

TIL Limited

Annual Report

2011-12

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.

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Corporate Information

BOARD OF DIRECTORS

Mr. A. Mazumdar

Chairman

Mr. Sumit Mazumder

Vice Chairman and Managing Director

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

COMPANY SECRETARY

Mr. Sekhar Bhattacharjee

AUDITORS

Deloitte Haskin & Sells

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.

HDFC Bank Ltd.

DBS Bank Ltd.

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

About TIL

TIL IS IN THE BUSINESS OF SERVING THE INFRASTRUCTURE PROGRESS OF THE NATION WITH ITS END TO END SOLUTIONS, COMPRISING A BROAD PORTFOLIO OF PRODUCTS, TECHNOLOGIES AND WORLD CLASS BRAND ALLIANCES.

COMPLEMENTING ITS WIDE PORTFOLIO OF INDUSTRY LEADING PRODUCTS, TIL OFFERS A FULL EXTENT OF INNOVATIVE AND VALUE ADDED SERVICES AND 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 of the Company 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 values-based culture across the organization. Our values are a source of pride for each of us as we continue to serve our customers with high 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.

Our mantra: we make our customers more profitable

TIL believes that future of every organization is directly linked to its customers. Today, we share an invaluable partnership with our customers because we have consistently aligned our business practices with the business goals of our customers. Our conviction of knowing, valuing and respecting our customers as partners and stakeholders has helped us in successfully creating superior customer experience. We relentlessly strive to build on the trust of our customers, and imbibe customer-centric approach in every possible sphere of our business.

Businesses

TIL operates through its Material Handling Solutions division, Equipment & Project Solutions division and the wholly owned subsidiary - Tractors India Pvt. Ltd. (TIPL) for North and East of India and Bhutan, as well as overseas subsidiaries in Nepal (TNPL), Singapore (TILD) and Myanmar [(MTL)- Caterpillar dealership that ceased with effect from 1st July, 2011.]

Material Handling Solutions (MHS) division designs, manufactures and markets a comprehensive range of material handling, lifting and port equipment solutions with integrated customer support and after-sales service.

Equipment & Project Solutions (EPS) division provides solutions in crushing & screening, hot mix asphalt plant, port & yard equipment as well as latest tunneling and trenching solutions.

Tractors India Private Limited (TIPL) is a wholly owned subsidiary of TIL Limited and is responsible for the entire Caterpillar business of Construction, Mining and Power Systems Solutions. TIPL has also entered into association with SEM for medium wheel loaders and SITECH for GPS based connected site solutions.

Corporate Social Responsibility (CSR)

TIL is committed to good corporate citizenship and believes that as an organization it has responsibility towards society, community and environment and aims at touching lives and making a difference with its various CSR initiatives.

Products



TIL - Material Handling Solutions (MHS)

Mobile Cranes (Industrial Cranes, Truck Mounted Cranes, Rough Terrain Cranes, All Terrain Cranes), Lattice Boom Crawler Cranes, Lorry Loaders, Tower Cranes, Reachstackers, Container Handler and Forklift Trucks.

TIL - Equipment & Project Solutions (EPS)

Hot Mix Asphalt Plants, Crushing & Screening Solutions (High Frequency Screens, Stationary Plants, Track Plants and Portable Plants) Rubber Tyre Gantry Cranes, Road Headers, Twin Headers, Mechanical Drive Chain Trenchers and Horizontal Directional Drills.

TIPL - Construction & Mining Solutions (CMS)

Wheel Loaders, Backhoe Loaders Hydraulic Excavators, Off-Highway Trucks, Motor Graders, Track - Type Tractors, Track - Type Loaders, Vibratory Soil Compactors, Asphalt Compactors, Asphalt Pavers and Wheel Dozers.

TIPL - Power Systems Solutions (PSS)

Complete portfolio of Generator Sets in diesel, gas and heavy fuel configurations for continuous prime and emergency standby power. Available from small capacities to 10MW single Generator Sets and engines for industrial, oil & gas, as well as other applications. The division also offers Engine and Gensets for specific Petroleum sector applications.

TIPL - Allied Associations

SEM Wheel Loaders
SITECH Technology Solutions
Allmand Lighting Towers

Services

Pre-purchase Consultancy

Equipment Investment Analysis

24x7 Field Service Management

Scheduled Oil Sampling (S•O•SSM) Services

Component Repair & Complete Machine Rebuilds

Ready Parts Availability

Customer Support Agreements (CSA) and Maintenance and Repair Contracts (MARC)

Maintenance and Operator Training For Customers

Rental & Used Equipment Solutions

Global alliances

Caterpillar Inc.

Manitowoc Crane Group, USA

Grove Worldwide, USA

Potain (a part of Manitowoc Crane Group, USA)

Astec Industries -USA

NACCO Materials Handling Group, Inc. (NMHG) - a part of NACCO Industries Inc., USA

Paceco Corp. (a part of Mitsui Engineering and Shipbuilding - Japan)

Mitsui Miike

SEM (formerly named Shandong Engineering Machinery Factory)

SITECH

Allmand

Industries catered

Infrastructure | Engineering & Construction | Mining | Agro | Oil & Petrochemicals | Steel | Railways | Ports | Defense | Power | Pharma | Healthcare | Hospitality | Retail

Milestones

A legacy of success and innovation that began in 1944. Below are some of the Company's key highlights since its inception.

1944

Tractors India incorporated. Representative for Caterpillar, USA, in Eastern India.

1962

India's first Mobile Crane rolls out of the Company's Kamarhaty plant in Kolkata.

1974-78

Distributorship for Caterpillar extends to Nepal, Sikkim, Bhutan and Myanmar.

1982

Tractors India manufactures India's first Rough-Terrain Crane.



1988

TIL manufactures India's first 100-tonne Truck Mounted Mobile Crane.

1994

TIL completes 50th year of its corporate journey.

2000

TIL sets up its subsidiary in Nepal called Tractors Nepal Private Ltd. (TNPL).

2002

Launches 6 Sigma.

2003

Initiates first Maintenance and Repair Contract (MARC) in India with Tata Steel (South Eastern Block).

2005

TIL's Cat Rental Store (India's first) opens at Sahibabad, Delhi.

Receives Best Supplier Award from Tata Steel.

Wins Caterpillar APD (Asia Pacific Division) President's Award for 6 Sigma.

2006

Wins the Runners Up Award at the Construction World NICMAR Awards in the fastest growing construction equipment category.

2007

TIL's 5000th crane rolls out of Kamarhaty manufacturing plant in Kolkata.



2008

Ties Up with Nacco Materials Handling Group (NMHG) for Hyster range of products.

Ties up with Astec Inc for bringing their Road Building Solutions to India.

2009

Inaugurates a state-of-the-art Component Rebuild Center (CRC) in Asansol, West Bengal.

2010

Tractors India Pvt Ltd (TIPL) formed as wholly owned subsidiary of TIL.

Tie ups with Potain for sales and service of Tower Cranes.

TIL recognized as India's second – fastest growing construction company at the Construction World Awards.

2011

Awarded as the Fastest Growing Construction Equipment Company by Construction World.

Inaugurates the Port and Construction Equipment Facility at Changual, West Bengal. Lays the foundation stone for Crane & Reachstacker Factory at Vidyasagar Industrial Park, Kharagpur, West Bengal.

Chairman's Insight



Dear Shareholders,

I AM HAPPY TO PRESENT THE ANNUAL REPORT OF YOUR COMPANY FOR THE FINANCIAL YEAR 2011-12. DURING THE LAST COMMUNICATION TO YOU, I HAD MENTIONED THAT THOUGH THE LONG TERM OUTLOOK REMAINS POSITIVE, THE INDIAN ECONOMY HAS FALLEN SHORT OF THE GROWTH PROJECTIONS RESULTING IN SHORTFALL OF THE 5-YEAR PLAN OUTLAY. I HAD EXPRESSED CONCERN WITH REGARD TO THE INCONSISTENT INFRASTRUCTURE DEVELOPMENT EXPENDITURE WHICH IS STILL CONTINUING, AND ADDITIONALLY THE GLOBAL ECONOMY IS PASSING THROUGH DIFFICULT TIMES.



Your Company will continue to invest in product technology and operational efficiency through these tough times, and when the economy recovers, the need for better infrastructure will be more than ever and we will be adequately prepared to respond.



In India, the slowdown appears even sharper especially after achieving high growth rates over the last few years. Uncertain global conditions, weak investor and business confidence, deferred policy implementation and tight monetary conditions are all impediments in the growth of the Indian economy. Additionally, the credit rating agencies are downgrading India's economic growth forecast resulting in withdrawal of funds by foreign investors. The infrastructure space is witnessing a downward trend along with reduced private investment.

The year 2011-12 has been one of the most challenging years TIL has faced in recent times. Though there was a marginal growth in the topline, there has been significant impact on the profits of the Company. Despite the challenging times, last year your Company received the prestigious 'Fastest Growing Construction Equipment Company' award at the 9th Construction World Awards 2011.

The Government of India recognizes these issues and have planned a total investment outlay of USD 1 trillion for the 12th Five Year Plan. On the basis of this Plan, we foresee significant growth in the infrastructure segments which will lead to growth opportunities in the mining, construction, roads and highways, power plants, ports and other infrastructure segments where TIL has a significant presence. Once these investments are effected by the Government, there would be significant growth in the infrastructure space and your Company is poised to take full advantage of these opportunities.

Your Company is committed to taking necessary measures to reverse the present situation. Team TIL is ready to learn and change, and infuse any

measures which are essential to long term growth. Your Company today is over 2500 people strong, working with the most prestigious business alliances and global partnerships and is confident that it will achieve better financial performance by adhering to the high standards of service support it has always delivered. Your Company will continue to invest in product technology and operational efficiency through these tough times, and when the economy recovers, the need for better infrastructure will be more than ever and we will be adequately prepared to respond.

Without a doubt, 2012-13 will be a tough year. Your Company is consolidating to come out stronger when the economy recovers. TIL has witnessed many adversities and challenges and never wavered in its determination to march forward in its journey of corporate excellence.

Your Company has been committed to nation building since 1944 and I am confident that in the coming years your Company will play an even larger role, and in the process create a TIL which is continuously facilitating profitable growth for our customers, and value for all our stakeholders.

On behalf of the Board of Directors, I thank all our customers, employees, shareholders, principals, bankers, suppliers and business associates for their continued support.

A Mazumdar

Chairman

Vice Chairman & Managing Director's Message



THE YEAR UNDER REVIEW HAS BEEN ONE OF TIL'S MOST CHALLENGING IN ITS CORPORATE EXPERIENCE. THE PERSISTENT CONSTRAINTS IN OUR NATIONAL GROWTH SCENARIO, AND THEIR NEGATIVE IMPACT ON THE ECONOMY CARRIED UNABATED IN 2011-12.

“

Our accelerated growth strategy, and our readiness for the future is a construct of our specific initiatives – new product introduction, enhancement of our manufacturing capability, greater market penetration, flexibility through restructuring, uncompromising commitment on partnership with our customers, consolidation of our human resources and talent management.

”

This was a situation that directly affected your Company's results. Although the top line grew marginally, there was significant impact on the overall financial performance.

The nature of TIL's business places it inseparably in the context of our national economy and its trends. The cutback on investments and spending have put severe strain on our business of providing technology intensive, capital intensive equipment for India's infrastructure sectors. Investments in infrastructure fell well below expected levels - according to a Government of India report, as many as 234 large projects in roads, power and petroleum are running behind schedule. Furthermore, foreign exchange fluctuations have led to increased costs for imported equipment, components and materials.

These negative trends notwithstanding, we are confident of a turn around. Our experience has shown that constraints, howsoever grim, are bound to give way before the reality that growth is inevitable. This is particularly true in the Indian context, where the declared policy of the Government is transition from an economy of shortages to self reliance. This implies that targeted output levels in critical infrastructure sectors would be on continuous upturn. The long term prospects are stable, with positive indications of infrastructure investments.

2012-13 will be challenging, and we are fully conscious of our responsibilities. In the areas of strategic imperatives for 2012-13 and beyond, our primary focus will continue to be on operational efficiency, and improved financial performance. Our accelerated growth strategy, and our readiness for the future is a construct of our specific initiatives – new product introduction, enhancement of our manufacturing capability, greater market penetration, flexibility through restructuring, uncompromising commitment on partnership with our customers, consolidation of our human resources and talent management. We are confident that these initiatives will put us in a position to deliver a significantly higher level of performance in 2012-13.

I take this opportunity to thank our valued customers, employees, shareholders, principals, suppliers, bankers and our other partners. Their continued confidence will help us to emerge as an agile, resilient and stronger Company in India's critical infrastructure sector, committed to provide total solutions to the customers whom we serve.

Sumit Mazumder

Vice Chairman & Managing Director

Directors' Report



Your Directors have pleasure in presenting the Annual Report and the Audited Accounts for the year ended 31st March, 2012 as under:-

(` /Crores)

	For the year ended 31.03.2012	For the year ended 31.03.2011
1. FINANCIAL RESULTS		
Profit for the year after meeting all expenses but before charging Depreciation and Finance Cost	67.09	48.77
Less: Finance Cost	4.74	2.60
Depreciation	4.87	4.16
PROFIT BEFORE TAX	57.48	42.01
Tax Provision		
a) Current Tax	1.16	14.20
b) Deferred Tax (Credit)/Charge	3.34	(3.39)
Profit After Tax	52.98	31.20
Balance Net Profit available for appropriation	52.98	31.20
Appropriations		
General Reserve	5.30	3.12
Proposed Dividend:		
Equity Shares	3.01	6.02
Tax on Dividend	0.49	0.98
Balance Carried Forward	44.18	21.08

2. PERFORMANCE

During the year under review, the consolidated turnover of your Company's Group including income from operations and other income stood at ` 1414.44 Crores compared to ` 1402.8 Crores in the previous year. The profit before tax for the Group was ` 23.94 Crores compared to ` 90.06 Crores in the previous year.

On standalone basis, turnover including income from operations and other income for the year under review stood at ` 304.43 Crores vis-à-vis ` 237.33 Crores in the previous year. The profit before tax stood at ` 57.48 Crores vis-à-vis ` 42.01 Crores in the previous year.

Tractors India Private Ltd.

Tractors India Private Ltd., the Wholly Owned Subsidiary Company in India, achieved a turnover including income from operations and other income of ` 1039.95 Crores compared to ` 911 Crores in the previous year. The profit before tax stood at ` 4.18 Crores compared to ` 33.80 Crores in the previous year.

Myanmar Tractors Ltd.

Myanmar Tractors Ltd., the Wholly Owned Subsidiary Company in the Union of Myanmar, achieved a turnover including income from operations and other income of ` 37.47 Crores compared to ` 35.19 Crores in the previous year and a profit before tax of ` 4.12 Crores compared to ` 3.93 Crores in the previous year.

With effect from 1st July, 2011, Myanmar Tractors Ltd. has ceased to be a dealer of Caterpillar in Myanmar.

TIL Overseas Pte. Ltd.

TIL Overseas Pte. Ltd., the Wholly Owned Subsidiary Company in Singapore, achieved a turnover including income from operations and other income of ` 83.70 Crores compared to ` 237.46 Crores in the previous year and achieved a profit before tax of ` 0.75 Crore compared to ` 10.18 Crores in the previous year. This activity is totally for and on behalf of Myanmar Tractors Limited.

Tractors Nepal Pvt. Ltd.

Tractors Nepal Pvt. Ltd., the Wholly Owned Subsidiary Company, in Nepal, achieved a turnover including income from operations and other income of ` 3.08 Crores compared to previous year of ` 1.76 Crores and earned a profit before tax of ` 0.68 Crore compared to ` 0.32 Crore in the previous year.

3. FINANCE

After providing ` 4.50 Crores as Provision for Taxation, ` 3.50 Crores (including Dividend Tax of ` 0.49 Crore) distributed as Equity Dividend, ` 49.48 Crores has been carried forward to Balance Sheet. Reserves & Surplus (excluding Revaluation Reserves) of the Company increased from ` 205.42 Crores to ` 254.90 Crores and the Shareholders' Funds (excluding Revaluation Reserves) increased from ` 215.45 Crores to ` 264.93 Crores.

The Reports and Accounts of Subsidiary Companies are annexed to

On standalone basis, Turnover including income from operations and Other Income for the year under review stood at ` 304.43 crores vis-à-vis ` 237.33 Crores in the previous year.

this Report along with the statement pursuant to Section 212 of the Companies Act, 1956.

4. DIVIDEND

The Board has recommended a Dividend @ ` 3/- on each Equity Share (Face Value of ` 10/- each) for the year under review.

5. EQUIPMENT & PROJECT SOLUTIONS (EPS)- PROGRESS

Your Directors have pleasure in informing that the first phase of the manufacturing facility at Changual Industrial Park, Paschim Midnapore, West Bengal, has been set up and production start up has commenced. This facility has been established on approximately 37 acres of land.

Your Company has also acquired 104 acres of land on long-term lease from WBIDC Ltd. at Vidyasagar Industrial Park, Paschim Midnapore, West Bengal for setting up of the second and third phase of the manufacturing facility for MHS business.

6. FIXED DEPOSIT

The Company has not accepted any deposits from the public during the year as defined under Section 58A of the Companies Act, 1956. Deposit outstanding as on 31st March, 2012 including unclaimed deposit was nil.

7. 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.

8. PARTICULARS OF EMPLOYEES

The total number of employees of the Company as on 31st March, 2012 was 844.

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all Shareholders of

the Company excluding the Statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956. Any Shareholder interested in obtaining a copy of the said Statement may write to the Company Secretary at the Registered Office of the Company, and the same will be sent by post.

9. SUBSIDIARY COMPANIES

Your Company has four subsidiary companies viz. Tractors India Private Limited (TIPL), Myanmar Tractors Limited (MTL), TIL Overseas Pte. Ltd. (TILO) and Tractors Nepal Private Limited (TNPL) respectively.

The Ministry of Corporate Affairs, Government of India vide its General Circular No.2/2011 dated 8th February, 2011 has directed that provisions of Section 212 of the Companies Act, 1956 shall not apply in relation to the subsidiaries of those Companies which fulfill the conditions contemplated in the aforesaid circular. Accordingly, the Board of Directors of the Company has recommended to attach financials of TIPL as it has substantial business operations. For other subsidiaries, your Company fulfills the conditions contemplated in the aforesaid circular. Therefore, the Annual Report and other particulars of the other three subsidiaries viz. MTL, TILO and TNPL respectively are not attached with this Annual Report. However, a statement of particulars of the said subsidiary companies has been attached along with audited consolidated financial statement.

The Company shall provide copy of the Annual Report and other documents of its subsidiary companies, as required under Section 212 of the Companies Act, 1956, to the shareholders of the Company and also to the shareholders of the subsidiary companies on their request at free of cost. The Annual Report containing the annual accounts of the subsidiary companies are also kept open for inspection by any shareholder at the Registered Office of the Company and also at the Registered Office of the subsidiary companies. The details of accounts of the subsidiary companies have been placed on the website of the Company. The consolidated financial statement presented by the Company includes financial results of its subsidiary companies.

10. DIRECTORS

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

11. CORPORATE GOVERNANCE

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

12. 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.

13. 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.

14. CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed towards fostering sustainable development of People, Communities and Society at large thereby attaining overall corporate growth and enhancing shareholder value. Activities undertaken by your Company are aimed at making a difference to the lives of the people and communities and follow a 'Triple bottom line' approach towards achieving a balance in the economic, environmental and social impact of the Company's business to benefit all stakeholders.

As a socially responsible Corporate Citizen your Company has carried out significant Community driven development initiatives in 2011-12 as mentioned below:

- Providing secondary level education to the underprivileged children in SEB area where TIPL runs MARC. Through the Scholarship Schemes of TIL Welfare Trust, ten meritorious students are supported by monthly scholarships to ensure that they complete at least their basic education till tenth standard. Over 60 students of economically backward sections of the society have so far benefited from this endeavor of your Company.
- Partnerships with SOS Village, Kolkata by extending support to the lesser-fortunate children of our society. This is an ongoing initiative for last four years.
- Providing free medical consultation and medicines to economically challenged elderly of our society in partnership with Help Age through Mobile Medical Units. Currently two are operational in Kolkata.

- Partnering with NGOs like Iswar Sankalp by supporting their Project 'Sarbari' which offers night shelter cum rehabilitation to abandoned and shelter-less women helping the cause and making them self sufficient.
- Observing TIL Caring Day by voluntarily reaching out to underprivileged sections of the society every year on the occasion of TIL Foundation Day, through matching contribution scheme. This year your Company extended support to the orphan and street children by partnering with NGOs like Hope Foundation, CINI and Govind Home. Educational items, books and special meals were sponsored and approximately 225 children benefitted from this year's initiatives.
- Partnering with Help Age India and Sushrut Eye Foundation in carrying out cataract surgery to under-privileged senior citizens by organizing free cataract operations. Under this initiative 8 eye screening camps and approximately 85 cataract operations have been undertaken in Kolkata.

15. ENVIRONMENT

Concern for environment has always been a prime focus at TIL, and your Company relentlessly pursues activities signifying efforts towards protecting and sustaining the environment.

Besides using products and services such as contamination control and rebuild initiatives that reduce negative impacts on environment, every year during the world environment day, your Company undertakes initiatives that mark its effort to make the world a greener place to live in.

The activities range from sapling and tree plantation at various project sites, 'own a sapling' program, as well as organizing Sit & Draw contests amongst employees' children to create better awareness.

CSR and Sustainable Development will continue to remain a priority at TIL through which your Company will constantly strive to touch lives and make a difference.

16. APPOINTMENT OF COST AUDITORS

Pursuant to Order bearing F No. 52/26/CAB-2010 dated 2nd May, 2012 issued by the Ministry of Corporate Affairs, Cost Audit Branch, your Company is now mandatorily required to appoint a Cost Auditor to conduct audit of the Cost records of the Company as stipulated under Section 233B of the Companies Act, 1956.

Accordingly, the Board of Directors has appointed Messrs. D. Radhakrishnan & Co., Cost Accountants, 11A, Dover Lane, Kolkata - 700 029 as Cost Auditors of the Company for the Financial Year 2012-13. The said firm has confirmed that they are qualified for appointment as Cost Auditors and their appointment is within the limits specified under Section 224(1B) of the Companies Act, 1956.

17. AUDITORS

Messrs. Deloitte Haskins & Sells (FRN: 302009E), Chartered Accountants, Kolkata, the 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 Auditors' Report does not contain any qualifications. 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, 1956.

19. ACKNOWLEDGEMENTS

Your Directors wish to thank its Customers, Principals, Shareholders, Banks, Financial Institutions and Government Authorities for their co-operation and support to the Company. Though the year under review was very challenging and difficult, your Directors sincerely thank its employees for their continued good efforts.

For and on behalf of the Board of Directors

Place : Kolkata
Date : 14th May, 2012.

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 aware about the significance of conservation of energy and as such had always endeavored to conserve energy which has enabled it to achieve material results.

1. Measures taken

In Kharagpur Plant, natural light and ventilation system has been installed for which there is no electric consumption on account of ventilation and day time lighting. Similarly, solar lights have been installed along the peripheral road at Kharagpur.

2. Improvements

The Company follows a sound and systematic system of maintenance of all equipments thereby conserving energy to an advantageous level.

3. Impact of (1) & (2): The outcome of these changes has resulted in cost savings for the Company.

4. Total Energy Consumption and Energy Consumption Per Unit of Production.

A. POWER AND FUEL CONSUMPTION		Year ended 31.03.2012	Year ended 31.03.2011	
a) Electricity				
Purchased Units		16,10,746	16,12,129	
Total amount (₹ in Crores)		1.16	1.06	
Rate Per Unit (₹)		7.19	6.58	
b) Own Generation				
Through Diesel Generator				
Units		10,173	24,518	
Units per litre		4.17	4.72	
Cost per unit (₹)		10.31	7.64	
B. CONSUMPTION PER UNIT OF PRODUCTION		Standard Unit	Year ended 31.03.2012	Year ended 31.03.2011
Product - Cranes Electricity (in '000)		Nos.	13.51	12.79

FORM B

TECHNOLOGY ABSORPTION**I. Research and Development**

1. Specific Areas: The Company's Research and Development activities primarily focuses on improvement and up-gradation of existing products as well as development of new models by absorbing superior technology designs from foreign collaborators. Full efforts are also being made towards import substitution of materials and components by utilizing domestic materials and components.
2. Benefits Derived: Use of modern technology and cost cutting through indigenous consumption has enabled the Company to remain as the market leader in the material handling industry.
3. Plan of Action: Provision of suitable training, maintaining a congenial working environment and motivating the 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, and designs subcontracting from its principal, to enhance its foreign exchange earnings.

