493,751
(b) Provisions		7,228,957		4,518,098		4,564,657	2,852,911
			8,189,147		5,118,217	5,354,659	3,346,662
Net Current Assets			**42,258,528**		**26,411,580**	**27,118,645**	**16,949,153**
Deferred Tax Assets			45,560		28,474	14,917	9,321
4. Miscellaneous Expenditure	L		-		-	-	-
(To the extent not written off or adjusted)							
Total			**43,105,257**		**26,940,786**	**28,001,159**	**17,500,724**
Notes	P						

The Schedules referred to above form part of the Balance Sheet.

For and on behalf of Board of Directors

Sanjib Ganguly
Manager

Aloke Banerjee
Director

Debashis Nag
Director

As Per Our Report of Even Date
Jagdish Agrawal, FCA
Partner,
For and on behalf of
JBRH and Company,
Chartered Accountants

This is the Balance Sheet referred to in our report of even date.
Place : Lalitpur
Date : 23 April, 2010

Profit and Loss Account for the year ended 31st March, 2010

	Schedule	NRS	NRS Year to 31.03.2010	Rs	Rs Year to 31.03.2010	NRS Year to 31.03.2009	Rs Year to 31.03.2009
INCOME							
Sales		21,785,303		13,615,814		13,006,070	8,128,794
Selling Commission		18,362,889		11,476,806		18,501,489	11,563,431
Other Income	M	-		-		26,665	16,666
			40,148,192		**25,092,620**	**31,534,224**	**19,708,890**
EXPENDITURE							
Cost of Materials and Direct							
Manufacturing Expenses	N	12,703,638		7,939,774		7,328,123	4,580,077
Expenses	O	5,349,794		3,343,621		4,744,737	2,965,461
			18,053,432		11,283,395	12,072,860	7,545,538
Profit Before Interest,Depreciation And Taxation			**22,094,759**		**13,809,225**	**19,461,364**	**12,163,353**
Interest on :							
Fixed Loans		-				-	
Others(Net)		-				-	-
			-			-	-
Depreciation		159,629		99768		171,614	107,259
Less : Transfer from Revaluation Reserve		-				-	
			159,629		99,768	171,614	107,259
Profit Before Taxation			21,935,130		13,709,457	19,289,751	12,056,094
Less : Provision for Taxation			4,991,032		3,119,395	4,237,276	2,648,298
Profit After Taxation			16,944,098		10,590,062	15,052,475	9,407,796
Add : Balance of Profit and Loss Account							
brought forward from previous year			24,321,159		15,200,724	11,108,684	6,942,928
Balance Available For Appropriation			41,265,257		25,790,786	26,161,159	16,350,724
APPROPRIATIONS							
General Reserve			-			-	
Interium Dividend			1,840,000		1,150,000	1,840,000	1,150,000
Tax on Dividend			-				
Balance Carried Forward			39,425,257		24,640,786	24,321,159	16,350,723
			41,265,257		25,790,786	26,161,159	17,500,723
Notes	P						

The Schedules referred to above form part of the Profit and Loss Account.

For and on behalf of Board of Directors

Sanjib Ganguly
Manager

Aloke Banerjee
Director

Debashis Nag
Director

As Per Our Report of Even Date
Jagdish Agrawal, FCA
Partner,
For and on behalf of
JBRH and Company,
Chartered Accountants

This is the Profit and Loss Account referred to in our report of even date.
Place : Lalitpur
Date : 23 April, 2010

Schedule forming part of the Balance Sheet as on 31.03.2010

	NRS As at 31.03.2010	Rs As at 31.03.2010	NRS As at 31.03.2009	Rs As at 31.03.2009
SCHEDULE 'A'				
Share Capital				
Authorised				
400,000 Shares of Rs 100/- each	40,000,000	25,000,000	40,000,000	25,000,000
Issued,Subscribed and Paid up				
36800 Equity Shares of Rs 100/- each				
fully called and paid up.	3,680,000	2,300,000	3,680,000	2,300,000
Less : Calls in Arrear - Other than Directors	-		-	
Total	**3,680,000**	**2,300,000**	**3,680,000**	**2,300,000**

		As per last Account	Additions	Deductions	As at 31.03.2010
SCHEDULE 'B'					
Reserves And Surplus					
		-	-	-	-
Profit and Loss Account	NRS	24,321,159	16,944,098	1,840,000	39,425,257
	Rs	15,200,724	10,590,061	1,150,000	24,640,786
Total	**NRS**	**24,321,159**			**39,425,257**
	Rs	15,200,724			24,640,786

Schedule forming part of the Balance Sheet as on 31.03.2010

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'C'		
Loan Funds		
Secured Loans		
Cash Credit/Working Capital Demand Loan		
Total	-	-
Unsecured Loans		
Total	-	-

	NRS		Rs		NRS	Rs
	As at 31.03.2010		As at 31.03.2010		As at 31.03.2009	As at 31.03.2009
SCHEDULE 'D'						
Current Liabilities And Provisions						
Current Liabilities :						
Acceptances						
Sundry Creditors	789,852		493,658	-	520,883	325,552
Advance by Customers and others	59,745		37,341	-	144,195	90,122
Holding Company	-		-	-	-	-
Unclaimed/Unpaid Dividends	-		-	-	-	-
Other Liabilities	110,593		69,121	-	124,924	78,078
Interest accrued but not due on Loans	-		-			-
	960,190		600,119		790,002	493,751
Provisions for :						
Taxation	5,388,957		3,368,098		4,564,657	2,852,911
Interium Dividend :	1,840,000	1,150,000			-	-
Tax on Dividend	-					
Employees' benefit	-					
		1,840,000		1,150,000	-	-
		7,228,957		4,518,098	4,564,657	2,852,911
Total		8,189,147		5,118,217	5,354,659	3,346,662

Schedule forming part of the Balance Sheet as on 31.03.2010

		Cost /Valuation as at 31.03.2009	Additions/ Adjustment during the year	Cost / Valuation of sales Adjustment etc during the year	Total Cost / Valuation as at 31.03.2010	Depreciation Provided upto 31.03.2009	Depreciation Provided during the year	Depreciation on sales/ Adjustment, etc during the year	Depreciation Provided upto 31.03.2010	Net Value of Assets as at 31.03.2010	Net Value of Assets as at 31.03.2009
SCHEDULE 'E'											
Fixed Assets											
Buildings :											
Leasehold	(NRS)	265,615	-	-	265,615	243,480	22,134	-	265,614	1	22,135
	(Rs)	166,009	-	-	166,009	152,175	13,834	-	166,009	1	13,834
Plant and Machinery	(NRS)	216,827	-	-	216,827	60,980	10,301	-	71,281	145,546	155,847
	(Rs)	135,517			135,517	38,113	6,438		44,551	90,966	97,404
Furnitures	(NRS)	488,077	-	-	488,077	168,151	27,223	-	195,374	292,703	319,926
	(Rs)	305,048			305,048	105,094	17,014		122,109	182,939	199,954
Office Equipments	(NRS)	424,406	93,200	-	517,606	217,915	61,571	-	279,486	238,120	206,491
	(Rs)	265,254	58,250		323,504	136,197	38,482		174,679	148,825	129,057
Cycle and Motor Vehicles	(NRS)	192,000	-	-	192,000	28,800	38,400	-	67,200	124,800	163,200
	(Rs)	120,000			120,000	18,000	24,000		42,000	78,000	120,000
Total	**(NRS)**	**1,586,925**	**93,200**	**-**	**1,680,125**	**719,326**	**159,629**	**-**	**878,955**	**801,170**	**867,599**
	(Rs)	**991,828**	**58,250**		**1,050,078**	**449,579**	**99,768**		**549,347**	**500,731**	**560,249**
Previous year	**(NRS)**	1,177,723	409,202	-	1,586,925	547,712	171,614	-	719,326	867,599	
	(Rs)	73,053	46,913		991,828	342,320	107,259		449,579	560,249	

Schedule forming part of the Balance Sheet as on 31.03.2010

Name	Particulars	As at 31.03.2010 Number	As at 31.03.2010 Value	As at 31.03.2009 Number	As at 31.03.2009 Value
SCHEDULE 'F'					
Investments - Long Term - At Cost					
Trade - Unquoted		-	-	-	-
Other than Trade :					
Quoted :		-	-	-	-
Unquoted :		-	-	-	-
Less : Provision for diminution in of Investment		-	-	-	-
Total		-	-	-	-
Aggregate book value of investments		-	-	-	-
Quoted		-	-	-	-
Unquoted		-	-	-	-
Total		-	-	-	-
Aggregate market value of quoted		-	-	-	-

