

TIL LIMITED
ANNUAL
REPORT

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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

TIL LIMITED

BOARD OF DIRECTORS

Mr. A. Mazumdar*Chairman Emeritus**(with effect from 1st June 2014)***Mr. Sumit Mazumder***Chairman & Managing Director**(with effect from 1st June 2014)***Mr. R. L. Gaggar***Solicitor & 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.

Citibank 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 AGENTS

C B Management Services (P) Limited

P-22, Bondel Road, Kolkata 700 019

Telephone : (033) 4011 6700/ 6711/ 6718

Email : rta@cbmsl.com

CHAIRMAN'S INSIGHT



Dear Shareholders,

It gives me great pleasure to present the Annual Report of your Company for the financial year 2013-14.

In last year's Annual Report, I had talked about the challenges faced by the Indian Economy during 2012-13. The same bleak economic environment continued in the year under review as well, with the economy not performing as per projections outlined in the 12th Five Year Plan. To further add to the negative performance of the manufacturing, mining and infrastructure sectors; high inflation, weak domestic demand and a high interest rate regime led to idle capacities in core sectors.

Infrastructure is the key to a growing economy. The lack of any real headway in infra projects in 2013-14 has had a negative impact on the performance of many organizations that are linked directly or indirectly to the sector, including that of your Company. Business sentiment was adversely affected due to inflation, economic uncertainty, rupee volatility and policy paralysis. The mining and construction equipment industry performance slowed down significantly in 2013-14. Needless to say, your Company has also borne the brunt of the slowdown.

However, your Company managed to excel in certain areas as you will read in the Management Discussion and Analysis report.

This year your Company completes 70 years. Throughout this historic journey, TIL has always demonstrated its strength through a value-focused performance-driven culture and the aligned efforts of a dedicated team. With an unmatched heritage that has endured

“With an unmatched heritage that has endured the test of time and with a proven track record, your Company remains forever committed in its shared vision of creating a positive difference to the Indian infrastructure industry.”

the test of time and with a proven track record, your Company remains forever committed in its shared vision of creating a positive difference to the Indian infrastructure industry. This has been possible with the life cycle value proposition of the products your Company offers, enabled by support and solutions by a team of dedicated and talented people - building an enduring relationship with customers.

Also, in its commitment to inclusive development, your Company has undertaken numerous CSR initiatives round the year, and remains devoted to the cause. Your Company is confident that it will overcome the challenging times as it has done in the past and achieve better financial performance in the years ahead while adhering to the high standard of service support it has always delivered. TIL has constantly adopted changes and redefined business processes to be future-ready and will relentlessly pursue the same path in 2014-15 and beyond.

On the macroeconomic front, things have begun to look up and the outlook for 2014-15 appears positive. With a change in leadership at the center, business confidence is slowly growing, bolstered by comprehensive and multi-dimensional measures proposed by the new Government in its commitment to achieving high economic growth. In a recent report, World Bank feels that India could achieve a growth of 5.5 per cent this year with a dedicated focus on infrastructure. Developing infrastructure is high on the Government's agenda and there is hope that decision making will be hastened and rules simplified to create an enabling environment for big projects. Considering the extent of development required, India will have to fast track efforts to effectively translate today's potential into tomorrow's reality. The benefits of an increased demand for construction, mining, power, material handling equipment and equipment and project solutions will naturally reflect in the performance of your Company.

This will be my last message to you as Chairman of TIL and I am proud to leave the reins of your Company with the very able leadership of Sumit Mazumder. However, I have agreed to the Board's request to assume the position of Chairman Emeritus from 1st of June 2014, and will continue to provide guidance and support to TIL. I take this opportunity to thank all customers, employees, shareholders, principals, bankers and business associates for their continued support and partnership.

The ultimate goal for your Company, I repeat - has been and will be - to drive greater growth for the business, consolidate our image and create sustainable value for all our stakeholders, keeping our country's infrastructure needs foremost in all our plans and actions.

Sincerely,

Avijit Mazumdar
Chairman

VICE CHAIRMAN & MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

The fiscal year, 2013-14 experienced a host of uncertainties and challenges. The slowdown in economic growth coupled with high inflationary pressure has been taking its toll on the macroeconomic environment. However there is a sense of optimism harbored by business and industry with the new Government bringing in a wave of fresh ideas and initiatives to resolve deadlocks and revive our sagging economy.

In the last fiscal, our GDP grew by around 4.86 per cent, a marginal improvement over the year before, but still below the 5 per cent mark. The mining, infrastructure and roadways sectors have a direct bearing on the business performance of your Company. However, major projects have remained stuck in policy paralysis over green clearances and land acquisition. The roads and highways sector found little interest among private players and large sections were cancelled on account of policy confusion and stressed financials of developers. Owing to the policy deadlock, the mining sector was also on contraction mode for most of the year and construction activities had come to a near standstill.

Despite the negative headwinds, the Material Handling division of your Company registered a 60.9 per cent growth in profitability, driven by improved margins from machines and aftermarket products, favorable product mix and efficient operating cost management. Your Company also managed to retain its market share in the rough terrain crane category. A revolutionary entrant in the 15-ton mobile crane category - the PIXEF 215 - was launched during end 2013 to great public appreciation. PIXEF also received the 'The India Design Mark', awarded by India Design Council for excellence in product design. The Equipment & Project Solutions (EPS) division of your Company in its second year of commercial operations posted a double-digit revenue figure, but remained below our expectations. Land acquisition issues had initially thrown a wrench into production plans and by the time EPS completed

“ The outlook for 2014-15 is turning positive. While miracles will not happen overnight, India is expected to witness solid growth and develop particular strengths in manufacturing and infrastructure in the medium to long term. ”

the product development and testing phases and prepared to hit the market, the economy had already begun its downward slide. Naturally, considerable efforts have gone into reducing huge inventories and meeting debt obligations in the year under review. Notably, the division prototyped and developed its own Track and Wheeled Plant in collaboration with Telsmith Inc. in your Company's state-of-the-art Kharagpur factory. The division, with its aggressive promotion strategy has also been successful in creating a stronger brand perception of High Frequency Screens in the market.

TIPL, the 100 per cent subsidiary of your Company acquired the expanded Cat® Mining equipment distribution and support business from Caterpillar Global Mining LLC. Now, TIPL with its wide network will serve as the distribution source for a full spectrum of surface and underground mining products - providing a 'one stop shop' for mining customers. Some other notable initiatives have been retail footprint expansion and reinforced commitment to train and develop people in order to emerge stronger and more capable.

Your Company's operations continue to be managed efficiently by SAP - world's leading ERP solutions. SAP has enabled your Company to integrate operational processes across verticals; ensuring more seamless and efficient information exchange - thereby improving customer experience.

The outlook for 2014-15 is turning positive. While miracles will not happen overnight, India is expected to witness solid growth and develop particular strengths in manufacturing and infrastructure in the medium to long term. There are positive signs in recent measures taken by the Government to ease the approval process for mining and infrastructure projects. Essential impetus would also be provided by the expected liberalization of FDI and implementation of GST, both of which would help in the much anticipated recovery of the manufacturing sector. Furthermore, under the 12th Five Year Plan, the Government has declared an outlay of US\$ 1 Trillion in Indian infrastructure, a lot of which would flow into the space wherein your Company operates. I assure you that your Company is relentlessly working to gear up to seize opportunities that can put it back on the growth trajectory.

Before I conclude, I'd like to share with you some important news.

Mr Avijit Mazumdar joined TIL in 1960 and after nurturing your Company and propelling its growth for more than five decades, Mr Mazumdar has now decided to relinquish his responsibility as Chairman, effective 1st June 2014. He has, however, accepted the Board's invitation to continue as Chairman Emeritus and will continue to provide us with his invaluable guidance and counsel. We are committed to his vision and continue to be inspired by his hard work, dedication and foresight. As the new Chairman and Managing Director, it will be my mission and honor to steer your Company towards newer milestones.

On behalf of the entire TIL family, I thank you for the faith that you have reposed in us. I am confident that your Company will tide over the market headwinds soon and continue to focus on strategies and initiatives to overcome the challenges and optimize the emerging opportunities for profitable and sustainable growth thereby enhancing stakeholder value.

Warm Regards,

Sumit Mazumder

Vice Chairman & Managing Director

TIL LIMITED DIRECTORS' REPORT



Your Directors have pleasure in presenting the Annual Report and Audited Accounts for the year ended 31st March 2014 as under:

1. FINANCIAL RESULTS

(₹ / Crs.)

	For the year ended	
	31.03.2014	31.03.2013
Profit for the year after meeting all expenses but before charging Depreciation and Finance Cost	44.66	32.82
Less: Finance Cost	29.82	18.01
Depreciation	11.13	9.81
Profit Before Tax	3.71	5.00
Tax Provision		
a) Current Tax	0.04	-
b) Deferred Tax (Credit)/Charge	1.16	2.33
Profit After Tax	2.51	2.67
Balance Net Profit available for appropriation	2.51	2.67
Appropriations		
General Reserve	0.13	0.20
Proposed Dividend:		
Equity Shares	1.50	2.01
Tax on Dividend	0.26	0.34
Balance Carried Forward	0.62	0.12

2. PERFORMANCE

The consolidated turnover of your Company's Group including income from operations (Gross) and other Income during the year ended 31st March 2014 stood at ₹ 1347.72 Crs. compared to ₹ 1213.93 Crs. in the previous year. Profit before tax for the Group was ₹ 14.67 Crs. compared to ₹ 8.17 Crs. in the previous year.

On standalone basis, turnover including income from operations (gross) and other Income for the year under review stood at ₹ 307.71 Crs. vis-à-vis ₹ 297.03 Crs. in the previous year. Profit before tax stood at ₹ 3.71 Crs. vis-à-vis ₹ 5.00 Crs. in the previous year.

Tractors India Pvt. Ltd.

Tractors India Pvt. Ltd., the Wholly Owned Subsidiary Company in India, achieved a turnover including income from operations (gross) and other Income of ₹ 1012.64 Crs. compared to ₹ 882.98 Crs. in the previous year. Profit before tax stood at ₹ 11.69 Crs. compared to ₹ 4.03 Crs. in the previous year.

Foreign Subsidiaries:

During the year under review, the consolidated revenue of the foreign subsidiary companies stood at ₹ 29.00 Crs. as compared to previous year's consolidated revenue of ₹ 41.34 Crs. The foreign subsidiaries reported a consolidated loss of ₹ (0.51) Cr. during the year under review as compared to profit before tax of ₹ 1.48 Crs. during the previous year.

3. FINANCE

After providing ₹ 1.20 Crs. as Provision for Taxation, ₹ 1.76 Crs. (including Dividend Tax of ₹ 0.26 Cr.) distributed as Equity Dividend, ₹ 0.62 Cr. has been carried forward to Balance Sheet. Reserves & Surplus (excluding Revaluation Reserves) of the Company increased from ₹ 255.22 Crs. to ₹ 255.97 Crs. and the Shareholders' Fund (excluding Revaluation Reserves) increased from ₹ 265.25 Crs. to ₹ 266.00 Crs..

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

4. DIVIDEND

The Board has recommended a Dividend @ ₹ 1.50 on each Equity Share (Face Value of ₹ 10/- each) for the year under review.

5. 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 2014 including unclaimed deposit was nil.

6. 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.