2. Earnings and Outgo

	` in Crores
i) Foreign Exchange Earnings:	
Export sales (FOB), Commission, Dividend, Technical Fees, etc.	55.04
ii) Foreign Exchange outgo (includes raw material, capital goods, components & spares, and other expenditure in foreign currency, including dividends):	
a) Raw Material	74.60
b) Machines (Trading items)	5.32
c) Components & Spares	8.65
d) Capital goods	8.89
e) Travelling	.09
f) Technical Know-how Fees	1.69
g) Royalty	1.90
h) Dividend	1.16

For and on behalf of the Board of Directors

Management Discussion & Analysis

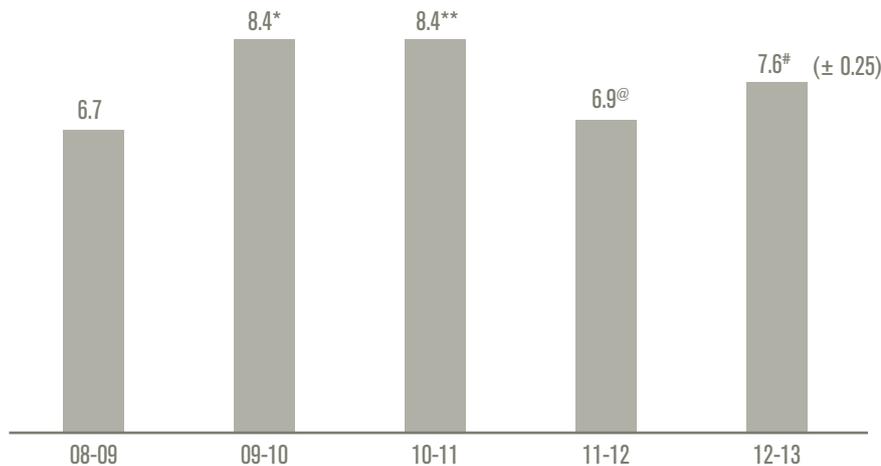


In the Management Discussion & Analysis for the last financial year 2010-11, it was presumed that the overall macro-economic environment for the Industry was looking positive and the budget for 2011-12 indicated a sustainable economic growth.

However, in reality, the picture was different. New challenges emerged in the form of rising inflation, devaluation of rupee, falling growth rate, delays in much needed reforms and somewhat waning of business confidence. The GDP growth for the financial year 2011-12 which was initially predicted at 8.5 per cent has been less than 7 per cent. Additionally, many key projects that were expected to be finalized in 2011-12 were further deferred. There are several infrastructure projects in the pipeline but the actual flow of money into each of these projects have been slow resulting in time overrun. Many Road Projects are under implementation but witnessing cost escalation due to rising material and labor costs.

GDP GROWTH (Per cent)

Factor cost, constant prices

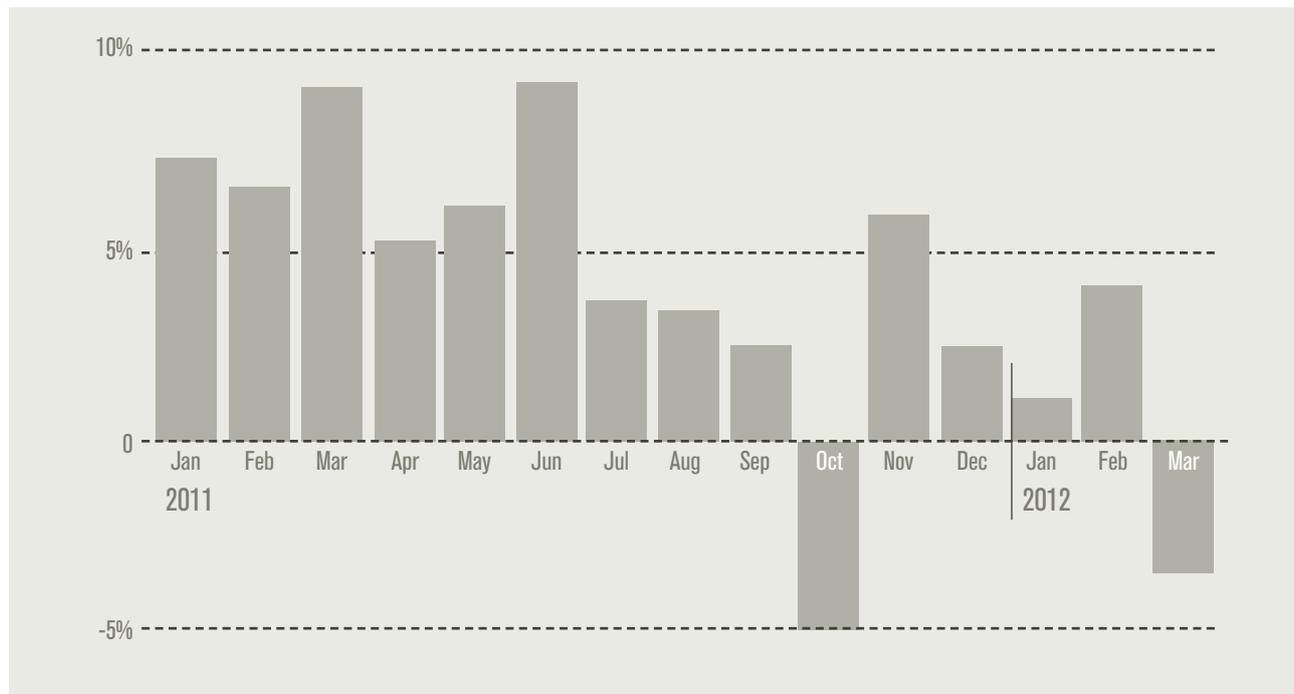


* Prov, ** QE, @ AE, # Projected

The sharp decline in industrial output in March reinforced the slowdown trend in the country, pointing to a lower industrial productivity scenario. Ratings agency Standard & Poor cut India's outlook to negative from stable, citing slow progress on its fiscal situation, as well as deteriorating economic indicators.

MARCH SLUMP

Change from a year earlier in India's industrial production



Source: statistic ministry

As per ICRA's outlook for the Indian economy, growth is expected to remain moderate in 2012-13 unless substantive policy measures are undertaken to boost investment sentiments. Economists are of the opinion that the slowdown in the industrial sector would hurt overall economic growth and the chances of revival is expected only in the third quarter (October-December) of fiscal year 2012-13. It becomes imperative for the Government to fast track the implementation of major projects which will increase the overall confidence and also stimulate growth in the industrial sector.

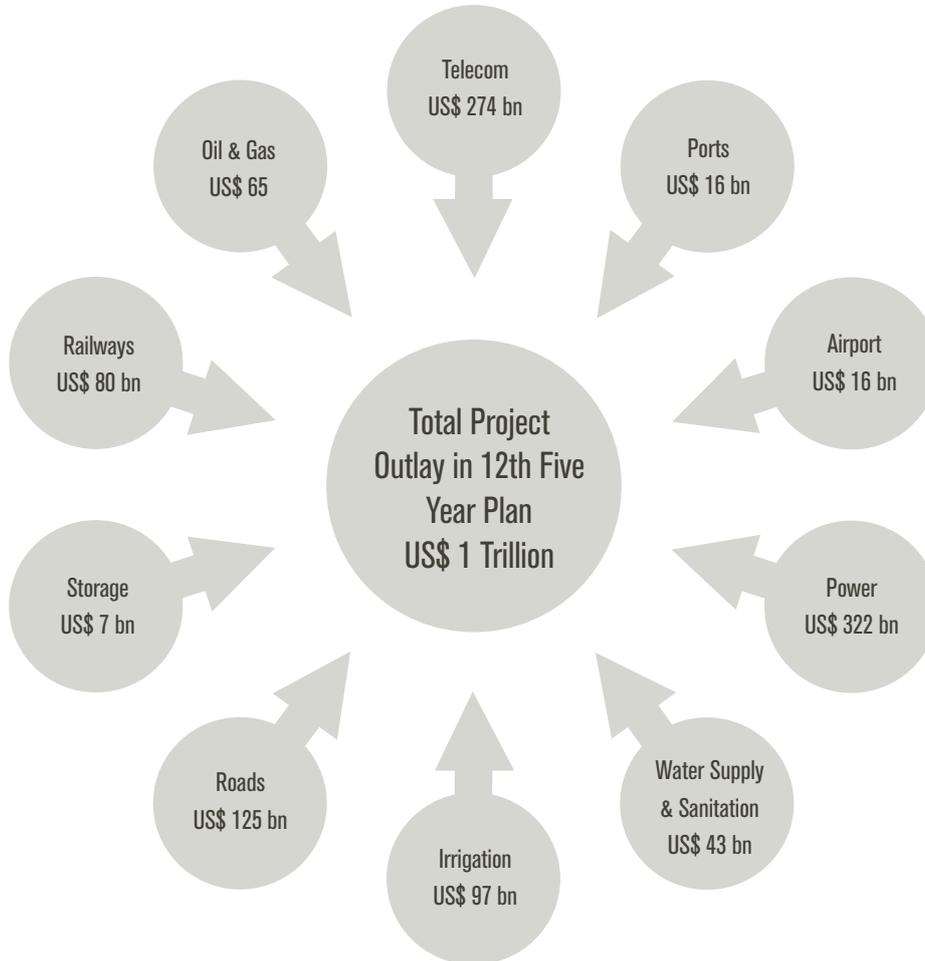
Despite the caution and low business confidence, Indian economy is still considered more resilient in the global context, and in the long run the strong fundamentals of Indian economy are expected to return to a sustained growth path as the bulk of India's GDP is domestic demand driven. Inadequate infrastructure was recognized in the 11th Plan as a major constraint on rapid growth. In the 12th Plan, therefore, much focus has been given on strengthening domestic growth drivers, encouraging private investments to regain its pre-2008 crisis growth momentum and addressing supply constraints in infrastructure sector with emphasis on the need for massive

expansion in investment in infrastructure based on combination of public and private investments. It is apprehended, however, that the macro economic woes and domestic market growth concerns will continue in the shorter run.

- During 12th Plan period, the Planning Commission envisions doubling the investment in infrastructure sectors to US\$ 1 trillion (about ₹ 5412000 Crores)
- Government of India's plan to invest heavily in infrastructure is expected to encourage more projects on PPP model for massive infrastructure development.
- The Government plans to invest ₹ 10,000 Crores and introduce external commercial borrowing. If implemented it will provide more avenues for projects.
- The mining sector has also seen some bright spots with the exemption of customs duty on coal which will prompt the mining companies to venture into newer projects.

FORECAST OF INFRASTRUCTURE NEEDS IN 12TH FIVE YEAR PLAN

Sector-wise investments envisaged



BUSINESS PERFORMANCE

Material Handling Solutions (MHS) and Equipment & Project Solutions (EPS):

Material Handling Solutions (MHS)

Material Handling Solutions division of your Company accounted for 18 per cent of the Group Sales during the year 2011-12. The overall sales were 16 per cent higher compared to the previous year and MHS registered a Turnover of ` 255.70 Crores in 2011-12 vis- a- vis ` 219.66 Crores in 2010-11. However, despite a growth in the top line, there has been a drop of 40 per cent in the profits of MHS Division in comparison to the last year. The reason for this decrease in profits has been primarily due to pressure on margins and increased cost. For the current year 2012-13, certain austerity measures have already been instituted with an aim to reduce cost. The factory in Kamarhatty, West Bengal has also undertaken plans for reduction in cost of manufacturing through its Accelerated Improvement Program (AIP).

Despite the drop in performance, there have been certain achievements by the division during the year under review. These are:

- Increase in market share for Rough Terrain Crane which went up to 67 per cent from a level of 58 per cent. Also in a short span, your Company gained strong foothold in Reachstacker market with its Hyster brand of products brought in association with Nacco Materials Handling Group [NMHG]. During the year under review the market share in this segment went up to 29 per cent from 18 per cent.
- The division continued to receive orders from mining segment and during the year under review, supplied Cranes worth ` 24 Crores to various mining companies.
- The division also made a significant breakthrough in the Rental/ Hiring segment by securing order for Cranes worth ` 20 Crores.
- Indian Defense continued to place orders on your Company for supply of Material Handling Equipment required for Project Akash. During

2011-12, your Company received the prestigious order for 68 nos. of Lorry Loaders worth ` 38 Crores. The execution of the same will happen in 2012-13.

- In line with your Company's commitment of introducing cost competitive product offerings in the market, the division introduced cost effective version of 25 T Truck Mounted Crane and 12 T All Purpose Crane.

The order book as on 31st March, 2012 was at ` 86 Crores for TIL make Cranes & Reachstackers.

Equipment & Project Solutions (EPS):

The vertical formed in 2010-11 to augment TIL's offering in the ports, road, construction sectors with products such as Crushers & Screens, eco-friendly Hot Mix Asphalt Plants, RTG Cranes witnessed some progress during the year under review.

Some key highlights of this division during the year under review:

- In November last year, the state-of-the-art facility at Changual for port and construction equipment was inaugurated by Honorable Minister for Commerce & Industries – Shri Partha Chatterjee. The Honorable Minister also laid the foundation stone at Vidyasagar Industrial Park that is slated to manufacture Reachstackers and Cranes in addition to the existing factory at Kamarhatty, West Bengal. In Vidyasagar, your Company also proposes to have a state-of-the-art Training Facility and Equipment Refurbishing Facility.
- Your Company supplied 1 no. Hot Mix Asphalt Plant that rolled out of the new Changual facility to a major road construction contractor in Northern India, complete with successful commissioning at the customer site.
- Also during the year, the Company entered into rental agreement with one of the leading road construction contractors for 1 no. imported version of Hot Mix Asphalt Plant from Astec Inc, USA. Post commissioning, the feedback received from the customer on product performance is positive.
- The Changual facility during the year also manufactured 1 no. Mobile Track Plant (FT 2650) in collaboration with KPI JCI-USA which was showcased at the EXCON Exhibition. There was positive response from prospective customers.
- The division also sold 4 nos. of Crushing & Screening equipment with the objective of generating market awareness amongst the prospective customers.
- During the year under review, the division also exported critical components like Gantry drives used in RTG cranes to Mitsui Engineering

& Shipbuilding (MES). MES has shown active interest for supply of critical components to them for their RTG Cranes, Ship to Shore Cranes etc.

With product positioning and market feedback being positive, Equipment & Project Solutions division is confident of making significant foray into the road construction and port segments and carving out a niche for itself.

Tractors India Private Limited [TIPL]

The 100 per cent subsidiary of TIL is engaged as a Dealer for Caterpillar Inc. for their Construction & Mining and Power Systems Solutions and new associations with SEM and SITECH. For the year under review, the total segment revenue stood at ` 1035 Crores with Construction & Mining Solutions accounting for 72 per cent of TIPL's revenue and Power Systems Solutions accounting for 28 per cent of TIPL's revenue.

For the Construction & Mining business, there is a growth of 14 per cent in the top line over last year. However, margins realized during 2011-12 were lower and inadequate to cover the expenses for the division. Also due to general slowdown in the economy, the infrastructure market remained sluggish, plagued with high inflation, monetary tightening, and rising interest rates. As per Ministry of Statistics and Program Implementation (MOSPI), there were 234 delayed projects and as many as 90 belonged to the road transport and highways sector. These have had negative impact on the division's financial performance.

In order to course correct in both the Caterpillar businesses, austerity measures are already in place, with particular focus on stringent management of working capital which will lead to reduction in the financing cost.

In Construction & Mining Solutions division, in terms of unit sales, 1041 units were sold during the year under review.

Despite the unsatisfactory performance, certain pockets of accomplishments were seen during the year under review:

- In General Construction segment your Company received orders for a substantial number of 950 H Loaders, Motor Graders.
- In the Mining segment TIPL supplied 63 nos. Off- Highway Trucks valuing at appx ` 130 Crores to two coal mines. TIPL also executed some prestigious MARC orders during 2011-12.
- In Rental a major contract was finalized for 320D Excavators, and 120k Motor Graders for National Highways Authority of India (NHAI) Road Tunneling project. Also multiple units of construction machines were deployed for Sikkim airport.
- TIPL's state-of-the-art Component Rebuild Center in Asansol, West Bengal was awarded 5 Star certification - the highest standard for repair facility in Caterpillar global benchmark of Safety, Quality and Contamination standards.

The order book as on 31st March, 2012 stood at ` 37.41 Crores.

In Power Systems Solutions business, the growth in the topline is 14 per cent though there is a dip in the profits by 25 per cent over the last year. The main reason for the reduction in profits has been due to higher working capital requirements during the financial year 2011-12, leading to increased financing costs. However, despite the general odds witnessed in the infra business, petroleum segment performed reasonably well. In terms of unit sales, 518 units were sold during the year under review.

Some key highlights of the Power Systems Solutions division:

- Commissioning of First Gas based Camp Power Plant of 2.8 MW at ONGC Agartala with a 5 year O&M.
- First supply of 4 nos. Gas Genset of 619 kVA and 906 kVA to Oil India through Kalpataru Power Transmission.
- Largest single order received for 13 nos. Gas Genset to be supplied to Rental Company for ONGC.
- Successful execution of PAN India rate contract with NTC for 9 nos. 1010 kVA DG sets.
- Executed some prestigious Orders for 2000 kVA and 3000 kVA Gensets for retail and real estate sectors.
- Provided 8 nos. Cat DG sets of rating 320 kVA and 500 kVA for powering up the Broadcast Area and Media Centers for Formula I Grand Prix.

The order book as on 31st March, 2012 stood at ` 56.41 Crores.

OPPORTUNITIES & THREATS

The global economic slowdown and reduced domestic demand continues to be concern areas. Uncertainty about demand conditions - given the global outlook and its likely contagion effect; regulatory issues including environmental clearances and land acquisition; as well as sector specific factors like availability of coal and iron ore are impacting investments. Unless policy issues are addressed and there is a substantial pick up in the pace of implementation of big ticket economic reforms, investment growth is likely to remain sluggish in 2012-13 as well. Sharp contraction of Industry output in manufacturing, mining sectors coupled with delayed investment and deferment of many projects in infra sector are adding woe to the already weak business confidence.

Although it is expected that doubling up of infrastructure budget in the 12th Five Year Plan and major funds being allocated for investments during the current financial year 2012-13, in General Construction activity, Ports and Mining should aid in sustaining the country's growth targets, unless Government provides further stimulus and stokes growth, the downshift is likely to continue.

During the financial year 2011-12, your Company undertook initiatives in terms of recruitment of people, training and development including technical training for Customers. The Company is taking all possible measures to avail all opportunities. The Company continues to initiate various strategies through products and range expansion, enhanced manufacturing capacity, focused organization structure, and better market penetration.

In addition to the aforesaid, various technical collaborations have already been entered with world leaders in the material handling space and in some of these areas; manufacturing has also started in the new material handling factory at Kharagpur. This will enable the Company to enhance and capitalize on the various business opportunities arising in future.

There is significant dependence on imports both in the material handling space as well as in the Caterpillar business. Adverse foreign exchange fluctuations will continue to impact the business process. In addition to this, the economic slow-down with particular reference to further deferment of investments by the Government of India in the infrastructure sector and increase in steel prices will also impact the business.

Finally, the Company continues to face competition both locally and internationally and this can be a threat to business growth in the respective areas of operation.

RISKS & CONCERNS

Your Company is a significant player in the infrastructure space operating in major areas viz. Material Handling space, Equipment & Projects Solutions, Construction Equipment space as well as in the Power Systems space.

Therefore substantial growth in these particular sectors is crucial with more infra projects taking shape with major investments coming through Government and PPP modes.

There have been significant investments by the Company in the new factory at Kharagpur and the returns are expected to materialize in the next 2-3 years as it is expected that the infrastructure investments by the Government will happen on track.

Additionally, there is a continuous risk of increased competition from international players, particularly from Chinese manufacturers in areas of first moving range. Your Company also has a major concentration risk, as a significant part of the revenue is generated by a cluster of customers which could have a material impact in the event of their attrition.

Finally, the business also runs the risk of people attrition which leads to loss of 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. This review is done with the intention of mitigating the same in a structured manner with strategic interventions at the appropriate time.

OUTLOOK

The outlook of your Company for 2012-13 remains cautiously optimistic. Although India is veering towards an economic trough situation, the long term growth prospects of India are still stable with positive indications of infrastructure development happening in the segments in which your Company operates.

For the short term outlook, as already mentioned in the MDA earlier that revival is not expected before the third quarter (October-December) of fiscal year 2012-13, provided the Government puts special focus in implementing major projects and eases up bottlenecks which will stimulate growth in the infrasector and open avenues for economic growth.

Market, however, remains optimistic about the long term prospects of the Indian Construction Equipment scenario. The signs for the road construction segment look promising considering the Government's plan for 8800 kms of road construction in the 12th Plan, which will provide more avenues for projects.

Your Company recognizes the difficult times and is focusing on tough management. It has already initiated significant cost reduction efforts, optimization of working capital requirements in order to minimize financing costs. These, coupled with other operational executions will enable the Company to register better performance in the coming months.

The Management anticipates improvement in the economy and is confident that when the revival happens, with right focus and proactive approach your Company will be able to capitalize on the future opportunities in the infra segment.

KNOWLEDGE RESOURCE

As a forward thinking organization, your Company recognizes the value of right Human Capital and constantly strives to leverage knowledge of its workforce with an aim to create a stimulating workplace where every employee can achieve his optimum potential, thereby contributing to your Company's business performance.

In congruence with the goals and objectives of your Company, the focus for the year under review was to consolidate and reflect on the learning of the previous year. The focal point of the career progression initiative was job enrichment and role enhancement with the aim of deriving benefit out of the previous learning initiatives as well as aligning individual career aspirations with the organizational need. The continued effort towards career progression and knowledge base enrichment was not restricted to the leadership level but was spread across the middle and junior level as well, with the initiative of continued 'on the job' exposure.

Also during the year, special focus was given for objective assessment of

an individual in a close periodicity so that constructive feedback and review process will pave the way for success in future. This was initiated by implementing regular performance and career planning discussion.

As on 31st March, 2012, the employee strength of TIL and TIPL stood at 2503.

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 its nature of operations. A firm of Chartered Accountants conducts the internal audit in addition to your Company's own Internal Audit Department. 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 and TIPL for the year under review stands at ₹ 1344.39 Crores vis-à-vis ₹ 1148.42 Crores in 2010-11. PBT for the year stands at ₹ 61.66 Crores compared to ₹ 75.81 Crores in the previous year. EBITDA for the year is ₹ 119.27 Crores vis-à-vis ₹ 114.20 Crores in 2010-11.

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.

Report on Corporate Governance



COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that Corporate Governance is a set of processes, customs, policies, rules, regulation and laws for 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.

The Company's philosophy on Corporate Governance is bounded upon a rich legacy of fair ethical governance practices to strengthen investors' trust and ensure a long term partnership that helps in fulfilling a Company's quest for higher growth and profits. Many of such practices were already in place even before they were mandated by adopting honesty, integrity and ethical behaviour.

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 Clause 49 of the Listing Agreement entered into with the Stock Exchanges and in this regard, submits a report on the matters mentioned in the said clause and also the practices followed by the Company as stated below:

1. Composition of the Board of Directors

- a) The Board consists of 7 (seven) Members out of which 2 (two) are Whole-time Directors and 5 (five) are Non-Executive Independent Directors including a Director nominated by Life Insurance Corporation of India (LIC), being an Equity Investor.

Composition, Category, Directorships and Committee Memberships in other Companies as on 31st March, 2012.

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 Wholtime Director	Executive	-	-	-
Mr. Sumit Mazumder – Vice-Chairman and Managing Director	Executive	1	-	-
Mr. R. L. Gaggar – Director	Non-Executive Independent	10	-	8
Mr. U. V. Rao – Director	Non-Executive Independent	2	1	1
Mr. K. B. Saha – Director (Nominee of LIC)	Non-Executive Independent	-	-	-
Mr. G. Swarup – Director	Non-Executive Independent	10	-	1
Dr. T. Mukherjee – Director	Non-Executive Independent	5	-	-

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

Note: Mr. Satish Kumar Bhatnagar, Director & President – MHS, passed away on 3rd October, 2011.