	NRS As at 31.03.2010	Rs As at 31.03.2010	NRS As at 31.03.2009	Rs As at 31.03.2009
SCHEDULE 'G'				
Inventories				
Stock-in-Trade-at lower of cost / realisable value	10,201,942	6,376,214	4,467,094	2,791,934
Total	**10,201,942**	**6,376,214**	**4,467,094**	**2,791,934**

	NRS As at 31.03.2010	Rs As at 31.03.2010	NRS As at 31.03.2009	Rs As at 31.03.2009
SCHEDULE 'H'				
Sundry Debtors (Unsecured -Considered Good)				
Debts outstanding for more than six months	900,428	562,768	137,753	86,096
Other Debts	13,282,549	8,301,593	7,470,190	4,668,869
Total	**14,182,977**	**8,864,361**	**7,607,943**	**4,754,964**

	NRS As at 31.03.2010	Rs As at 31.03.2010	NRS As at 31.03.2009	Rs As at 31.03.2009
SCHEDULE 'I'				
Cash And Bank Balances				
Cash in hand	79,044	49,403	32,591	20,369
Balance with Scheduled Banks		-		-
On Current Accounts	20,173,348	12,608,343	14,993,859	9,371,162
On Dividend Accounts		-		-
On Fixed Deposit	-	-	-	-
Remittance-in-Transit	-	-	-	-
Total	**20,252,391**	**12,657,745**	**15,026,450**	**9,391,531**

Schedule forming part of the Balance Sheet as on 31.03.2010

	NRS As at 31.03.2010	Rs As at 31.03.2010	NRS As at 31.03.2009	Rs As at 31.03.2009
SCHEDULE 'J'				
Other Current Assets				
Claims Receivable (Warranty Claim)	3,862,141	2,413,838	3,039,270	1,899,544
Vat Receivables	131,594	82,246	-	-
Deposits	29,364	18,353	30,180	18,863
Total	**4,023,099**	**2,514,437**	**3,069,450**	**1,918,406**

	NRS As at 31.03.2010	Rs As at 31.03.2010	NRS As at 31.03.2009	Rs As at 31.03.2009
SCHEDULE 'K'				
Loans And Advances (Unsecured-Considered Good)				
Advances recoverable in cash or in kind or for value to be received	143,640	89,775	428,122	267,576
Prepaid Expenses	93,591	58,494	28,325	17,703
Import margin cheque (NRB)	54,057	33,786	-	-
Advance Income Tax (Including Tax deducted at source)	1,495,977	934,986	1,845,920	1,153,700
Total	**1,787,265**	**1,117,041**	**2,302,367**	**1,438,979**

	NRS As at 31.03.2010	Rs As at 31.03.2010	NRS As at 31.03.2009	Rs As at 31.03.2009
SCHEDULE 'L'	-	-	-	-
Miscellaneous Expenditure (To the extent not written off or adjusted)	-	-	-	-
Preliminary Expenses	-	-	-	-
Preoperative Expenses	-	-	-	-
Total	**-**	**-**	**-**	**-**

	NRS As at 31.03.2010	Rs As at 31.03.2010	NRS As at 31.03.2009	Rs As at 31.03.2009
SCHEDULE 'M'				
Other Income				
Interest	-	-	26,665	16,666
Total	**-**	**-**	**26,665**	**16,666**

Schedule forming part of the Profit and Loss Account 31.03.2010

		NRS	Rs	NRS	Rs
		Year to 31.03.2010	Year to 31.03.2010	Year to 31.03.2009	Year to 31.03.2009
SCHEDULE 'N'					
Cost Of Materials And Direct Manufacturing Expenses					
Opening Stock					
Stock in Trade	4,467,094				
		4,467,094	2,791,934	1,377,666	861,041
Add : Purchases		18,438,486	11,524,054	10,413,641	6,508,526
		22,905,580	14,315,988	11,791,307	7,369,567
Less : Closing Stock					
Stock in Trade	10,201,942				
		10,201,942	6,376,214	4,467,094	2,791,934
		12,703,638	7,939,774	7,324,213	4,577,633
Add : Opening Work-in-Progress		-	0	-	0
		12,703,638	7,939,774	7,324,213	4,577,633
Less : Closing Work-in-Progress		-		-	
		12,703,638	7,939,774	7,324,213	4,577,633
Less : Capitalised		-		-	
		12,703,638	7,939,774	7,324,213	4,577,633
		-	-	-	-
Direct Wages		-	-	3,910	2,444
Total		**12,703,638**	**7,939,774**	**7,328,123**	**4,580,077**

Schedule forming part of the Profit and Loss Account 31.03.2010

	NRS	NRS	Rs	NRS	NRS	Rs
		Year to 31.03.2010	Year to 31.03.2010		Year to 31.03.2009	Year to 31.03.2009
SCHEDULE 'O '						
Expenses						
Salaries, Wages and Bonus		2,379,383	1,487,114		2,088,162	1,305,101
Contribution to Provident and other Funds		64,805	40,503		129,422	80,889
Staff Welfare Expenses		17,397	10,873		9,940	6,213
Rent (Net)		659,588	412,243		641,406	400,879
Rates and Taxes		53,130	33,206		29,764	18,603
Bank Charges		29,056	18,160		42,863	26,789
Insurance		62,287	38,929		18,530	11,581
Repairs and Maintenance :						
Buildings	-			-		
Other Assets	28,245			21,656		
		28,245	17,653		21,656	13,535
Travelling Expenses		776,315	485,197		623,351	389,594
Stationery and Printing		37,574	23,484		36,457	22,786
Postage,Telegrams,Telephones		302,709	189,193		299,825	187,391
Advertising		-	-		2,655	1,659
Gas and Electricity		44,681	27,926		30,574	19,109
Staff Medical		67,300	42,063		77,205	48,253
Motor Vechile expenses		159,319	99,574		181,360	113,350
Professional Fees		186,637	116,648		315,579	197,237
Miscellaneous Expenses		481,368	300,855		195,988	122,493
Total		**5,349,794**	**3,343,621**		**4,744,737**	**2,965,461**

SCHEDULE 'P'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1. Accounting Policies

A. Accounting Convention:

The financial statements are prepared under the historical cost convention in accordance with the relevant Indian/International Accounting Standards as applicable.

B. Fixed Assets:

Fixed assets are stated at cost and are inclusive of all expenses to the date of commissioning / putting the assets to use. Borrowing cost till the date it comes into use is capitalized as part of expenses.

C. Depreciation:

Depreciation is provided for as prescribed in Schedule XIV of the Indian Companies Act 1956 as amended on straight- line method at the rates mentioned below. Depreciation on addition is provided from the succeeding month of the purchases of fixed assets.

Plant & Machineries	4.75%
Computer & Accessories	16.21%
Furniture	6.33%
Building on leased land	20%
Vehicle	20%

D. Sales and other income

Revenue from sales and services is recognized on accrual basis on issuing the tax invoice and stated net of VAT. Commission income is recognized on the settlement basis.

E. Expenses during Trial Run:

Expenses (including depreciation of assets used during the period) incurred during the trial run period are written off over the period of five years from the year of operation.

F. Deferred Revenue Expenses:

Expense for company formation and other deferred revenue expenses are written off over the period of five years from the year of operation/expensed.

G. Inventories:

(I) Stock of spares and consumable store is valued at cost on weighted average cost basis and stated net of write-off.

(ii) Work in Progress is valued on the percentage of completion basis.

H. Tax Provision

Income tax provision is based on the Nepalese Income Tax Laws which is 25% on taxable income as computed on the taxable Profit.

NOTES TO THE ACCOUNTS

A. Contingent liabilities

One of our past customer, Hetauda Cements Factory Limited had filed a case against our company relating to wrong parts supply made by TIL for a value of Nrs, 920,415.71, for which the appellate court has decided in favor of the customer. The Company has filed the case at Supreme Court against the above decision for which no provision in the accounts has been made as the case is still pending.

B. Commission income

Commission income amounting to Nrs. 11,236,620.86 as accrued but not yet received which is based on the difference between customer invoice and dealer invoice as recommended and confirmed from TIL which is subject to confirmation with CAT Singapore.