7. PARTICULARS OF EMPLOYEES

The total number of employees of the Company as on 31st March 2014 was 1,117.

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.

8. SUBSIDIARY COMPANIES

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

Pursuant to Circular No.2/2011 dated 8th February 2011 of the Ministry of Corporate Affairs, Government of India, read with Section 212(8) of the Companies Act, 1956, the Board of Directors of the Company has recommended attaching 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. TILO, TNPL and MTL 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 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.

9. DIRECTORS

Mr. Avijit Mazumdar (DIN 00133114), Chairman has decided to relinquish his position as Chairman of the Company from 1st June 2014 at the meeting of the Board of Directors held on 20th May 2014. The Board, while unanimously acknowledging the significant contribution made by Mr. Mazumdar during his long tenure as Managing Director and Chairman of the Company, have requested Mr. Mazumdar to accept the position of 'Chairman Emeritus' from 1st June 2014, which Mr. Mazumdar has agreed to accept.

Consequent to the relinquishment of Chairmanship by Mr. Avijit Mazumdar, the Board of Directors at their meeting held on 20th May 2014 have unanimously passed a resolution to appoint Mr. Sumit Mazumdar (DIN 00116654) who is presently the Vice Chairman and Managing Director of the Company to be the Chairman and Managing Director of the Company with effect from 1st June 2014.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years and shall not be liable to retire by rotation. Accordingly, resolutions proposing appointment of the Independent Directors for a consecutive term of five years form part of the Notice of the 39th Annual General Meeting read with the Explanatory Statement thereto.

Dr. T. Mukherjee (DIN 00004777) retires by rotation and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

10. 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.

11. 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.

12. 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.

13. CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE OF THE BOARD OF DIRECTORS

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the relevant Rules thereunder, a Sub-Committee of the Board named as "Corporate Social Responsibility Committee" has been constituted by the Board to formulate, recommend, carry out and monitor the CSR policy and activities to be undertaken by the Company as specified under the said Act and the Rules. The composition of the said Committee shall be three Members viz., Mr. Sumit Mazumder, Mr. R. L. Gaggar and Dr. T. Mukherjee.

14. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Corporate Social Responsibility (CSR) is an integral part of TIL's Vision. Since many years, your Company has been engaged in caring for the society, its people and the environment in more ways than one.

Besides the ongoing CSR activities that include TIL Caring Day, Student scholarships, Mobile Medical Van project, Pooja Parikrama – an event for the underprivileged and slum children of Kolkata, amongst others; your Company carried out a few special CSR initiatives for the year under review:

- **Uttarakhand Floods & Landslides:** TIL CSR team initiated an employee contribution drive across the organization to extend support for the disaster struck areas. The money collected was handed over to CII Relief Fund for helping approximately 752 families spread over the villages in the Rudraprayag area. Your Company also mobilized three Cat® 424B Backhoe Loaders along with operators to aid in rescue and rebuild operations in the affected areas.
- **Medical Camp at Kharagpur:** Your Company started a free Medical Camp in association with Helpage for elderly and underprivileged people in Changual District in Kharagpur. Every fortnight, free medical consultation, health check-ups and geriatric medicines are provided to around 70 senior citizens living below poverty line in that area and the surrounding villages.
- **School Education Sponsorship Program:** Your Company sponsors the education of twenty slum children in Dhanbad in association with Kartavya (a project by the students of Indian School of Mines, Dhanbad). This initiative takes care of academic fees, textbooks, stationery, school uniforms and transportation to schools for those children.
- **Anganwadi Centers:** Your Company has adopted two Anganwadi Centers under a module developed by CII-UNICEF CSR Hub. Anganwadi is a program under Ministry of Women & Child Welfare. The program is aimed at providing pre and post natal care to pregnant women along with health and medical care to new-born babies, regular health and medical check-ups to women aged between 15-49 years as well as pre-school education to children between 3-5 years of age.

Your Company has also been constantly engaged with various NGOs and believes that Corporate – NGO partnership enhances collective impacts and is a more efficient way to achieve CSR goals. A few instances of NGO partnership for the year under review are as under:

- I. Supporting Ishwar Sankalp – an NGO, towards rehabilitating mentally challenged and homeless street women.
- II. Partnership with CINNI, for supporting a coaching center in Kolkata for children (living below poverty line) to bring them up to the standard of mainstream curriculum.
- III. Extending help to Mukti Rehabilitation center towards medical treatment, health care and rehabilitation to platform children, suffering from the chemical dependency and substance addiction.

15. ENVIRONMENT

Your Company remains committed to following a focused approach towards making the environment a better place for our future generations.

Beside using products and services such as contamination control and rebuild initiatives that reduce negative impacts on environment, every year during the World Environment Day, to make the world a greener place to live in, your Company carries out tree plantation activities, 'own a sapling' program for its employees across most of its locations.

In the year under review, your Company also took an initiative together with Times of India by supporting a project called "Cleaning and Greening" of the Maidan in Kolkata. For this Socially Responsible task, TIL extended help by deploying one Cat® 424B Backhoe Loader with operator and supported the youth brigade responsible for the project.

16. AUDITORS

Messrs. Deloitte Haskins & Sells (FRN : 302009E), Chartered Accountants, Kolkata, Statutory Auditors of the Company, hold office till conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

17. 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.

18. CONSTITUTION OF SUB-COMMITTEES OF THE BOARD OF DIRECTORS OF THE COMPANY

A) NOMINATION AND REMUNERATION COMMITTEE:

In accordance with the provisions of Section 178 of the Companies Act, 2013 read with the relevant Rules framed thereunder, the "Remuneration and Compensation Committee" constituted by the Board on 31st May 1999 has been reconstituted and renamed as "Nomination and Remuneration Committee" of the Board of Directors of the Company with effect from 5th May 2014. The composition of the Committee shall be three Non-Executive Directors namely, Mr. R. L. Gaggar (Chairman) and Mr. U. V. Rao and Dr. T. Mukherjee (Members).

B) STAKEHOLDERS RELATIONSHIP COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with the relevant Rules framed thereunder, the "Shareholders'/Investors' Grievance Committee" constituted by the Board on 31st October 2000 has been reconstituted and renamed as "Stakeholders Relationship Committee" with effect from 20th May 2014. The composition of the said Committee shall be three Members viz., Mr. Sumit Mazumder (Chairman), Mr. R. L. Gaggar and Dr. T. Mukherjee.

19. ACKNOWLEDGEMENTS

The Directors place on record their sincere gratitude towards the Customers, Principals, Shareholders, Banks, Financial Institutions and Government Authorities for their continuous co-operation and support to the Company. Although the year under review was very challenging and difficult, the Directors thank its employees for their continued good efforts.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 20th May 2014

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 Plant.
- The centralized Air Conditioner machine installed at Administrative block has VRV (Variable Refrigerant Volume) system to minimize electric consumption based on requirement.

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:

Particulars	Standard Unit	Year ended 31.03.2014	Year ended 31.03.2013
A. Power and fuel consumption			
a) Electricity			
Purchased Units		24,91,119	14,68,570
Total amount (₹ Crs.)		2.37	1.24
Rate Per Unit (₹)		9.50	8.46
b) Own Generation			
Through Diesel Generator			
Units		6,682	12,467
Units per litre		4.77	5.19
Cost per unit (₹)		12.15	10.01
B. Consumption per unit of Production			
Product – Cranes Electricity (in '000)	Nos.	13.08	10.50

FORM - B

TECHNOLOGY ABSORPTION

I. Research and Development

- Specific Areas:** The Company's Research and Development activities primarily focus 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.
- 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.
- 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

- 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.
- 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.
- 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

- Efforts:** The Company is exploring the possibility of achieving the fabrication orders, specific market access, and designs sub-contracting from its principal, to enhance its foreign exchange earnings.
- Earnings and Outgo:** (₹ / Crs.)

i) Foreign Exchange Earnings - export sales (FOB), Commission, Dividend, Technical Fees, etc.	18.06
ii) Foreign Exchange outgo (includes raw material, capital goods, components & spares and other expenditure in foreign currency, including dividends) :	
a) Raw Material with component	87.11
b) Machines (Trading items)	-
c) Spare Parts	11.59
d) Capital Goods	-
e) Travelling	0.09
f) Technical Know-how Fees	0.68
g) Royalty	2.16
h) Dividend	-

For and on behalf of the Board of Directors

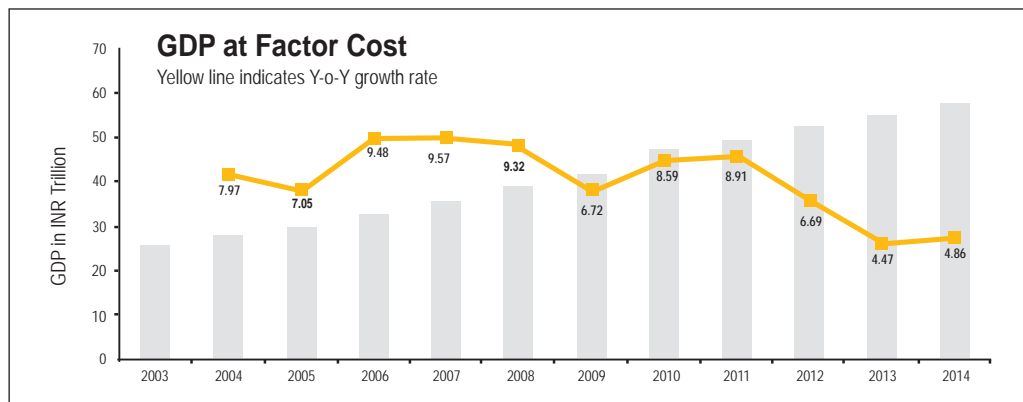
Place: Kolkata
Date: 20th May 2014

A. Mazumdar
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion & Analysis (MDA) of your Company for the year under review comes at a juncture fraught with volatility and eco-political crossroad. Asia's third-largest economy is witnessing one of the worst slowdowns since 1980 with GDP growth declining under 5 per cent for two consecutive years. Several rating agencies have also projected a negative outlook for India's infrastructure sector for the fiscal year 2014-15, due to weak credit profiles for most project companies.

In the previous MDA, your Company had expressed cautious optimism – inspired largely by Finance Ministry estimating the economy to be reinstated on high growth trajectory, with Gross Domestic Product (GDP) growing by around 6 per cent. The reality, however, turned out to be different, with the latest Reserve Bank of India (RBI) estimates pointing to a 4.86 per cent growth in the fiscal year 2013-14 at best, a marginal improvement over last year, but still eons away from the phenomenal growth rates experienced during 2006-2008.