- b) During the year ended 31st March, 2012, 5 (five) meetings of the Board of Directors were held. The Company has held at least one Board Meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the Board meetings are as under:

Sl. No	Date	Board Strength	No. of Directors Present
1.	17th May, 2011	8	7
2.	26th July, 2011	8	7
3.	25th October, 2011	7	7
4.	31st January, 2012	7	6
5.	26th March, 2012	7	6

Attendance of Directors at the Board Meetings and Annual General Meeting (AGM) during the year ended 31st March, 2012:

Name of Director	No. of Board Meetings		Attendance at the last AGM held on 26th July, 2011
	Held	Attended	
Mr. A. Mazumdar	5	5	Yes
Mr. Sumit Mazumder	5	5	Yes
Mr. S. K. Bhatnagar	5	-	No
Mr. R. L. Gaggar	5	5	Yes
Mr. U. V. Rao	5	4	Yes
Mr. K. B. Saha	5	5	Yes
Mr. G. Swarup	5	4	Yes
Dr. T. Mukherjee	5	5	Yes

Pursuant to the declaration made in Form 24AA 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, 2012 comprises 5 (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. The Vice Chairman & Managing Director, the Chief Financial Officer, the Statutory Auditors and the Internal Auditors are invitees. The Company Secretary, Mr. Sekhar Bhattacharjee, is the Secretary to the Audit Committee.
- c) Mr. U. V. Rao, Chairman of the Audit Committee attended the AGM held on 26th July, 2011.
- i. During the year ended 31st March, 2012 Audit Committee meetings were held as under:
- | | |
|--------------------|-----------------------|
| a) 17th May, 2011 | c) 25th October, 2011 |
| b) 26th July, 2011 | d) 31st January, 2012 |
- ii. The Annual Financial Statements for the Financial Year 2010-11 were reviewed by the Audit Committee at its meeting held on 17th May, 2011 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, 2012 :

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

3. Remuneration and Compensation Committee

The Remuneration Committee was constituted on 31st May, 1999. The broad terms of reference of the Remuneration Committee is to consider and review from time to time the terms and conditions and remuneration package payable to Whole-time Directors and Senior Executives of the Company and to recommend to the Board accordingly.

The Remuneration Committee as at 31st March, 2012 comprises three Independent Non-Executive Directors namely, Mr. R. L. Gaggar (Chairman), Mr. U. V. Rao and Dr. T. Mukherjee (Members). 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.

During the year ended 31st March, 2012, no meeting of the Remuneration & Compensation Committee was held.

Remuneration of Directors for the Year Ended 31st March, 2012:

Name of the Director	Salary (including Special Pay/Incentives)	Perquisites (computed under the Income Tax Act, 1961)	Contribution to Provident and other Funds	Commission	in Lacs	
					Sitting fees Board Meeting	Committee Meeting
Mr. A. Mazumdar	75.60	60.40	10.19	109.63	-	-
Mr. Sumit Mazumder**	-	-	-	-	-	-
Mr. S. K. Bhatnagar	20.86	54.11	5.29	39.97	-	-
Mr. R. L. Gaggar	-	-	-	-	0.75	0.60
Mr. U. V. Rao	-	-	-	-	0.60	0.60
Mr. K. B. Saha*	-	-	-	-	0.75	0.60
Mr. G. Swarup	-	-	-	-	0.60	0.45
Dr. T. Mukherjee	-	-	-	-	0.75	0.60

* Payable to LIC as per terms of nomination.

** Mr. S. Mazumder draws remuneration from Tractors India Private Limited, a wholly owned subsidiary of TIL Limited w.e.f. 1st April, 2010.

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 Whole-time 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 Whole-time 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 net 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 Whole-time Directors:

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

c) Mr. Sekhar Bhattacharjee, Company Secretary is the Compliance Officer of the Committee.

d) During the year ended 31st March, 2012 no meeting of Shareholders'/Investors' Grievance Committee was held as no grievances have been received from any of the shareholders.

- e) During the year ended 31st March, 2012 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 12 (twelve) times during the year ended 31st March, 2012 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
2008-2009	28.07.2009	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024.
2009-2010	29.07.2010	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024.
2010-2011	26.07.2011	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024.

- b) Special Resolutions passed at the last three AGMs:

Financial Year	Item
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.
2009-2010	Nil
2010-2011	Nil

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

Financial Year (31st March)	Date	Time	Location
2007-2008	28.11.2007	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024.

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

No Extraordinary General Meeting was held during the year ended 31st March, 2012.

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 includes 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/Financial Express 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 Tuesday, the 31st July, 2012 at 10.00 AM at the Company's Registered Office at 1, Taratolla Road, Garden Reach, Kolkata 700 024.

Financial Calendar (Tentative)

Financial Reporting for the year ended 31st March, 2012	May, 2012
Mailing of Annual Reports for 2011-2012	June, 2012
Financial Reporting for the quarter ending 30th June, 2012	July, 2012
Limited Review Report for the quarter ending 30th June, 2012	July, 2012
Financial Reporting for the quarter /half year ending 30th September, 2012	October, 2012
Limited Review Report for the half year ending 30th September, 2012	October, 2012
Financial Reporting for the quarter ending 31st December, 2012	January, 2013
Limited Review Report for quarter ending 31st December, 2012	January, 2013
Financial Reporting for the year ending 31st March, 2013	May, 2013

b) Date of Book closure

The Share Transfer Books and Register of Members will remain closed from 24th July, 2012 to 31st July, 2012, both days inclusive.

c) Dividend Payment date - On or before 7th August, 2012.

d) 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 2012-13 have been paid to the Stock Exchanges.

The International Security Identification Number (ISIN) is INE806C01018.

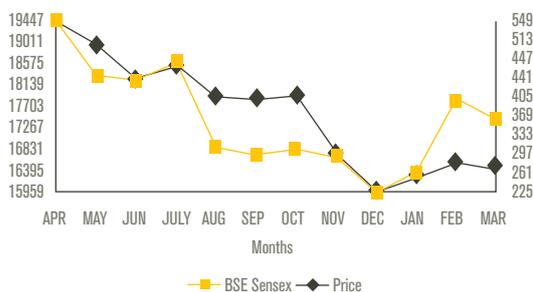
e) Market Price Data

Months	National Stock Exchange*		Bombay Stock Exchange*	
	High	Low	High	Low
April 2011	650.00	504.00	605.00	502.50
May 2011	561.90	400.00	566.95	437.00
June 2011	525.90	412.05	526.00	415.00
July 2011	509.90	430.15	510.00	430.05
August 2011	469.00	366.25	472.30	368.00
September 2011	428.00	376.00	420.00	383.00
October 2011	434.50	390.10	431.00	391.00
November 2011	406.00	237.00	404.90	237.25
December 2011	248.00	200.25	246.00	198.45
January 2012	315.00	216.00	314.45	218.00
February 2012	311.00	258.00	310.00	258.30
March 2012	290.00	254.20	290.00	255.00

* Where Equity Shares of the Company are regularly traded.

Stock Performance of TIL Limited vs. BSE and NSE Indices:

Sensex Vs Shareprice (April '11 - March '12)



Nifty Vs Shareprice (April '11 - March '12)



f) 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 : 033 4011 6700, 033 4011 2280, 033 4011 6692, 033 4011 3643

Fax Number : 033 4011 6739

E-Mail : rta@cbmsl.com

g) 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.

h) Shareholding Pattern as on 31st March, 2012

Category of Shareholder	Number of Shareholders	Total Number of Shares	Percentage (%)
Shareholding of Promoter and Promoter Group	16	5184603	51.69
Mutual Funds/UTI	10	446313	4.45
Financial Institutions/Banks	9	2503	0.02
Insurance Companies	4	1635947	16.31
Foreign Institutional Investors	2	269757	2.69
Bodies Corporate	273	561585	5.60
Non Resident Individuals	261	86154	0.86
General Public	8004	1819245	18.14
Trust	5	3130	0.03
Clearing Member	66	21028	0.21
Total	8650	10030265	100.00

i) Distribution of shareholding as on 31st March, 2012

Range / Category (Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares to total shares
1-500	7891	91.2254	724572	7.2239
501-1000	385	4.4509	298989	2.9809
1001-2000	180	2.0809	268200	2.6739
2001-3000	73	0.8439	182805	1.8225
3001-4000	38	0.4393	137098	1.3668
4001-5000	11	0.1272	50660	0.5051
5001-10000	27	0.3121	207509	2.0688
10001 -50000	25	0.2890	519903	5.1833
50001-100000	3	0.0347	256000	2.5523
100001 & above	17	0.1965	7384529	73.6225
Total	8650	100.00	10030265	100.00

j) 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.

Status as on 31st March, 2012:

Particulars	No. of shares	No. of shareholders	% of Capital
NSDL	9081310	5059	90.54
CDSL	603216	2140	6.01
Physical	345739	1451	3.45
Total	10030265	8650	100

k) 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.

Kharagpur – Changual, District: Paschim Medinipore, West Bengal.

l) 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, 2012 forms part of the Annual Report.

11. Risk Mitigation Plan

The Company has in place mechanisms to inform the Board Members about the risk assessment and minimisation procedures and periodical review by the Board is being done to ensure that management controls risk through means of a properly defined framework.

12. CEO and CFO Certification

As per Clause 49(V) of the Listing Agreement, a certificate duly signed by the Vice Chairman & Managing Director and the CFO, in respect of the Financial Year ended 31st March, 2012 has been placed before the Board in the Meeting held on 14th May, 2012.

13. Non-Mandatory Requirements

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

The Chairman of the Company being a Whole-time 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 with effect from 26th March, 2008 and Dr. T. Mukherjee was appointed with effect from 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 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

Place : Kolkata
Date : 14th May, 2012.

A. Mazumdar
Chairman

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, 2012. The same has also been noted by the Board at its Meeting held on 14th May, 2012.

For and on behalf of the Board of Directors

Place : Kolkata
Date : 14th May, 2012.

S. Mazumder
Vice Chairman & Managing Director

Auditors' Certificate

To the Members of TIL Limited

We have examined the compliance of conditions of Corporate Governance by TIL Limited, for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination 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 expression 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 **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 302009E)

A. Bhattacharya

Partner
(Membership No. 054110)

Kolkata

14 th May, 2012

Ten Years Financial Highlights

(` in lacs)

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
1 Share Capital	1,003	1,003	1,003	1,003	1,003	973	1,222	1,373	1,373	973
2 Share Warrant	-	-	-	878	878	-	-	-	-	-
3 Reserves & Surplus	26,164	21,231	18,827	13,979	11,237	7,549	6,295	5,478	5,003	5,189
4 Net Worth	27,167 *	22,234*	19,830*	15,860 *	13,118 *	8,522 *	7,517 *	6,851 *	6,376 *	6,162 *
5 Borrowings	11,371	4,275	10,938	11,343	7,876	8,460	12,413	11,651	10,389	10,441
6 Funds Employed	38,538	26,509	30,768	27,203	20,994	16,982	19,930	18,502	16,765	16,603
7 Gross Block	21,958	14,389	19,129	16,096	14,117	12,335	12,440	11,502	8,188	7,992
8 Depreciation	5,743	5,193	8,228	6,889	5,787	5,030	4,596	3,830	3,032	2,996
9 Net Block	16,215	9,196	10,901	9,207	8,330	7,305	7,844	7,672	5,156	4,996
10 Investments	10,386	10,386	750	749	749	749	449	541	540	540
11 Sales	25,090	21,614	82,459	83,275	71,753	56,869	45,440	32,143	27,397	26,826
12 Other Income	5,353	2,119	6,335	4,304	3,796	2,839	2,706	2,913	2,483	1,066
13 Expenses	7,359	6,217	15,240	15,135	10,839	9,191	7,982	7,572	7,338	6,957
14 Depreciation	487	416	1,689	1,432	1,140	1,122	1,196	812	498	237
15 Profit Before Tax	5,748	4,201	7,549	5,057	5,025	2,863	1,885	1,004	839	204
16 Taxation										
- Current Tax	412	1,420	2,575	1,765	1,559	1,040	675	295	158	14
- Deferred Tax	334	(339)	287	(25)	170	(74)	(72)	31	123	34
- Fringe Benefit Tax	-	-	-	90	73	60	97	-	-	-
- MAT Credit Entitlement	(296)	-	-	-	-	-	-	-	-	-
17 Profit After Tax	5,298	3,120	4,687	3,227	3,223	1,837	1,185	678	558	156
18 Dividend	301	602	602	401	401	293	219	152	90	-

* Including Revaluation Reserve, Intangible Assets but excluding Deferred Tax credit

Auditors' Report to the Members of TIL Limited

1. We have audited the attached Balance Sheet of TIL Limited ("the Company") as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. 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 the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the 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 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose 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 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 it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss 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 Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required 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 31 st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31 st March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 302009E)

A Bhattacharya

Partner
(Membership No. 054110)

Kolkata
14 th May, 2012

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of CARO are not applicable
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories excepting material lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 during the year to be entered in the register maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2012 on account of disputes are given below:

Name of the Statute	Forum where dispute is pending	Nature of Dues	Amount involved (` in lacs)	Period to which it relates
The Uttar Pradesh Trade Tax Act, 1948	The Commercial Taxes Tribunal , Gaziabad.	Entry Tax	6.48	2004-05
The Central Sales Tax Act, 1956	The Commercial Taxes Tribunal , Gaziabad	Sales Tax	1.65	1996-97 1997-98
The Central Sales Tax Act, 1956	The Additional Commissioner (Appeals) , Commercial Taxes, Kolkata	Sales Tax	880.20	2007-08 2008-09
The West Bengal Value Added Tax Act 2003	The Additional Commissioner (Appeals) , Commercial Taxes, Kolkata	Sales Tax	616.38	2007-08 2008-09
The Income tax Act, 1961	Commissioner of Income-tax (Appeals)	Income tax	209.60	2004-05 2006-07 2007-08 2008-09
The Central Excise Act, 1944	Commissioner of Central Excise (Appeals)	Excise Duty	25.06	2002-03 2007-08
Finance Act, 1994	Commissioner of Central Excise (Appeals)	Dispute regarding Service Tax on Commission received.	23.56	2007-08

- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- (xii) 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 and financial institutions are not prima facie prejudicial to the interests of the Company.
- (xiii) 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.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 302009E)

A Bhattacharya

Partner

(Membership No. 054110)

Kolkata

14 th May, 2012

Balance Sheet as at 31st March, 2012

(₹ in lacs)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	1,003	1,003
(b) Reserves and Surplus	4	26,164	21,231
2 Non- Current Liabilities			
(a) Long -Term Borrowings	5	7,814	396
(b) Deferred Tax Liabilities (Net)	6	592	258
(c) Long- Term Provisions	7	228	145
3 Current Liabilities			
(a) Short -Term Borrowings	8	3,557	3,879
(b) Trade Payables	9	4,986	4,007
(c) Other Current Liabilities	10	1,769	682
(d) Short- Term Provisions	11	10,702	10,611
Total		56,815	42,212
B ASSETS			
1 Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	15,963	9,085
(ii) Intangible Assets	13	251	110
(iii) Capital Work-In-Progress		4,689	864
(b) Non -Current Investment	14	10,386	10,386
(c) Long-Term Loans and Advances	15	294	514
2 Current Assets			
(a) Inventories	16	8,699	5,990
(b) Trade Receivables	17	4,594	4,639
(c) Cash and Cash Equivalents	18	27	24
(d) Short Term Loans and Advances	19	11,912	10,600
Total		56,815	42,212

The notes form an integral part of these Financial Statements.

In terms of our Report attached

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of Board of Directors

A. Mazumdar

Chairman

A. Bhattacharya

Partner

Sumit Mazumder

Vice Chairman & Managing Director

Kolkata

14th May, 2012.

Sekhar Bhattacharjee

Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2012

(` in lacs)

Particulars	Note No.	Year Ended 31.03.2012	Year Ended 31.03.2011
I. Revenue from Operations (Gross)	20	25,528	21,930
Less: Excise Duty		1,749	1,279
Revenue from Operations (Net)		23,779	20,651
II. Other Income	21	4,915	1,803
III. Total Revenue (I + II)		28,694	22,454
IV. Expenses :			
Cost of Material Consumed	22	13,132	9,851
Purchase of Stock-In-Trade	23	2,980	2,338
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	24	(1,487)	(829)
Employee Benefit Expense	25	3,486	2,996
Finance Costs	26	474	260
Depreciation and Amortization Expense	13.2	487	416
Other Expenses	27	3,874	3,221
Total expenses		22,946	18,253
V Profit Before Tax (III - IV)		5,748	4,201
VI Tax expenses			
(1) Current tax		412	1,420
Less: Minimum Alternate Tax (MAT) Credit Entitlement		(296)	-
Net Current Tax		116	1,420
(2) Deferred Tax-Charge/(Credit)		334	(339)
		450	1,081
VII. Profit for the year (V-VI)		5,298	3,120
VIII. Earnings per equity share : [Nominal Value per Share ` 10/- (Previous year ` 10/-)] [Refer Note 34]			
Basic and Diluted		52.82	31.10

The notes form an integral part of these Financial Statements.

In terms of our Report attached

For Deloitte Haskins & Sells

Chartered Accountants

A. Bhattacharya

Partner

Kolkata

14th May, 2012.

For and on behalf of Board of Directors

A. Mazumdar

Chairman

Sumit Mazumder

Vice Chairman & Managing Director

Sekhar Bhattacharjee

Company Secretary

Notes to financial statements for the year ended 31st March, 2012

(All amounts in ` Lacs unless otherwise stated)

1 CORPORATE INFORMATION

TIL Limited (the 'Company') is engaged in manufacturing and marketing of a comprehensive range of material handling, lifting, port and road construction solutions with integrated customer support and after Sales Service. Overall the Company's products and services are termed as Materials Handling Solutions (MHS). The Company has two manufacturing facilities - Kamarhatty and Kharagpur in West Bengal. The Company is a Public Limited Company and is listed in Bombay, Calcutta and National Stock Exchange in India.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis, except for certain tangible assets which are carried at revalued amounts. These Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Revenue Recognition

Revenue from sales/services (exclusive of Sales Tax / Value Added Tax) is recognised on accrual basis in keeping with related arrangements with customers and is net of credit notes on account of returns and allowances. Rental income is recognised on pro-rata basis over the period of the contract.

2.4 Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.5 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 is capitalised where it is expected to provide future enduring economic benefit. Capitalisation costs includes 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.

2.6 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 (being higher than the rates prescribed in Schedule XIV to the Companies Act, 1956) on straight line method.

Notes to financial statements for the year ended 31st March, 2012

- (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 given under operating leases which are depreciated over a period of 6 years, being the useful life as estimated by the management.
- (d) Technical Know-how fee is amortised under straight line method over total useful lives (currently 5 to 10 years), as estimated by the Management.
- (e) Software is amortised over a period of three years from the date of capitalisation.

2.7 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investment are carried at cost or fair-value whichever is lower. Long term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary in the value of the investments, such reduction being determined and made for each investment individually.

2.8 Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in production in inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Work-in-progress and Finished Goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Finished Goods includes Excise Duty and is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

2.9 Taxation

Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment in future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. 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.

2.10 Employee Benefits

Short-term Employee benefits (i.e. benefits payable within one year) are recognised in the period in which the employee services are rendered. Contributions towards provident funds are recognised as expense. Provident fund contributions in respect of employees are made to common trust- 'Tractors India Employees Provident Fund' (being administered by the trustees of the said fund for the benefit of employees of the company and its subsidiary company i.e. Tractors India Private Limited) and such Trust invest funds following a pattern of investment 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.

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

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

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

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 using Projected unit credit method.

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

Notes to financial statements for the year ended 31st March, 2012

- 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 using Projected unit credit method.

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

Accrued liability towards compensated absence, covering eligible employees, evaluated on the basis of year-end actuarial valuation using Projected unit credit method, is recognised as a charge.

2.11 Foreign Currency Transactions and Translation

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, 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 Statement of Profit and Loss. 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 Statement of Profit and Loss 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.

2.12 Borrowing Costs

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.

2.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight line basis.

2.14 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.15 Provision for warranty

Provision for warranty related costs are recognised when the product is sold. Provision is based on historical experience. The estimate of such warranty-related costs are reviewed periodically by the management.

(` in lacs)

3 SHARE CAPITAL	As at 31.03.2012	As at 31.03.2011
Authorised		
20,000,000 (31st March 2011 : 20,000,000) Equity Shares of ` 10/- each	2,000	2,000
Issued		
10,030,265 (31st March 2011 : 10,030,265) Equity Shares of ` 10/- each	1,003	1,003
Subscribed and Paid up		
10,030,265 (31st March 2011 : 10,030,265) Equity Shares of ` 10/- each (fully paid up)	1,003	1,003
Total	1,003	1,003

Notes to financial statements for the year ended 31st March, 2012

3.1 Reconciliation of the number of Equity shares

Particulars	As at 31.03.2012		As at 31.03.2011	
	Number	Amount (` in lacs)	Number	Amount (` in lacs)
Balance as at the beginning of the year	10,030,265	1,003	10,030,265	1,003
Balance as at the end of the year	10,030,265	1,003	10,030,265	1,003

3.2 Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31.03.2012		As at 31.03.2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
The Coles Crane Group Ltd	1,930,828	19.25	1,930,828	19.25
Life Insurance Corporation of India	1,040,814	10.38	1,043,720	10.41
Mr. Avijit Mazumdar	545,301	5.44	545,301	5.44

3.3 Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of Equity Shares having a par value of ` 10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all Preferential amounts, in proportion to their shareholding.

(` in lacs)

4 RESERVES AND SURPLUS	As at 31.03.2012	As at 31.03.2011
Capital Reserve	878	878
Capital Redemption Reserve	400	400
Securities Premium Account	1,934	1,934
Development Rebate Reserve	1	1
Revaluation Reserve		
Opening Balance	689	704
Less: Amount transferred to the Statement of Profit and Loss (Refer Note 12.1)	15	15
Closing Balance	674	689
Amalgamation Reserve	20	20
General Reserves		
Opening Balance	2,450	2,138
Add : Amount transferred from Surplus in the Statement of Profit and Loss	530	312
Closing Balance	2,980	2,450
Surplus in Statement of Profit and Loss		
Opening Balance	14,859	12,751
Profit for the year	5,298	3,120
Less : Appropriations		
Transfer to General Reserve	530	312
Proposed Dividend on Equity Shares [Dividend Per share ` 3/- (Previous year ` 6/-)]	301	602
Tax on Proposed Dividend on Equity Shares	49	98
Closing Balance	19,277	14,859
Total	26,164	21,231

Notes to financial statements for the year ended 31st March, 2012

(₹ in lacs)

5 LONG TERM BORROWINGS	As at 31.03.2012	As at 31.03.2011
(a) Secured Loans		
Term Loans		
From Banks		
HDFC Bank Limited (HDFC)	2,400	-
DBS Bank Limited (DBS)	5,148	-
AXIS Bank Limited (AXIS)	250	350
(b) Vehicle Loans		
From Others	16	46
Total	7,814	396

5.1 Nature of Security and Terms of repayment for Secured borrowings

Nature of Security	Terms of Repayments
1. Term Loan from HDFC Bank Ltd. is secured by a first parri passu charge on all the fixed assets of the Company (both movable and Immovable, present and future) and a second parri passu charge on the entire current assets of the Company (both present and future).	1. Repayable in 20 quarterly instalments starting from 30th June, 2012 along with interest at prevailing base rate plus 225 bps as per the following schedule : FY13- 10.00% FY14- 22.50% FY 15- 22.50% FY16- 22.50% FY17 - 22.50%
2. Term Loan from DBS Bank Ltd is secured by a first parri passu charge on the entire fixed assets (including land) of the Company's unit at Kharagpur.	2. Repayable as per the following schedule along with interest at Libor plus 2.60% per annum : At the end of 12 months - 7.50% At the end of 24 months - 20.00% At the end of 36 months - 32.50% At the end of 48 months - 40.00%
3. Term loan from Axis Bank Ltd is secured by equitable mortgage of certain immovable properties of the Company and by first pari passu charge on all movable properties of the Company, both present and future, and a second pari passu charge on the current assets of the Company, both present and future.	3. Repayable by way of 20 quarterly instalments of ₹ 25 lacs after 24 months from the date of first disbursement (i.e. 16th October 2008) along with interest of BPLR -3.50%.
4. Vehicle Loan is secured by hypothecation of the vehicle financed.	4. ₹ 2.73 lac per month inclusive of interest @ 10.6%. per annum.