C. Fixed Assets under the block "Building" has been fully depreciated and stated at Rs I net.

Cash Flow Statement for the year ended 31st March, 2010

	NRS Year Ended 31st March 2010		Rs Year Ended 31st March 2010		NRS Year Ended 31st March 2009		Rs Year Ended 31st March 2009	
A. CASH FLOW FROM OPERATING ACTIVITIES								
Net Profit Before Tax and Extra ordinary Items		21,935,130		13,709,456		19,289,751		12,056,094
Adjustments for :								
Depreciation	159,629		99,768		171,614		107,259	
Interest / Dividend Income	-		-		(26,665)			
		159,629		**99,768**		144,949		107,259
Operating Profit before Working Capital Changes		22,094,759		13,809,224		19,434,700		12,163,353
Adjustments for :								
Trade and Other Receivables	(6,575,034)		(4,109,396)		(1,476,907)		(923,067)	
Inventories	(5,734,848)		(3,584,280)		(3,089,428)		(1,930,893)	
Loans and Advances	(788,491)		(492,807)		(3,311,673)		(2,069,796)	
Trade Payable	170,188		106,368		507,226		317,016	
		(12,928,185)		(8,080,116)		(7,370,782)		(4,606,739)
Cash Generated from Operations		9,166,574		5,729,109	12,063,918			7,556,614
Direct Taxes Paid		(3,847,434)		(2,404,646)		(3,783,167)		(2,364,479)
Cash Flow before Extraordinary Items		5,319,140		3,324,463		8,280,751		5,192,135
Extraordinary Items		-				-		
Net Cash from Operating Activities		5,319,140		3,324,463		8,280,751		5,192,135
B. CASH FLOW FROM INVESTING ACTIVITIES								
Purchase of Fixed Assets	(93,200)		(58,250)		(409,202)		(255,751)	
Interest Received	-		-				26,665	16,666
Net Cash Used in Investing Activities		**(93,200)**		**(58,250)**		**(382,537)**		**(255,751)**

Cash Flow Statement for the year ended 31st March, 2010

	NRS		Rs.		NRS		Rs	
	Year Ended 31st March 2010		Year Ended 31st March 2010		Year Ended 31st March 2009		Year Ended 31st March 2009	
C. CASH FLOW FROM FINANCING ACTIVITIES								
Dividend Paid	-		-		(3,680,000)		(2,300,000)	
Net Cash Used in Financing Activities		**-**		**-**		**(3,680,000)**		**(2,300,000)**
Net Increase In Cash And Cash Equivalents (A+B+C)		**5,225,940**		**3,266,213**		**4,218,214**		**2,636,384**
Cash and Cash Equivalents as at the beginning of the year		15,026,450		9,391,531		10,808,236		6,755,148
Cash and Cash Equivalents as at the close of the year		20,252,390		12,657,744		15,026,450		9,391,531

Notes : 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

	NRS	NRS	NRS
2) Cash and Cash Equivalents	31/03/2010	31/03/2009	31/03/2008
Cash and Cheques in hand	79,044	32,591	6,479
Balance with Scheduled Banks			
On Current Accounts	20,173,346	14,993,859	6,801,757
On Dividend Accounts	-	-	-
On Fixed Deposit	-	-	4,000,000
Remittance -in-Transit	-	-	
	20,252,390	15,026,450	10,808,236

The above Cosh Flow Statement has been compiled from and is based on the audited accounts of TNPL for the year ended 31st March 2010

For and on behalf of Board of Directors

Sanjib Ganguly
Manager

Aloke Banerjee
Director

Debashis Nag
Director

As Per Our Report of Even Date
Jagdish Agrawal, FCA
Partner,
For and on behalf of
JBRH and Company,
Chartered Accountants

This is the Cash Flow Statement referred to in our report of even date.
Place : Lalitpur
Date : 23 April, 2010

TIL Overseas Pte Ltd.

(Incorporated In Singapore) A Subsidiary Company Of TIL Limited

9TH ANNUAL REPORT 2009-2010

GENERAL INFORMATION

BOARD OF DIRECTORS
Avijit Mazumdar
Sumit Mazumder
Shyamal Bandopadhyay
Arangannal S/o Kathamuthu

COMPANY SECRETARY
Cheng Lian Siang

REGISTERED OFFICE
3, Phillip Street,
18-00 Commerce Point,
Singapore 048693

CORPORATE OFFICE AND WAREHOUSE
11, Tractors Road
Jurong, Singapore 627972
Tel : 65-62618068, 65-91737240
E-mail : tilo11@singnet.com.sg

AUDITORS
Shanker Iyer & Co.

Director's Report

The directors present their report to the member together with the audited financial statements of the company for the financial year ended 31 March 2010.

DIRECTORS

The directors of the company in office at the date of this report are:

Avijit Mazumdar

Sumit Mazumder

Shyamal Bandopadhyay

Arangannal s/o Kathamuthu

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

According to the register of director's shareholdings kept by the company for the purpose of Section 164 of the Singapore Companies Act, Cap.50, the directors of the company holding office at the end of the financial year had interest in the shares of the company and its related corporation as detailed below:

	Holdings registered in the name of Directors	
	As at 1.4.2009	As at 31.3.2010
Immediate and Ultimate Holding Company		
Ordinary shares of 10 Rupees each fully paid		
Avijit Mazumdar	724,087	724,087
Sumit Mazumder	33,560	33,560
Shyamal Bandopadhyay	500	4,311

None of the directors holding office at the end of the financial year had any interests in the debentures of the company or its related corporations.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the financial statements.

SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the company. No shares have being issued during the financial year by virtue of the exercise of options to take up unissued shares of the company. There were no unissued shares of the company under option at the end of the financial year.

INDEPENDENT AUDITORS

The independent auditors, Messrs Shanker Iyer & Co., Certified Public Accountants,

Singapore, have expressed their willingness to accept re-appointment.

On behalf of the directors

Sumit Mazumder

Vice Chairman

Shyamal Bandopadhyay

Director

Date : 26 April 2010

Statement By Directors

In the opinion of the directors of TIL Overseas Pte Ltd,

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2010 and of its results, changes in equity and cash flows for the financial year then ended; and

(b) at the date of this statement there are reasonable grounds that the company will be able to pay its debts when they fall due. The board of directors authorised these financial statements for issue on 26 April 2010 .

On behalf of the directors

Sumit Mazumder

Vice Chairman

Shyamal Bandopadhyay

Director

Date : 26 April 2010

Independent Auditor's Report

To The Member of TIL Overseas Pte Ltd (Incorporated In Singapore)

We have audited the accompanying financial statements of TIL Overseas Pte Ltd (the"company") as set out on pages 7 to 37, which comprise the statement of financial position as at 31 March 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management 's Responsibilty for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditor 's Responsibilty

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide abasis for our

audit opinion.

Opinion

In our opinion,

(a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2010 and of its results, changes in equity and cash flows for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

Shanker Iyer & Co
Public Accountants Andcertified Public Accountants

Plice: Singapore
Date: 26 April 2010

Balance Sheet as at 31 March, 2010

	Note	US$ 2009-10	Rs 2009-10	US$ 2008-09	Rs 2008-09
CURRENT ASSETS					
Cash and cash equivalents	4	7,734,099	366,673,634	7,528,181	349,684,007
Trade Receivables	5	2,837,360	134,519,238	895,460	41,594,117
Other Receivables	6	166,049	7,872,383	126,916	5,895,248
Inventories	7	4,772,931	226,284,659	2,712,406	125,991,259
		15,510,439	735,349,913	11,262,963	523,164,631
NON CURRENT ASSETS					
Plant & Equipment	8	26,495	1,256,128	61,777	2,869,542
Available - for - sale financial assets	9	2,062,069	97,762,691	1,919,777	89,173,642
		2,088,564	99,018,819	1,981,554	92,043,183
Total Assets		17,599,003	834,368,732	13,244,517	615,207,815
CURRENT LIABILITIES					
Trade Payables	8	3,767,212	178,603,521	1,151,803	53,501,249
Other Payables	11	3,415,910	161,948,293	3,826,895	177,759,273
Income tax payable (Refer Note 12)		375,000	17,778,750	298,471	13,863,978
Total Liabilities		7,558,122	358,330,564	5,277,169	245,124,500
Net Assets		**10,040,881**	**476,038,168**	**7,967,348**	**370,083,315**
SHAREHOLDER'S EQUITY					
Share Capital	13	708,012	33,566,849	708,012	32,887,157
Reserves	14	9,332,869	442,471,319	7,259,336	337,196,157
Total Equity		**10,040,881**	**476,038,168**	**7,967,348**	**370,083,315**

The annesxed Notes form an integral part of and should be read in conjunction with these financial statements.

Income Statement for the year ended 31 March, 2010

	Note	US$ 2009-10	Rs 2009-10	US$ 2008-09	Rs 2008-09
REVENUE					
Sale Of Goods		33,222,844	1,575,095,034	35,599,369	1,653,590,690
Other Income	15	926,743	43,936,886	1,104,135	51287071
Total Revenue		34,149,587	1,619,031,920	36,703,504	1,704,877,761
COSTS AND EXPENSES					
Purchases Consumed	16	29,930,156	1,418,988,696	31,846,471	1,479,268,578
Warranty Expenses		1,120,062	53,102,139	1,797,995	83,516,868
Depreciation of plant and equipmean	8	14,963	709,396	9,668	449,079
Other Operating Expenses	17	722,232	34,241,019	636,603	29,570,209
Employee benefits Expenses		55,831	2,646,948	63,928	2,969,456
Finance cost		3,728	176,744	476,256	22,122,091
Total Costs and Expenses		31,846,972	1,509,864,943	34,830,921	1,617,896,280
Profit Before Taxation		2,302,615	109,166,977	1,872,583	86,981,480
Income Tax Expense	18	(371,374)	(17,606,841)	(298,471)	(13,863,978)
Net Profit For The Year	19	**1,931,241**	**91,560,136**	**1,574,112**	**73,117,502**

The annesxed Notes form an integral part of and should be read in conjunction with these financial statements.