Source: Reserve Bank of India

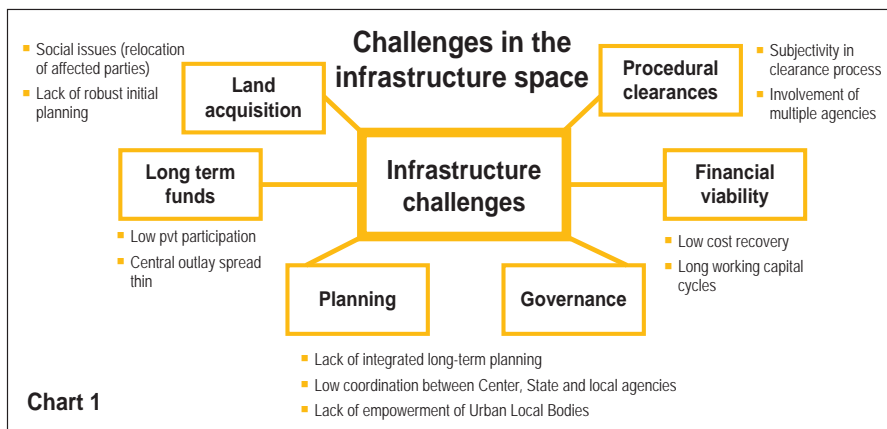
The Index of Industrial Production (IIP) contracted by 0.5 per cent in March 2014, which is slightly better compared to a 1.8 per cent decline in February 2014, as data released by Central Statistics Office (CSO). The manufacturing sector witnessed a contraction of 1.2 per cent in March 2014 compared with an expansion of 4.3 per cent in March a year earlier, while the mining sector remained under pressure, declining 0.4 per cent year-on-year compared to a contraction of 2.1 per cent in March last year.

Major projects in mining and infrastructure sectors, the space where your Company operates, remained in an indecisive state with policy deadlocks, pending projects clearances and regulatory roadblocks. Slow progress across key infrastructure investments affected various infrastructure sectors - Roads, Urban & Rural Infrastructure, Real Estate, Industrial Corridors, Railways, Metros, Ports and Airports, Oil & Gas Pipelines and Power.

As per a recent report by ICRA, the Indian construction equipment industry witnessed volume de-growth for second consecutive year during FY 2013-14 with demand estimated to have fallen by around 15-17 per cent to less than 56,000 units. This contraction correlates directly with the decline in economic growth and construction activity in the country. Domestic mining equipment demand also saw a slump with mining continuing to suffer due to regulatory hurdles impacting the mining equipment industry. The contraction compared to the growth projections has a compounded larger negative impact.

The roads & highways sector has perhaps been one of the worst hit with lower than anticipated traffic, delays in regulatory clearances; causing execution delays and rendering projects totally unviable. Uncertainty over land acquisition has been another major handicap affecting this sector.

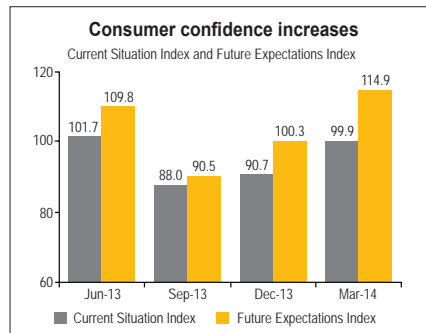
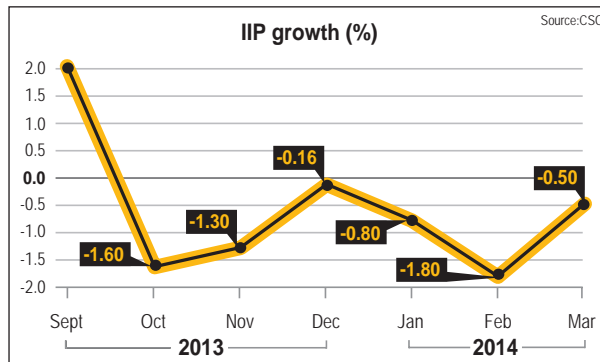
According to a report by A. T. Kearney, there are multiple challenges that need addressing in the earthmoving and construction industry in order to achieve its long term growth prospect. (See Chart 1).



Despite the challenging times and apprehension about the pace of reviving economic growth; consumer sentiment, investors' perception of India has been changing towards positive in the recent months, albeit slowly. The Reserve Bank's 16th round of the Consumer Confidence Survey conducted in February-March 2014 showed a slight improvement in consumer confidence.

While there has been no noteworthy capacity creation/ investment announcements in recent times in the infra equipment space; given the long term prospects of the Indian market with its infrastructure requirements, your Company is confident to resume its healthy growth path in the medium to long term with many initiatives cascaded across the organization.

Also the new Government heralds much optimism and strong signals towards accelerated economic growth. While there is no magic formula for growth, the expectations are high for the new Government to create a strong reform and development agenda to revive the economy. This would bode well for your Company in the long run.



BUSINESS PERFORMANCE

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

Material Handling Solutions division of your Company posted a revenue of ₹ 257.5 Crs. during the FY 2013-14 vis-à-vis ₹ 268.7 Crs. in the FY 2012-13; registering a decline of 4.2 per cent in FY 2013-14 due to muted market demand of material handling equipment resulting from sluggish economic environment and policy related hurdles especially in infrastructure and mining sectors. However, profitability in FY 2013-14 registered a growth of 61 per cent of MHS division compared to FY 2012-13. The reason for increase in profitability is attributed to favorable product mix and efficient operating cost management.

Material Handling Solutions

Despite the economic slowdown and poor IIP numbers, MHS division of your Company registered profit and showed some noteworthy achievements.

- Your Company launched PIXEF, a 15 ton Mobile Carry Deck Crane as a strategic step towards range expansion in the crane segment. PIXEF has been perceived in the market as a game changing initiative by TIL in the 15 ton mobile crane segment- epitomizing safety, productivity, superior technology and performance. Primarily a retail product, the market size of this category of crane is large and to leverage the opportunity, your Company plans to make large quantities on a production line concept.
- In recognition of the product excellence and good design; PIXEF was awarded 'The India Design Mark (I Mark)' in February 2014 - a design standard by India Design Council, an autonomous body of Government of India.
- MHS division supplied and commissioned 30 units of Rough Terrain Crane - RT 740 to Reliance Industries Limited (RIL) for their refinery expansion project.
- The division also maintained its market leadership of RT crane at 81 per cent market share.
- Crane sales volume grew by 20 per cent - i.e. from 99 nos. in 2012-13 to 119 nos. in 2013-14.
- The state-of-the-art Kharagpur Factory received ISO 3834 Certification. An important milestone in establishing its superior capability in world-class fabrication and welding quality as well as standard.
- The MHS division accomplished a 185 per cent improvement in product conversion cycle - 20 days from 57 days for RT740B equivalent at Kamarhatty through process improvement, leading to significant improvement in throughput time and manufacturing capacity.
- Commenced export of Reachstackers and Boom structures to NMHG in Asia Pacific Region and Europe respectively.
- Achieved total export annual revenue of US\$ 2.4 Million.
- Achieved > 1000 hrs. Zero Defect for Reachstackers leading to significant reduction in warranty cost, improved customer satisfaction and better product acceptance.

Equipment & Project Solutions

Your Company posted a revenue of ₹ 48.3 Crs. on a full year commercial operation of FY 2013-14 in EPS business where TIL made significant investment in last 3 years. In the previous FY 2012-13 EPS had posted revenue of ₹ 24.7 Crs. Weaker revenue development in the EPS Business was registered compared to plan due to extremely sluggish movement of new road and infrastructure projects resulting in sharp decline in demand of crushing & screening equipment as well as hot mix asphalt plants.

Some significant achievements for EPS in 2013-14 have been:

- EPS division successfully consolidated the positioning of High Frequency Screen in the market which has created significant future potential based on its unique value proposition.
- The division localized Wheeled Crushing & Screening Plant with the collaboration of M/s Telsmith Inc with its value engineering exercise which will make the product positioning substantially competitive in Indian market.
- EPS division successfully introduced Track Mounted Crushing & Screening Plants in key road and infrastructure projects in Northern and Southern part of India.

Tractors India Pvt. Ltd. (TIPL)

TIPL, a 100 per cent subsidiary of TIL, is the authorized Cat® dealer for North and East of India and Bhutan for the entire range of Cat equipment for construction and mining and Cat engines and generator sets for transportation and power systems solutions. TIPL also has associations with SEM for medium Wheel Loaders and SITECH for GPS based connected site solutions.

For the year under review, the total revenue stood at ₹1,005 Crs. with Construction and Mining division accounting for 70.8 per cent of TIPL's revenue and Power Systems Solutions accounting for 29.2 per cent of TIPL's revenue.

Despite macroeconomic and regulatory headwinds affecting the demand in mining and construction equipment sector, TIPL achieved some noteworthy successes during the year under review.

- TIPL achieved a milestone by being the first Cat dealer in India to complete the acquisition of expanded Cat mining distribution business from Caterpillar. TIPL is now the distribution source for a full spectrum of mining products, in the North and East regions of India - providing a 'one stop shop' for mining customers. The complete mining product line, includes existing Cat mining products and former Bucyrus-branded surface and underground machines such as Hydraulic Mining Shovels, both diesel and electric, Draglines, Highwall Miners, Longwall and Room & Pillar Underground products.
- Despite the mining slump, TIPL achieved a 100 per cent jump in mining STUs in FY 2013-14 vs FY 2012-13, primarily from project opportunities of BCCL, ECL, Jindal Steel and Power (JSP) and Coronation.
- TIPL Initiated a 6 Sigma project in Rajasthan during the year under review and achieved #2 position in Cat 424B sales in the Rajasthan Backhoe Loader Market and successfully sustaining the same.
- By adopting a customer focused Retail Strategy, TIPL opened a number of retail outlets across its business territories to widen its reach and services to customers through the availability of high quality parts and technical support.
- TIPL initiated the strategy of 'Service as a Business' in the year under review with the objective of further enhancing customer engagement and retaining loyal customers. Service billing scaled up to ₹ 74 Crs. in FY 2013-14 from ₹ 42 Crs. in FY 2012-13.
- Under the strategy of 'Service as a Business', the concept of TIPL 'Customer Owners' was introduced which helped increase the Customer Loyalty scores significantly. During the year under review, TIPL received Service Training Excellence Accreditation Award from Caterpillar.
- Specially packaged Customer Support Agreements (CSA) for service and parts business resulted in 100 per cent growth in number of CSAs - from 1304 in June 2013 to 2042 in March 2014.
- TIPL took a giant technological leap by being one of the few Cat dealers to successfully implement end-to-end SAP solution for seamless operational efficiency.

In Power Systems Solutions division that consists of Electric Power, OEM, Petro and Gas, 506 units were sold during the year under review. In spite of lower top line with respect to last fiscal year, there have been some positive accomplishments in the year under review.

In Electric Power & OEM division

- TIPL sold 506 nos. DG sets (₹ 155 Crs.) in the year 2013-14 against 453 nos. in the year 2012-13 (₹ 135 Crs.), registering approx 12 per cent growth in units over last FY.
- Achieved a breakthrough order for 55 Industrial engines in Fire Pump application.
- Received and executed order for DG set projects worth ₹ 15 Crs. for DMRC's Delhi Metro phase II Project.
- The division was awarded a prestigious Rental Power contract in Andaman and Nicobar Islands.
- Major breakthrough in Data center projects - over 12 MW diesel power plant has been set up with TCS and SIFY with assured repeat order.
- The division made an achievement of bringing over 30 per cent Cat engine population in TIPL territories under Annual Maintenance Contract (AMC) signifying yet another testimony to customer service excellence.

In Petro & Gas division

- Successfully designed, supplied, erected and commissioned power generation and distribution project for isolated Pad Well for Haliburton. The Well is owned by Cairn Energy.
- TIPL also received a prestigious 9 X C11 Cummins replacement order for work over rigs owned by Oil India. With this order, your Company has made significant dent to competitors' established customer.

OPPORTUNITIES & THREATS

India's infrastructure gap poses a huge challenge as well as an opportunity.