Notes to financial statements for the year ended 31st March, 2012

(₹ in lacs)

6 DEFERRED TAX LIABILITIES (NET)	As at 31.03.2012	As at 31.03.2011
Timing Difference resulting in liabilities / (assets) mainly 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.	802	445
Disallowances allowable for Tax purpose on payment	(210)	(187)
Total	592	258

(₹ in lacs)

7 LONG TERM PROVISIONS	As at 31.03.2012	As at 31.03.2011
Provisions for employee benefits :		
Provident Fund (PF) (Also refer Note 25.1 below)	50	-
Compensated Absence	178	145
Total	228	145

(₹ in lacs)

8 SHORT TERM BORROWINGS	As at 31.03.2012	As at 31.03.2011
Secured		
Cash Credit / Working Capital Demand Loans from Banks	3,557	3,879
Total	3,557	3,879

8.1 The above borrowings are secured by a first pari passu charge on all the current assets of the Company (namely Stocks, Bills Receivable and Book Debts) and a second pari passu charge on all movable (excluding such movables as may be agreed by Consortium Bankers from time to time) fixed assets of the Company, both present and future and on certain immovable properties of the Company under a joint deed of hypothecation between the Company and its Consortium Bankers.

(₹ in lacs)

9 TRADE PAYABLES	As at 31.03.2012	As at 31.03.2011
Trade Payables	4,986	4,007
Total	4,986	4,007

9.1 There are no outstanding dues to Micro and Small Enterprises based on information available with the Company.

Notes to financial statements for the year ended 31st March, 2012

(₹ in lacs)

10 OTHER CURRENT LIABILITIES	As at 31.03.2012	As at 31.03.2011
Current maturities of long - term debt	1,148	128
Interest accrued but not due on borrowings	64	1
Interest accrued and due on borrowings	32	7
Advance from customers and others	332	354
Investors Education and Protection Fund (the fund) shall be credited by the following amounts		
Unclaimed/Unpaid Dividend [Note 10.1 below]	21	17
Unclaimed/Unpaid Matured Deposit [Note 10.1 below]	*	*
Security Deposit From Customers	2	1
Contribution to Funds	47	72
Sales Tax	15	4
Withholding Tax	87	86
Others	21	12
Total	1,769	682

*Amount is below the rounding off norm adopted by the Company.

10.1 There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

(₹ in lacs)

11 SHORT TERM PROVISIONS	As at 31.03.2012	As at 31.03.2011
(a) Provision for employee benefits		
Contribution to PF	7	30
Compensated Absence	82	99
	89	129
(b) Others		
Provision for Warranty [Refer Note 11.1]	70	-
Provision for Income Tax	10,193	9,782
Provision for Proposed Equity Dividend	301	602
Provision for Tax on Proposed Dividend	49	98
	10,613	10,481
Total	10,702	10,611

Notes to financial statements for the year ended 31st March, 2012

11.1 Provision for Warranty :

Warranty which hitherto were accounted during the period of incurrence are now accounted for on accrual basis. As a result of this the profit for the year is lower by ₹ 70 lacs.

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto one year.

As per the terms of the contracts, the Company provides post-contract services / warranty support to its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

Particulars	(₹ in lacs)
	As at 31.03.2012
Provision during the year	149
Provision utilised during the year	(79)
Closing Balance	70

Notes to financial statements for the year ended 31st March, 2012

(in lacs)

12 TANGIBLE ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost/ Valuation as at 01.04.2011	Additions during the year	Sales during the year	Other Adjustment during the year	Transferred to TIPL vide scheme of Arrangement	Cost/ Valuation as at 31.03.2012	For the Year	On Sales/ Adjustment during the year	Other Adjustment during the year	Transferred to TIPL vide scheme of Arrangement	As at 31.03.2012	As at 31.03.2011
Own Assets												
Freehold Land	1,918	119	-	-	-	2,037	-	-	-	-	2,037	1,918
Leasehold Land	3,308	-	-	(2,882)	-	426	9	-	7	-	351	3,235
				(Refer Note 12.4 below)								
Buildings	2,606	5,521	-	226	-	8,354	48	-	-	-	722	1,933
Plant and Equipment	4,260	2,996	*	116	-	7,372	265	*	-	-	3,067	1,458
Furniture and Fixtures	926	122	*	-	-	1,048	76	*	-	-	668	344
Vehicles	288	15	3	-	-	300	26	3	-	-	118	193
Office Equipment	8	-	-	-	-	8	*	-	-	-	4	4
Sub total (A)	13,315	8,773	3	(2,540)	-	19,545	424	3	7	-	4,644	14,901
Assets Given On Operating Lease												
Plant and Machinery	-	1,107	-	-	-	1,107	45	-	-	-	45	1,062
Sub total (B)	-	1,107	-	-	-	1,107	45	-	-	-	45	-
Total (A+B)	13,315	9,880	3	(2,540)	-	20,652	469	3	7	-	4,689	15,963
Previous Year	18,089	5,628	109	-	10,293	13,315	401	107	-	3,359	4,230	9,085

*Amount is below the rounding off norm adopted by the Company.

12.1 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, Buildings and Plant and Equipment) 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 Equipment based on their 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 ` 2,472 lacs, 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 includes an additional charge of ` 15 lacs (Previous Year ` 15 lacs) and an amount equivalent to the additional charge has been transferred to the Profit and Loss Account from Revaluation Reserve. The effective depreciation rates (other than for leasehold land) are as per Schedule XIV to the Companies Act, 1956.

12.2 Ownership of a flat (cost ` 39 lacs) belonging to the Company in a Co-operative Housing Society is registered in the name of the Managing Director of erstwhile Spundish Engineering Ltd.

12.3 Other adjustments represents borrowing cost capitalised during the year ` 342 lacs (Previous Year Nil).

12.4 The amount has been de-capitalised on a prudent basis due to certain operational constraint regarding the usage of the land.

12.5 Capital Work in Progress includes borrowing costs ` 397 lacs (Previous Year Nil).

Notes to financial statements for the year ended 31st March, 2012

(` in lacs)

13 INTANGIBLE ASSETS	GROSS BLOCK			AMMORTISATION			NET BLOCK		
	Cost/ Valuation as at 01.04.2011	Additions during the year	Sales during the year	Cost/ Valuation as at 31.03.2012	As at 01.04.2011	For the Year	On Sales/ Adjustment during the year	As at 31.03.2012	As at 31.03.2011
(acquired items)									
Technical Know-how (Refer Note 13.1)	974	232	-	1,206	864	91	-	955	110
Software	100	-	-	100	100	-	-	100	-
Total	1,074	232	-	1,306	964	91	-	1,055	110
Previous Year	1,040	38	4	1,074	934	30	-	964	110

13.1 Technical Know-how represents technical drawings, designs etc. relating to manufacture of the Company's products acquired pursuant to various agreements conferring the right to manufacture and usage only.

13.2 Details of Depreciation and Amortisation Expenses

(` in lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
Depreciation of Tangible Assets	469	401
Amortisation of Intangible Assets	91	30
Less : Recoupment from revaluation reserve	(15)	(15)
Less : Depreciation Capitalised	(15)	-
Less : Amortisation Capitalised	(43)	-
Net Depreciation Charged to Profit and Loss Statement	487	416

Notes to financial statements for the year ended 31st March, 2012

(₹ in lacs)

14 NON CURRENT INVESTMENTS (AT COST)	As at 31.03.2012		As at 31.03.2011	
	Number	Value	Number	Value
Trade		(₹ in lacs)		(₹ in lacs)
Unquoted :				
Long-Term :				
Investment in Subsidiaries :				
Myanmar Tractors Limited				
Shares of Kyats 1000/- each fully paid (equivalent to US\$ 168.55 each)	19,714	416	19,714	416
Tractors Nepal Private Limited				
Shares of Nepalese Rupees 100/- each fully paid	120,000	75	120,000	75
TIL Overseas Pte Limited				
Shares of Singapore \$10 each fully paid	107,577	302	107,577	302
Tractors India Private Ltd.				
Shares of ₹ 10/- each fully paid	4,500,000	9,585	4,500,000	9,585
Other Investments:				
Quoted :				
Long-Term :				
Equity Instrument				
Eveready Industries India Limited				
Shares of ₹ 5/- each fully paid	1,266	2	1,266	2
McLeod Russell India Limited				
Shares of ₹ 5/- each fully paid	1,266	2	1,266	2
Bank of India				
Shares of ₹ 10/- each fully paid	7,900	4	7,900	4
Unquoted :				
Debentures				
Woodlands Multispecialty Hospital Limited				
1/2 % Debentures of ₹ 100/- each fully paid	20	*	20	*
Others				
Gulshan Villa Premises Co-operative Society Limited				
Shares of ₹ 50/- each fully paid (₹ 500/-)	10	*	10	*
		10,386		10,386
Aggregate book value of investments				
Quoted		7		7
Unquoted		10,379		10,379
Total		10,386		10,386
Aggregate market value of quoted investments		32		33

*Amount is below the rounding off norm adopted by the Company.

Notes to financial statements for the year ended 31st March, 2012

(₹ in lacs)

15 LONG TERM LOANS AND ADVANCES	As at 31.03.2012	As at 31.03.2011
Unsecured Considered Good		
Capital Advance	64	303
Security Deposits	224	204
Balance with Government Authorities	4	3
Employee Advance	2	4
Total	294	514

(₹ in lacs)

16 INVENTORIES	As at 31.03.2012	As at 31.03.2011
a. Raw Material and components	4,201	3,169
Goods - in - transit	294	102
	4,495	3,271
b. Work -in-progress	1,404	1,161
	1,404	1,161
c. Finished goods	1,370	732
	1,370	732
d. Stock-in-trade	1,350	762
	1,350	762
e. Stores and spares	80	64
	80	64
Total	8,699	5,990

16.1 Refer Note 2.2 above for mode of valuation

16.2 Details of Work in Progress

(₹ in lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
Cranes	1,033	1,161
Self-Propelled Rubber Tyred Container Handling Mobile Crane	147	-
Road Construction Equipment	224	-
Total	1,404	1,161

16.3 Details of Finished Goods :

(₹ in lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
Cranes	1,096	732
Road Construction Equipment	274	-
Total	1,370	732

Notes to financial statements for the year ended 31st March, 2012

16.4 Details of Stock in Trade :

(` in lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
Spare Parts	1,076	762
Road Construction Equipment	274	-
Total	1,350	762

(` in lacs)

17 TRADE RECEIVABLES	As at 31.03.2012	As at 31.03.2011
Unsecured Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment.	510	422
Others [Includes amount not due for payment of ` 1,814 lacs (Previous year ` 2,916 lacs)]	4,084	4,217
Total	4,594	4,639

(` in lacs)

18 CASH AND CASH EQUIVALENTS	As at 31.03.2012	As at 31.03.2011
Balance with Banks :		
On Current Accounts	3	5
On Dividend Accounts	21	17
On Fixed Deposit	*	*
Cash in hand	3	2
Total	27	24

* Amount is below the rounding off norms adopted by the company

(` in lacs)

19 SHORT TERM LOANS AND ADVANCES	As at 31.03.2012	As at 31.03.2011
Unsecured, Considered Good		
Claims Receivable	590	291
Accrued Duty Benefits pertaining to exports/Deemed exports	96	116
Employee Advance	30	30
Advance to Suppliers	122	267
Advance Income Tax	10,615	9,715
Mat Credit Entitlement	296	-
Advance to Government Authorities	113	108
Other Prepayments	50	72
Total	11,912	10,600

Notes to financial statements for the year ended 31st March, 2012

(₹ in lacs)

20	REVENUE FROM OPERATIONS	Year Ended 31.03.2012	Year Ended 31.03.2011
	Sale of product		
	Finished Goods	19,720	16,154
	Traded goods	5,068	5,209
	Sale of services	302	251
		25,090	21,614
	Other Operating Revenues		
	Rental from Machinery	64	-
	Selling Commission earned	252	233
	Scrap Sales	122	83
	REVENUE FROM OPERATIONS (gross)	25,528	21,930
	Less : Excise Duty (Refer Note 20.3)	1,749	1,279
	REVENUE FROM OPERATIONS (net)	23,779	20,651

20.1 Details of sale of Finished Goods :

(₹ in lacs)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
Cranes	13,319	13,148
Self-Propelled Rubber Tyred Container Handling Mobile Crane	5,694	3,006
Road Construction Equipment	707	-
Total	19,720	16,154

20.2 Details of sale of Traded Goods :

(₹ in lacs)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
Cranes / Forklifts	349	143
Road Construction Equipment	260	190
Components and Spares	4,459	4,876
Total	5,068	5,209

Notes to financial statements for the year ended 31st March, 2012

20.3 Excise Duty is net of ₹ 62.25 lacs (Previous year 45.06 lacs) on account of accrued duty benefit for the year pertaining to Export/Deemed Exports.

(₹ in lacs)

21 OTHER INCOME	Year Ended 31.03.2012	Year Ended 31.03.2011
Technical and Other Fees from Subsidiary Companies	223	1,630
Dividend Income (Trade Investments-Long Term) ;		
- From subsidiary companies	4,556	19
- From Others	1	1
Profit/(Loss) on Sale of Fixed Assets (Net)	*	*
Interest :		
- On Income Tax Refunds	-	22
- On deposit with Banks and Others	3	2
Liabilities no longer required written back	29	25
Discounts	11	1
Miscellaneous Income	92	103
Total	4,915	1,803

*Amount is below the rounding off norm adopted by the Company.

(₹ in lacs)

22 COST OF MATERIALS CONSUMED	Year Ended 31.03.2012	Year Ended 31.03.2011
Raw Materials [Net off Capitalisation (Refer Note 27.4)]	13,132	9,851
Total	13,132	9,851

Notes to financial statements for the year ended 31st March, 2012

22.1 Details of Raw Materials (Including Components) consumed:

Particulars	Unit	Quantity	Value	Percentage
Indigenous :				
Iron and Steel	Tones	1,165	631	
		599	308	
Valves (for Cranes)	Nos	1,715	135	
		1,790	145	
Engine	Nos	70	361	
		69	287	
Ballast/Tail Weight (for Cranes)	Nos	244	216	
		299	178	
Tyres,Tubes and Flaps (for Cranes)	Set	659	377	
		600	193	
Chassis(for Cranes)	Nos	19	300	
		42	647	
Hydraulic Ram and Cylinder	Nos	1,714	1,147	
		1,740	833	
Others		-	2,632	
		-	2,255	
	A		5,799	44
			4,846	49
Imported :				
Iron and Steel	Tones	1,569	1,221	
		1,753	1,200	
Transmission	Nos	110	805	
		118	618	
Axle	Nos	156	1,364	
		137	992	
Others		-	3,943	
		-	2,195	
	B		7,333	56
			5,005	51
Total	A+B		13,132	100
			9,851	100

Figures in bold type relate to the Current year.

Notes to financial statements for the year ended 31st March, 2012

(₹ in lacs)

23 PURCHASE OF STOCK IN TRADE	Year Ended 31.03.2012	Year Ended 31.03.2011
Particulars		
Cranes / Forklifts	343	88
Road Construction Equipment	399	345
Components and Spares	2,239	1,905
Total	2,980	2,338

(₹ in lacs)

24 CHANGES IN INVENTORIES	Year Ended 31.03.2012	Year Ended 31.03.2012	Year Ended 31.03.2011
Inventories at the end of the year			
Traded goods	1,350		762
Work-in-progress	1,404		1,161
Finished goods	1,370		732
		4,124	2,655
Inventories at the beginning of the year			
Traded goods	762		608
Work-in-progress	1,161		1,589
Less: Transfer vide scheme of arrangement (Refer Note 32)	-		(439)
Finished goods	732		-
Less : Capitalised	(135)		-
		2,520	1,758
Excise Duty on Increase / (Decrease) of Finished Goods		117	68
Net Increase		(1,487)	(829)

(₹ in lacs)

25 EMPLOYEE BENEFITS EXPENSE*	Year Ended 31.03.2012	Year Ended 31.03.2011
Salaries, Wages, Bonus etc	2,927	2,592
Contribution to Provident and other Funds	384	273
Staff Welfare Expenses	123	82
Medical Expenses	52	49
Total	3,486	2,996

* Net off reimbursements by Tractors India Private Limited [Refer note 35 B (l)(i)]

25.1 Employee Benefits

The Company has recognised, in Statement of Profit and Loss for the year ended 31st March, 2012 an amount of ₹ 47 lacs (Previous year ₹ 37 lacs) as expenses under defined contribution plans.

(A) Provident Fund :-

The company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors. Based on the final guidance for measurement of Provident Fund liabilities issued by the Actuarial Society of India, the Company's liability at the year end of ₹ 57 lacs has been actuarially determined by an independent authority. The Company has contributed for the year ended 31st March 2012 an amount of ₹ 172 lacs (Previous year ₹ 161 lacs) at Provident Fund.

Notes to financial statements for the year ended 31st March, 2012

The details of fund and plan asset position as at 31st March 2012 is given below

	As at 31.03.2012
Present value of benefit obligation at period end (₹ in lacs)	1,818
Cost of shortfall in interest rate guarantee (₹ in lacs)	57
Assumptions used in determining the present value obligation on the interest guarantee under the Deterministic approach	
Guaranteed Rate	8.25%
Average yield rate based on data of investment portfolio	8.31%
Decrement adjusted average future period of service	22 years
Average maturity period of investment portfolio	4.5 years
Discount rate	8.69%

(B) Superannuation Fund :-

- (i) Certain eligible employees of the Company who had attained at least 45 years of age as on 1st April,2009 are entitled to Superannuation benefit under the Superannuation scheme (a funded Defined Benefit Plan under a common Trust- 'Tractors India Limited Superannuation Fund Scheme', being administered by the trustees of the said fund for the benefit of employees of the Company and its subsidiary company i.e. Tractors India Private Limited). Under the aforesaid benefit scheme the Company makes periodic contribution to the Superannuation Fund Scheme and a predetermined percentage of salary is paid as pension on retirement. The quantum of pension depends on the average basic salary of eligible employee during the last 36 months before retirement. The benefit vests to employees with 12 years of continuous service and attainment of 48 years of age on retirement/death/termination. The most recent actuarial valuation of Plan Assets and Present Value of the Defined Benefit Obligation of Superannuation Fund was carried out as on 31st March,2012.
- (ii) Employees who did not attain 45 years of age as on 1st April,2009 are under the purview of 'Defined Contribution Scheme' in respect of service rendered from 1st April,2009. The benefit of services rendered by these employees up to 31st March,2009 come under the purview of 'Defined Benefit Scheme' as indicated which is frozen as on 31st March,2009. Hence for this category of employees, the benefit of cessation of service will be :
 - a) amount accumulated by annual contribution of 15% of Basic Salary and
 - b) amount frozen as on 31st March,2009.

(C) Gratuity Fund :-

The Company makes periodic contributions to the Tractors India Limited Staff Gratuity Fund, a funded defined benefit-plan for qualifying employees administrated under a common Trust by the trustees of the said fund for the benefit of the employees of the Company and its subsidiary company i.e. Tractors India Private Limited.

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Company's plan (based on average salary of last 36 months and number of years of service, restricted to a maximum of 40 years) 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 year of continuous service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31st March, 2012.

Notes to financial statements for the year ended 31st March, 2012

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

(₹ in lacs)

	Superannuation Fund (Funded)*		Gratuity Fund (Funded)*	
	2011-12	2010-11	2011-12	2010-11
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	1,159	1,905	559	642
b. Present Value of Obligation transferred to Tractors India Private Limited pursuant to Scheme of Arrangement.	-	(740)	-	(205)
c. Current Service Cost	50	50	38	27
d. Interest Cost	91	87	43	33
e. Curtailment Cost/(Credit)	-	-	-	-
f. Actuarial (gain)/loss	45	97	30	146
g. Benefits paid	(180)	(241)	(104)	(84)
h. Present Value of Obligation at the end of the Year	1,165	1,159	566	559
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	1,146	1,906	512	564
b. Fair value of Plan Assets transferred to Tractors India Private Limited pursuant to Scheme of Arrangement	-	(740)	-	(180)
c. Adjustment to (a) above, on restatement by new actuary	-	-	-	-
d. Expected return on Plan Assets	96	92	40	36
e. Actuarial gain/(loss)	(33)	3	(1)	(5)
f. Contributions by the Employer	139	125	25	180
g. Benefits paid	(180)	(241)	(104)	(84)
h. Fair value of Plan Assets at the end of the Year	1,168	1,146	471	512
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	1,168	1,146	471	512
b. Present Value of Obligation at the end of the Year	1,165	1,159	566	559
c. (Assets)/Liabilities recognised in the Balance Sheet	(3)	13	95	47
4. Expenses recognised during the year :				
a. Current Service cost	50	50	38	27
b. Interest cost	91	87	43	33
c. Expected return on Plan Assets	(96)	(92)	(40)	(36)
d. Curtailment Cost/(Credit)	-	-	-	-
e. Actuarial (Gain)/ Loss	78	94	31	151
f. Expense recognised during the year	123	139	73	174

Notes to financial statements for the year ended 31st March, 2012

25.2 Particulars in respect of post retirement defined benefit plans of the Company are as follows (Contd.) :-

(` in lacs)

	Superannuation Fund (Funded)*					Gratuity Fund (Funded)*				
	2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
a. Fair value of Plan Assets at the end of the Year	1,168	1,146	1,906	1,542	1,250	471	512	564	578	538
b. Present Value of Obligation at the end of the Year	1,165	1,159	1,905	1,890	1,412	566	559	642	539	548
c. (Assets)/Liabilities recognised in the Balance Sheet	(3)	13	(1)	348	162	95	47	78	(38)	10
d. Experience Adjustments on Plan Obligation [(Gain) /Loss]	45	107	256	515	123	30	151	70	42	(17)
e. Experience Adjustments on Plan Assets[Gain/(Loss)]	(33)	3	21	-	-	(1)	(474)	(4,920)	(407)	-

* The expense for the Defined Benefits (referred to in para 25.1 and 25.2 above) are included in the line item under 'Contribution to Provident and other Funds'.

Notes to financial statements for the year ended 31st March, 2012

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

Description	Superannuation Fund % Invested		Gratuity Fund % Invested	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Investment Details of Plan Assets as at				
a. Govt of India Securities	21.83	20.53	22.17	20.79
b. Public Sector (PSU)Bonds	51.3	47.16	36.64	30.54
c. State / Central Govt Securities	13.69	16.82	17.77	18.70
d. Special Deposit Scheme	12.82	14.99	22.26	29.81
e. Other including Bank Balance	0.36	0.50	1.16	0.16
Total	100	100	100	100
Assumptions				
a. Discount rate per annum	8.50 %	8.50%	8.50%	8.50%
b. Salary escalation rate per annum	4%	4%	4%	4%
c. Expected rate of return on Plan Assets per annum	8.50%	8%	8.50%	8%
d. Method used	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method
Actual Return on Plan Assets	7.37%	7.64%	7.11%	6.53%

25.4 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, State and Central Government Securities. 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.

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

Notes to financial statements for the year ended 31st March, 2012

(₹ in lacs)

26	FINANCE COST	Year Ended 31.03.2012	Year Ended 31.03.2011
	Interest Expenses	425	239
	Loan Processing Charges	49	21
	Total	474	260

(₹ in lacs)

27	OTHER EXPENSES	Year Ended 31.03.2012	Year Ended 31.03.2011
	Consumption of Stores (Refer Note 36)	454	423
	Rent	101	136
	Rates and Taxes	24	31
	Bank Charges	129	152
	Insurance	123	87
	Repairs :		
	Buildings	169	130
	Plant and Machinery	136	110
	Others	140	74
		445	314
	Travelling Expenses	485	415
	Stationery and Printing	90	75
	Postage, Telephone and other Communication Expenses	108	115
	Advertising	46	50
	Power and Fuel	246	207
	Commission	1	137
	Forwarding Charges	20	1
	Royalties	190	172
	Professional Fees	253	201
	Motor Car and Van Expenses	40	25
	Service Support Expenses	*	*
	Trade Receivables written off	148	81
	Warranty Expenses	149	55
	Carriage Inward	165	232
	Miscellaneous Expenses	656	312
	Total	3,874	3,221

*Amount is below the rounding off norm adopted by the Company.

Notes to financial statements for the year ended 31st March, 2012

27.1 Professional fees include :

(` in lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
Amount paid /payable to Auditors		
As Auditors (net of Service Tax)		
- Audit Fees	6	6 #
- Tax Audit Fees	2	2 #
- Limited Reviews	8 *	8 #
- Others (Certificates, etc.)	6	6 #
- Expenses reimbursed	1 #	1 #
* Includes payment to erstwhile auditor ` 3 lacs		
# Includes payment to erstwhile auditor		

27.2 Miscellaneous expenses include charge/(credit) on account of Loss on Foreign Exchange (Net) of ` 196 lacs (Previous year Gain of ` 98 lacs)

27.3 The Company has various residential / commercial premises taken 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 ` 100 lacs (Previous Year ` 108 lacs)

27.4 During the year, the Company commenced initial trial run followed by commercial production (in March 2012) at the Kharagpur location. Total capitalization of ` 8,439 lacs (previous year Nil) against these projects include following trial run expenses (net).