Statement Of Changes In Shareholder's Equity

for the year ended 31 March, 2010

		Share Capital	Fair value reserve	Currency translation reserve	Retained profits	Total
2009-10						
Balance as at 1st April 2009	US$	708,012	448,665	(3,457)	6,814,128	7,967,348
	RS	33,566,849	21,271,208	(163,896)	323,057,808	377,731,968
Total comprehensive income for the year	US$		142,292		1,931,241	2,073,533
	RS		6,746,064		91,560,136	98,306,200
Balance as at 31st March 2010	US$	**708,012**	**590,957**	**(3,457)**	**8,745,369**	**10,040,881**
	RS	**33,566,849**	**28,017,271**	**(163,896)**	**414,617,944**	**476,038,168**
2008-09						
Balance as at 1st April 2008	US$	708,012	410,012	(3,457)	5,240,016	6,354,583
	RS	32,887,157	19,045,057	(160,578)	243,398,743	295,170,381
Total comprehensive income for the year	US$		38,653		1,574,112	1,612,765
	RS		1,795,432		73,117,502	74,912,934
Balance as at 31st March 2009	US$	**708,012**	**448,665**	**(3,457)**	**6,814,128**	**7,967,348**
	RS	**32,887,157**	**20,840,489**	**(160,578)**	**316,516,246**	**370,083,315**

The annesxed Notes form an integral part of and should be read in conjunction with these financial statements.

Cash Flow Statement for the year ended 31 March, 2010

(Rs. '000)

	Note	2009-10 US$	2009-10 RS	2008-09 US$	2008-09 RS
OPERATING ACTIVITIES					
Profit before Income tax		2,302,615	109,166,977	1,872,583	86,981,480
Adjustments for :					
Depreciation of Plant & Equipment	8	14,963	709,396	9,668	449,079
Loss on disposal of Plant & Equipment	17	2,685	127,296		
Gain on disposal of Plant & Equipment	15	(3,507)	(166,267)		
(Reversal)/Provision for slow moving inventories	7	(279,375)	(13,245,169)	279,375	12,976,969
Bad Debt		-	-	183,502	8,523,668
Interest Income		(343,727)	(16,296,097)	(827,751)	(38,449,034)
Interest Expenses		3,728	176,744	476,256	22,122,091
Operating cash flows before changes in working capital		1,697,382	80,472,881	1,993,633	92,604,253
Changes in Working Capital :					
Trade receivables		(1,941,900)	(92,065,479)	8,671,691	402,800,047
Other receivables		(77,459)	(3,672,331)	236,835	11,000,986
Inventories		(1,781,150)	(84,444,322)	17,043,159	791,654,736
Trade payables		2,615,409	123,996,541	(12,714,982)	(590,610,914)
Other Payables		269,154	12,760,591	(3,491,967)	(162,201,867)
Cash generated from operating activities		781,436	37,047,881	11,738,369	545,247,240
Interest received		382,053	16,296,097	766,585	38,449,034
Interest paid		(3,728)	(176,744)	(476,256)	(22,122,091)
Income Tax paid		(294,845)	(13,978,601)	(818,756)	(38,031,216)
Net Cash from operating activities		864,916	39,188,632	11,209,942	523,542,967
INVESTING ACITIVITIES					
Purchase of Plant & Equipment	8	(316)	(14,982)	(64,589)	(3,000,159)
Proceeds from sale of Plant & Equipment		21,457	1,017,276	-	-
Withdrawal/(Placement) of Fixed Deposits		472,127	22,383,541	(7,200,000)	(334,440,000)
Net Cash from /(used) in Investing activities		493,268	23,385,836	(7,264,589)	(337,440,159)
FINANCING ACTIVITIES					
Repayment to holding company		(3,281,498)	(155,575,820)	(1,704,692)	(79,182,943)
Advance from related company		2,601,359	123,330,430		
Net Cash used in Financing activities		(680,139)	(32,245,390)	(1,704,692)	(79,182,943)
Net increase in cash & cash Equivalents		678,045	30,329,078	2,240,661	106,919,864
Cash and Cash Equivalents at the beginning of the year		328,181	15,559,061	(1,912,480)	(88,834,696)
Cash and Cash Equivalents at the end of the year	4	1,006,226	45,888,139	328,181	18,085,168

The annesxed Notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements for the Financial year ended 31 March, 2010

1. GENERAL INFORMATION

TIL Overseas Pte Ltd (Company Registration No. 200104404H) is domiciled in Singapore. The company's principal place of business is at 11 Tractor Road, Singapore 627972.

The principal activities of the company are to carry on the business of importers and exporters of equipment and machinery parts in relation to the construction industry. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the company for the year ended were authorised and approved by the board of directors for issuance on 26 April 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, which are expressed in United States dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements except as disclosed below:

(i) FRS 1 – Presentation of Financial Statements (Revised)

FRS 1 (2008) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

(ii) Amendments to FRS 107 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments

The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk.

At the date of authorisation of these financial statements, the company has not applied those FRSs and INT FRSs that have been issued but are effective only in next financial year. The company expects the adoption of the standards will have no financial effect on the financial statements in the period of initial application.

b) Currency translation

The financial statements of the company are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in United States dollars, which is the functional currency of the company.

In preparing the financial statements of the company, monetary assets and liabilities in foreign currencies are translated into United States dollars at rates of exchange closely approximating to those ruling at the end of the reporting date and transactions in foreign currencies during the financial year are translated at rates ruling on transaction dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of comprehensive income for the year. Exchange differences arising tax the retranslation of non-monetary items carried at fair value are included in the statement of comprehensive income for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

c) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank and fixed deposit which are subject to an insignificant risk of change in value.

d) Financial assets

(i) Classification

The company classifies its financial assets as loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Notes to the Financial Statements for the Financial year ended 31 March, 2010

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of reporting date which are presented as non-current assets. Loans and receivables are presented as "cash and cash equivalents", "trade receivables" and "other receivables" on the statement of financial position.

Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the end of reporting date.

(ii) Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(iii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the statement of comprehensive income. Any amount in the fair value reserve relating to that asset is transferred to the statement of comprehensive income.

(iv) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(v) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method less allowance for impairment. For available-for-sale financial assets are subsequently carried at fair value, changes in the fair value are recognised in the fair value reserve.

Interest and dividend income on financial assets, available-for-sale are recognised separately in the statement of comprehensive income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in the statement of comprehensive income and the other changes are recognised in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

(vi) Impairment

The company assesses at the end of each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence arises.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of comprehensive income.

The allowance for impairment loss account is reduced through the statement of comprehensive income in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Notes to the Financial Statements for the Financial year ended 31 March, 2010

Financial assets, available-for-sale

Significant or prolonged decline in the fair value of an equity security below its cost and the disappearance of an active trading market for the security are considered as indicators that the available-for-sale financial asset has been impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to the statement of comprehensive income. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense in the statement of comprehensive income. The impairment losses recognised as an expense on equity securities are not reversed through the statement of comprehensive income.

e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in first-out method. The cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation.

f) Plant and equipment

(i) Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Computers	25%
Furniture and fittings	20%
Office equipment	25%

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

(iii) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of comprehensive income when incurred.

g) Impairment of non-financial assets

Plant and equipment

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CCIU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been

Notes to the Financial Statements for the Financial year ended 31 March, 2010

determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statement of comprehensive income, a reversal of that impairment is also credited to the statement of comprehensive income.

h) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method.

i) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the current best estimation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the statement of comprehensive income when the changes arise.

j) Operating leases

The company leases office space under operating leases from non-related parties.

Leases of office where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases, Payments made under operating leases (net of any incentives received from the lessors) are recognised in the statement of comprehensive income on a straight-line basis over the period of the lease.

k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

l) Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the company's activities. Sales are presented, net of goods and services tax, rebates and discounts.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the company's activities are met as follows:

(i) Revenue from the sale of goods is recognised upon passage of title to the customer, which generally coincides with their delivery and acceptance.

(ii) Commission income is recognised upon provision of the services.