Despite the prevailing threats of slowdown, persistent inflation, fiscal imbalances, bottlenecks to investment and severe eco-political inefficiencies, the forecast for growth although subdued is not altogether negative. Especially now with the new coalition free Government coming at the center, sentiments are turning more positive with mounting expectations for a faster pickup aided by speedy implementation of stalled projects, de-bottlenecking of the mining sector, creating new jobs and a recovery in industry on better external demand.

The total planned project outlay in the 12th Five Year Plan has been projected at ₹ 6,223,700 Crs. Out of this, in the last two financial years i.e. 2012-13 and 2013-14, ₹ 1,023,400 Crs. has been spent. In 2014-15, ₹ 583,100 Crs. has been projected to be spent whereas in 2015-16 and 2016-17, the spending is expected to be significantly higher.

CRISIL forecasts a 6 per cent GDP growth for 2014-15 on the premise of a normal monsoon, continuation of reform process and widely anticipated global recovery. However on the downside, growth could also be below 5 per cent yet again if the proper realization of the above does not happen. Also right conditions for public-private partnerships need to be created to enable reasonable return on investments. One is hopeful of some upside because of the new Government.

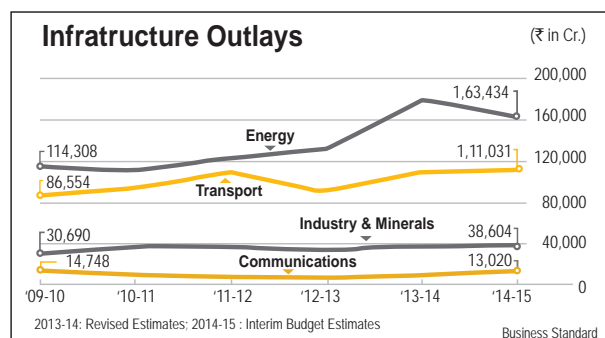
The sectors which are expected to witness maximum investments are Ports, Power, Railways and Roads. It is presumed that the investment in the above mentioned sectors will start happening with the formation of the new Government as there has been significant delay in the infrastructure investment which would ultimately lead to an improvement in the GDP growth.

A positive move in the interim Budget for 2014-15, has been Finance Minister raising allocation towards the infrastructure sector by as much as 8.6 per cent to ₹ 181,134 Crs.; re-emphasizing more thrust for the infrastructure sector.

As already mentioned that in the business space of your Company, there is significant dependence on imports both in the manufacturing segment as well as in the Cat dealership business. Adverse foreign exchange fluctuation had a negative impact on your Company in 2013-14 and recurrence of such instances may adversely affect the financial performance of your Company. Your Company continues to face competition both locally and in the international market and this could pose a threat to the growth of the business.

Your Company, however, continues to focus on various strategies and initiatives to overcome the challenges and optimize the emerging opportunities. These are:

- Launch of the new Crane in Pick and Carry segment.
- Acquisition of distribution rights of Underground Mining product lines from Caterpillar to serve the entire gamut of mining industry.
- Export of components from Kharagpur factory.
- Retail footprint expansion.
- Establishing state-of-the-art Technology systems.
- Continuous focus on HR and capability development.



RISKS & CONCERNS

During the last two years the biggest challenge your Company faced has been towards sustaining the performance of the Company in spite of negligible investments in the infrastructure sector whether by the Government or through the PPP mode. As already mentioned earlier, your Company has invested significant amount in the new plant at Kharagpur and still awaits adequate return on the investment. Earlier in this report, the Management perceived that in the next three remaining years of the 12th Five Year Plan, there would be significant investments in the infrastructure space which would improve the performance of your Company. However, on the presumptions based on which it was expected that there would be some investments in the infrastructure space in 2013-14, nothing has really materialized. Coupled with this, there is a continuous risk of increased competition from international players including the Chinese manufacturers. The Management is also of the opinion that a sizable risk exists in the Company as a significant part of the revenue is dependent on a cluster of customers and which could have a material impact in the event of their attrition.

Finally, the business also faces the risk of People attrition which leads to loss of knowledge and experience. As mentioned earlier, 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 review these Risks periodically. The review is done with the intention of mitigating the same in a structured manner with strategic intervention at appropriate time.

OUTLOOK

According to industry sources, there is some optimism for a turnaround in the medium and long term and policymakers are hopeful of an economic rebound in 2015 and beyond, with a right mix of policy coordination and new Government kick starting the growth cycle. There is also the hope that India can achieve GDP growth rate of well over 6 per cent provided that systemic reforms are carried out quickly and effectively by the new Government with a multi-pronged approach. However, the promise of reform needs to match with actual improvement to sustain that optimism.

For the industry your Company operates in, growth will depend largely on momentum of new project announcements and approvals by the Government, which is expected to gather pace.

The other good news is that the Project Management Group (PMG), under the aegis of the Cabinet Committee on Investment (CCI), has purportedly cleared 296 projects worth ₹ 6.6 lakhs Crs., nearly half of which have already hit the ground. Expediting on this action will benefit the beleaguered infrastructure sector during the course of the current fiscal year.

Also the shift in Government policy in favor of EPC (Engineering-Procurement-Construction) mode of contracts, coupled with the formation of the Regulatory Authority for Highways in India (RAHI), could go a long way in boosting the roads and highways sector. On the anvil is a key recommendation to the government by industry body, Confederation of Indian Industry (CII) to ensure that projects are awarded after securing forests and environment clearances, and land acquisition issues that have proved to be major stumbling blocks in the development of industry and infrastructure.

2014 is the year when the Petroleum Ministry would likely to begin deregulating diesel prices, thereby attracting more investment into the Indian economy. The planned infrastructure spend for the 12th Plan is an impressive US\$ 970 Billion - a whopping 240 per cent increase over the actual spend in the 11th Plan - that should be sufficient to fuel the sharp acceleration required to meet the planned growth target, and in turn provide the much needed fillip to the Construction Equipment industry, the sector your Company operates in.

As per AT Kearney report, the Indian Earthmoving Construction Equipment market has the potential to grow at 20-25 per cent to reach 330K-450K unit sales by 2020. For this to happen, the growth drivers needed are large scale infrastructure projects with strict completion schedules, new areas of application especially in rural areas, irrigation, agriculture, higher urbanization among others.

To summarize, the growth of the Indian economy is expected to improve in 2014-15. But, the recovery will be mild and gradual.

The outlook of your Company for 2014-15 and beyond thus continues to be cautious yet positive. Although investor sentiment is watchful, mixed with optimism, the recent ebullience of money market indices, coupled with the nearly US\$ 1 Trillion investment

planned in sectors that will benefit your Company - gives enough reasons for confidence. Essential impetus would also be provided by the much anticipated recovery of the manufacturing sector. In the short term, your Company does not expect any significant change, but awaits major improvements likely from the third and fourth quarter of the current financial year onwards and is sufficiently geared up to capitalize on all relevant opportunities that will arise in the near term.

KNOWLEDGE RESOURCE

In the year under review your Company continued to emphasize on the development of its employees for optimizing performance and productivity, especially in context of the present economic slowdown. The aim as always, has been to strengthen and upgrade knowledge and skills of employees, so that they can rise up to current challenges and capitalize on future opportunities.

Your Company acknowledges the fact that people are integral to the progress of the organization and accordingly aligns their people development plan with core business objectives. To achieve this, your Company embraced a three-prong approach. Firstly, Refresher Programs this year were conducted to consolidate the learning from last year's development intervention, for Leadership and Managerial levels, focusing on necessary critical competencies. Secondly, there was constant cycle of input and objective measurement throughout the year for people at the operational levels to minimize the gap between strategy and execution. Thirdly, a targeted approach was adopted for the recruitment and development of new talent with continued on-the-job exposure for a comprehensive learning experience.

As on 31st March 2014, the total employee strength of TIL and TIPL stood at 2,956.

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 [2013-14] stands at ₹ 1,320 Crs. vis-à-vis ₹ 1,180 Crs. in previous year [2012-13]. PBT for the year stands at ₹ 15 Crs. compared to ₹ 9 Crs. in the previous year. EBIDTA for the year is ₹ 117 Crs. vis-à-vis ₹ 93 Crs. in 2012-13.

INDUSTRIAL RELATIONS

The industrial relation was harmonious and cordial with all workmen and unions. Your Company wishes to place on record its sincere appreciation towards the unstinted support of the Unions during these challenging times.

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.

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 2014 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
Firm Registration No. 302009E

A. Bhattacharya

Partner
(Membership No. 054110)

Place: Kolkata
Date: 20th May 2014

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 behavior.

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

The Company is in full compliance with the requirements of Corporate Governance under 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) Members are Wholetime Directors, 1 (one) Member is a Non-Executive Director, 4 (four) Members 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 2014

The Board of your Company consists of the following Directors:

Name of Directors	Category of Director	Directorships held in other Indian Public Limited Companies	# Committee Positions held in other Indian Public Limited Companies	
			As Chairman	As Member
@Mr. A. Mazumdar - Chairman and Wholetime Director	Executive	-	-	-
*Mr. Sumit Mazumder - Vice Chairman and Managing Director	Executive	2	-	-
Mr. R.L. Gaggar - Director	Non-Executive Independent	11	-	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	11	-	4
¥Dr. T. Mukherjee - Director	Non-Executive Independent	6	-	1

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

@ Appointed as Chairman Emeritus from 1st June 2014 at the Board Meeting held on 20th May 2014.

* Appointed as Chairman and Managing Director from 1st June 2014 at the Board Meeting held on 20th May 2014.

¥ Ceased to be an Independent Director with effect from 1st April 2014.

- b) During the year ended 31st March 2014, 4 (four) 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.	14th May 2013	7	6
2.	30th July 2013	7	6
3.	5th November 2013	7	7
4.	20th January 2014	7	7

Attendance of Directors at the Board Meetings and Annual General Meeting (AGM) during the year ended 31st March 2014:

Name of Director	No. of Board Meetings		Attendance at the last AGM held on 30th July 2013
	Held	Attended	
Mr. A. Mazumdar	4	3	No
Mr. Sumit Mazumder	4	4	Yes
Mr. R. L. Gaggar	4	3	Yes
Mr. U. V. Rao	4	4	Yes
Mr. K. B. Saha	4	4	Yes
Mr. G. Swarup	4	4	Yes
Dr. T. Mukherjee	4	4	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.

Rèsumè and other information of the Directors getting appointed, as required under Clause 49(IVG) 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 read with Section 292A of the Companies Act, 1956.
- b) The Audit Committee as at 31st March 2014 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 30th July 2013.
 - i. During the year ended 31st March 2014 Audit Committee Meetings were held as under:
 - a) 14th May 2013 b) 30th July 2013 c) 5th November 2013 d) 20th January 2014
 - ii. The Annual Financial Statements for the financial year 2012-13 were reviewed by the Audit Committee at its meeting held on 14th May 2013 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 2014 :

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

3. Nomination and Remuneration Committee

The existing "Remuneration and Compensation Committee" constituted by the Company on 31st May 1999 has been reconstituted by the Board at its meeting held on 5th May 2014 in accordance with the provisions of Section 178 of the new Companies Act, 2013 and has been renamed as "Nomination and Remuneration Committee", comprising two Non-Executive Independent Directors namely, Mr. R. L. Gaggar (Chairman), and Mr. U. V. Rao (Member) and one Non-Executive Director Dr. T. Mukherjee (Member).