(` in lacs)

Particulars	Year Ended 31.03.2012
Raw Materials Consumed	520
Consumption of Stores and Spares Parts	17
Material Handling Charges	19
Salaries, Wages and Bonus (Net)	159
Other Expenses	347
Total (A)	1,062
Sales during trial run (net of excise duty)	319
Closing stock out of trial run production	243
Total (B)	562
Net Trial Run Expenses (A - B)	500

Notes to financial statements for the year ended 31st March, 2012

(` in lacs)

28	CONTINGENT LIABILITIES IN RESPECT OF -	As at 31.03.2012	As at 31.03.2011
a.	Sales Tax Matters under dispute [Related payments ` 5 lacs (Previous year ` 6 lacs)]	1,509	369
b.	Income Tax Matters under dispute [Excludes disputed Income Tax matters, in view of favorable Tribunal decision in similar case]. [Related payments ` 93 lacs (Previous year ` 48 lacs)]	303	176
c.	Service Tax matters under dispute [Related payments ` Nil (Previous year ` 15 lacs)]	24	107
d.	Excise Duty matters under dispute [Related payments ` 23 lacs (Previous year ` 23 lacs)]	48	85

The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

(` in lacs)

29	CORPORATE GUARANTEE GIVEN ON BEHALF OF SUBSIDIARIES :	As at 31.03.2012	As at 31.03.2011
	- Limit		
	Tractors India Private Limited	50,800	40,006
	Myanmar Tractors Limited	1,028	897
	TIL Overseas Pte. Ltd.	771	673
	- Amount outstanding at year-end		
	Tractors India Private Limited	28,060	22,004
	Myanmar Tractors Limited	Nil	Nil
	TIL Overseas Pte. Ltd.	Nil	Nil

(` in lacs)

30	CAPITAL COMMITMENT	1,274	5,661
	[Net of advance ` 60 lacs (Previous year ` 304 lacs)]		

31.1 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 ` 7,501 and ` 10,000, no contributions / deductions have been made and deposited with the appropriate authorities. The related amounts involved as on 31st March, 2012 being Employer's ` 4 lacs (Previous Year ` 7 lacs) and Employees' ` 1 lacs (Previous Year ` 3 lacs).

31.2 Consequent to enhancement of Employees' State Insurance benefit ceiling for 'Employee Wages' from ` 10,000 to ` 15,000 per month with effect from 1st May 2010, legal proceedings have been initiated by the Employees' Union / Association of the Company and an interim order dated 13th August, 2010 has been issued by the Hon'ble Calcutta High Court in this regard, restraining the Company from making contribution / deduction towards Employees' State Insurance in respect of employees whose monthly salaries (i.e. basic, dearness allowance and overtime) are between ` 10,001 and ` 15,000. In view of the said Order, the Company has neither deducted from the certain concerned employees nor contributed its own share to the Employees State Insurance Scheme with effect from 1st August 2010, the related amounts involved as on 31 March, 2012 being Employer's ` 3 lacs (Previous Year ` 1 lac) and Employees' ` 1 lac (Previous Year ` 0.32 lacs).

Notes to financial statements for the year ended 31st March, 2012

32 Pursuant to the Scheme of Arrangement (the 'Scheme') under Section 391 to 394 of the Companies Act between the Company i.e. TIL Limited (the transferor Company) and its wholly owned subsidiary Tractors India Private Limited (TIPL) (the transferee company), as sanctioned by the Hon'ble High Court at Kolkata vide order dated 12th July,2010, the undertaking of the Company pertaining to dealership business of Caterpillar (comprising Construction and Mining Solutions and Power System Solutions) has been transferred to and vested in TIPL on a going concern basis with effect from the appointed date of 1st April, 2010.

The said Scheme has been given effect to in the accounts for the year ended 31st March 2011 in accordance with the said High Court order.

33 In terms of Accounting Standard (AS) 17 on 'Segment Reporting' notified in the Companies Act, 1956, Segment information has been presented in the Consolidated Financial Statements [prepared pursuant to Accounting Standard (AS) 21 on 'Consolidated Financial Statements' notified in the Companies Act, 1956] included in the annual report for the year.

34 EARNINGS PER SHARE (EPS) - THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC AND DILUTED EPS:

		Year Ended 31.03.2012	Year Ended 31.03.2011
Profit after Tax attributable to the Equity Shareholders (₹ in lacs)	A	5,298	3,120
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 (₹)		10/-	10/-
Basic and Diluted Earnings per Share (₹)	A/B	52.82	31.10

35 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)
 Mr. S K Bhatnagar(Whole time Director - upto 3rd October, 2011)

Notes to financial statements for the year ended 31st March, 2012

B) Particulars of transactions during the year ended 31st March, 2012 :

(` in lacs)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
I) Subsidiary Companies		
a) Income from Technical and Other Fees		
TIL Overseas Pte. Limited	223	989
Myanmar Tractors Limited	-	641
b) Income from Asset Usage		
Tractors India Private Limited	89	93
c) Dividend Income		
Tractors Nepal Private Limited	-	19
TIL Overseas Pte. Limited	4,556	-
d) Purchase of Spare Parts		
Tractors India Private Limited	8	-
e) Purchase of Fixed Assets		
Tractors India Private Limited	43	-
f) Sale of Spare Parts		
Tractors India Private Limited	1	-
g) Rent Paid		
Tractors India Private Limited	14	-
h) Investment		
Tractors India Private Limited	-	9,584
Tractors Nepal Private Limited	-	52
i) Reimbursement of Expenses from		
Tractors India Private Limited	622	1,024
j) Year-end Balances		
i) Receivables		
Tractors Nepal Private Limited	-	19
TIL Overseas Pte. Limited	-	228
Tractors India Private Limited	1	-
ii) Corporate Guarantee	Refer Note 29	Refer Note 29
iii) Investments		
Myanmar Tractors Limited	416	416
Tractors Nepal Private Limited	75	75
TIL Overseas Pte. Limited	302	302
Tractors India Private Limited	9,585	9,585
iv) Payables		
Tractors India Private Limited	5	-
II) Key Management Personnel		
a) Remuneration		
Mr. A. Mazumdar	255	194
Mr. S K Bhatnagar	120	128
b) Year end Balance		
Commission Payable		
Mr. A. Mazumdar	109	77
Mr. S K Bhatnagar	40	58

Notes to financial statements for the year ended 31st March, 2012

36	VALUE OF IMPORTED AND INDIGENOUS CONSUMPTION OF STORES	Year Ended	%	Year Ended	%
		31.03.2012		31.03.2011	
		Value (₹ in lacs)		Value (₹ in lacs)	
	Imported	19	4	65	15
	Indigenous	435	96	358	85
		454	100	423	100

(₹ in lacs)

37	C.I.F. VALUE OF IMPORTS :	Year Ended 31.03.2012	Year Ended 31.03.2011
a.	Raw Materials with Components	7,460	5,003
b.	Spare Parts (excluding items in transit at year-end)	865	936
c.	Machines (Trading Items)	532	216
d.	Capital Goods	889	-

(₹ in lacs)

38	EXPENDITURE IN FOREIGN CURRENCY :	Year Ended 31.03.2012	Year Ended 31.03.2011
	Travelling	9	10
	Technical Know-How Fees	169	340
	Royalty	190	172

(₹ in lacs)

39	EARNINGS IN FOREIGN EXCHANGE on account of	Year Ended 31.03.2012	Year Ended 31.03.2011
a.	Export of goods calculated on FOB basis	481	115
b.	Selling Commission (including Dealer's profit)	243	233
c.	Technical Fees	223	1,630
d.	Dividend	4,556	-

Notes to financial statements for the year ended 31st March, 2012

(` in lacs)

40 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES	As at 31.03.2012	As at 31.03.2011
a. Derivatives outstanding as on the reporting date		
Forwards Contract to buy EUR (Hedge of firm commitments)	178	-
Swap Contract to buy USD (Hedge of firm commitments)	4,052	-
b. Particulars of unhedged foreign currency exposures as on the reporting date		
Trade Payables		
EUR	239	245
GBP	-	-
SGD	1	-
USD	1,166	1,267
Trade Receivables		
EUR	57	56
JPY	32	-
USD	312	6
Borrowings		
USD	2,406	-

(` in lacs)

41 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND TO NON-RESIDENT SHAREHOLDERS	Year Ended 31.03.2012	Year Ended 31.03.2011
On Equity Shares :-		
a. Amount Remitted	116	116
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	2010-11	2009-10

42 The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current years' classification / disclosure.

Signatures to Notes '1' to '42'

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Kolkata
14th May, 2012.

Cash Flow Statement for the year ended 31st March, 2012

(₹ in lacs)

	Year ended 31.03.2012	Year ended 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	5,748	4,201
Adjustments for :		
Depreciation and Amortisation Expenses	487	416
Trade Receivables Written off	148	81
(Profit)/Loss on Sale of Fixed Assets (Net)	*	*
Finance Cost (Net)	471	235
Dividend Income	(4,557)	(19)
Liability no longer required written back	(29)	-
Unrealised Foreign Exchange (Gain)/Loss (Net)	17	(21)
	(3,463)	692
Operating Profit before Working Capital Changes	2,285	4,893
Adjustments for :		
Trade and Other Receivables	(97)	(1,192)
Inventories	(2,708)	(1,815)
Loans and Advances (Short-Term and Long-Term)	104	(279)
Trade Payables and Other Liabilities	1,077	2,485
	(1,624)	(801)
Cash Generated from Operations	661	4,092
Direct Taxes Paid	(901)	(1,190)
Net Cash (used in) / from Operating Activities	(240)	2,902
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(11,003)	(4,887)
Proceeds from Sale of Fixed Assets	*	7
Investments in a Subsidiary Company	-	(52)
Interest Received	3	26
Dividend Received	4,557	19
Net Cash (used in) / from Investing Activities	(6,443)	(4,887)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(728)	(315)
Proceeds from Long Term borrowings	8,558	386
Repayment of Long Term borrowings	(128)	(113)
Proceeds / (Repayment) of Short - Term borrowings	(321)	2,730
Dividend Paid	(597)	(599)
Income Tax on Dividend Paid	(98)	(98)
Net Cash (used in) / from Financing Activities	6,686	1,991
Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)	3	6
Cash and Cash Equivalents as at the beginning of the year (Refer Note 18)	24	18
Cash and Cash Equivalents as at the close of the year (Refer Note 18)	27	24

*Amount is below the rounding off norm adopted by the Company.

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) Previous year's figures have rearranged / regrouped whenever necessary
- 3) Cash and Cash Equivalents include ₹ 21 lacs (previous year ₹ 17 lacs) in respect of unpaid dividend accounts.

In terms of our Report of even date

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of Board of Directors

A. Mazumdar
 Chairman

A. Bhattacharya
 Partner

Sumit Mazumder
 Vice Chairman & Managing Director

 Kolkata
 14th May, 2012.

Sekhar Bhattacharjee
 Company Secretary

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 (the Company and its subsidiaries constitute “the Group”) as at 31 st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company’s Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (i) The financial statements of overseas subsidiaries whose statements reflect total assets of ` 7,340 lacs as at 31st March, 2012, total revenues of ` 11,940 lacs and net cash inflows amounting to ` 845 lacs for the year ended on that date have been audited by auditors in the respective countries.
(ii) The financial statements of a subsidiary whose statements reflect total assets of ` 50,287 lacs as at 31st March, 2012, total revenues of ` 1,03,416 lacs and net cash inflows amounting to ` 92 lacs for the year ended on that date have been audited by other auditor.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiaries, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 st March, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 302009E)

A Bhattacharya

Partner
(Membership No. 054110)

KOLKATA
14 th May, 2012

Consolidated Balance Sheet as at 31st March 2012

(₹ in lacs)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	1,003	1,003
(b) Reserves and Surplus	4	34,127	31,799
2 Non- Current Liabilities			
(a) Long -Term Borrowings	5	9,864	1,502
(b) Deferred Tax Liabilities (Net)	6	1,024	685
(c) Long- Term Provisions	7	536	320
3 Current Liabilities			
(a) Short -Term Borrowings	8	29,060	21,160
(b) Trade Payables	9	11,539	19,058
(c) Other Current Liabilities	10	4,813	5,916
(d) Short- Term Provisions	11	12,056	11,983
Total		104,022	93,426
B ASSETS			
1 Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	26,146	17,878
(ii) Intangible Assets	13	252	110
(iii) Capital Work-In-Progress		4,645	1,145
(iv) Intangible Assets under Development		700	-
(v) Goodwill on Consolidation		1	1
(b) Non -Current Investment	14	7	7
(c) Long-Term Loans and Advances	15	294	514
2 Current Assets			
(a) Inventories	16	29,604	33,841
(b) Trade Receivables	17	20,996	19,235
(c) Cash and Cash Equivalents	18	6,483	5,542
(d) Short Term Loans and Advances	19	14,894	15,153
Total		104,022	93,426

The notes form an integral part of these Financial Statements.

In terms of our Report attached

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of Board of Directors

A. Mazumdar

Chairman

A. Bhattacharya

Partner

Sumit Mazumdar

Vice Chairman & Managing Director

Kolkata

14th May, 2012.

Sekhar Bhattacharjee

Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March 2012

(₹ in lacs)

Particulars	Note No.	Year Ended 31.03.2012	Year Ended 31.03.2011
I. Revenue from Operations (Gross)	20	140,150	139,503
Less: Excise Duty		2,264	1,893
Revenue from Operations (Net)		137,886	137,610
II. Other Income	21	1,294	778
III. Total Revenue (I+II)		139,180	138,388
IV. Expenses :			
Cost of Material Consumed	22	18,321	15,702
Purchase of Stock-In-Trade	23	85,986	100,271
Changes in Inventories of Finished Goods Work-In-Progress and Stock-In-Trade	24	4,394	(12,056)
Employee Benefit Expenses	25	11,560	10,436
Finance Costs	26	3,839	2,076
Depreciation and Amortization Expense	13.2	2,150	2,070
Other Expenses	27	10,537	10,883
Total expenses		136,787	129,382
V Profit Before Tax (III - IV)		2,393	9,006
VI Tax expenses			
(1) Current tax		844	2,899
Less: Minimum Alternate Tax (MAT) Credit Entitlement		(323)	-
Net Current Tax		521	2,899
(2) Deferred tax		338	88
		859	2,987
VII. Profit for the year (V-VI)		1,534	6,019
VIII. Earnings per equity share : [Nominal Value per Share ₹ 10/- (Previous year ₹ 10/-)] [Refer Note 32]			
(1) Basic and Diluted		15.30	60.01

The notes form an integral part of these Financial Statements.

In terms of our Report attached

For Deloitte Haskins & Sells

Chartered Accountants

A. Bhattacharya

Partner

Kolkata

14th May, 2012.

For and on behalf of Board of Directors

A. Mazumdar

Chairman

Sumit Mazumder

Vice Chairman & Managing Director

Sekhar Bhattacharjee

Company Secretary

Notes to Consolidated Financial Statements for the year ended 31st March 2012

(All amounts in ` Lacs unless otherwise stated)

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.

2.1 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	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

2.2 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 (with appropriate regrouping/realignment), except as indicated in Note 2.3 and 2.4 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.

2.3 Accounting policies for the Group are same as followed by the Parent Company (TIL Limited) as indicated in Note 2 on Notes to Financial Statement of TIL Limited's Accounts for the year ended 31st March, 2012, except as follows :

- Certain loose Tools of TIPL are written off over a period of 5 years.
- Fixed Assets of the subsidiaries have not been revalued.
- Tangible and Intangible 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)
Buildings	5
Vehicles	5
Furniture and Fixtures	5
Plant and Equipments	4-5
Plant and Equipments (Given on Operating Lease)	5
Software	5

Notes to Consolidated Financial Statements for the year ended 31st March 2012

Depreciation charge for the year and year-end Accumulated Depreciation includes ₹ 59 lacs (previous year ₹ 235 lacs) and ₹ 12 lacs (previous year ₹ 1374 lacs) respectively computed by certain subsidiaries applying different depreciation method/rates.

- 2.4 The foreign subsidiaries MTL and TILO do not have any Defined Benefit Retirement Schemes for its employees. In respect of TNPL, gratuity is provided as per local laws and such provision is not significant in the context of Consolidated Financial Statements.

(₹ in lacs)

3	SHARE CAPITAL	As at 31.03.2012	As at 31.03.2011
	Authorised		
	20,000,000 (31st March 2011 : 20,000,000) Equity Shares of ₹ 10/- each	2,000	2,000
	Issued		
	10,030,265 (31st March 2011 : 10,030,265) Equity Shares of ₹ 10/- each	1,003	1,003
	Subscribed and Paid up		
	10,030,265 (31st March 2011 : 10,030,265) Equity Shares of ₹ 10/- each (fully paid up)	1,003	1,003
	Total	1,003	1,003

3.1 Reconciliation of the number of Equity shares

Particulars	As at 31.03.2012		As at 31.03.2011	
	Number	Amount (₹ in lacs)	Number	Amount (₹ in lacs)
Balance as at the beginning of the year	10,030,265	1,003	10,030,265	1,003
Balance as at the end of the year	10,030,265	1,003	10,030,265	1,003

3.2 Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Parent Company

Name of Shareholder	As at 31.03.2012		As at 31.03.2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
The Coles Crane Group Ltd	1,930,828	19.25	1,930,828	19.25
Life Insurance Corporation of India	1,040,814	10.38	1,043,720	10.41
Mr. Avijit Mazumdar	545,301	5.44	545,301	5.44

3.3 Rights, Preferences and Restrictions attached to Equity Shares

The Parent Company has one class of Equity Shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all Preferential amounts, in proportion to their shareholding.

Notes to Consolidated Financial Statements for the year ended 31st March 2012

(₹ in lacs)

4 RESERVES AND SURPLUS	As at 31.03.2012	As at 31.03.2011
Capital Reserve	878	878
Capital Redemption Reserve	400	400
Securities Premium Account	1,934	1,934
Development Rebate Reserve	1	1
Revaluation Reserve		
Opening Balance	689	704
Less: Amount transferred to the Statement of Profit and Loss (Refer Note 12.1)	15	15
Closing Balance	674	689
Amalgamation Reserve	20	20
Foreign Currency Translation Reserve		
Opening Balance	508	611
Add/(Less): Adjustment for translations	1,159	(103)
Closing Balance	1,667	508
General Reserves		
Opening Balance	4,450	4,138
Add : Amount transferred from Surplus in the Statement of Profit and Loss	530	312
Closing Balance	4,980	4,450
Surplus in Statement of Profit and Loss		
Opening Balance	22,919	17,912
Profit for the year	1,534	6,019
Less : Appropriations		
Transfer to General Reserve	530	312
Proposed Dividend on Equity Shares	301	602
Tax on Proposed Dividend on Equity Shares	49	98
Closing Balance	23,573	22,919
Total	34,127	31,799

(₹ in lacs)

5 LONG TERM BORROWINGS	As at 31.03.2012	As at 31.03.2011
(a) Secured Loans		
Term Loans		
From Banks	9,684	1,413
Vehicle Loans :		
From Banks	30	43
From Others	30	46
(b) Unsecured Loans		
From Others	120	
Total	9,864	1,502

Notes to Consolidated Financial Statements for the year ended 31st March 2012

5.1 Nature of Security for Secured borrowings

Term Loans are secured by equitable mortgage on certain immovable properties of the Parent Company and by a first pari passu charge on all movable properties of the Parent Company and its subsidiary TIPL both present and future and second pari passu charge on the current assets of the Parent Company and TIPL, both present and future. Further the Parent Company has provided a Corporate Guarantee for the credit/loan facilities availed of by its subsidiary-TIPL.

Vehicle loans are secured by hypothecation of the vehicles financed.

(` in lacs)

6	DEFERRED TAX LIABILITIES (NET)	As at 31.03.2012	As at 31.03.2011
	Timing Difference resulting in liabilities / (assets) mainly 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.	1,298	872
	Disallowances allowable for Tax purpose on payment	(274)	(187)
	Total	1,024	685

(` in lacs)

7	LONG TERM PROVISIONS	As at 31.03.2012	As at 31.03.2011
	Provisions for employee benefits		
	Provident Fund (Also refer Note 25.1 below)	83	-
	Compensated Absence	453	320
	Total	536	320

(` in lacs)

8	SHORT TERM BORROWINGS	As at 31.03.2012	As at 31.03.2011
	Secured		
	Banks	17,048	15,555
	Unsecured		
	Banks	12,012	5,605
	Total	29,060	21,160

8.1 Secured by a first pari passu charge on all the current assets of the Parent Company and its subsidiary-TIPL (namely Stocks, Bills Receivable and Book Debts) and a second pari passu charge on all movables (excluding such movables as may be agreed by Consortium Bankers from time to time), fixed assets of the Parent Company, both present and future and certain immovable properties of the Parent Company under a joint deed of hypothecation between the Parent Company and its Consortium Bankers. Further the Parent Company has provided a Corporate Guarantee for the credit/loan facilities availed of by its subsidiary-TIPL.

(` in lacs)

9	TRADE PAYABLES	As at 31.03.2012	As at 31.03.2011
	Trade Payables	11,539	19,058
	Total	11,539	19,058

Notes to Consolidated Financial Statements for the year ended 31st March 2012

(₹ in lacs)

10 OTHER CURRENT LIABILITIES	As at 31.03.2012	As at 31.03.2011
Current maturities of long - term debt	1,973	705
Interest accrued but not due on borrowings	236	58
Interest accrued and due on borrowings	55	88
Advance from customers and others	1,683	3,878
Investors Education and Protection Fund (the fund) has been credited by the following amount.		
Unclaimed/Unpaid Dividend [Note 10.1 below]	21	17
Unclaimed/Unpaid Matured Deposit [Note 10.1 below]	*	*
Security Deposit From Customers	289	193
Contribution to Funds	2	164
Sales Tax	333	276
Service Tax	4	3
Withholding Tax	87	86
Others	130	448
Total	4,813	5,916

*Amount is below the rounding off norm adopted by the Company.

10.1 There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

(₹ in lacs)

11 SHORT TERM PROVISIONS	As at 31.03.2012	As at 31.03.2011
(a) Provision for employee benefits		
Contribution to PF	8	55
Compensated Absence (Unfunded)	141	101
	149	156
(b) Others		
Provision for Warranty [Note 11.1 below]	70	-
Provision for Income Tax	11,487	11,127
Provision for Proposed Equity Dividend	301	602
Provision for Tax on Proposed Dividend	49	98
	11,907	11,827
Total	12,056	11,983

Notes to Consolidated Financial Statements for the year ended 31st March 2012

11.1 Provision for Warranty :

Warranty which hitherto were accounted during the period of incurrence are now accounted for on accrual basis by the Parent Company. As a result of this the profit for the year of the group is lower by ₹ 70 lacs.

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto one year .

As per the terms of the contracts, the Parent Company provides post-contract services / warranty support to its customers. The Parent Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

	(₹ in lacs)
	As at 31.03.2012
Provision during the year	149
Provision utilised during the year	(79)
Closing Balance	70

Notes to Consolidated Financial Statements for the year ended 31st March 2012

(in lacs)

12 TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost/ Valuation as at 01.04.2011	Additions during the year	Sales the year	Other Adjustment during the year	Cost/ Valuation as at 31.03.2012	As at 01.04.2011	For the Year	On Sales/ Adjustment during the year	Other Adjustment during the year	As at 31.03.2012	As at 31.03.2011
Own Assets											
Freehold Land	1,918	119	-	-	2,037	-	-	-	-	2,037	1,918
Leasehold Land	3,333	-	-	(2,882)	451	77	9	-	7	372	3,256
				(Refer Note 12.2 below)							
Buildings	3,787	5,662	247	226	9,428	877	91	155	-	813	2,910
Plant and Equipment	8,404	3,667	106	116	12,081	4,816	684	90	-	5,410	3,588
Furniture and Fixtures	1,582	185	343	-	1,424	997	108	321	-	784	585
Vehicles	1,059	125	365	-	819	508	81	319	-	270	551
Office Equipment	231	40	-	-	271	39	18	-	-	57	192
Sub total (A)	20,314	9,798	1,061	(2,540)	26,511	7,314	991	885	7	7,413	13,000
Assets Given On Operating Lease											
Plant and Equipment	7,258	4,836	2,849	-	9,245	2,380	1,142	1,325	-	2,197	4,878
Sub total (B)	7,258	4,836	2,849	-	9,245	2,380	1,142	1,325	-	2,197	4,878
Total (A+B)	27,572	14,634	3,910	(2,540)	35,756	9,694	2,133	2,210	7	9,610	17,878
Previous Year	20,013	9,077	1,518	-	27,572	8,546	2,055	907	-	9,694	17,878

12.1 Based on the valuation report submitted by the valuers appointed for the purpose, certain items of the Parent Company's fixed assets (viz. Freehold and Leasehold Land, Buildings and Equipment) 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 Equipment based on their 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 ` 2,472 lacs, arising from the aforesaid revaluation, were transferred to Revaluation Reserve as reflected in the Parent Company's annual accounts for 1992-93

Depreciation on these revalued assets as calculated in the manner includes an additional charge of ` 15 lacs (Previous Year ` 15 lacs) and an amount equivalent to the additional charge has been transferred to the Profit and Loss Account from Revaluation Reserve. The effective depreciation rates (other than for leasehold land) are as per Schedule XIV to the Companies Act, 1956.