(iii) Interest income is recognised on a time apportioned basis.

m) Income tax

Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred income tax liability is recognised for all taxable temporary differences.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Notes to the Financial Statements for the Financial year ended 31 March, 2010

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the company expects, at the end of reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the statement of comprehensive income.

n) Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid.

o) Government grants

Cash grants received by from the government in relation to the Job Credit Scheme are recognised as income on an accrual basis.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming with FRS requires the use of certain critical accounting estimates and judgements in applying the accounting policies. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The following are the significant accounting estimates and judgements for preparation of financial statements:

(a) Plant and equipment

The company depreciates the plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the periods that the company intends to derive future economic benefits from the use of the company's plant and equipment. The residual values reflect management's estimated amount that the company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the company's plant and equipment as at the end of each reporting date are disclosed in Note 8 to the financial statements.

(b) Impairment of trade and other receivables

Management reviews its loans and receivables for objective evidence of impairment at each reporting date. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(c) Impairment of financial assets, available-for-sale

The company follows the guidance of FRS 39 in determining when an available-for-sale financial asset is considered impaired at least annually. This determination requires significant judgement.

Significant or prolonged declines in the fair value of the security below its cost and the disappearance of an active trading market for the security are considered objective evidence that a financial asset is impaired. In determining this, management evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, the financial health of and the near-term business outlook of the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. Fair value gains of US$142,292 was transferred for the year ended 31 March 2010 (Note 9).

Notes to the Financial Statements for the Financial year ended 31 March, 2010

(d) Income taxes

Judgement is involved in determining the company's provision for income taxes. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. At 31 March 2010, the carrying amounts of the company's current income tax payable and deferred tax liability are disclosed in the statement financial position.

4 CASH AND CASH EQUIVALENTS

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Cash at bank	1,006,226	47,705,175	328,181	15,244,007
Fixed deposits	6,727,873	299,524,906	7,200,000	320,544,000
	7,734,099	**347,230,081**	**7,528,181**	**335,788,007**

The carrying amounts of cash and cash equivalents approximate their fair value. Fixed deposits had a maturity of 1 year (2009: 1 year) at weighted average effective interest rate of 2.1% (2009 :4.6%) per annum.

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

Cash at Banks	7,734,099	366,673,634	7,528,181	349,684,007
Placement of Fixed Deposits	(6,727,873)	(318,968,459)	(7,200,000)	(334,440,000)
Cash and cash equivalents as per statement of cash flows	**1,006,226**	**47,705,175**	**328,181**	**15,244,007**

The company's cash and cash equivalents are denominated in the following currencies:

United States dollar	7,525,979	356,806,664	7,456,877	346,371,937
Singapore dollar	208,120	9,866,969	71,304	3,312,071
	7,734,099	**366,673,634**	**7,528,181**	**349,684,007**

5 TRADE RECEIVABLES

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Trade debtors - Third Parties	2,547,483	120,776,169	780,400	36,249,580
GST recoverable	289,877	13,743,069	115,060	5,344,537
	2,837,360	**134,519,238**	**895,460**	**41,594,117**

Trade receivables are non-interest bearing except for US$1,820,000 (2009 US$42,500) which bear interest between 10% to 15% (2009 : 10% to 15%) per annum. Credit terms are in accordance with the contracts or agreements with the customers.

Trade receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition. The trade receivables are considered to be of short duration and are not discounted.

The carrying amount of trade receivables approximate their fair values and are denominated in the following currencies:

Euro	-	-	214,507	9,963,850
United States dollar	2,837,360	134,519,238	565,893	26,285,730
Singapore dollar	-	-	115,060	5,344,537
	2,837,360	**134,519,238**	**895,460**	**41,594,117**

Notes to the Financial Statements for the Financial year ended 31 March, 2010

6. OTHER RECEIVABLES

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Interest Receivable	22,840	1,082,844	61,166	2,841,161
Prepayment	-	-	25,022	1,162,272
Commission Receivable	30,860	1,463,073	-	-
Other Debtors	97,775	4,635,513	40,728	1,891,816
Advance to Suppliers	14,574	690,953	-	-
	166,049	**7,872,383**	**126,916**	**5,895,248**
The carrying amounts of other receivables approximate their fair value and are denominated in the following currencies:				
Euro	**13,988**	**663,171**	**-**	**-**
United States dollar	**134,088**	**6,357,112**	**121,318**	**5,635,221**
British pound	**17,973**	**852,100**	**3,251**	**151,009**
Singapore dollar	**-**	**-**	**2,347**	**109,018**
	166,049	**7,872,383**	**126,916**	**5,895,248**

7. INVENTORIES

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Machines	1,232,295	58,423,106	1,691,574	78,573,612
Engine	85,904	4,072,709	-	-
Spare parts	1,150,007	54,521,832	725,153	33,683,357
Total inventories at cost	2,468,206	117,017,646	2,416,727	112,256,969
Stocks in transit	2,304,725	109,267,012	575,054	26,711,258
Less: Allowance for slow moving inventories	-	-	(279,375)	(12,976,969)
	4,772,931	**226,284,659**	**2,712,406**	**125,991,259**

The cost of inventories recognised as an expense and included in the "purchases consumed" amounts to US$29,930,156 (2009: US$31,846,471).

Notes to the Financial Statements for the Financial year ended 31 March, 2010

8. PLANT & EQUIPMENT

		Computers	Furniture & Fittings	Office Equipment	Total
2009-10					
Cost					
At 1 April 2009-10	US$	11,970	37,636	25,802	75,408
	RS	567,498	1,784,323	1,223,273	3,575,094
Additions/(Disposal)	US$	(5,177)	316	(22,955)	(27,816)
	RS	(245,442)	14,982	(1,088,297)	(1,318,757)
At 31 March 2010	US$	**6,793**	**37,952**	**2,847**	**47,592**
	RS	**322,056**	**1,799,304**	**134,976**	**2,256,337**
Accumulated Depreciation					
At 1 April 2009	US$	5,984	6,596	1,051	13,631
	RS	283,701	312,716	49,828	646,246
Charge for the year (Net)	US$	(247)	7,546	167	7,466
	RS	(11,710)	357,756	7,917	353,963
At 31 March 2010	US$	**5,737**	**14,142**	**1,218**	**21,097**
	RS	**271,991**	**670,472**	**57,745**	**1,000,209**
Net Book value					
At 31 March 2010	US$	**1,056**	**23,810**	**1,629**	**26,495**
	RS	**50,065**	**1,128,832**	**77,231**	**1,256,128**
2008-09					
Cost					
At 1 April 2008	US$	9,437	987	395	10,819
	RS	438,349	45,846	18,348	3,575,094
Additions	US$	2,533	36,649	25,407	64,589
	RS	117,658	1,702,346	1,180,155	3,000,159
At 31 March 2009	US$	**11,970**	**37,636**	**25,802**	**75,408**
	RS	**556,007**	**1,748,192**	**1,198,503**	**3,502,702**
Accumulated Depreciation					
At 1 April 2008	US$	3,496	292	175	3,963
	RS	162,389	13,563	8,129	184,081
Charge for the year	US$	2,488	6,304	876	9,668
	RS	115,568	292,821	40,690	449,079
At 31 March 2009	US$	**5,984**	**6,596**	**1,051**	**13,631**
	RS	**277,957**	**306,384**	**48,819**	**633,160**
Net Book value					
At 31 March 2009	US$	**5,986**	**31,040**	**24,751**	**61,777**
	RS	**278,050**	**1,441,808**	**1,149,684**	**2,869,542**

Notes to the Financial Statements for the Financial year ended 31 March, 2010

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Unquoted equity investments at the beginning of the year	1,919,777	91,016,628	1,881,124	87,378,210
Fair Value gain transferred to other comprehensive income at the end of the year	142,292	6,746,064	38,653	1,795,432
	2,062,069	**97,762,691**	**1,919,777**	**89,173,642**

The above available-for-sale financial assets represent 19% beneficial interest in Myanmar Tractors Limited, a related company incorporated under the laws of Myanmar.

The carrying amounts of available-for-sale financial assets approximate their fair value and are denominated in United States dollars.

10. TRADE PAYABLES

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Third parties	3,767,212	178,603,521	1,123,776	52,199,395
Holding Company	-	-	28,027	1,301,854
	3,767,212	**178,603,521**	**1,151,803**	**53,501,249**

Trade payables are recognised at their original invoiced amounts which represent their fair values on initial recognition. Trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair value.

The amounts owing to holding company are unsecured, interest free and are repayable within the next twelve months.

The carrying amounts of trade payables approximate their fair values and are denominated in United States dollars.