The terms of reference of the Committee, inter alia, includes (a) formulation of policy for determining qualifications, positive attributes and independence of a Director and remuneration for the Directors, Key Managerial Personnel and other employees and recommending the same to the Board (b) identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria as per the policy approved by the Board (c) carry out evaluation of every Director's performance and recommend to the Board his/her appointment and removal based on the performance and (d) ensure that the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks and involves a balance between fixed and incentive pay.

Remuneration of Wholtime Director 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 2014, one meeting of the Remuneration & Compensation Committee was held.

Remuneration of Directors for the year ended 31st March 2014:

(₹ In Lakhs)

Name of the Director	Salary [including Special Pay/ Incentives]	Perquisites (computed under the Income Tax Act, 1961)	Contribution to Provident and other Funds	Commission	Sitting fees	
					Board Meeting	Committee Meeting
Mr. A. Mazumdar	443.33	23.93	14.58	-	-	-
Mr. Sumit Mazumder**	-	-	-	-	-	-
Mr. R. L. Gaggar	-	-	-	-	0.45	0.45
Mr. U.V. Rao	-	-	-	-	0.60	0.60
Mr. K. B. Saha*	-	-	-	-	0.60	0.60
Mr. G. Swarup	-	-	-	-	0.60	0.60
Dr. T. Mukherjee	-	-	-	-	0.60	0.60

* Payable to LIC as per terms of nomination upto 1st November 2013 and payable to Director for the balance period.

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

The terms of appointment of Wholtime Director are decided by the Board as per the recommendation of the "Nomination and Remuneration Committee", subject to the Shareholders' approval.

The Service Contracts with the Wholtime Directors are generally 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 Wholtime 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 30th July 2013. The said approval authorized the Board to fix the commission within the overall limit of 1 per cent of the profits.

4A. Stakeholders Relationship Committee

- The existing "Shareholders' / Investors' Grievance Committee" constituted by the Company on 31st October 2000 has been reconstituted by the Board at its meeting held on 20th May 2014 in accordance with the provisions of Section 178 of the new Companies Act, 2013 and has been renamed as "Stakeholders Relationship Committee", comprising two Non-Executive Independent Directors namely, Mr. R. L. Gaggar (Chairman), and Mr. G. Swarup (Member) and one Wholtime Director namely, Mr. S. Mazumder (Member).
- The term of reference of the Committee is to consider and resolve the grievances of stakeholders of the Company.
- Mr. Sekhar Bhattacharjee, Company Secretary is the Compliance Officer of the Committee.
- During the year ended 31st March 2014 no meeting of Shareholders'/Investors' Grievance Committee was held.
- During the year ended 31st March 2014 two complaints were received from the Shareholders/Investors and the same were resolved.

4B. 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 15 (fifteen) times during the year ended 31st March 2014 and approved the transfer of shares lodged with the Company. At the year-end, there was no share pending for transfer.

5. Corporate Social Responsibility Committee

In accordance to the provisions of Section 135 of the Companies Act, 2013 read with all other applicable Rules, the "Corporate Social Responsibility Committee" has been constituted by the Board on 20th May 2014. The Committee comprises of one Wholtime Director namely, Mr. Sumit Mazumder (Chairman), and one Non-Executive Director namely, Dr. T. Mukherjee (Member) and one Non-Executive Independent Director namely, Mr. R. L. Gaggar (Member).

The terms of reference of the Committee, inter alia, includes (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy, which will indicate the activities to be undertaken by the Company as well as the amount of expenditure to be incurred on the activities referred in the said policy (b) monitors Corporate Social Responsibility Policy from time to time and (c) prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company.

6. General Body Meetings

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

Financial Year (31st March)	Date	Time	Location
2010-2011	26.07.2011	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024
2011-2012	31.07.2012	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024
2012-2013	30.07.2013	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024

b) Special Resolutions passed at the last three AGMs:

Financial Year	Item
2010-2011	Nil
2011-2012	Nil
2012-2013	Payment of Commission to the Non-Executive Independent Directors

c) Postal Ballot

Whether Special Resolutions were put through Postal Ballot last year	Yes
Details of voting pattern	The votes cast in favour of the Resolution were 5,986,502 shares representing 99.76 per cent of the votes cast and votes cast against the Resolution were 14,192 shares representing 0.24 per cent of the votes cast.
Persons who conducted Postal Ballot exercise	Mr. Tarun Chatterjee of M/s. T. Chatterjee & Associates Practising Company Secretaries, "ABHISHEK POINT" 152, S. P. Mukherjee Road, Kolkata 700 026 was appointed as Scrutinizer to conduct the Postal Ballot exercise.
Procedure for Postal Ballot	As are laid down in the Company's (Passing of Resolutions by Postal Ballot) Rules, 2001.
Are there any proposed resolutions to be conducted through Postal Ballot	No

d) 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

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

No Extraordinary General Meeting was held during the year ended 31st March 2014.

7. Disclosures

- 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 at an arm's length basis.
- The Company did not have any materially significant related party transactions, which may have potential conflict with the interest of the Company.
- While preparing the financial statements during the year under review, no accounting treatment which was different from the prescribed Accounting Standard was followed.
- 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.
- 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.
- 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.

8. Subsidiary Companies

The Company has four subsidiaries, which includes three foreign non-listed subsidiary companies namely, TIL Overseas Pte. Limited, Singapore; Tractors Nepal Private Limited, Nepal and Myanmar Tractors Limited, Myanmar the step down subsidiary, 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.

9. Means of Communication

- 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. The Financial Express/Business Standard and a regional newspaper published in Bengali – Aajkal. Pursuant to amended Clause 52 of the Listing Agreement with the Stock Exchanges, the Company is also posting financial results and other shareholders' related information in the Corporate Filing and Dissemination System (CFDS), viz., www.corpfiling.co.in.
- The Management Discussion and Analysis Report forms part of the Directors' Report.

10. General Shareholder Information

a) AGM: Date, time and venue

Forthcoming Annual General Meeting will be held on Monday, 28th July 2014 at 10.00 a.m. 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 2014	May 2014
Mailing of Annual Reports for FY 2013-2014	June 2014
Financial Reporting for the quarter ending 30th June 2014	July 2014
Limited Review Report for the quarter ending 30th June 2014	July 2014
Financial Reporting for the quarter/half year ending 30th September 2014	October 2014
Limited Review Report for the half year ending 30th September 2014	October 2014
Financial Reporting for the quarter ending 31st December 2014	January 2015
Limited Review Report for quarter ending 31st December 2014	January 2015
Financial Reporting for the year ending 31st March 2015	May 2015

b) Date of Book closure

The Share Transfer Books and Register of Members will remain closed from 21st July 2014 to 29th July 2014, both days inclusive.

c) Dividend Payment date - On or before 4th August 2014.

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 2014-15 have been paid to the Stock Exchanges.

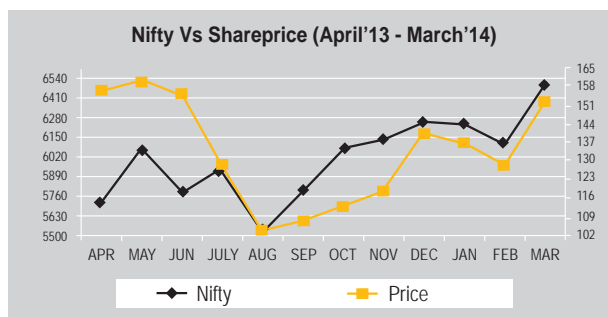
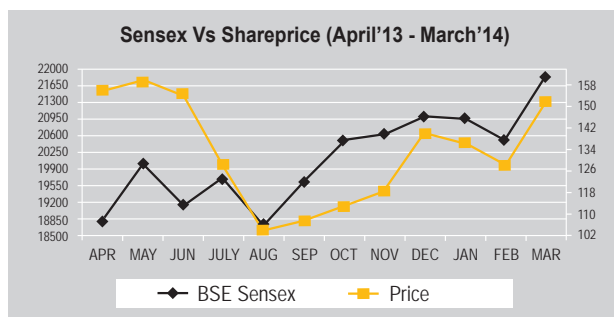
The International Security Identification Number (ISIN) is INE806C01018.

e) Market Price Data

Months	National Stock Exchange*		Bombay Stock Exchange*	
	High	Low	High	Low
April 2013	176.20	144.95	175.00	143.00
May 2013	186.45	144.00	185.95	145.20
June 2013	177.90	130.10	171.70	130.00
July 2013	140.30	98.05	142.00	98.00
August 2013	124.00	82.00	118.65	83.00
September 2013	118.00	98.20	117.55	97.10
October 2013	120.00	101.10	119.75	101.45
November 2013	134.35	107.00	132.00	108.05
December 2013	168.70	116.85	168.00	116.10
January 2014	150.00	118.45	148.90	119.00
February 2014	133.95	116.15	134.80	115.55
March 2014	179.50	125.65	179.50	128.50

* Where Equity Shares of the Company are regularly traded.

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



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:

M/s. C. B. Management Services (P) Ltd.

P-22, Bondel Road, Kolkata 700 019

Telephone Numbers : (033) 4011 6700 / 2280 / 6692 / 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 2014

Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B)
Shareholding of Promoter and Promoter Group	22	5,646,798	56.30
Mutual Funds/UTI	3	20,093	0.20
Financial Institutions/Banks	8	1,991	0.02
Insurance Companies	4	1,577,940	15.73
Foreign Institutional Investors	1	268,741	2.68
Bodies Corporate	247	402,936	4.02
Non Resident Individuals	225	85,326	0.85
General Public	7,731	2,006,006	20.00
Trust	5	3,130	0.03
Clearing Member	55	17,304	0.17
Total	8,301	10,030,265	100.00

i) Distribution of shareholding as on 31st March 2014

Range / Category (Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares to total shares
1-500	7,567	91.16	724,544	7.22
501-1000	375	4.52	285,139	2.84
1001-2000	174	2.10	258,456	2.58
2001-3000	62	0.75	156,642	1.56
3001-4000	31	0.37	111,451	1.11
4001-5000	14	0.17	64,439	0.64
5001-10000	31	0.37	225,438	2.25
10001 -50000	24	0.29	473,961	4.73
50001-100000	6	0.07	443,170	4.42
100001 & above	17	0.20	7,287,025	72.65
Total	8301	100.00	10,030,265	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 2014:

Particulars	No. of shares	No. of shareholders	% of Capital
NSDL	9,130,680	4,787	91.03
CDSL	599,367	2,136	5.98
Physical	300,218	1,378	2.99
Total	10,030,265	8,301	100.00

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 & Vidyasagar Industrial Park, 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

11. 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 stating that all Board Members and Senior Management Personnel have complied with the Code of Conduct for the Financial Year ended 31st March 2014 forms part of the Annual Report.

12. 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.

13. 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 2014 has been placed before the Board in the Meeting held on 20th May 2014.

14. Non-Mandatory Requirements

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

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

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

As the Company's Quarterly 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.

c) Audit Qualifications

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

d) 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.

e) 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.

f) 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: 20th May 2014

A. Mazumdar
Chairman

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

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 the Senior Managers of the Company for the Financial Year ended 31st March 2014. The same has also been noted by the Board at its Meeting held on 20th May 2014.