12.2 The amount has been de-capitalised on a prudent basis due to certain operational constraint regarding the usage of the land.

12.3 Other adjustments represents borrowing cost capitalised during the year ` 342 lacs (Previous Year Nil)

12.4 Capital Work in Progress includes borrowing costs ` 397 lacs (Previous Year Nil)

12.5 Ownership of a flat (cost ` 39 lacs) 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.

Notes to Consolidated Financial Statements for the year ended 31st March 2012

13 INTANGIBLE ASSETS	GROSS BLOCK				AMMORTISATION			NET BLOCK	
	Cost/ Valuation as at 01.04.2011	Additions during the year	Sales during the year	Cost/ Valuation as at 31.03.2012	As at 01.04.2011	For the Year	On Sales/ Adjustment during the year	As at 31.03.2012	As at 31.03.2011
(acquired items)									
Technical Know-how	975	232	-	1,207	865	90	-	955	110
Software	135	-	37	98	135	-	37	98	-
Total	1,110	232	37	1,305	1,000	90	37	1,053	110
Previous Year	1,077	39	6	1,110	971	30	1	1,000	110

(` in lacs)

13.1 Technical Know-how [shown under Intangible Assets - Note 13] represents technical drawings, designs etc. relating to manufacture of the Company's products acquired pursuant to various agreements conferring the right to manufacture and usage only.

13.2 Details of Depreciation and Amortisation Expenses

	Year Ended 31.03.2012	Year Ended 31.03.2011
Depreciation of Tangible Assets	2,133	2,055
Amortisation of Intangible Assets	90	30
Less : Recoupment from revaluation reserve	(15)	(15)
Less : Depreciation Capitalised	(15)	-
Less : Amortisation Capitalised	(43)	-
Net Depreciation Charged to Profit and Loss Statement	2,150	2,070

(` in lacs)

Notes to Consolidated Financial Statements for the year ended 31st March 2012

(₹ in lacs)

14 NON CURRENT INVESTMENTS (AT COST)	As at 31.03.2012		As at 31.03.2011	
	Number	Value	Number	Value
Other Investments :				
Long-Term				
Quoted :				
Equity Instrument				
Eveready Industries India Limited	1,266	2	1,266	2
Shares of ₹ 5/- each fully paid				
McLeod Russell India Limited	1,266	2	1,266	2
Shares of ₹ 5/- each fully paid				
Bank of India	7,900	3	7,900	3
Shares of ₹ 10/- each fully paid				
Unquoted :				
Debentures				
Woodlands Multispecialty Hospital Limited	20	*	20	*
1/2 % Debentures of ₹ 100/- each fully paid				
Others				
Gulshan Villa Premises Co-operative Society Limited	10	*	10	*
Shares of ₹ 50/- each fully paid (₹ 500/-)				
		7		7
Aggregate book value of investments				
Quoted		7		7
Unquoted		-		-
Total		7		7
Aggregate market value of quoted investments		32		33

*Amount is below the rounding off norm adopted by the Company.

(₹ in lacs)

15 LONG TERM LOANS AND ADVANCES	As at 31.03.2012		As at 31.03.2011	
	Unsecured Considered Good			
Capital Advance		64		304
Security Deposits		224		204
Balance with Government Authorities		4		3
Employee Advance		2		3
Total		294		514

Notes to Consolidated Financial Statements for the year ended 31st March 2012

(` in lacs)

16 INVENTORIES	As at 31.03.2012	As at 31.03.2011
a. Raw Material and components	4,913	4,816
Goods - in - transit	294	102
	5,207	4,918
b. Work -in-progress	2,013	1,757
	2,013	1,757
c. Finished goods	1,432	732
	1,432	732
d. Stock-in-trade	13,680	26,156
	13,680	26,156
e. Stores and spares- Traded	7,107	-
	7,107	-
f. Stores and spares-Others	81	64
	81	64
g. Loose Tools	84	214
	84	214
Total	29,604	33,841

(` in lacs)

17 TRADE RECEIVABLES	As at 31.03.2012	As at 31.03.2011
Unsecured Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment.	1,794	1,556
Others	19,202	17,679
Total	20,996	19,235

(` in lacs)

18 CASH AND CASH EQUIVALENTS	As at 31.03.2012	As at 31.03.2011
Balance with Banks :		
On Current Accounts	3,210	3,519
On Dividend Accounts	21	17
On Fixed Deposit	3,157	1,782
Cheques in Hand	83	-
Cash in hand	12	224
Total	6,483	5,542

Notes to Consolidated Financial Statements for the year ended 31st March 2012

(₹ in lacs)

19 SHORT TERM LOANS AND ADVANCES	As at 31.03.2012	As at 31.03.2011
Unsecured, Considered Good		
Claims Receivable	1,101	2,518
Accrued Duty Benefits pertaining to exports/Deemed exports	108	348
Employee Advance	30	30
Advance to Suppliers	128	267
Advance Income Tax	12,223	11,053
Mat Credit Entitlement	323	-
Advance to Government Authorities	270	290
Deposits	208	175
Other Prepayments	503	472
Total	14,894	15,153

(₹ in lacs)

20 REVENUE FROM OPERATIONS	Year Ended 31.03.2012	Year Ended 31.03.2011
Operating Income		
Sale of product		
Finished Goods	25,655	24,380
Traded goods	105,662	108,000
Sale of services	3,318	2,526
	134,635	134,906
Other Operating Income		
Rental from Machinery	2,386	2,201
Selling Commission earned	2,968	2,299
Scrap Sales	161	97
REVENUE FROM OPERATIONS (gross)	140,150	139,503
Less : Excise Duty	2,264	1,893
REVENUE FROM OPERATIONS (net)	137,886	137,610

Notes to Consolidated Financial Statements for the year ended 31st March 2012

(` in lacs)

21 OTHER INCOME	Year Ended 31.03.2012	Year Ended 31.03.2011
Profit/(Loss) on Sale of Fixed Assets (Net)	498	204
Dividend Income (Trade Investments-Long Term)	1	1
Interest :		
- On Income Tax Refunds	-	23
- On deposit with Banks and Others	113	306
Liabilities no longer required written back	56	62
Discounts	29	8
Miscellaneous Income	597	174
Total	1,294	778

(` in lacs)

22 COST OF MATERIALS CONSUMED	Year Ended 31.03.2012	Year Ended 31.03.2011
Raw Material (including Components) Consumed	18,321	15,702
Total	18,321	15,702

(` in lacs)

23 PURCHASE OF STOCK IN TRADE	Year Ended 31.03.2012	Year Ended 31.03.2011
Purchase of Traded Goods	85,986	100,271
Total	85,986	100,271

(` in lacs)

24 CHANGES IN INVENTORIES	Year Ended 31.03.2012	Year Ended 31.03.2012	Year Ended 31.03.2011
Inventories at the end of the year			
Traded goods	20,787		26,156
Work-in-progress	2,013		1,757
Finished goods	1,432		732
		24,232	28,645
Inventories at the beginning of the year			
Traded goods	26,156		14,787
Work-in-progress	1,757		1,734
Finished goods	732		-
Less : Capitalised	(135)		-
		28,510	16,521
Excise Duty on Increase / Decrease of Finished Goods		116	68
Total Net Decrease/(Increase)		4,394	(12,056)

Notes to Consolidated Financial Statements for the year ended 31st March 2012

(` in lacs)

25	EMPLOYEE BENEFITS EXPENSE	Year Ended 31.03.2012	Year Ended 31.03.2011
	Salaries , Wages , Bonus etc	9,710	8,956
	Contribution to Provident and other Funds	1,298	967
	Staff Welfare Expenses	331	318
	Medical Expenses	221	195
	Total	11,560	10,436

25.1 Employee Benefits

The Group has recognised, in the Profit and Loss Account for the year ended 31st March,2012 an amount of ` 121 lacs (Previous year ` 92 lacs) as expenses under defined contribution plans.

Provident Fund :-

The parent company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors. Based on the final guidance for measurement of Provident Fund liabilities issued by the Actuarial Society of India, the Company's liability at the year end of ` 91 lacs has been actuarially determined by an independent authority. The Company has contributed for the year ended 31st March 2012 an amount of ` 389 lacs (Previous year ` 347 lacs) as Provident Fund.

The details of fund and plan asset position as at 31st March 2012 is given below

	Year Ended 31.03.2012
Present value of benefit obligation at year end (` in lacs)	3,717
Cost of shortfall in interest rate guarantee (` in lacs)	91
Assumptions used in determining the present value obligation on the interest guarantee under the Deterministic approach	
Guaranteed Rate	8.25%
Average yield rate based on data of investment portfolio	8.31%
Decrement adjusted average future period of service	22 years
Average maturity period of investment portfolio	4.5 years
Discount rate	8.69%

Notes to Consolidated Financial Statements for the year ended 31st March 2012

25.2 (a) Particulars pertaining to the post retirement defined benefit plans in respect of TIL Limited and its Subsidiary-Tractors India Private Limited are as follows :-

(` in lacs)

	Superannuation Fund (Funded)		Gratuity Fund (Funded)	
	2011-12	2010-11	2011-12	2010-11
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	1,995	1,905	859	642
b. Current Service Cost	86	83	88	53
c. Interest Cost	154	146	67	49
d. Curtailment Cost/ (Credit)	-	-	-	-
e. Actuarial (gain)/loss	391	148	142	225
f. Benefits paid	(356)	(287)	(139)	(109)
g. Present Value of Obligation at the end of the Year	2,271	1,995	1,018	859
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	1,995	1,906	779	564
b. Adjustment to (a) above, on restatement by new actuary	-	-	-	-
c. Expected return on Plan Assets	174	155	74	54
d. Actuarial gain/(loss)	3	5	(3)	(7)
e. Contributions by the Employer	461	215	330	278
f. Benefits paid	(356)	(287)	(139)	(109)
g. Fair value of Plan Assets at the end of the Year	2,276	1,995	1,041	779
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	2,276	1,995	1,041	779
b. Present Value of Obligation at the end of the Year	2,271	1,995	1,018	859
c. (Assets)/Liabilities recognised in the Balance Sheet	(5)	-	(23)	81

Notes to Consolidated Financial Statements for the year ended 31st March 2012

25.2 (a) Particulars pertaining to the post retirement defined benefit plans in respect of TIL Limited and its Subsidiary-Tractors India Private Limited are as follows :-

(` in lacs)

	Superannuation Fund (Funded)		Gratuity Fund (Funded)	
	2011-12	2010-11	2011-12	2010-11
4. Expenses recognised during the year :				
a. Current Service cost	86	83	88	53
b. Interest cost	154	146	67	49
c. Expected return on Plan Assets	(174)	(155)	(74)	(54)
d. Curtailment Cost/(Credit)	-	-	-	-
e. Actuarial (Gain) / Loss	389	143	145	232
f. Expenses recognised during the year	455	217	226	280

(` in lacs)

	2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
a. Present Value of Obligation at the end of the Year	2,271	1,995	1,905	1,890	1,412	1,018	859	642	539	548
b. Fair value of Plan Assets at the end of the Year	2,276	1,995	1,906	1,542	1,250	1,041	779	564	578	538
c. (Assets)/Liabilities recognised in the Balance Sheet	(5)	-	(1)	35	162	(23)	81	78	(38)	969
d. Experience Adjustments on Plan Obligation [(Gain) /Loss]	391	168	256	515	123	142	235	70	42	(17)
e. Experience Adjustments on Plan Assets [Gain/ (Loss)]	3	5	21	-	-	(3)	(7)	(49)	(4)	-

Description	Superannuation Fund % Invested		Gratuity Fund % Invested	
	31.03.12	31.03.11	31.03.12	31.03.11
Investment Details of Plan Assets as at				
a. Govt of India Securities	21.83	20.53	22.17	20.79
b. Public Sector (PSU)Bonds	51.30	47.16	36.64	30.54
c. State / Central Govt Securities	13.69	16.82	17.77	18.70
d. Special Deposit Scheme	12.82	14.99	22.26	29.81
e. Other including Bank Balance	0.36	0.50	1.16	0.16
Total	100.00	100.00	100.00	100.00
Assumptions				
a. Discount rate per annum	8.50%	8.50%	8.50%	8.50%
b. Salary escalation rate per annum	4.00%	4.00%	4.00%	4.00%
c. Expected rate of return on Plan Assets per annum	8.50%	8.00%	8.50%	8.00%
d. Method used	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method
Actual Return on Plan Assets	7.37%	7.64%	7.11%	6.53%

25.2 (b) 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.

25.2 (c) The estimate of future salary increases take into account inflation, seniority, promotion and other relevant reasons.

Notes to Consolidated Financial Statements for the year ended 31st March 2012

(` in lacs)

26 FINANCE COST	Year Ended 31.03.2012	Year Ended 31.03.2011
Interest Expenses	3,694	2,010
Other Borrowing Cost	145	66
Total	3,839	2,076

(` in lacs)

27 OTHER EXPENSES	Year Ended 31.03.2012	Year Ended 31.03.2011
Consumption of Stores	454	423
Rent	455	438
Rates and Taxes	212	189
Bank Charges	453	375
Insurance	321	257
Repairs and Maintenance :		
Buildings	228	280
Plant and Machinery	436	433
Others	240	151
	904	864
Travelling Expenses	1,906	2,077
Stationery and Printing	161	155
Postage, Telephone and other Communication Expenses	345	347
Advertising	91	143
Power and Fuel	357	329
Commission	55	403
Forwarding Charges	479	405
Royalties	190	171
Professional Fees	499	483
Motor Car and Van Expenses	216	224
Service Support Expenses	489	509
Trade Receivables written off	259	295
Carriage Inward	549	1,427
Miscellaneous Expenses	2,142	1,369
Total	10,537	10,883

27.1 The Group has various residential / commercial premises taken 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 ` 404 lacs (Previous Year ` 409 lacs).

Notes to Consolidated Financial Statements for the year ended 31st March 2012

(₹ in lacs)

28	CONTINGENT LIABILITIES IN RESPECT OF -	As at 31.03.2012	As at 31.03.2011
a.	Sales Tax Matters under dispute [Related payments ₹ 10 lacs (Previous year ₹ 11 lacs)]	1,599	384
b.	Income Tax Matters under dispute [Excludes disputed Income Tax matters, in view of favourable Tribunal decision in similar case]. [Related payments ₹ 93 lacs (Previous year ₹ 48 lacs)]	303	176
c.	Service Tax matters under dispute [Related payments ₹ 202 lacs (Previous year ₹ 217 lacs)]	1,213	1,314
d.	Excise Duty matters under dispute [Related payments ₹ 23 lacs (Previous year ₹ 39 lacs)]	48	101
e.	Others	6	27

The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and result of operations.

(₹ in lacs)

29	CORPORATE GUARANTEE GIVEN ON BEHALF OF SUBSIDIARIES :	As at 31.03.2012	As at 31.03.2011
	- Limit		
	Tractors India Private Limited	50,800	40,006
	Myanmar Tractors Limited	1,028	897
	TIL Overseas Pte. Ltd.	771	673
	- Amount outstanding at year-end		
	Tractors India Private Limited	28,060	22,004
	Myanmar Tractors Limited	Nil	Nil
	TIL Overseas Pte. Ltd.	Nil	Nil

(₹ in lacs)

30	CAPITAL COMMITMENT	As at 31.03.2012	As at 31.03.2011
	Capital Commitment [Net of advance ₹ 760 lacs (Previous year ₹ 307 lacs)]	2,682	5,677
	Other Commitments	8,281	-

31 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 equipments.
- 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, Singapore and Myanmar (upto 30.06.2011).
- 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, Singapore and Myanmar (upto 30.06.2011).

Notes to Consolidated Financial Statements for the year ended 31st March 2012

31.1 Information about primary segments - Business Segments

(` in lacs)

	Year Ended 31.03.2012					TOTAL
	MHS	CMS	PSS	OTHERS (Unallocated)		
Segment Revenue *	23,821	84,295	30,951	113		139,180
	(20,687)	(84,591)	(32,780)	(330)		(138,388)
Segment Results	1,590	2,238	2,470	-		6,298
	(2,641)	(5,123)	(2,924)	-		(10,688)
Add(+)/(Less-): Unallocated income net off unallocated expense(+)/						
[Unallocated expense net off unallocated income(-)]						
Interest expenses				3,839		3,839
				(2,076)		(2,076)
Profit before tax						2,393
						(9,006)
Depreciation and Amortisation	350	1,041	622	137		2,150
	(279)	(1,009)	(644)	(138)		(2,070)
Non Cash Expenses other than Depreciation and Amortisation	148	42	69	-		259
	(81)	(143)	(71)	-		(295)
Segment Assets	35,476	39,588	15,707	13,251		104,022
	(21,865)	(37,515)	(22,981)	(11,065)		(93,426)
Segment Liabilities (excluding Shareholders' Funds)	5,872	6,058	2,888	54,074		68,892
	(4,827)	(10,357)	(9,418)	(36,022)		(60,624)
Capital Expenditure	11,396	4,213	464	700		16,773
	(4,696)	(1,837)	(1,552)	(185)		(8,270)

* There is no inter segment revenue

Previous year's figures in bracket.

31.2 Information about secondary segments - Geographical Segments

(` in lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
Revenue		
India	126,264	110,754
Outside India	12,803	27,304
Total	139,067	138,058
Assets		
India	83,453	68,030
Outside India	7,318	14,331
Total	90,771	82,361
Capital Expenditure		
India	15,273	7,952
Outside India	800	133
Total	16,073	8,085

Notes to Consolidated Financial Statements for the year ended 31st March 2012

32 EARNINGS PER SHARE (EPS) - THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC AND DILUTED EPS:

		Year Ended 31.03.2012	Year Ended 31.03.2011
Profit after Tax attributable to the Equity Shareholders (₹ lacs)	A	1,534	6,019
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 (₹)		10/-	10/-
Basic and Diluted Earnings per Share (₹)	A/B	15.30	60.01

33 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)
 Mr. S K Bhatnagar (Whole time Director - TIL Limited till 3rd October '2011)

B) Particulars of transactions during the year ended 31st March, 2012

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
Key Management Personnel		(₹ in lacs)
a) Remuneration -		
Mr. A. Mazumdar	255	194
Mr. S. Mazumder	55	190
Mr. S K Bhatnagar	120	128
b) Year end Balance :		
Commission Payable -		
Mr. A. Mazumdar	109	77
Mr. S. Mazumder	-	79
Mr. S K Bhatnagar	40	58

34 The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current years' classification / disclosure.

Signatures to Notes '1' to '34'

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Kolkata
14th May, 2012.

Consolidated Cash Flow Statement for the year ended 31st March 2012

(` in lacs)

	Year ended 31.03.2012	Year ended 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	2,393	9,007
Adjustments for :		
Depreciation and Amortisation Expenses	2,150	2,070
Trade Receivables Written off	259	295
(Profit)/Loss on Sale of Fixed Assets (Net)	(498)	(204)
Finance Cost (Net)	3,726	1,747
Dividend Income	(1)	(1)
Liability no longer required written back	(56)	-
Unrealised Foreign Exchange (Gain)/Loss (Net)	964	(123)
	6,544	3,784
Operating Profit before Working Capital Changes	8,937	12,791
Adjustments for :		
Trade and Other Receivables	(2,018)	(2,745)
Inventories	4,238	(14,538)
Loans and Advances (Short-Term and Long-Term)	1,972	(1,845)
Trade Payables and Other Liabilities	(9,684)	7,894
	(5,492)	(11,234)
Cash Generated from Operations	3,445	1,557
Direct Taxes Paid	(1,654)	(2,902)
Net Cash from / (Used in) Operating Activities	1,791	(1,345)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(16,133)	(8,270)
Proceeds from Sale of Fixed Assets	2,198	820
Interest Received	113	359
Dividend Received	1	1
Net Cash from / (Used in) Investing Activities	(13,821)	(7,090)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(4,035)	(1,993)
Proceeds from Long Term borrowings	10,356	487
Repayment of Long Term borrowings	(731)	(1,088)
Proceeds/(Repayment) of short term borrowings (Net)	8,077	13,063
Dividend Paid	(598)	(599)
Income Tax on Dividend Paid	(98)	(98)
Net Cash from / (Used in) Financing Activities	12,971	9,772
D. EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS	-	(103)
Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C+D)	941	1,234
Cash and Cash Equivalents as at the beginning of the year (Refer Note 18)	5,542	4,308
Cash and Cash Equivalents as at the close of the year (Refer Note 18)	6,483	5,542

Notes :

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'CashFlow Statements'.
- 2) Previous year's figures have rearranged / regrouped wherever necessary.
- 3) Cash and Cash Equivalent include ` 21 lacs (Previous Year ` 17 lacs) in respect of Unpaid Dividend Account.

In terms of our Report of even date
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of Board of Directors

A. Mazumdar
Chairman

A. Bhattacharya
Partner

Sumit Mazumdar
Vice Chairman & Managing Director

Kolkata
14th May, 2012.

Sekhar Bhattacharjee
Company Secretary

Statement Regarding Subsidiary Companies

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

Name of the Company	Tractors India Private Limited (TIPL)	Myanmar Tractors Ltd. (MTL)	Tractors Nepal Pvt. Ltd. (TNPL)	TIL Overseas PTE Ltd. (TILO)
Financial Year Ending of the Subsidiary	31st March	31st March	15th July	31st March
The Company's Interest in the subsidiary as on 31st March 2012.				
a) No. of Equity Shares	45,00,000	19,714	120,000	107,577
b) Face Value	RS 10	Kyats 1000	NPR 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, 2012 :				
i) Not dealt with in the Books of Accounts of the Company.	(Lacs)357	US\$ 601,233	NPR 7,394,399	US\$ 115,129
	(100% of the PAT)	(100% of the PAT)	(100% of the PAT)	(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.	(Lacs) 1,905	US\$ 6,433,421	NPR 37,313,423	US\$ \$ 1,609,682
	(100% of the PAT)	(100% of the PAT)	(100% of the PAT)	(100% of the PAT)
ii) Dealt with in the Books of Accounts of the Company.	Nil	Nil	Nil	Nil

* The Balance 19% of the Share Capital is held by TILO.

NOTES:

- All Equity Shares are fully paid up.
- 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

Sekhar Bhattacharjee
Company Secretary

Kolkata
14th May, 2012.

Tractors India Private Limited

BOARD OF DIRECTORS

Mr. Sumit Mazumder
Chairman and Managing Director

Mr. G.V.R. Murthy
Joint Managing Director

Mr. Alope Banerjee
Director - Finance

Dr. T. Mukherjee
Non-Executive Independent Director

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
HDFC Bank Ltd.
DBS Bank Ltd.

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, 2012.

	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
(` /Crores)		
1. FINANCIAL RESULTS		
Profit for the year after meeting all expenses but before charging Depreciation and Finance Cost.	53.64	65.64
Less: Finance Cost	33.65	17.70
Depreciation	15.81	14.14
PROFIT/(LOSS) BEFORE TAX	4.18	33.80
Tax Provision		
a) Current Tax	0.57	10.48
b) Deferred Tax	0.05	4.26
PROFIT/(LOSS) AFTER TAX	3.56	19.06
Balance Carried Forward	3.56	19.06

2. PERFORMANCE

Tractors India Private Ltd., the Wholly Owned Subsidiary Company in India, achieved a turnover including income from operations and Other Income of ` 1039.95 Crores compared to ` 911 Crores in the previous year. The Profit before tax stood at ` 4.18 Crores compared to ` 33.80 Crores in the previous year.