11. OTHER PAYABLES

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Accruals for Operating Expenses	13,500	640,035	11,000	510,950
Advance from customers	261,352	12,390,698	46,038	2,138,465
Other creditors	478,359	22,679,000	427,019	19,835,033
Amount owing to holding company	61,340	2,908,129	3,342,838	155,274,825
Amount owing to related company	2,601,359	123,330,430	-	-
	3,415,910	**161,948,293**	**3,826,895**	**177,759,273**

The amount owing to holding company and related company is non-trade in nature, bearing interest at Nil (2009 : 8.5%) per annum, unsecured and repayable within the next twelve months.

Other creditors mainly represent interest payable to related company and provision for management fees.

The carrying amounts of other payables approximate their fair value and are denominated in the following currencies:

United States Dollar	3,415,910	161,948,293	3,825,593	177,698,795
Singapore Dollar	-	-	1,302	60,478
	3,415,910	**161,948,293**	**3,826,895**	**177,759,273**

Notes to the Financial Statements for the Financial year ended 31 March, 2010

12. DEFERRED INCOME TAX LIABILITY

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
At the beginning of the year	-	-	-	-
Charged to statement of comprehensive income (Note 18)	3,000	142,230	-	-
At the end of the year	3,000	142,230	-	-

Income tax payable includes the deferred income tax liability comprising of the excess net book value of plant and equipment over tax written down value.

13. SHARE CAPITAL

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Issued and fully paid				
107,577 ordinary shares	708,012	33,566,849	708,012	32,887,157

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holder of ordinary shares is entitled to receive dividend as declared from time to time and entitled to one vote per share at meeting of the company. All shares rank equally with regard to the company's residual assets.

14. RESERVES

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Fair value reserve				
Balance at beginning of the year	448,665	21,271,208	410,012	19,045,057
Total comprehensive income for the year	142,292	6,746,064	38,653	1,795,432
Balance at end of the year	590,957	28,017,271	448,665	20,840,489
Currency translation reserve				
Balance at beginning of the year and at end of the year	(3,457)	(163,896)	(3,457)	(160,578)
Retained Profits				
Balance at begning of the year	6,814,128	323,057,808	5,240,016	243,398,743
Profit for the year	1,931,241	91,560,136	1,574,112	73,117,502
Balance at end of the year	8,745,369	414,617,944	6,814,128	316,516,246
Total reserves	**9,332,869**	**442,471,319**	**7,259,336**	**337,196,157**

Notes to the Financial Statements for the Financial year ended 31 March, 2010

15. OTHER INCOME

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Commission income	268,981	12,752,389	-	-
Foreign Exchange gain	25,194	1,194,448	-	-
Government grant	3,960	187,744	1,736	80,637
Gain on sale of plant and equipment	3,507	1,662,667	-	-
Interest Income	343,727	16,296,097	827,751	38,449,034
Reversal of inventory allowance	279,374	13,245,121	-	-
Reversal of over provision of interest expense	-	-	274,648	12,757,400
Others	2,000	94,820	-	-
	926,743	**43,936,886**	**1,104,135**	**51,287,071**

16. PURCHASES CONSUMED

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Opening Inventories	2,712,406	128,595,168	20,034,940	930,622,963
Purchases	32,270,056	1,529,923,355	14,244,562	661,659,905
Inventories written off	(279,375)	(13,245,169)	279,375	12,976,969
Closing Inventories	(4,772,931)	(226,284,659)	(2,712,406)	(125,991,259)
	29,930,156	**1,418,988,696**	**31,846,471**	**1,479,268,578**

17. OTHER OPERATING EXPENSES

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Bank Charges	58,719	2,783,868	57,910	2,689,920
Bad Debts	-	-	183,502	8,523,668
Commission fees	450,439	21,355,313	-	-
Management Fees	107,800	5,110,798	300,000	13,935,000
Office Rental_operating lease	40,536	1,921,812	37,007	1,718,975
Professional Fees	14,261	676,114	15,749	731,541
Others	50,477	2,393,115	42,435	1,971,106
	722,232	**34,241,019**	**636,603**	**29,570,209**

Notes to the Financial Statements for the Financial year ended 31 March, 2010

18. INCOME TAX EXPENSE

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Current year's provision	372,000	17,636,520	298,471	13,863,978
Over provision in the prior period	(3,626)	(171,909)	-	-
Deferred Tax liability (Refer Note 12)	3,000	142,230	-	-
	371,374	**17,606,841**	**298,471**	**13,863,978**

The current year income tax expense varied from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2009: 17%) to the profit before income tax as a result of the following differences:

Profit before Income Tax	2,302,615	109,166,977	1,872,583	86,981,480
Tax calculated at the applicable tax rate	391,445	18,558,407	318,339	14,786,847
Temporary differences not recognised	1,067	50,586		
Non Taxable items	(1,013)	(48,026)		
Deferred taxation	3,000	142,230	-	-
Exempt Income	(18,537)	(878,839)	(18,384)	(853,937)
Over provision in the prior year	(3,626)	(171,909)	-	-
Others	(962)	(45,608)	(1,484)	(68,932)
	371,374	**17,606,841**	**298,471**	**13,863,978**

19.. NET PROFIT

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Net profit is arrived at after charging:				
CPF Contribution	4,590	217,612	5,072	235,594

20. BANKING FACILITIES

The company's banking facilities and letter of credit from financial institution as at 31 March 2010 were secured by the following:

a) Charge on all monies of the company with the bank;

b) Corporate guarantee provided by the holding company; and

c) General letter of charge on all assets of the company.

21. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company's immediate and ultimate holding company is TIL Limited, a company incorporated in the Republic of India.

22. RELATED PARTY TRANSACTIONS

An entity or individual is considered a related party of the company for the purpose of the financial statements if:

(i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the financial and operating decisions of the company or vice versa; or

(ii) it is subject to common control or common significant influence.

Notes to the Financial Statements for the Financial year ended 31 March, 2010

22. RELATED PARTY TRANSACTIONS (Contd.)

During the financial year, the company had significant related party transactions as detailed below on terms agreed between them:

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Warranty expenses paid to related company	-		1,797,995	83,516,868
Warranty expenses paid to holding company	1,120,062	53,102,139	-	-
Sales to related Company	1,492,439	70,756,533	1,188,287	55,195,931
Purchases from related company	127,177	6,029,462	38,108	1,770,117
Interest expense paid/payable to holding company	-	-	227,764	10,579,638
Management Fees paid/payable to holding company	207,500	9,837,575	300,000	13,935,000
Parts commission paid/payable to holding company	450,439	21,355,313	36,416	1,691,523
	3,397,617	161,081,022	3,588,570	166,689,077

23. COMMITMENTS AND CONTINGENT LIABILITIES

a) As at 31 March 2010, the company had obtained bank guarantees amounting to US$193,762 (2009 : US$127,499 and EUR7,886).

b) As at 31 March 2010 of this report, the company had entered into letter of credit amounting to US$401,068 (2009 : US$ Nil).

24. OPERATING LEASE ARRANGEMENTS

At the end of the reporting date, the company's commitments in respect of operating leases are as follows:

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Due within one year	16,825	797,673	16,705	775,947
	16,825	**797,673**	**16,705**	**775,947**

25. FINANCIAL RISK MANAGEMENT

Financial risk factors

The company's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the company's financial performance.

(a) Market risk

(i) Foreign currency risk

The company incurs foreign currency risk on transactions that are denominated in currency other than United States dollars such as Singapore dollars, British pounds and Euro. However, the company does not use any hedging instruments to protect against the volatility associated with foreign currency purchases and other assets and liabilities created in the normal course of business.

Notes to the Financial Statements for the Financial year ended 31 March, 2010

The company's currency exposure to Singapore dollars based on the information provided to key management is as follows:

Financial Assets	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Cash & Cash equivalents	208,120	9,866,969	71,304	3,312,071
Trade Receivables	-	-	115,060	5,344,537
Other Receivables	-	-	2,347	109,018
	208,120	**9,866,969**	**188,711**	**8,765,626**
Financial Liabilities				
Trade Payables	-	-	-	-
Other Payables	-	-	(1,302)	(60,478)
	-	-	**(1,302)**	**(60,478)**
Currency Exposure	**208,120**	**9,866,969**	**187,409**	**8,705,148**

If against United States dollar the Singapore dollar had strengthened/weakened by 9% (2009 : 5%) respectively with all other variables including tax rate being held constant, the company's net profit for the financial year would have been higher/lower by approximately US$18,800 (2009 : US$9,400) respectively as a result of currency translation gains/losses on the remaining Singapore dollars denominated financial assets and liabilities.

(ii) Interest rate risk

The company has no significant exposure to market risk for changes in interest rates except for the fixed deposit as disclosed in Note 4

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The major classes of financial assets of the company are trade receivables and amounts owing by immediate holding company. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The trade receivables of the company comprise 11 debtors (2009 : 14 debtors) that individually represented 1% – 31% of trade receivables.