Place: Kolkata
Date: 20th May 2014

For and on behalf of the Board of Directors

Sumit Mazumder
Vice-Chairman & Managing Director

CEO/CFO CERTIFICATION

The Board of Directors
TIL Limited

Re- Financial Statements for the period ended 31st March 2014:
Certification by CEO and CFO

We, Sumit Mazumder, Vice Chairman & Managing Director and Alope Banerjee, President & CFO, on the basis of the review of the financial statements for the period ended 31st March 2014 and to the best of our knowledge and belief, certify that :

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period ended 31st March 2014, which is fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :
 - (a) There have been no significant changes in the internal control over financial reporting during this year.
 - (b) There have been no significant changes in the accounting policies this year and that the same have been disclosed in the notes to the financial statements.
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

Place: Kolkata
Date: 20th May 2014

Sumit Mazumder
Vice Chairman & Managing Director

Alope Banerjee
President & Chief Financial Officer

TEN YEARS FINANCIAL HIGHLIGHTS

(₹ In Lakhs)

Particular	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
1 Share Capital	1,003	1,003	1,003	1,003	1,003	1,003	1,003	973	1,222	1,373
2 Share Warrant	-	-	-	-	-	878	878	-	-	-
3 Reserve & Surplus	26,241	26,181	26,164	21,231	18,827	13,979	11,237	7,549	6,295	5,478
4 Net Worth	27,244*	27,184*	27,167*	22,234*	19,830*	15,860*	13,118*	8,522*	7,517*	6,851*
5 Borrowings	24,160	20,716	11,371	4,275	10,938	11,343	7,876	8,460	12,413	11,651
6 Fund Employed	51,404	47,900	38,538	26,509	30,768	27,203	20,994	16,982	19,930	18,502
7 Gross Block	26,315	24,581	21,958	14,389	19,129	16,096	14,117	12,335	12,440	11,502
8 Depreciation	7,785	6,740	5,744	5,193	8,228	6,889	5,787	5,030	4,596	3,830
9 Net Block	18,531	17,842	16,214	9,196	10,901	9,207	8,330	7,305	7,844	7,672
10 Investments	9,982	9,982	10,385	10,386	750	749	749	749	449	541
11 Sales	29,505	28,514	25,090	21,614	82,459	83,275	71,753	56,869	45,440	32,143
12 Other Income	1,266	1,189	5,353	2,119	6,335	4,304	3,796	2,839	2,706	2,913
13 Expenses	9,924	8,138	7,306	6,217	15,240	15,135	10,839	9,191	7,982	7,572
14 Depreciation	1,113	981	487	416	1,689	1,432	1,140	1,122	1,196	812
15 Profit Before Tax	371	500	5,748	4,201	7,549	5,057	5,025	2,863	1,885	1,004
16 Taxation										
- Current Tax	90	100	412	1,420	2,575	1,765	1,559	1,040	675	295
- Deferred Tax	116	236	334	(339)	287	(25)	170	(74)	(72)	31
- Fringe Benefit Tax	-	-	-	-	-	90	73	60	97	-
- Mat Credit Entitlement	(86)	(100)	(296)	-	-	-	-	-	-	-
- Excess income tax provision relating to earlier year, written back	-	(3)	-	-	-	-	-	-	-	-
Profit After Tax	251	267	5,298	3,120	4,687	3,227	3,223	1,837	1,185	678
Dividend	150	201	301	602	602	401	401	293	219	152

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

INDEPENDENT AUDITORS' REPORT

To the Members of
TIL Limited

Report on the Financial Statements

We have audited the accompanying financial statements of TIL Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") [which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs] and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS

Chartered Accountants
Firm Registration No. 302009E

A. Bhattacharya

Partner
(Membership No. 054110)

Place: Kolkata
Date: 20th May 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/results during the year, clauses (vi), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations 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 inventories:
 - (a) As explained to us, the inventories (other than material lying with third parties and in transit) were physically verified during the year by the Management at reasonable intervals. In respect of inventories lying with third parties, these have substantially been confirmed by them and those in transit have been verified by the management with reference to subsequent receipt and/or relevant documents.
 - (b) In our opinion and according to the information and explanations 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 covered 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) To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.

- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) 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 made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us, in respect of statutory dues:
- The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.
 - 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 2014 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount Relates	Amount Involved (₹ in Lakhs)
The Uttar Pradesh VAT Act, 2008	Sales Tax	The Additional Commissioner (Appeals), Commercial Taxes	2009-10	30.45
The Central Sales Tax Act, 1956	Sales Tax	The Additional Commissioner (Appeals), Commercial Taxes	2007-08 2008-09 2009-10 2010-11	1,181.20
The West Bengal Value Added Tax Act 2003	Sales Tax	The Additional Commissioner (Appeals), Commercial Taxes	2008-09 2009-10	1,355.05
The Income tax Act, 1961	Income tax	Commissioner of Income-tax (Appeals)	2007-08 2008-09 2009-10 2012-13	775.80
The Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise (Appeals)	2002-03 2007-08	25.06
Finance Act, 1994	Service Tax	Commissioner of Central Excise (Appeals)	2007-08	23.56
Finance Act, 1994	Service Tax	The Customs, Excise and Service Tax Appellate Tribunal, New Delhi	2008-09 to 2009-10	352.60

- (x) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (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 financial institutions and banks. The Company has not issued any debentures.
- (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 by the Company during the year 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 of the Company, we report that funds raised on short-term basis have, prima-facie, 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 material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants
Firm Registration No. 302009E

A. Bhattacharya

Partner
(Membership No. 054110)

Place: Kolkata
Date: 20th May 2014

TIL LIMITED

BALANCE SHEET as at 31st March 2014

(₹ In Lakhs)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	1,003	1,003
(b) Reserves and Surplus	4	26,241	26,181
2 Non- Current Liabilities			
(a) Long-Term Borrowings	5	8,165	11,002
(b) Deferred Tax Liabilities (Net)	6	944	828
(c) Long- Term Provisions	7	404	306
3 Current Liabilities			
(a) Short-Term Borrowings	8	15,995	9,714
(b) Trade Payables	9	7,408	5,172
(c) Other Current Liabilities	10	3,800	2,436
(d) Short-Term Provisions	11	10,356	10,359
TOTAL		74,316	67,001
B ASSETS			
1 Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	18,342	17,584
(ii) Intangible Assets	13	189	257
(iii) Capital Work-In-Progress		4,332	5,553
(b) Non-Current Investment	14	9,982	9,982
(c) Long-Term Loans and Advances	15	232	116
2 Current Assets			
(a) Inventories	16	18,679	13,199
(b) Trade Receivables	17	8,024	6,153
(c) Cash and Cash Equivalents	18	71	144
(d) Short Term Loans and Advances	19	14,465	13,610
(e) Other Current Assets	20	-	403
TOTAL		74,316	67,001

See accompanying notes forming part of the financial statements.

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. Bhattacharya
Partner

Place: Kolkata
Date: 20th May 2014

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

STATEMENT OF PROFIT & LOSS for the Year ended 31st March 2014

(₹ In Lakhs)

	Note No.	Year Ended 31.03.2014	Year Ended 31.03.2013
I. Revenue from Operations (Gross)	21	30,439	29,206
Less: Excise Duty		1,688	2,417
Revenue from Operations (Net)		28,751	26,789
II. Other Income	22	332	497
III. Total Revenue (I + II)		29,083	27,286
IV. Expenses :			
Cost of Materials Consumed	23	15,727	15,594
Purchases of Stock-In-Trade (Traded Goods)	24	2,986	3,506
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	25	(4,020)	(3,234)
Employee benefits expense	26	4,806	4,063
Finance Costs	27	2,982	1,801
Depreciation and Amortisation Expense	13.2	1,113	981
Other Expenses	28	5,118	4,075
Total expenses		28,712	26,786
V. Profit Before Tax (III - IV)		371	500
VI. Tax expenses			
(1) Current tax [Minimum Alternative Tax (MAT)]		90	100
Less: MAT Credit Entitlement		(86)	(100)
Net Current Tax		4	-
(2) Excess income tax provision relating to earlier year		-	(3)
(3) Deferred tax		116	236
		120	233
VII. Profit for the year (V-VI)		251	267
VIII. Earnings per equity share : [Nominal Value per Share ₹ 10/-			
(Previous year ₹ 10/-)] (Refer Note 35)			
Basic and Diluted		2.50	2.66

See accompanying notes forming part of the financial statements.

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered Accountants**A. Bhattacharya**
PartnerPlace: Kolkata
Date: 20th May 2014

For and on behalf of Board of Directors

A. Mazumdar
Chairman**Sumit Mazumder**
Vice Chairman & Managing Director**Sekhar Bhattacharjee**
Company Secretary

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, 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 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) of the Companies Act 1956 (The 1956 Act) [which continue to be applicable in respect of Section 133 of the Companies Act 2013 (The 2013 Act) in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs] and the relevant provisions of the 1956 Act / 2013 Act as applicable.

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.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

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 1956 Act) on straight line method.
- (c) In respect of other assets, at rates prescribed in Schedule XIV to the 1956 Act 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.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

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:

- 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.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

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 Financial Statements.

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.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

3 SHARE CAPITAL

(₹ In Lakhs)

	As at 31.03.2014	As at 31.03.2013
Authorised		
20,000,000 (31st March 2013 : 20,000,000) Equity Shares of ₹ 10/- each	2,000	2,000
Issued		
10,030,265 (31st March 2013 : 10,030,265) Equity Shares of ₹ 10/- each	1,003	1,003
Subscribed and Paid up		
10,030,265 (31st March 2013 : 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 31.03.2014		As at 31.03.2013	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
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 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.

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

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	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	1,040,814	10.38
Mr. Avijit Mazumdar	545,301	5.44	545,301	5.44

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

4 RESERVES AND SURPLUS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Capital Reserve	878	878
Capital Redemption Reserve	400	400
Securities Premium Account	1,934	1,934
Development Rebate Reserve	1	1
Revaluation Reserves		
Opening Balance	659	674
Less: Amount transferred to the Statement of Profit and Loss (Note 12.1)	(15)	(15)
Closing Balance	644	659
Amalgamation Reserve	20	20
General Reserves		
Opening Balance	3,000	2,980
Add : Amount transferred from Surplus in the Statement of Profit and Loss	13	20
Closing Balance	3,013	3,000
Surplus in Statement of Profit and Loss		
Opening Balance	19,289	19,277
Add: Profit for the year	251	267
Less : Appropriations		
Transfer to General Reserve	(13)	(20)
Proposed Dividend on Equity Shares	(150)	(201)
Tax on Proposed Dividend on Equity Shares	(26)	(34)
Closing Balance	19,351	19,289
Total	26,241	26,181

5 LONG TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
SECURED LOANS		
Term Loans		
From Banks		
HDFC Bank Limited (HDFC)	1,200	1,800
DBS Bank Limited (DBS)	3,411	5,552
AXIS Bank Limited (AXIS)	50	150
State Bank of India (SBI)	3,500	3,500
Vehicle Loan		
From Banks	4	-
Total	8,165	11,002

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

5.1 Nature of Security and Terms of repayment for Secured borrowings

Nature of Security	Terms of Repayments
1. Term Loans from Banks comprising HDFC, DBS, AXIS and SBI are secured by a first pari passu charge on all the movable fixed assets (both present and future) of the company and mortgage on certain immovable properties of the company and second pari passu charge on the entire current assets of the company (both present and future).	<p>1. (i) Term Loan from HDFC is 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 :</p> <p>At the end of 12 months - 20.00% At the end of 24 months - 20.00% At the end of 36 months - 20.00% At the end of 48 months - 20.00% At the end of 60 months - 20.00%</p> <p>1. (ii) Term Loan from DBS is repayable as per the following schedule along with interest at LIBOR plus 260 bps per annum :</p> <p>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%</p> <p>1. (iii) Term Loan from AXIS is repayable by way of 20 quarterly instalments of ₹ 25 Lakhs after 24 months from the date of first disbursement (i.e. 16th October 2008) along with interest of Bank Rate plus 375 bps per annum.</p> <p>1. (iv) Term Loan from SBI is repayable by way of 20 quarterly equal instalments of ₹ 175 Lakhs starting from June 2015 along with interest of Bank Rate plus 265 bps per annum.</p>
2. Vehicle Loan is secured by hypothecation of the vehicle financed.	2. Vehicle Loan from HDFC is repayable by way of 36 monthly equal instalment of ₹ 0.18 lakh starting from April 2014 inclusive of interest @ 10.6% per annum.