3. FINANCE

Reserves & Surplus of the Company increased from ` 110.40 Crores to ` 113.96 Crores and the Shareholders' Funds increased from ` 114.90 Crores to ` 118.46 Crores.

4. 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 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.

6. PARTICULARS OF EMPLOYEES

The total number of employees of the Company as on 31st March, 2012 was 1659.

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all Shareholders of the Company excluding the Statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956. Any Shareholder interested in obtaining a copy of the said Statement may write to Mr. Alope Banerjee, Director-Finance at the Registered Office of the Company, and the same will be sent by post.

7. DIRECTORS

Mr. G.V.R. Murthy 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. APPOINTMENT OF COST AUDITORS

Pursuant to Order bearing F No. 52/26/CAB-2010 dated 2nd May, 2012 issued by the Ministry of Corporate Affairs, Cost Audit Branch, your Company is now mandatorily required to appoint a Cost Auditor to conduct audit of the Cost records of the Company as stipulated under Section 233B of the Companies Act, 1956.

Accordingly, the Board of Directors has appointed Messrs. D. Radhakrishnan & Co., Cost Accountants, 11A, Dover Lane, Kolkata - 700029 as Cost Auditors of the Company for the Financial Year 2012-13. The said firm has confirmed that they are qualified for appointment as Cost Auditors and their appointment is within the limits specified under Section 224(1B) of the Companies Act, 1956.

10. AUDITORS

Messrs. Price Waterhouse, Chartered Accountants, bearing FRN: 301112E (Kolkata), the retiring Auditors of the Company, have informed that they do not wish to seek re-appointment at the ensuing Annual General Meeting. However, Messrs. Price Waterhouse, Chartered Accountants, bearing FRN: 012754N (New Delhi), have agreed to be appointed as Statutory Auditors of the Company at the ensuing Annual General Meeting and have also confirmed that their appointment, if made, shall be within the limits specified under Section 224(1B) of the Companies Act, 1956.

Pursuant to the provisions of Section 224 and other applicable provisions of the Companies Act, 1956, the aforesaid appointment is subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting. Your Directors recommend their appointment.

11. 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, 1956.

12. SECRETARIAL AUDIT REPORT

Pursuant to Section 383A of the Companies Act, 1956, your Company has appointed Mr. Tarun Chatterjee of M/s. T. Chatterjee & Associates, Practising Company Secretaries, to conduct Secretarial Audit of the Company for the financial year ended March 31, 2012. The Secretarial Audit Report addressed to the Board of Directors of the Company is attached hereto as part of this report. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, and all other Laws as applicable to the Company.

13. ACKNOWLEDGEMENTS

Your Directors wish to thank its Customers, Principals, Shareholders, Banks, Financial Institutions and Government Authorities for their co-operation and support to the Company. Though the year under review was very challenging and difficult, your Directors sincerely thank its employees for their continued good efforts.

For and on behalf of the Board of Directors

Place : Kolkata

Date : 14th May, 2012.

S. Mazumder

Chairman & Managing Director

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. Asansol, CRC has submitted an application to WBSSEDCL for redefining the Contract Agreement Value to 300KVA in place of the existing Agreement for 750 KVA.

2. Improvements:

The Company follows a sound and systematic system of maintenance of all equipments thereby conserving energy to an advantageous level.

3. Impact of (1) & (2): The outcome of these changes would enable substantial cost savings for the Company.

4. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION:

	Year ended 31.03.2012	Year ended 31.03.2011
A. Power and fuel consumption		
a) Electricity		
Purchased Units	347,962	346,536
Total amount (` Crores)	0.22	0.22
Rate Per Unit (`)	6.46	6.58
b) Own Generation		
Through Diesel Generator		
Units	53,220	61,012
Units per litre	3.00	2.77
Cost per unit (`)	12.03	13.68

	Standard Unit	Year ended 31.03.2012	Year ended 31.03.2011
B. Consumption per unit of Production			
Product - DG Sets Electricity (in '000)	Nos.	1.35	1.06

FORM B

TECHNOLOGY ABSORPTION

Not Applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO**1. Earnings and Outgo:**

in Crores

I) Foreign Exchange Earnings - export sales (FOB), Commission, Dividend, etc	43.09
II) Foreign Exchange outgo (includes raw material, capital goods, components & spares, and other expenditure in foreign currency, including dividends) :	
a) Raw Material	Nil
b) Machines (Trading items)	125.04
c) Components & Spares	117.16
d) Capital goods	Nil
e) Travelling	0.27
f) Technical Know-how Fees	Nil
g) Commission	Nil
h) Royalty	Nil
i) Dividend	Nil

For and on behalf of the Board of Directors

Place : Kolkata

Date : 14th May, 2012.

S. Mazumder

Chairman & Managing Director

Compliance Certificate

CIN : U29150WB1995PTC072501
 Nominal Capital /Paid-up Capital : ₹ 4,50,00,000

To,
 The Members,
 Tractors India Private Limited,
 1, Taratolla Road,
 Garden Reach,
 Kolkata 700 024.

I have examined the Registers, records, books and papers of **Tractors India Private Limited**, as required to be maintained under the Companies Act, 1956, ('the Act') and the Rules made thereunder and also the provisions contained in the Memorandum and Article of Association of the Company for the Financial Year ended 31st March, 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and Directors, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all Registers as per the provisions of the Act and the Rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns with the Registrar of Companies, West Bengal under the Act and Rules made thereunder.
3. The Company being a Private Limited Company has the minimum prescribed Paid-up Capital and its maximum number of members during the said financial year was 3 excluding its present and past employees of the Company during the year under scrutiny.
 - i) has not invited public to subscribe for its shares or debentures; and
 - ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 5 (five) times on 16/05/2011, 25/07/2011, 24/10/2011, 30/01/2012 and 26/03/2012. In respect of each Meeting proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Register of Members was not closed during the financial year.
6. The Annual General meeting for the Financial Year ended on 31/03/2011 was held on 25/07/2011 after giving due notice to the members of the company and the resolutions passed were duly recorded in Minutes Book maintained for the purpose.
7. During the Financial year under review no Extra Ordinary General Meeting was held.
8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred in the Section 295 of the Act.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act.
10. According to information and explanations given to me, there are no transactions made in pursuance of contract or arrangement to be entered in the Register maintain under Section 301 of the Act.
11. There were no instances falling within the purview of Section 314 of the Act.
12. The Company has not issued any duplicate Share Certificate during the financial year.
13. The Company has :
 - (i) Not made any allotment of securities during the financial year.
 - (ii) Not deposited any amount in separate bank account, as no dividend was declared during the financial year.
 - (iii) Not required to post warrants to any Members of the Company as no dividend was declared during the financial year.
 - (iv) There was no amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon.
 - (v) Duly complied with the requirement of Section 217 of the Companies Act, 1956.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors has been duly made.

15. The appointment of Whole-time Directors and Managing Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has made an application on 06th March, 2012 to the Central Government for approval for payment of managerial remuneration.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provision of the Act and the rules made there under.
19. The Company has not issued any Shares during the Financial Year ended 31st March, 2012.
20. The Company has not bought back any Shares during the financial year.
21. There was no redemption of Preference Share or Debentures during the financial year.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, Rights Shares and Bonus Shares pending Registration of transfer of Shares.
23. The Company has not invited/accepted any Deposits including any Unsecured Loans falling within the purview of Section 58A and 58AA during the financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the Financial Year ending 31/03/2012 is within the borrowing limits of the Company.
25. The Company has not made any loans and investments; or given guarantees or provided securities to other bodies corporate which attract the provisions of Section 372A of the Act.
26. The Company has not altered the provisions of Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered 'Authorised Capital' clause of the Memorandum of Association of the Company during the year under scrutiny and complied with the provisions of the Act.
30. The Company has not altered the Articles of Association of the Company during the year under scrutiny.
31. I have been given to understand by the Management that there was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for the offences under the Act.
32. The Company has not received any money as security from its employees during the year under certification, hence the provisions of Section 417(1) of the Act was not applicable.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For **T. Chatterjee & Associates**

Tarun Chatterjee

Proprietor

CP NO. 6935

Place : Kolkata

Date : 14th May, 2012.

Auditors' Report to the Members of Tractors India Private Limited

1. We have audited the attached Balance Sheet of Tractors India Private Limited (the "Company") as at 31 st March, 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, 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 the 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 (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' 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 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 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the 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 31 st March, 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 st March, 2012 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 31 st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **PRICE WATERHOUSE**

Firm Registration Number: 301112E

Chartered Accountants

Kolkata

14 th May, 2012

P. LAW

Partner

(Membership No. 51790)

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Tractors India Private Limited on the financial statements as of and for the year ended 31st March, 2012

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets 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 portion 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 of by the Company during the year.
2. (a) The inventory has been physically verified by the Management during the year. 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 the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
(b) The Company has not taken any loans, secured or unsecured, 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, 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 and 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 referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing 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 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, the particulars of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess as at 31st March, 2012 as applicable which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In lacs) (net of payments)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956	Sales Tax	4.85	2001-02	The High Court of Jharkhand at Ranchi
The Delhi Sales Tax Act	Sales Tax	4.91	2002-03	The High Court of Delhi
The Bihar VAT Act	Sales Tax	80.91	2008-09 to 2009-10	The Joint Commissioner of Commercial Taxes (Appeal), Patna
Finance Act, 1994	Service Tax	179.57	2003-04 to 2007-08 and 2009-10	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	1009.36	2003-04 to 2007-08	Customs, Excise and Service Tax Appellate Tribunal, Kolkata

10. The Company has no accumulated losses as at 31st March, 2012, 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 explanation 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. The 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 Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, 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 a 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 has not issued any debentures during the year; and does not have any debentures outstanding as at the year end.
20. The Company has not raised any money by public issues during the year.
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 any such case by the Management.

For **PRICE WATERHOUSE**

Firm Registration Number: 301112E

Chartered Accountants

P. LAW

Partner

(Membership Number - 51790)

Kolkata

14 th May, 2012

Balance Sheet as at 31st March 2012

(` in lacs)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	450	450
Reserves and Surplus	4	11,397	11,040
Non- Current Liabilities			
Long -Term Borrowings	5	2,051	1,106
Deferred Tax Liabilities (Net)	6	431	427
Long- Term Provisions	7	308	175
Current Liabilities			
Short -Term Borrowings	8	25,502	17,281
Trade Payables	9	5,594	12,218
Other Current Liabilities	10	3,369	3,482
Short- Term Provisions	11	1,192	1,073
Total		50,294	47,252
ASSETS			
Non - Current Assets			
Fixed Assets			
- Tangible Assets	16	10,027	8,243
- Capital Work-in-Progress		-	79
- Intangible Assets under Development		700	-
Current assets			
Inventories	17	20,835	23,351
Trade Receivables	18	16,116	13,299
Cash and Bank Balances	19	98	6
Short-Term Loans and Advances	20	2,518	2,274
Total		50,294	47,252

Summary of significant Accounting Policies 2

The Notes are an integral part of these Financial Statements.
This is the Balance Sheet referred to in our report of even date.

For and on behalf of Board of Directors

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

Sumit Mazumder
Chairman & Managing Director

G.V.R. Murthy
Joint Managing Director

P. Law
Partner
Membership No.51790

Aloke Banerjee
Director Finance

Kolkata,
14th May, 2012.

Statement of Profit and Loss for the year ended 31st March 2012

(` in lacs)

Particulars	Note No.	Year Ended 31.03.2012	Year Ended 31.03.2011
INCOME			
Revenue from Operations (Gross)	22	103,510	90,815
Less: Excise Duty		516	614
Revenue from operations (Net)		102,994	90,201
Other Income	23	486	294
Total Revenue		103,480	90,495
EXPENSES			
Cost of Materials Consumed	24	5,385	5,998
Purchases of Stock-in-Trade	25	77,733	77,894
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade [(Increase) / Decrease]	26	1,569	(11,396)
Employees Benefit Expenses	27	7,406	6,439
Finance Costs	28	3,365	1,816
Depreciation and Amortization Expenses		1,580	1,414
Other Expenses	29	6,024	4,950
Total Expenses		103,062	87,115
Profit Before Tax		418	3,380
Tax Expenses			
Current Tax	35	84	1,048
Less: MAT Credit Entitlement		(27)	-
Net Current Tax		57	1,048
Deferred Tax		4	426
		61	1,474
Profit for the Period		357	1,906
Earnings Per Equity Share : [Nominal Value per Share ` 10/- (Previous year ` 10/-)]	31		
- Basic (`)		7.93	42.35
- Diluted (`)		7.93	42.35
Summary of Significant Accounting Policies	2		

The Notes are an integral part of these Financial Statements.

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

For and on behalf of Board of Directors

For PRICE WATERHOUSE

Firm Registration No. 301112E

Chartered Accountants

P. Law

Partner

Membership No.51790

Kolkata,

14th May, 2012.

Sumit Mazumder
Chairman & Managing Director

G.V.R. Murthy
Joint Managing Director

Aloke Banerjee
Director Finance

Notes to financial statements for the year ended 31st March, 2012

(All amounts in ` Lacs unless otherwise stated)

1 GENERAL INFORMATION

Tractors India Private Limited (the 'Company') is a wholly owned subsidiary of TIL Limited. The Company is in a dealership business of Caterpillar products and its business segments are as follows :

- 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 etc and providing related services in Eastern and Northern India and Bhutan.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. The Financial Statements are prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

2.2 Revenue Recognition

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.

2.3 Fixed Assets

Tangible Assets are stated at their original cost/cost of acquisition, net of accumulated depreciation and accumulated impairment losses, if any. 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. Intangible Assets are stated at cost of acquisition net of accumulated amortisation and accumulated impairment losses, if any. Intangible Assets are amortised on a straight line basis over their estimated useful lives.

2.4 Depreciation

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

Leasehold land is amortised over the period of lease.

In respect of other Tangible Assets, at rates prescribed in Schedule XIV to the Companies Act, 1956 on 'Straight Line Method' except Plant and Machinery given under operating leases which are depreciated over a period of 3 to 6 years, being the useful life as estimated by the management. Software (Intangible Asset) are amortised within a period of three years from the date of capitalisation.

2.5 Inventories

Inventories, other than Loose Tools are valued at lower of weighted average cost/actual cost (inclusive of conversion expenses and applicable overheads for manufacturing activities) and net realizable value. Loose tools are charged off on purchase except for certain Loose Tools (originally acquired prior to 1st September 2008 and subsequently transferred to the Company pursuant to a Scheme of Arrangement effective 1st April, 2010 between the Company and its Parent company), which are written off over a period up to 5 years from the date of purchase, after retaining 10% residual value.

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

Notes to financial statements for the year ended 31st March, 2012

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

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

Contributions towards provident funds are recognised as expense. Provident fund contributions in respect of employees are made to common trust - 'Tractors India Employees Provident Fund' (being administered by the trustees of the said fund for the benefit of employees of the Company and its Holding Company i.e. TIL Limited) and such Trust invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trust 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. (Refer Note 27.3) Contributions under Employees' Pension Scheme is made as per statutory requirements and charged as expenses for the year.

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

Provisions for Gratuity for eligible employees is (being a defined benefit plan) made on the basis of year-end actuarial valuation using Projected Unit Credit Method (Refer Notes 27.4, 27.6 and 27.7).

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 , using Projected Unit Credit Method (Also refer Note 27.5). 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 using Projected Unit Credit Method (Refer Notes 27.5, 27.6 and 27.7). Actuarial gains / losses arising in respect of Defined Benefit Plans are recognised in the Statement of Profit and Loss as income or expenses in the year in which they occur.

Accrued liability towards Leave Encashment benefits, covering eligible employees, evaluated on the basis of year-end actuarial valuation using Projected Unit Credit Method, 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, 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 Statement of Profit and Loss . 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 Statement of Profit and Loss 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 Statement of Profit and Loss in the period in which they are incurred.

2.10 Leases

For assets acquired under Operating Lease, rentals payable are charged to Statement of Profit and Loss. 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.

Notes to financial statements for the year ended 31st March, 2012

(` in lacs)

3 SHARE CAPITAL	As at 31.03.2012	As at 31.03.2011
Authorised :		
7,000,000 (31st March 2011: 7,000,000) Equity Shares of ` 10/- each	700	700
Issued :		
4,500,000 (31st March 2011:4,500,000) Equity Shares of ` 10/- each	450	450
Subscribed and Paid up :		
4,500,000 (31st March 2011:4,500,000) Equity Shares of ` 10/- each (fully paid up)	450	450
Total	450	450

3.1 Reconciliation of number of Equity Shares

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number	Amount (` in lacs)	Number	Amount (` in lacs)
Balance as at the beginning of the year	4,500,000	450	10,570	1
Add: Shares Issued pursuant to a Scheme of Arrangement between the Company and its Holding Company without payment being received in cash.	-	-	4,489,430	449
Balance as at the end of the year	4,500,000	450	4,500,000	450

3.2 The Shares in the Company are held by its Holding Company, TIL Limited,

(` in lacs)

4 RESERVES AND SURPLUS	As at 31.03.2012	As at 31.03.2011
Securities Premium Account		
Balance as at the beginning of the year	9,135	-
Add: Premium on 4,489,430 Equity Shares of ` 10/- each Issued pursuant to a Scheme of Arrangement between the Company and its Holding Company without payment being received in cash.	-	9,135
Balance as at the end of the year	9,135	9,135
Surplus/(Deficit) in Statement of Profit and Loss		
Balance as at the beginning of the year	1,905	(1)
Profit for the year	357	1,906
Balance as at the end of the year	2,262	1,905
Total	11,397	11,040

Notes to financial statements for the year ended 31st March, 2012

(₹ in lacs)

5	LONG TERM BORROWINGS	As at 31.03.2012	As at 31.03.2011
	Secured		
	Term Loans		
	From Banks (Refer Note 5.1)	1,886	1,063
	Vehicle Loans		
	From Banks (Refer Note 5.1)	30	43
	From Other Party	15	-
	Unsecured		
	From IBM Global Finance (Refer Note 5.2)	120	-
	Total	2,051	1,106

5.1 Nature of Security and Terms of repayment for Secured Long Term Borrowings (including current maturities of Long Term Debt)

Nature of Security	Terms of Repayments
Term Loans : Term Loans from Banks comprising HDFC Bank ₹ 1515 lacs (31st March 2011 - Nil), Axis Bank ₹ 1050 lacs (31st March 2011 - ₹ 1350 lacs) and Indian Overseas Bank Nil (31st March 2011 ₹ 253 lacs) are secured by first pari-passu charge on movable fixed assets of the Company and its holding Company-TIL Limited, both present and future and by way of mortgage of certain immovable properties of TIL Limited and second pari-passu charge on the current assets of the Company, both present and future. Further for these facilities a Corporate Guarantee has been provided to the Consortium Bankers by TIL Limited	Term Loans : Term loan from HDFC Bank repayable in 16 equal quarterly instalments starting from 30th June, 2012 along with interest thereon. Term loan from Axis Bank is repayable in 20 equal quarterly instalments starting from 16th October, 2008 with interest there on.
Vehicle Loans: Vehicle loans are secured by hypothecation of the Vehicle financed.	Vehicle Loans: Repayable in 36 monthly instalments together with interest thereon.

5.2 Unsecured loan from IBM Global Finance is repayable in 12 equal quarterly instalments starting from April 2012 along with interest thereon

(₹ in lacs)

6	DEFERRED TAX LIABILITIES (NET)	As at 31.03.2012	As at 31.03.2011
	Year-end Deferred Tax balance comprises the following :		
	Timing Difference resulting in Liabilities / (Assets) mainly 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.	496	427
	Items allowable for tax purpose on payment basis	(65)	-
	Total	431	427

Notes to financial statements for the year ended 31st March, 2012

(` in lacs)

7 LONG TERM PROVISIONS	As at 31.03.2012	As at 31.03.2011
Provisions for Employee Benefits:		
Provident Fund [Refer Note 27.3]	33	-
Leave Encashment	275	175
Total	308	175

(` in lacs)

8 SHORT TERM BORROWINGS	As at 31.03.2012	As at 31.03.2011
Secured Loans		
Cash Credit / Working Capital Demand Loans from Banks (Refer Note 8.1)	13,490	11,676
Unsecured Loans		
From Banks (in foreign Currency)	12,012	5,605
Total	25,502	17,281

8.1 Nature of Security for Short Term Borrowings - Cash Credit / Working Capital Demand Loans :

Cash Credit/Working Capital facilities from Consortium Bankers are secured by first pari-passu charge by way of hypothecation on all the Current Assets of the Company (namely Stocks, Bills Receivables and Book Debts etc.) both present and future, excluding such movables as may be permissible by the said bankers from time to time and a second pari passu charge on Fixed Assets of the Company both movable and immovable, present and future, ranking after the mortgage and/or charge created and/or to be created by the Company over such Fixed Assets in favour of its term lenders/ prior charge holders for securing their respective Term Loan/Credit facilities and also secured by a second pari-passu charge on all movable and certain immovable properties of the Company's holding company-TIL Limited. Further for these facilities a Corporate Guarantee has been provided to the Consortium Bankers by TIL Limited.

(` in lacs)

9 TRADE PAYABLES	As at 31.03.2012	As at 31.03.2011
Sundry Creditors (Refer Note 12)	4,108	11,630
Acceptances	1,486	588
Total	5,594	12,218

(` in lacs)

10 OTHER CURRENT LIABILITIES	As at 31.03.2012	As at 31.03.2011
Advance from Customers	1,348	1,498
Security Deposit From Customers	286	192
Interest accrued but not due on Borrowings	173	57
Interest accrued and due on Borrowings	23	81
Current maturities of Long - Term Debt (Refer Note 5.1)	826	577
Employee Benefits Payable:		
- Salary & Reimbursements	367	668
- Contribution to Funds (Net)	(46)	92
Other Payables		
- Sales Tax	318	272
- Service Tax	4	3
- Others	70	42
Total	3,369	3,482

Notes to financial statements for the year ended 31st March, 2012

10.1 There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

(` in lacs)

11	SHORT TERM PROVISIONS	As at 31.03.2012	As at 31.03.2011
(a)	Provision for employee benefits		
	Provident Fund [Refer Note 27.3]	1	24
	Leave Encashment	59	2
		60	26
(b)	Other Provisions		
	Provision for Taxation	1,132	1,047
		1,132	1,047
	Total	1,192	1,073

12 There are no outstanding dues for Micro & Small Enterprises based on information available with the Company.

(` in lacs)

13	CONTINGENT LIABILITIES IN RESPECT OF -	As at 31.03.2012	As at 31.03.2011
(a)	Sales Tax Matters under dispute	90	10
	[Net of payments ` 32 lacs (Previous year - ` 5 lacs)]		
(b)	Service Tax matters under dispute	1,189	1,004
	[Net of payments ` 202 lacs (Previous year - ` 202 lacs)]		

14 Outstanding Bank Guarantees ` 4213 lacs (Previous year - ` 1865 lacs)

(` in lacs)

15	DETAILS OF CAPITAL AND OTHER COMMITMENTS	As at 31.03.2012	As at 31.03.2011
	Capital Commitment	1,408	17
	[Net of advance ` 700 lacs (Previous year - ` 3 lacs)]		
	Other Commitments *	8,281	4,845
	Total	9,689	4,862

* Includes orders placed for procuring Caterpillar products viz Machines, Engines, Parts etc. ` 7951 lacs (Previous year - ` 4846 lacs)

Notes to financial statements for the year ended 31st March, 2012

(in lacs)

16 TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost as at 01.04.2011	Acquired vide a Scheme of Arrangement	Additions/ Adjustment during the year	Disposal/ Adjustment during the year	Cost as at 31.03.2012	As at 01.04.2011	Acquired vide a Scheme of Arrangement	For the year	Disposal/ Adjustment during the year	As at 31.03.2012	As at 31.03.2011
Own Assets											
Leasehold Land	25	-	-	-	25	4	-	*	-	21	21
Buildings :											
Leasehold	933	-	40	-	973	53	-	25	-	895	880
Plant and Machinery	4,065	-	664	41	4,688	1,944	-	411	13	2,342	2,121
Furniture and Fixtures	295	-	58	-	353	92	-	27	-	234	203
Vehicles	371	-	110	-	481	96	-	39	-	346	275
Office Equipments	209	-	37	-	246	32	-	15	-	199	177
Sub total (A)	5,898	-	909	41	6,766	2,221	-	517	13	2,725	4,041
Assets Given On Operating Lease											
Plant and Machinery (Refer Note 16.1)	6,462	-	3,046	1,370	8,138	1,896	-	1,063	807	2,152	4,566
Sub total (B)	6,462	-	3,046	1,370	8,138	1,896	-	1,063	807	2,152	4,566
Total (A+B)	12,360	-	3,955	1,411	14,904	4,117	-	1,580	820	4,877	8,243
Previous Year	-	10,293	3,297	1,230	12,360	-	3,359	1,414	657	4,117	8,243

16.1 The assets given on operating lease represents certain Plant and Machinery (namely Diesel Generating Sets, Machines etc.) which are rented to customers 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 ` 2274 lacs (Previous Year ` 1864 lacs).