The credit risk for trade receivables and amounts owing by immediate holding company based on the information provided to key management is as follows:

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
By geographical area				
India			36,147	1,679,028
Singapore	435,276	20,636,435		0
Myanmar	2,402,084	113,882,802	859,313	39,915,089
	2,837,360	**134,519,238**	**895,460**	**41,594,117**
By types of Customer				
Non- related parties	**2,837,360**	**134,519,238**	**895,460**	**41,594,117**
The credit risk for trade receivables based on the information provided to key management is as follows:				
Due less than 30 days	936,938	44,420,231	750,266	34,849,856
Due from 30 days to 90 days	459,918	21,804,712	129,322	6,007,007
Due more than 90 days	1,440,504	68,294,295	15,872	737,254
	2,837,360	**134,519,238**	**895,460**	**41,594,117**

Notes to the Financial Statements for the Financial year ended 31 March, 2010

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. At the end of each reporting date, assets held by the company for managing liquidity risk included cash and cash equivalents as disclosed in Note 4.

The management monitors rolling forecasts of the company's liquidity reserve (comprising amounts owing to immediate holding company and cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at local level of the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cashflows in major currencies and considering the level of liquid assets necessary to meet these; monitoring liquidity ratios; and maintaining debt financing plans.

The table below analyses the company's non-derivative financial liabilities into relevant maturity grouping based on the remaining period from the end of each reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Less than 1 year				
Trade payables	3,767,212	17,860,3521	1,151,803	53,501,249
Other payables	3,415,910	161,948,293	3,826,895	177,759,273
	7,183,122	**340,551,814**	**4,978,698**	**231,260,522**

(d) Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their fair values due to their short-term nature.

26. CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated trade and other payable and bills payables and finance lease less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
Net Debt	N/A*	N/A*	N/A*	N/A*
Total Equity	10,040,881	476,038,168	7,967,348	370,083,315
Total Capital	**10,040,881**	**476,038,168**	**7,967,348**	**370,083,315**

Gearing ratio	N/A	N/A
* excess of cash and cash equivalents over trade and other payable		
The company is not subject to externally imposed capital requirements.		

Schedule of Staff and Related Costs and other Operating Expenses

for the year ended 31March, 2010

	US$	Rs	US$	Rs
	2009-10	2009-10	2008-09	2008-09
STAFF AND RELATED COSTS				
Salaries	41,413	1,963,390	48,760	2,264,902
Bonus	5,606	265,780	2,578	119,748
CPF Contribution	4,590	217,612	5,072	235,594
Incentive	4,222	200,165	7,518	349,211
	55,831	**2,646,948**	**63,928**	**2,969,456**
OPERATING EXPENSES				
Auditors' Remuneration	13,500	640,035	11,000	510,950
Advertisement	76	3,603	46	2,137
Bank Charges	58719	2,783,868	57910	2,689,920
Bad Debts	-	-	183502	8,523,668
Commission fees	450439	21,355,313	-	-
Exchange Loss	-	-	14532	675,011
Insurance	4019	190,541	2158	100,239
General Expenses	4836	229,275	251	11,659
Management Fees	107800	5,110,798	300000	13,935,000
Office Rent- operating lease	40536	1,921,812	37007	1,718,975
Printing & Stationery	1614	76,520	1088	50,538
Professional Fees	14261	676,114	15749	731,541
Plant & Equipment w/off	2685	127,296	-	-
Repairs and maintainance	7720	366,005	1366	63,451
Telephone/Fax/email	9262	439,111	7824	363,425
Travel	6765	320,729	4170	193,697
	722,232	**34,241,019**	**636,603**	**29,570,209**

The above schedule of staff and related costs and other operating expenses provides additional information only and do not form part of the audited financial statements.

Tractors India Private Limited

A Subsidiary Company of TIL Limited

BOARD OF DIRECTORS

Mr. Sumit Mazumder
Chairman and Managing Director
(w.e.f. 1st April, 2010)

Mr. G.V.R. Murthy
Joint Managing Director
(w.e.f. 1st April, 2010)

Mr. Aloke Banerjee
Director - Finance
(w.e.f. 1st April, 2010)

Dr. T. Mukherjee
Non - Executive Independent Director
(w.e.f. 30th March, 2010)

REGISTERED OFFICE

1, Taratolla Road
Garden Reach
Kolkata 700 024
Telephone: (033) 2469 3732 - 36 (5 Lines)
(033) 6633 2000 / 2845

Directors' Report

Your Directors have pleasure in presenting the Annual Report and Accounts for the year ended 31st March, 2010.

1 FINANCIAL RESULTS

(Rs.)

	For the Year Ended 31.03.2010	For the Year Ended 31.03.2009
Profit for the year after meeting all expenses but before charging Depreciation and Interest.	(9526)	(9140)
Less: Interest	-	-
Depreciation	-	-
Profit/(Loss) Before Tax	(9526)	(9140)
Tax Provision		
a) Current year	-	-
b) Deferred Tax (Credit)/Charge	-	-
c) Fringe Benefit Tax	-	-
Profit/(Loss) After Tax	(9526)	(9140)
Balance Net Profit available for appropriation	-	-
Appropriations		
General Reserve	-	-
Capital Redemption Reserve	-	-
Proposed Dividend:	-	-
Equity Shares	-	-
Tax on Dividend	-	-
Balance Carried Forward	(9526)	(9140)

2. PERFORMANCE

The Company is yet to start its commercial operation. The Company does not have any income or turnover. However, the Company has become the wholly-owned subsidiary of TIL Limited w.e.f. 14th December, 2009. M/s. TIL Limited has transferred its Caterpillar Dealership Business to this Company effective 1st April, 2010, subject to necessary approval from the concerned authorities.

3. FINANCE

The Company has incurred loss of Rs.9526/- during the period under review and the loss of Rs.9526/- has been carried forward to Balance Sheet.

4. FIXED DEPOSIT

The Company has not accepted any deposits from the public during the year.

5. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company did not have any commercial operation during the period under review, hence no statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in this Report.

6. PARTICULARS OF EMPLOYEES

The Company has no employee during the period under review, hence no statement pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended is given in the Report.

7. DIRECTORS

The Board of Directors at its meeting held on 30th March, 2010 has appointed Mr. S. Mazumder as Chairman and Managing Director of the Company, Mr. Aloke Banerjee as Director – Finance in the wholetime capacity and Mr. G.V.R. Murthy as Joint Managing Director w.e.f. 1st April, 2010. The details of the terms of appointment are given in the Notice convening the ensuing Annual General Meeting. The Board recommends appointment of Mr. Mazumder, Mr. Banerjee and Mr. Murthy.

The Board of Directors also appointed Dr. T. Mukherjee as Additional Director in the capacity of Independent Non Executive Director w.e.f. 30th March, 2010, who will retire on the ensuing Annual General Meeting and being eligible offers himself for appointment. Mr. Soumen Das resigned from the Board w.e.f. 1st of April, 2010. The Board placed on record the valuable guidance received from Mr. Das during his tenure as Director.

Mr. Aloke Banerjee retires by rotation and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.

ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The annual accounts have been prepared on a going concern basis.

9. AUDITORS

Messrs. K. N. Chatterjee & Co., Chartered Accountants, Statutory Auditors of the Company, hold office till conclusion of the ensuing Annual General Meeting and expressed their un-willingness for re-appointment. Messrs. Price Waterhouse, Chartered Accountants confirmed their willingness to be appointed as the Statutory Auditor of the Company, if approved by the Shareholders in the ensuing Annual General Meeting.

10. AUDITORS' REPORT

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and, therefore, does not call for any further comment under Section 217(3) of the Companies Act.

11. ACKNOWLEDGEMENTS

The Board wishes to record its appreciation for the continued co-operation, support received from all concerned through the period under review.