6 DEFERRED TAX LIABILITIES (NET)

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
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.	1,255	1,076
Disallowances allowable for Tax purpose on payment	(311)	(248)
Total	944	828

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

7 LONG TERM PROVISIONS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits		
Provident Fund (PF) [Also refer Note 26.1 below]	90	80
Compensated Absences	314	226
Total	404	306

8 SHORT TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
SECURED		
Loan Repayable on Demand		
From Banks	15,995	7,644
UNSECURED		
From Banks	-	2,070
Total	15,995	9,714

- 8.1** The above borrowings are secured by a first pari passu charge on entire current asset of the Company (namely Stocks, Bills Receivable and Book Debts) and all other moveables both present and future whether lying loose or in cases or which are stored in the factories, premises and godowns, situated at Kamarhatty and Kharagpur plant of the Company.
- Second pari passu charge on moveable properties including moveable plant and machinery, machinery spares, tools and accessories etc. both present and future situated at Kamarhatty and Kharagpur plant of the Company.

9 TRADE PAYABLES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Other than Acceptances (Refer Note 9.1)	7,408	5,172
Total	7,408	5,172

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

9.1 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	124	87
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	*	9
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	12	2
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	15	-

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

10 OTHER CURRENT LIABILITIES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Current maturities of long - term debt	2,836	1,950
Security Deposit From Customers	7	4
Advance from customers and others	269	36
Interest accrued but not due on borrowings	122	138
Interest accrued and due on borrowings	-	13
Investors Education and Protection Fund (the fund) shall be credited by the following amount		
Unclaimed Dividend [Note 10.1 below]	22	23
Contribution to Fund	201	97
Statutory remittances	332	145
Others	11	30
Total	3,800	2,436

10.1 Current Maturities of Long Term Debt

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Term Loan From Bank	2,835	1,950
Vehicle Loan form Bank	1	-
Total	2,836	1,950

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

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

11 SHORT TERM PROVISIONS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
(a) Provision for employee benefits		
Compensated Absences (Unfunded)	36	75
Contribution to PF	1	2
	37	77
(b) Others		
Provision for Income Tax	10,067	9,977
Provision for Warranty [Note 11.1 below]	76	70
Provision for Proposed Equity Dividend	150	201
Provision for Tax on Proposed Dividend	26	34
	10,319	10,282
Total	10,356	10,359

11.1 Provision for Warranty :

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 up to 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.

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Opening Balance	70	70
Provision during the year	58	204
Provision utilised during the year	(52)	(204)
Closing Balance	76	70

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) Contd.

12 TANGIBLE ASSETS

(₹ In Lakhs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost/ Valuation as at 01.04.2013	Additions during the year	Sales during the year	Other Adjustment during the year	Cost/ Valuation as at 31.03.2014	As at 01.04.2013	For the Year	On Sales/ Adjustment during the year	Other Adjustment during the year	As at 31.03.2014	As at 31.03.2013
Own Assets											
Freehold Land	2,056 (2,037)	20 (19)	-	-	2,076 (2,056)	-	-	-	-	2,076 (2,056)	2,056
Leasehold Land	426 (426)	-	-	-	426 (426)	84 (75)	7 (9)	-	-	335 (342)	342
Buildings	9,200 (8,354)	226 (807)	-	18 # (39)	9,444 (9,200)	1,029 (779)	252 (250)	-	-	8,163 (8,171)	8,171
Plant and Equipment	8,866 (7,372)	1,275 (1,440)	80	170 # (54)	10,231 (8,866)	3,510 (3,010)	455 (500)	76	-	6,342 (5,356)	5,356
Furniture and Fixtures	1,235 (1,048)	108 (187)	-	-	1,343 (1,235)	718 (658)	57 (60)	-	-	568 (517)	517
Vehicles	307 (300)	7 (7)	9	-	305 (307)	142 (118)	24 (24)	7	-	146 (165)	165
Office Equipment	8 (8)	-	-	-	8 (8)	4 (4)	* *	-	-	4 (4)	4
Sub total (A)	22,098 (19,545)	1,636 (2,460)	89	188	23,833 (22,098)	5,487 (4,644)	795 (843)	83	-	17,634 (16,611)	16,611
Previous Year			-	(93)				-	-		
Assets Given On Operating Lease											
Plant and Machinery	1,107 (1,107)	-	-	-	1,107 (1,107)	134 (45)	265 (89)	-	-	708 (973)	973
Sub total (B)	1,107	-	-	-	1,107	134	265	-	-	708	973
Total (A+B)	23,205	1,636	89	188	24,940	5,621	1,060	83	-	18,342	17,584
Previous Year	20,652	2,460	-	93	23,205	4,689	932	-	-	17,584	

Refer note 12.3 below.

* 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 Lakhs, 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 Lakhs (Previous Year ₹15 Lakhs) and an amount equivalent to the additional charge has been transferred to the statement of Profit and Loss from Revaluation Reserve. The effective depreciation rates (other than for leasehold land) are as per Schedule XIV to the 1956 Act.

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

12.3 Other adjustments represents borrowing cost capitalised during the year ₹ 115 Lakhs (Previous Year ₹ 93 Lakhs).

12.4 Capital Work in Progress includes borrowing costs ₹ 926 Lakhs (Previous Year ₹ 861 Lakhs).

12.5 Amounts in Bracket represent figures of Previous Years.

13 INTANGIBLE ASSETS

(₹ In Lakhs)

	GROSS BLOCK					AMORTISATION		NET BLOCK	
	Cost/ Valuation as at 01.04.2013	Additions during the year	Sales during the year	Adjustment during the year	Cost/ Valuation as at 31.03.2014	As at 01.04.2013	For the Year On Sales/ Adjustment during the year	As at 31.03.2014	As at 31.03.2013
(acquired items)									
Technical Know-how (Refer Note 13.1)	1,276 (1,206)	- (70)	- -	- -	1,276 (1,276)	1,019 (955)	68 (64)	1,087 (1,019)	189 (257)
Software	100 (100)	- -	- -	- -	100 (100)	100 (100)	- -	- -	- -
Total	1,376	-	-	-	1,376	1,119	68	1,187	257
Previous Year	(1,306)	(70)	-	-	(1,376)	(1,055)	(64)	(1,119)	(257)

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 Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Depreciation of Tangible Assets	1,060	932
Amortisation of Intangible Assets	68	64
Less : Recoupment from revaluation reserve	(15)	(15)
Depreciation and amortisation charged to Statement of Profit and Loss	1,113	981

13.3 Amounts in Bracket represent figures of Previous Years.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

14 NON CURRENT INVESTMENTS (At Cost)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number	Value (₹ in Lakhs)	Number	Value (₹ in Lakhs)
Trade - Unquoted :				
Investment in Equity Investment of Subsidiaries :				
Myanmar Tractors Limited				
Shares of Kyats 1000/- each fully paid (equivalent to US\$ 168.55 each)	602	13	602	13
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 :				
Investment in 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	3	7,900	3
Unquoted :				
Investment in Debentures				
Woodlands Multispecialty Hospital Limited				
1/2 % Debentures of ₹ 100/- each fully paid	20	*	20	*
Total		9,982		9,982
Aggregate book value of investments				
Quoted		7		7
Unquoted		9,975		9,975
Total		9,982		9,982
Aggregate market value of listed quoted investments		23		29

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

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

15 LONG TERM LOANS AND ADVANCE

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered Good		
Capital Advance	145	30
Security Deposits	55	73
Balance with Government Authorities	18	6
Employee Advance	14	7
Total	232	116

16 INVENTORIES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
a. Raw Material and components	5,909	5,213
Goods-in-transit	1,182	512
	7,091	5,725
b. Work-in-progress	4,117	3,223
	4,117	3,223
c. Finished goods	3,182	2,199
	3,182	2,199
d. Stock-in-trade	3,444	1,545
Goods-in-transit	762	446
	4,206	1,991
e. Stores and spares	83	61
	83	61
Total	18,679	13,199

16.1 Refer Note 2.8 for mode of valuation

16.2 Details of Work-in-progress:

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Cranes	1,396	1,212
Self-Propelled Rubber Tyred Container Handling Mobile Crane	318	525
Road Construction Equipment	2,403	1,486
Total	4,117	3,223

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

16.3 Details of Finished Goods:

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Cranes	2,068	414
Self-Propelled Rubber Tyred Container Handling Mobile Crane	50	785
Road Construction Equipment	1,064	1,000
Total	3,182	2,199

16.4 Details of Stock in Trade:

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Spare Parts	3,444	1,472
Road Construction Equipment	762	519
Total	4,206	1,991

17 TRADE RECEIVABLES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered Good	634	556
Unsecured, Considered Doubtful	63	-
	697	556
Less : Provision for Doubtful Trade Receivables	(63)	-
	634	556
Other Trade Receivables		
Unsecured, Considered Good	7,390	5,597
[Includes amount not due for payment of ₹ 6,169 lakhs (Previous year ₹ 4,519 lakhs)]		
Total	8,024	6,153

18 CASH AND CASH EQUIVALENTS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Cash in hand	2	4
Cheques in hand	-	112
Balance with Banks :		
On Current Accounts	46	4
On Dividend Accounts	22	23
On Fixed Deposit #	1	1
Total	71	144

Balances with banks include deposits with remaining maturity of more than 12 months from the Balance Sheet date.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

19 SHORT TERM LOANS AND ADVANCES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered Good		
Security Deposits	247	184
Employee Advance	41	40
Advance to Government Authorities	43	193
Claims Receivable	1,977	1,642
Accrued Duty Benefits pertaining to exports/Deemed exports	217	169
Advance to Suppliers	817	462
Advance Income Tax	10,572	10,442
Mat Credit Entitlement	482	396
Prepayments	69	82
	14,465	13,610
Unsecured, Considered Doubtful		
Security Deposits	14	-
Less : Provision for Doubtful Advances	(14)	-
	-	-
Total	14,465	13,610

20 OTHER CURRENT ASSETS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered Good		
Receivable on Sale of Long Term Investment	-	403
Total	-	403