* Amortisation of Leasehold Land during the year ` 0.38 lacs not considered for rounding off purpose.

Notes to financial statements for the year ended 31st March, 2012

(` in lacs)

17 INVENTORIES	As at 31.03.2012	As at 31.03.2011
(Refer Note 2.5 above for Accounting Policy on valuation of inventory)		
Raw Material and Components	711	1,647
Work -in-Progress	609	593
Finished Goods	63	167
Stock-in-Trade	19,372	20,853
Loose Tools	80	91
Total	20,835	23,351

(` in lacs)

18 TRADE RECEIVABLES	As at 31.03.2012	As at 31.03.2011
Unsecured Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment.	1,279	803
Others	14,837	12,496
Total	16,116	13,299

(` in lacs)

19 CASH AND BANK BALANCES	As at 31.03.2012	As at 31.03.2011
Cash and Cash Equivalents		
Cash on Hand	2	2
Cheques on Hand	83	-
Balance with Scheduled Banks		
- In Current Accounts	13	4
Total	98	6

(` in lacs)

20 SHORT TERM LOANS AND ADVANCES	As at 31.03.2012	As at 31.03.2011
Unsecured, Considered Good		
Deposits	195	175
Advance Recoverable in Cash or in Kind or for value to be received	222	156
Claims Receivable	331	643
Accrued Duty Benefits pertaining to Exports/Deemed exports	12	18
	760	992
Other Loans and Advances		
Advance Income Tax	1,585	1,100
MAT Credit Entitlement	27	-
Balances with Statutory/Government Authorities	146	182
	1,758	1,282
Total	2,518	2,274

- 21 The Company has taken certain 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 ` 304 lacs (Previous Year - ` 205 lacs).

Notes to financial statements for the year ended 31st March, 2012

(` in lacs)

22 REVENUE FROM OPERATIONS	Year Ended 31.03.2012	Year Ended 31.03.2011
Sale of product		
- Finished Goods	5,935	8,226
- Traded goods	89,688	76,466
Sale of services	3,015	2,275
Other Operating Revenues		
- Rental from Machinery	2,274	1,864
- Selling Commission earned	2,598	1,984
REVENUE FROM OPERATIONS (gross)	103,510	90,815
Less : Excise Duty	516	614
REVENUE FROM OPERATIONS (net)	102,994	90,201

22.1 Refer Note 26.1 below for details of products sold

(` in lacs)

23 OTHER INCOME	Year Ended 31.03.2012	Year Ended 31.03.2011
Profit/(Loss) on Sale of Fixed Assets (Net)	274	169
Liabilities No Longer Required Written Back	27	37
Discounts	17	7
Sale of Scraps	39	14
Miscellaneous Income	129	67
Total	486	294

(` in lacs)

24 COST OF RAW MATERIALS CONSUMED	Year Ended 31.03.2012	Year Ended 31.03.2011
Opening Raw Materials	1,647	-
Add: Transferred vide Scheme of Arrangement	-	140
Add: Raw materials Purchased	4,253	7,358
	5,900	7,498
Less: Closing Raw Materials	711	1,647
Raw Materials Consumption	5,189	5,851
Add: Carriage Inward	196	147
Total	5,385	5,998

24.1 Details of Indigenous Raw Materials (Including Components) consumed:

(` in lacs)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
Engines	2679	3504
Acoustic Enclosures (for D G Sets)	737	897
Alternators (for DG Sets)	738	830
Miscellaneous	1,035	620
Total	5,189	5,851

Notes to financial statements for the year ended 31st March, 2012

(` in lacs)

25 PURCHASE OF STOCK IN TRADE	Year Ended 31.03.2012	Year Ended 31.03.2011
Total Purchase	82,082	85,421
Less : Capitalised	96	169
	81,986	85,252
Less : Raw Materials purchased	4,253	7,358
Total	77,733	77,894

25.1 Refer Note 26.1 below for Product Wise Details of Purchase of Traded Goods

25.2 Purchases includes :

(` in lacs)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
Marine Insurance Charges	24	23
Raw Material Purchases	4,253	7,358

25.3 Purchases excludes :

(` in lacs)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
Items being recoverable by way of reimbursement i.e.. Other than through Sales	1,193	1,093

(` in lacs)

26 CHANGES IN INVENTORIES	Year Ended 31.03.2012	Year Ended 31.03.2011
Inventories at the end of the year		
Traded goods	19,372	20,853
Work-in-progress	609	593
Finished goods	63	167
	20,044	21,613
Inventories at the beginning of the year		
Traded goods	20,853	9,779
Work-in-progress	593	438
Finished goods	167	-
	21,613	10,217
(Increase) /Decrease in Inventories	1,569	(11,396)

Notes to financial statements for the year ended 31st March, 2012

26.1 Details of Opening and Closing Stock (Finished Stock & Stock in Trade) Purchase of Stock in Trade and Sales by Class of Goods.

Class of Goods	Unit of Qty.	Opening Stock		Stock Transfer *		Purchases		Sales (Gross)		Closing Stock	
		Qty.	Value lacs	Qty.	Value lacs	Qty.	Value lacs	Qty.	Value lacs	Qty.	Value lacs
a) Construction & Mining Equipments, etc.	Nos.	176	7,451	-	-	1,151	48,112	1,041 **	49,823	286	7,968
		(-)	(-)	(52)	(1,393)	(1,263)	(39,635)	(1,139)	(41,360)	(176)	(7,451)
b) Diesel Generating Sets	Nos.	12	167	-	-	-	-	303 ***	5,935	4	63
		(-)	(-)	(-)	(-)	(-)	(-)	(371)	(8,226)	(12)	(167)
c) Packaged Diesel Generating Sets	Nos.	73	6,494	-	-	195	9,428	221	12,242	47	4,297
		(-)	(-)	(14)	(3,711)	(244)	(10,420)	(185)	(8,050)	(73)	(6,494)
d) Goods, Components and Parts for Mining Equipments & Diesel Generating Sets		-	6,908	-	-	-	20,193	-	27,623	-	7,107
		(-)	(-)	(-)	(4,674)	(-)	(27,839)	(-)	(27,056)	(-)	(6,908)
Total		-	21,020	-	-	-	77,733	-	95,623	-	19,435
Previous year		(-)	(-)	(-)	(9,778)	(-)	(77,894)	(-)	(84,692)	(-)	(21,020)

[Previous year's figures indicated in bracket]

* Stock transfer from Holding Company as on 1st April, 2010 vide a Scheme of Arrangement.

** Includes 60 (Previous year 17) Capitalised during the year

*** Includes 6 (Previous year 12) capitalised during the year

Notes to financial statements for the year ended 31st March, 2012

(` in lacs)

27 EMPLOYEE BENEFIT EXPENSES	Year Ended 31.03.2012	Year Ended 31.03.2011
Salaries , Wages , Bonus etc *	6,158	5,490
Contribution to Provident and other Funds * [Refer Note 27.6]	907	682
Staff Welfare Expenses *	187	167
Medical Expenses *	154	100
Total	7,406	6,439

* Includes reimbursements [Refer Note 33 (l)(b).]

27.1 In accordance with a scheme of Arrangement (effected during year ended 31st March 2011), certain employees of TIL Limited (the Holding Company) were transferred to the Company with effect from 1st April, 2010. All liabilities as on aforesaid date of transfer and arising thereafter related to such transferred employees are borne and paid by the Company. Further for the purpose of payment of any retirement benefit, past service of such transferred employees are taken into account and the methodology for computation of retirement benefit remains same as that followed by the Holding Company.

27.2 The Company has recognised, in the Profit and Loss Account for the year ended 31st March, 2012 an amount of ` 79 lacs (Previous year - ` 70 lacs) as expenses under defined contribution plans as detailed below:

(` in lacs)

BENEFIT (CONTRIBUTION TO)	Year Ended 2011-12	Year Ended 2010-11
Employees State Insurance	6	14
Superannuation Fund	73	56
Total	79	70

27.3 Provident Fund :-

In terms of the guidance on implementing Accounting Standard (AS)15 on Employee Benefits issued by the Institute of Chartered Accountants of India, a Provident fund set up by the Company is treated as a Defined Benefit Plan. However, upto the year ended 31st March 2011 the Actuary of the Company had expressed his inability to provide an actuarial valuation of the year end Provident Fund liability in the absence of any guidance in this regard from the Actuarial Society of India. Accordingly, complete information required to be considered as per AS-15 were not available and the same could not be disclosed. Shortfall in interest, if any, have been provided for by the Company.

With effect from 1st April,2011 the Institute of Actuaries Society of India has issued a Guidance Note on valuation of Interest Rate Guarantees on exempt provident Funds under AS-15. The Company has an obligation to fund any shortfall of the yield of the trust's investments over the administered interest rates on annual basis. These administered rates are determined annually, predominantly considering the social rather than economic factors. The actuary of the Company has accordingly carried out during the year an actuarial valuation to estimate the present value of interest rate guarantee as at 31st March,2012 for the Company's exempted Provident Fund in accordance with AS-15. The shortfall recognised in this respect in the Statement of Profit and Loss is ` 33 lacs.

Notes to financial statements for the year ended 31st March, 2012

The relevant parameters/assumptions used by the Actuary to determine the present value of interest rate guaranteed for the year ended 31st March,2012 is provided below :

	Year Ended 2011-12
Estimated Provident Fund Accumulation as at 31st March 2012 (` in lacs)	1,899
Guaranteed Rate	8.25%
Average yield rate based on data of investment portfolio	8.31%
Decrement adjusted average future period of service	22 years
Average maturity period of investment portfolio	4.5 years
Discount rate	8.69%

During the year the Company has charged ` 250 lacs (including ` 33 lacs on account of interest rate guarantee) [Previous Year ` 186 lacs] towards Provident Fund Scheme in the statement of Profit and Loss (disclosure in this regard is limited to the extent of information made available by Actuary).

27.4 Gratuity Fund :-

The Company makes periodic contributions to the Tractors India Limited Staff Gratuity Fund, a funded defined benefit-plan for qualifying employees administered under a common Trust, by the trustees of the said fund for the benefit of employees of the Company and its Holding Company i.e. TIL Limited

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Company's plan (based on average salary of last 36 months and number of years of service, restricted to a maximum of 40 years) 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 was carried out as at 31st March, 2012.

27.5 Superannuation Fund :-

- (i) Certain eligible employees of the Company who had attained at least 45 years of age as on 1st April,2009 are entitled to superannuation benefit under the Superannuation Scheme (a funded Defined Benefit Plan under a common Trust- 'Tractors India Limited Superannuation Fund Scheme', being administered by the trustees of the said fund for the benefit of employees of the Company and its Holding Company i.e. TIL Limited). Under the aforesaid benefit scheme the Company makes periodic contribution to the Superannuation Fund Scheme and a predetermined percentage of salary is paid as pension on retirement. The quantum of pension depends on the average basic salary of eligible employee during the last 36 months before retirement. The benefit vests to employees with 12 years of continuous service and attainment of 48 years of age on retirement / death/termination. The most recent actuarial valuation of Plan Assets and Present Value of the Defined Benefit Obligation of Superannuation Fund was carried out as on 31st March,2012.
- (ii) Employees who did not attain 45 years of age as on 1st April,2009 are under the purview of 'Defined Contribution Scheme' in respect of service rendered from 1st April,2009. The benefit of services rendered by these employees up to 31st March,2009 come under the purview of 'Defined Benefit Scheme', which is frozen as on 31st March,2009. Thus for this category of employees, the benefit of cessation of service will be :
 - a) amount accumulated by annual contribution of 15% of Basic Salary with effect from 1st April,2009 and
 - b) amount frozen as on 31st March, 2009.

Notes to financial statements for the year ended 31st March, 2012

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

(` in lacs)

	Superannuation Fund (Funded) *		Gratuity Fund (Funded) *	
	2011-12	2010-11	2011-12	2010-11
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	836	-	301	-
b. Present Value of Obligation transferred from Holding Company	-	739	-	205
c. Current Service Cost	36	33	50	26
d. Interest Cost	64	59	24	16
e. Actuarial (gain)/loss	346	51	112	79
f. Benefits paid	(176)	(46)	(35)	(25)
g. Present Value of Obligation at the end of the Year	1106	836	452	301
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	849	-	268	-
b. Fair value of Plan Assets transferred from Holding Company	-	740	-	180
c. Expected return on Plan Assets	78	63	34	18
d. Actuarial gain/(loss)	36	2	(1)	(2)
e. Contributions by the Employer	321	90	304	97
f. Benefits paid	(176)	(46)	(35)	(25)
g. Fair value of Plan Assets at the end of the Year	1108	849	570	268
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	1108	849	570	268
b. Present Value of Obligation at the end of the Year	1106	836	452	301
c. (Assets)/Liabilities recognised in the Balance Sheet	(2)	(13)	(118)	33
4. Expenses recognised during the year :				
a. Current Service cost	36	33	50	26
b. Interest cost	64	59	24	16
c. Expected return on Plan Assets	(78)	(63)	(34)	(18)
d. Actuarial (Gain) / Loss	310	49	113	81
e. Expense recognised during the year	332	78	153	105
5. Experience Adjustments on Plan Obligation and Assets				
a. Experience Adjustments on Plan Obligation [(Gain) /Loss]	346	61	112	84
b. Experience Adjustments on Plan Assets[Gain/(Loss)]	36	2	(1)	(2)

* The expense for the defined benefits are included in the line item under Contribution to Provident and other Funds' (Refer Note 27)

Notes to financial statements for the year ended 31st March, 2012

Description	Superannuation Fund % Invested		Gratuity Fund % Invested	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
6. Investment Details of Plan Assets as at				
a. Govt of India Securities	21.83	20.53	22.17	20.79
b. Public Sector (PSU)Bonds	51.30	47.16	36.64	30.54
c. State / Central Govt Securities	13.69	16.82	17.77	18.70
d. Special Deposit Scheme	12.82	14.99	22.26	29.81
e. Other including Bank Balance	0.36	0.50	1.16	0.16
Total	100.00	100.00	100.00	100.00
7. Assumptions				
a. Discount rate per annum	8.50	8.50	8.50	8.50
b. Salary escalation rate per annum	4.00	4.00	4.00	4.00
c. Expected rate of return on Plan Assets per annum	8.50	8.00	8.50	8.00
d. Method used	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method
8. Actual Return on Plan Assets	7.37%	7.64%	7.11%	6.53%

* Disclosure in respect financial year 2009-10 and earlier years are not applicable to the Company

The basis used to determine overall expected rate of return on assets and the effect on major categories of Plan Assets are 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.

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

- 27.7** The fair value of plan assets pertaining to the Company as on 31.03.12 in respect of Gratuity and Superannuation benefit scheme funds, being maintained by Tractors India Limited Staff Gratuity Fund and Tractors India Limited Superannuation Fund respectively have been bifurcated by the Trustees of the related funds in proportion to the year end present value of the obligation determined by the independent actuary.

(` in lacs)

28 FINANCE COSTS	Year Ended 31.03.2012	Year Ended 31.03.2011
Interest Expenses	3,269	1,770
Other Borrowing Cost	96	46
Total	3,365	1,816

Notes to financial statements for the year ended 31st March, 2012

(₹ in lacs)

29 OTHER EXPENSES	Year Ended 31.03.2012	Year Ended 31.03.2011
Rent	304	205
Rates and Taxes	189	155
Bank Charges	308	174
Insurance	184	137
Repairs and Maintenance :		
Buildings	46	112
Plant and Machinery	295	237
Other	93	43
	434	392
Travelling Expenses	1,314	1,451
Stationery and Printing	69	68
Postage, Telephone and other Communication Expenses	207	171
Advertising	43	41
Gas and Electricity	98	90
Commission	17	111
Miscellaneous Expenses (Refer Note 29.2)	1,580	810
Forwarding Charges	459	404
Professional Fees	147	129
Motor Car and Van Expenses	142	95
Service Support Expenses	445	426
Debts/Advances/Claims written off	84	91
Total	6,024	4,950

29.1 Professional fees include :

(₹ in lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
Amount paid /payable to Auditors		
As Auditors*		
- Audit Fees	14	12
- Tax Audit Fees	2	2
- Others (Certificates, etc.)	5	5

* Excluding Service Tax ₹ 2 lacs (Previous Year ₹ 2 lacs)

29.2 Miscellaneous Expenses include :

(₹ in lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
Loss / (Gain) on Foreign Exchange (Net)	258	(150)

Notes to financial statements for the year ended 31st March, 2012

(` in lacs)

30.1 C.I.F. VALUE OF IMPORTS :	Year Ended 31.03.2012	Year Ended 31.03.2011
Parts and Components	11,716	11,610
Machines (Trading Items)	12,504	21,980

(` in lacs)

30.2 EXPENDITURE IN FOREIGN CURRENCY :	Year Ended 31.03.2012	Year Ended 31.03.2011
Travelling	27	47

(` in lacs)

30.3 EARNINGS IN FOREIGN EXCHANGE	Year Ended 31.03.2012	Year Ended 31.03.2011
Remittance received on account of		
Export of goods calculated on FOB basis	492	151
Selling Commission	3,816	1,757
(including other Dealer's income)		

31 EARNINGS PER SHARE (EPS) - THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC AND DILUTED EPS:

		Year Ended 31.03.2012	Year Ended 31.03.2011
Profit after Tax attributable to the Equity Shareholders	A	357	1,906
i. Number of Equity Shares at the beginning of the year		4,500,000	10,570
ii. Number of Equity Shares issued during the year		-	4,489,430
iii. Number of Equity Shares at the end of the year		4,500,000	4,500,000
iv. Weighted average number of Equity Shares outstanding during the year	B	4,500,000	4,500,000
v. Nominal Value of each Equity Share (`)		10/-	10/-
Basic and Diluted Earnings per Share (`)	A/B	7.93	42.36

32 SEGMENT REPORTING IN ACCORDANCE WITH ACCOUNTING STANDARD 17 :

The Company's business segments are as follows:-

- 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 etc 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 transactions during the year.

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

Notes to financial statements for the year ended 31st March, 2012

(` in lacs)

	Year Ended 31.03.2012				Year Ended 31.03.2011			
	CMS	PSS	OTHERS (Unallocated)	TOTAL	CMS	PSS	OTHERS (Unallocated)	TOTAL
Segment Revenue *	74,897	28,583	-	103,480	65,450	25,045	-	90,495
Segment Results	1,573	2,387	-	3,960	3,289	1,907	-	5,196
Less : Unallocated expenses net of Unallocated (income)			177	177			-	-
Finance Costs			3,365	3,365			1,816	1,816
Profit Before Tax				418				3,380
Depreciation and Amortisation	977	603	-	1,580	887	527	-	1,414
Non Cash Expenses other than Depreciation and Amortisation	15	69	-	84	66	25	-	91
Segment Assets	33,251	14,731	2,312	50,294	28,546	17,606	1,100	47,252
Segment Liabilities (excluding Shareholders' funds)	3,815	4,494	30,138	38,447	8,390	6,796	20,576	35,762
Capital Expenditure	3,617	259	700	4,576	1,911	1,464	-	3,375

* There is no inter segment revenue.

33 RELATED PARTY DISCLOSURE IN KEEPING WITH ACCOUNTING STANDARD 18 ON "RELATED PARTY DISCLOSURES".

List of Related Parties

Holding Company

TIL Limited

Key Management Personnel

Mr. S. Mazumder (Chairman & Managing Director)

Mr. G V R. Murthy (Joint Managing Director)

Mr. A. Banerjee (Director Finance)

Particulars of transactions during the year ended 31st March, 2012 :

(` in lacs)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
I) HOLDING COMPANY		
a) Asset Usage Charges Paid	89	93
b) Reimbursement of Expenses	622	1,024
c) Issue of 4489430 number of equity shares of ` 10 each at a Premium of ` 203.48 per share pursuant to a Scheme of Arrangement	-	9,584
d) Rental Income	14	-
e) Sale of Goods	51	-
f) Purchase of Goods	1	-
g) Year-end Balances		
i) Receivable	5	-
ii) Payable	1	-

Notes to financial statements for the year ended 31st March, 2012

(` in lacs)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
II) KEY MANAGEMENT PERSONNEL		
a) Remuneration		
Mr. S. Mazumder	55	190
Mr. GVR Murthy	100	125
Mr. A. Banerjee	87	96
b) Year end Balance		
Commission Payable		
Mr. S. Mazumder	-	79
Mr. GVR Murthy	-	47
Mr. A. Banerjee	-	35

(` in lacs)

34 A) DERIVATIVE OUTSTANDING AS AT REPORTING DATE :		As at 31.03.2012	As at 31.03.2011
Particulars	Purpose		
Forward contracts to buy US Dollar (31 March 2012: US Dollar 15.6 Million; 31 March 2011: US Dollar 1.8 Million)	Hedge of firm commitments and borrowings	7,828	831
B) PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURES AS AT THE REPORTING DATE		As at 31.03.2012	As at 31.03.2011
Trade Payables (31 March 2012: US Dollar 1.9 Million; 31 March 2011: US Dollar 7.4 Million)		992	3,321
Trade Receivables (31 March 2012: US Dollar 0.4 Million; 31 March 2011: US Dollar 0.3 Million)		198	152
Borrowings (31 March 2011: US Dollar 8.2 Million 31 March 2011: US Dollar 10.6 Million)		4,184	4,774

- 35 Current Tax for the year ended 31st March, 2012 represents provision made under Minimum Alternate Tax in terms of Section 115 JB of the Income Tax Act, 1961.
- 36 The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

Signatures to Note '1' to '36'

FOR PRICE WATERHOUSE

Firm Registration No. 301112E
Chartered Accountants

P.Law
Partner
Membership No.51790

Kolkata
14th May, 2012.

For and on behalf of Board of Directors

Sumit Mazumder
Chairman & Managing Director

G.V.R. Murthy
Joint Managing Director

Aloke Banerjee
Director Finance

Cash Flow Statement for the year ended 31st March, 2012

(` in lacs)

	Year ended 31.03.2012	Year ended 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	418	3,380
Adjustments for :		
Depreciation and Amortisation	1,580	1,414
Bad Debts, Advances etc Written off	84	91
(Profit)/Loss on Sale of Fixed Assets (Net)	(274)	(169)
Interest Expenses (Net)	3,365	1,816
Liability no longer required Written Back	(27)	(37)
Unrealised Foreign Exchange (Gain)/Loss (Net)	210	(102)
	4,938	3,013
Operating Profit/(Loss) before Working Capital Changes	5,356	6,393
Adjustments for :		
Trade and Other Receivables	(2,896)	(1,579)
Inventories	2,516	(12,875)
Increase / (Decrease) in Current Liability	(420)	(3,742)
Loans and Advances and Other Current Assets	268	(264)
Increase / (Decrease) in Provision	167	80
Trade Payables	(6,635)	7,635
	(7,000)	(10,745)
Cash (Used in)/ from Operation	(1,644)	(4,352)
Direct Taxes Paid	(485)	(1,100)
Net Cash (Used in)/ from Operating Activities	(2,129)	(5,452)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,576)	(3,065)
Proceeds from Sale of Fixed Assets	865	742
Net Cash (Used in)/ from Investing Activities	(3,711)	(2,323)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(3,307)	(1,678)
Proceeds from Long Term borrowings	1,798	100
Repayment of Long Term borrowings	(603)	(4,921)
Increase in Cash Credit and other short term borrowings (Net)	8,044	14,280
Net Cash (Used in)/ from Financing Activities	5,932	7,781
Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C)	92	6
Cash and Cash Equivalents as at the beginning of the year (Refer Note- '19')	6	0
Cash and Cash Equivalents as at the close of the year (Refer Note- '19')	98	6

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) Figures for the previous year has been rearranged and regrouped wherever necessary.

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

FOR PRICE WATERHOUSE

For and on behalf of Board of Directors

Firm Registration No. 301112E
Chartered Accountants

Sumit Mazumder
Chairman & Managing Director

P.Law
Partner
Membership No.51790
Kolkata
14th May, 2012.

G.V.R. Murthy
Joint Managing Director

Aloke Banerjee
Director Finance

“We make our customers more profitable.”



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