For and on behalf of Board of Directors

S. Mazumder
Chairman & Managing Director

Kolkata
April 26, 2010

Auditors' Report

To the members of the Company

1. We have audited the attached Balance Sheet of TRACTORS INDIA PRIVATE LIMITED as at 31st March 2010, the related Profit & Loss Account and the Cash Flow Statement for the Year ended on that date, which we have signed under reference of this Report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of "The Companies Act, 1956" of India (the Act) and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we Report that :
   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;
   (d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this Report comply with the applicable Accounting Standards referred to in Section 211(3C) of the Act;
   (e) On the basis of representations received from the Directors, and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of Clause (g) of sub-Section (1) of Section 274 of the Act;
   (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read in conjunction with Schedules – I to III and the Notes contained in Schedule – IV give in the prescribed manner the information required by the Act and give a true and fair view :
      i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
      ii) in so far as it relates to the Profit & Loss Account, of the Loss of the Company for the year ended on that date.
      iii) in so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
K.N.Chatterjee & Co.
Chartered Accountants

K. N. Chatterjee
Partner
Membership No.016446

Kolkata
April 26, 2010

Annexure to the Auditors' Report Referred to in Paragraph – 3 of our Report of even date, we further Report that –

1. The Company has no Fixed Assets during the Year. Hence, the Paragraphs 4(i)(a), 4(i)(b) and 4(i)(c) of the Order, are not applicable.
2. The Company has no inventory during the Year. Hence, the Paragraphs 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the Order, are not applicable.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. The Company has no Fixed Assets or Inventory. Hence, the Paragraph 4(iv) of the Order, is not applicable.
5. According to information and explanations given to us by the management, there have been no transactions made during the Year in pursuance of contracts or arrangements which are required to be entered in the Register maintained under Section 301 of the Act.
6. The Company has not accepted any deposits from the public. Hence, the Paragraph 4(iv) of the Order, is not applicable.
7. The Company does not fall under the criterion specified in the Paragraph 4(vii) of the Order, for having Internal Audit System commensurate with the size of the Company and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under Clause (d) of sub-Section (1) of Section 209 of the Act.
9. According to information and explanation given to us by the management and our examination of books and records, the Company has no undisputed or disputed statutory dues lying outstanding for more than six months. Hence, the Paragraph 4(ix)(b) of the Order, is not applicable.
10. The Company has accumulated losses of Rs.50891/- as at 31-03-2010 and has incurred Rupees 6726/- cash losses during the current financial year and Rs.6340/- cash loss in the immediately preceding financial year.
11. The Company has not taken any loan, whether secured or unsecured, from Banks, Financial Institutions or Debenture-holders etc.. Hence, the Paragraph 4(ix) of the Order, is not applicable.
12. The Company has not granted any loans and advances on the basis of security by way pledge of shares, debentures or other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit funds/societies are not applicable to the Company.
14. The Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us by the management, the Company has not given any guarantee for the loans taken by others from Banks or Financial Institutions during the Year.
16. The Company has not obtained any term loan during the Year.
17. On the basis of overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us by the management, there were no funds raised on short-term basis, which have been used for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act during the Year.
19. The Company has not issued any debenture during the Year.
20. The Company has not raised any money by public issue.
21. During the course of our examination of Books and records of the Company in accordance with the generally accepted auditing practices in India, and according to information and explanations given to us by the management, no fraud has been detected on or by the Company during the Year

For and on behalf of
K.N.Chatterjee & Co.
Chartered Accountants

K. N. Chatterjee
Partner
Membership No.016446

Kolkata
April 26, 2010

Balance Sheet as at 31st March, 2010

Particulars	Schedules	As at 31.03.2010	As at 31.03.2009
SOURCE OF FUNDS			
1. Shareholders' Funds			
Share Capital	I	105700	105700
2. Loan Funds			
Unsecured Loan		-	15000
Total		**105700**	**120700**
APPLICATIONS OF FUNDS			
1. Current Assets, Loans & Advances			
Cash-in-hand		200	200
Cash-at-Bank [in Current Account with Scheduled Bank]		11265	11485
Loans and Advances	II	47756	67056
		59221	**78741**
Less : Current Liabilities :	III	4412	2206
Net Current Assets :		54809	76535
2. Miscellaneous Expenditure [to the extent not written off or adjusted] :			
Preliminary Expenses		-	8400
Profit & Loss Account [DR Balance]		50891	35765
Total		105700	120700
Notes to the Accounts	IV		

As per our Report attached.

For and on behalf of Board of Directors

Director

Director

Kolkata

April 26, 2010

For and on behalf of

K.N.Chatterjee & Co.

Chartered Accountants

K. N. Chatterjee

Partner

Membership No.016446

Profit and Loss Account for the year ended 31st March, 2010

		Schedules	Year Ended 31.03.2010	Year Ended 31.03.2009
A.	**INCOME**		-	-
B.	**EXPENDITURE**			
	Audit Fee [including service Tax]		2206	2206
	Filing Fee		1800	1500
	Consultancy Charges		2500	2500
	Bank Charges		220	134
	Preliminary Expenses Written off		8400	2800
	Total		**15126**	**9140**
	Profit / (Loss) Before Tax [A – B]		(15126)	(9140)
	Provision For Tax		-	-
	Profit / (Loss) After Tax		(15126)	(9140)
	Profit / (Loss) Carried Down		(35765)	(26625)
	Profit/(Loss) Carried Over		(50891)	(35765)
	Notes to the Accounts	IV		

As per our Report attached.
For and on behalf of Board of Directors

Director

Director

Kolkata
April 26, 2010

For and on behalf of
K.N.Chatterjee & Co.
Chartered Accountants

K. N. Chatterjee
Partner
Membership No.016446

Schedules forming Part of Balance Sheet

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'I'		
Share Capital		
Authorised Share Capital		
7000000 Equity Shares of Rs.10 each (Previous year : 100,000 Equity Shares of Rs. 10 each)	70,000,000	1000000
Issued, Subscribed and Paid up		
*10570 Equity Shares of Rs.10 each, fully paid [*] The above 10570 Equity Shares of Rs.10 each fully paid have been held by TIL Limited, being Holding Company (Previous Year : 10500 Equity Shares of Rs.10 each fully paid have been held by Spundish Engineers & Credit Private Limited, being Holding Company, and balance shares by other subscribers)	105700	105700
Total	**105700**	**105700**

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'II'		
Loans and Advances		
Advances recoverable in Cash or in kind or for value to be received (Unsecured considered good) TIL Limited – Holding Company	47756	67056
Total	**47756**	**67056**

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 'III'		
Current Liabilities & Provisions		
Audit Fee (including Service Tax)	4412	2206
Total	**4412**	**2206**

Schedule forming part of Accounts

SCHEDULE 'IV'

Significant Accounting Policies and Notes to the Accounts :

A. Significant Accounting Policies

1. **Basis of Accounting**

   The accounts are prepared on a going concern basis, in compliance with GAAP in India.

2. **Miscellaneous Expenditure**

   Preliminary Expenses will be fully amortized during the current year.

3. **Taxation**

   Provision for Tax comprises current tax and deferred tax charge or credit.

B. Notes To The Accounts

1. **Related Party Disclosure in keeping with AS 18 issued by ICAI**

   (a) List of Related Parties Holding Company : TIL Limited

   (b) Key Management Personnel

   Mr. Aloke Banerjee (Director)

   Mr. Soumen Das (Director)

   (c) Particulars of Transactions during the Year ended : 31-03-2010

Particulars	Subsidiaries and Holding	Key Management Personnel
1) ROC Filing Fees paid by Holding Co.	Rs. 1800.00	Nil
2) Consultancy Charges paid by Holding Co.	Rs. 2500.00	Nil
3) Outstanding Advances against Holding Co.	Rs. 47756.00	Nil

2. **Current Tax and Deferred Tax**

   Current Tax liability is not applicable and provided for in view of Company's loss during the year under review.

3. There is no Contingent Liability as on the date of the Balance Sheet.

4. On the basis of the information available with the Company, there is no amount due but remaining Unpaid as at 31-03-2010 to any supplier who is Small Scale or Ancillary Industrial Undertaking.

5. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is Nil.

6. Previous Year's figures have been regrouped or re-arranged wherever necessary.

As per our Report attached.

For and on behalf of
K.N.Chatterjee & Co.
Chartered Accountants

K. N. Chatterjee
Partner
Membership No.016446

Kolkata
April 26, 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	72501	State Code	21
Balance Sheet Date	31.03.2010		

II. Capital Raised during the Year

Public Issue	NIL	Bonus Issue	NIL
Right Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds

Total assets	105700	Total Liabilities	105700
Sources of Funds			
Paid-up Capital	105700	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds	105700		
Net Fixed Assets	NIL	Investments	NIL
Net Current Assets	54809	Misc Expenditure	NIL
Accumulated Losses	50891		

IV. Performance of Company Company (Amount in Rs.)

Turnover	NIL	Other Income	NIL
Total Expenditure	15126	Loss before Tax	15126
Loss after Tax	15126	Earning per Share (Rs.)	-1.43
Dividend Rate (%)	NIL		

V. Generic names of three Principal Products/ Services of Company (As per monetary terms)

Not Applicable

For and on behalf of Board of Directors

Director

Director

Kolkata
April 26, 2010

For and on behalf of
K.N.Chatterjee & Co.
Chartered Accountants

K. N. Chatterjee
Partner
Membership No.016446

Notes

Notes

"We make our customers more profitable."

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Tractors India

TIL Limited

1, Taratolla Road, Garden Reach, Kolkata 700 024
Tel. : +91 33 6633-2000 / 2845
Fax : +91 33 2469-2143 / 3731
www.tilindia.in