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

21 REVENUE FROM OPERATIONS

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Operating Income		
Sale of products		
Manufactured Goods	21,992	22,242
Traded goods	6,677	5,987
Sale of services	836	285
	29,505	28,514
Other Operating Revenues		
Rental from Machinery	513	204
Selling Commission earned	242	306
Scrap Sales	179	182
	934	692
REVENUE FROM OPERATIONS (GROSS)	30,439	29,206
Less : Excise Duty	1,688	2,417
REVENUE FROM OPERATIONS (NET)	28,751	26,789

21.1 Details of sale of Manufactured Goods

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Cranes	15,645	14,867
Self-Propelled Rubber Tyred Container Handling Mobile Crane	3,617	5,862
Road Construction Equipment	2,730	1,513
Total	21,992	22,242

21.2 Details of sale of Traded Goods

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Cranes / Forklifts	189	253
Road Construction Equipment	-	410
Components and Spares	6,488	5,324
Total	6,677	5,987

21.3 Excise Duty is net of ₹ 66.19 lakhs (Previous year ₹ 59.08 lakhs) on account of accrued duty benefit for the year pertaining to Export/Deemed Exports.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

22 OTHER INCOME

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Interest :		
- On deposit with Banks and Others	1	3
- On Income Tax Refunds	-	7
Dividend Income (Long Term):		
- From subsidiary companies (Trade Investments)	-	35
- From Others	1	1
Profit on Sale of Long Term Investment	-	317
Liabilities no longer required written back	227	19
Bad-debt Recovered	-	52
Miscellaneous Income	103	63
Total	332	497

23 COST OF MATERIALS (INCLUDING COMPONENTS) CONSUMED

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Opening Inventory	5,786	4,575
Add: Purchases (Net)	17,115	16,805
	22,901	21,380
Less: Closing Inventory	7,174	5,786
Material Consumed	15,727	15,594
[Net off Capitalisation (Refer Note 28.4)]		
Total	15,727	15,594

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

23.1 Details of Raw Materials (Including Components) consumed:

Particulars	Unit	Quantity	Value (₹ in Lakhs)	Percentage
Indigenous :				
Iron and Steel	Tones	1,056	567	
		1,744	970	
Ballast/Tail Weight (for Cranes)	Nos	217	191	
		294	388	
Chassis(for Cranes)	Nos	45	915	
		40	557	
Hydraulic Ram and Cylinder	Nos	2,429	1,298	
		1,887	1,188	
Engine (for Cranes)	Nos	119	588	
		78	262	
Others		-	4,357	
		-	3,540	
	A		7,916	50
			6,905	44
Imported :				
Iron and Steel	Tones	2,064	1,511	
		2,144	1,563	
Transmission	Nos	108	704	
		101	689	
Axle	Nos	177	1,362	
		165	1,169	
Hoist Units	Nos	131	635	
		106	400	
Others		-	3,599	
		-	4,868	
	B		7,811	50
			8,689	56
Total	A+B		15,727	100
			15,594	100

Figures in bold type relate to the Current year.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

24 PURCHASES OF STOCK IN TRADE (TRADED GOODS)

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Purchase of Traded Goods	2,986	3,506
Total	2,986	3,506

24.1 Details of purchases of Traded Goods

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Cranes / Forklifts	182	241
Road Construction Equipment	316	147
Components and Spares	2,488	3,118
Total	2,986	3,506

25 CHANGES IN INVENTORIES

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Inventories at the end of the year		
Finished goods	3,182	2,199
Work-in-progress	4,117	3,223
Traded goods	4,206	1,991
	11,505	7,413
Inventories at the beginning of the year		
Finished goods	2,199	1,370
Work-in-progress	3,223	1,404
Traded goods	1,991	1,350
	7,413	4,124
Excise Duty on Increase of Finished Goods	72	55
Total Net Increase	(4,020)	(3,234)

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

26 EMPLOYEE BENEFITS EXPENSE *

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Salaries, Wages and Bonus	4,228	3,444
Contribution to Provident and other Funds	268	332
Staff Welfare Expenses	209	193
Medical Expenses	101	94
Total	4,806	4,063

*Net off reimbursements by Tractors India Private Limited [Refer note 36 B(I)(i)].

26.1 Employee Benefits

The Company has recognised, in Statement of Profit and Loss for the year ended 31st March 2014 an amount of ₹ 71 Lakhs (Previous year ₹ 66 Lakhs) 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 ₹ 91 lakhs (Previous year ₹ 82 lakhs) has been actuarially determined by an independent authority. The Company has contributed for the year ended 31st March 2014 an amount of ₹ 214 lakhs (Previous year ₹ 192 lakhs) as Provident Fund.

The details of fund and plan asset position as at 31st March 2014 is given below:

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Present value of benefit obligation at period end (₹ in Lakhs)	2,155	1,959
Cost of shortfall in interest rate guarantee (₹ in Lakhs)	10	24
Assumptions used in determining the present value obligation on the interest guarantee under the deterministic approach		
Guaranteed Rate	8.75%	8.50%
Average yield rate based on data of investment portfolio	7.89%	7.79%
Decrement adjusted average future period of service	21 years	21 years
Average maturity period of investment portfolio	2.56 years	3.1 years
Discount rate	9.16%	8.31%

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

26.1 Employee Benefits (Contd.)

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 2014.
- (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 per cent 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 2014.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

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

(₹ In Lakhs)

Description	Superannuation Fund (Funded)		Gratuity Fund (Funded)	
	2013-14	2012-13	2013-14	2012-13
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	1,081	1,165	587	566
b. Current Service Cost	46	48	54	47
c. Interest Cost	84	87	46	44
d. Curtailment Cost/(Credit)	-	-	-	-
e. Actuarial (gain)/loss	28	52	(18)	26
f. Benefits paid	(145)	(271)	(72)	(96)
g. Present Value of Obligation at the end of the Year	1,094	1,081	597	587
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	1,073	1,168	511	471
b. Expected return on Plan Assets	86	91	39	40
c. Actuarial gain/(loss)	25	10	(20)	1
d. Contributions by the Employer	77	75	-	95
e. Benefits paid	(145)	(271)	(72)	(96)
f. Fair value of Plan Assets at the end of the Year	1,116	1,073	458	511
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	1,116	1,073	458	511
b. Present Value of Obligation at the end of the Year	1,094	1,081	597	587
c. (Asset)/Liabilities recognised in the Balance Sheet	(22)	8	139	76
4. Expenses recognised during the year :				
a. Current Service cost	46	48	54	47
b. Interest cost	84	87	46	44
c. Expected return on Plan Assets	(86)	(91)	(39)	(40)
d. Curtailment Cost/(Credit)	-	-	-	-
e. Actuarial (Gain) / Loss	3	42	2	25
f. Expense recognised during the year	47	86	63	76

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

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

(₹ In Lakhs)

Description	Superannuation Fund (Funded)					Gratuity Fund (Funded)				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
5. Experience Adjustments on Plan Obligation and Assets										
a. Fair value of Plan Assets at the end of the Year	1,116	1,073	1,168	1,146	1,906	458	511	471	512	564
b. Present Value of Obligation at the end of the Year	1,094	1,081	1,165	1,159	1,905	597	587	566	559	642
c. (Asset)/Liabilities recognised in the Balance Sheet	(22)	8	(3)	13	(1)	139	76	95	47	78
d. Experience Adjustments on Plan Obligation [(Gain) /Loss]	50	29	45	107	256	(3)	19	30	151	70
e. Experience Adjustments on Plan Assets[Gain/(Loss)]	25	11	(33)	3	21	(21)	2	(1)	(474)	(4,920)

The expense for the Defined Benefits (referred to in para 26.1 and 26.2 above) are included in the line item under 'Contribution to Provident and other Funds'.

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

Description	Superannuation Fund % Invested		Gratuity Fund % Invested	
6. Investment Details of Plan Assets as at	31.03.2014	31.03.2013	31.03.2014	31.03.2013
a. Govt of India Securities	25.47	23.78	25.88	23.56
b. Public Sector (PSU)Bonds	48.74	49.32	32.21	36.82
c. State / Central Govt Securities	11.72	13.68	21.16	18.80
d. Special Deposit Scheme	14.07	13.13	20.75	20.19
e. Other including Bank Balance	-	0.09	-	0.63
Total	100.00	100.00	100.00	100.00
7. Assumptions				
a. Discount rate per annum	8.75%	8.30%	8.75%	8.30%
b. Salary escalation rate per annum	4.00%	4.00%	4.00%	4.00%
c. Expected rate of return on Plan Assets per annum	8.30%	8.30%	8.30%	8.30%
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	10.14%	8.51%	3.77%	8.21%

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

26.4 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.

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

27 FINANCE COST

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Interest Expenses*	2,953	1,753
Other Borrowing Charges	29	48
Total	2,982	1,801

* Includes Interest reimbursed to TIPL. [Refer note 36 B(i)(j)].

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

28 OTHER EXPENSES

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Consumption of Stores and Spare Parts (Refer Note 37)	523	467
Power and Fuel	431	445
Rent Including Lease Rentals	413	133
Repairs :		
Buildings	123	130
Plant and Machinery	104	99
Other	101	70
	328	299
Insurance	165	136
Rates and Taxes	71	16
Bank Charges	222	188
Travelling Expenses	616	564
Printing & Stationery	69	72
Forwarding Charges	27	23
Carriage Inward	420	165
Postage, Telephone and other Communication Expenses	124	113
Advertising	35	18
Commission	185	127
Royalties	216	199
Professional Fees	178	191
Motor Car and Van Expenses	50	34
Debts/Advances/Claims written off	96	146
Provision for Doubtful Debts & Advances	77	-
Warranty Expenses	58	204
Loss/(Profit) on Sale of Fixed Assets (Net)	1	-
Miscellaneous Expenses	813	535
Total	5,118	4,075

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

28.1 Professional fees include :

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Amount paid /payable to Auditors		
As Auditors (Net of Service Tax)		
- For Audit Fees	14	14
- For Taxation Matters	2	2
- For Limited Reviews	9	9
- For certification Fees	3	1
- Expenses reimbursed	1	*

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

28.2 Miscellaneous expenses include charge/(credit) on account of Loss on Foreign Exchange (Net) of ₹ 157 Lakhs (Previous year of ₹ 106 Lakhs)

28.3 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 ₹ 130 Lakhs (Previous Year ₹ 108 Lakhs).

28.4 During the Current Year, the Company has capitalised certain Jigs & Fixture of ₹ 98 lakhs (Previous Year ₹ 319) which comprise of the following expenses as per below

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Raw Materials Consumed	38	164
Consumption of Stores and Spares Parts	17	34
Salaries, Wages and Bonus (Net)	25	96
Other Expenses	18	25
Total	98	319

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

29 CONTINGENT LIABILITIES IN RESPECT OF

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
a. Sales Tax Matters under dispute [Related payments ₹ Nil (Previous year ₹ 1 lakh)]	2,567	2,418
b. Income Tax Matters under dispute [Excludes disputed Income Tax matters, in view of favorable Tribunal decision in similar case]. [Related payments ₹ 118 lakhs (Previous year ₹116 lakhs)]	1,000	208
c. Service Tax matters under dispute [Related payments ₹ Nil (Previous year Nil)]	376	24
d. Excise Duty matters under dispute [Related payments ₹ 23 lakhs (Previous year ₹ 23 lakhs)]	48	48

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.

30 CORPORATE GUARANTEE GIVEN ON BEHALF OF SUBSIDIARIES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
- Limit		
Tractors India Private Limited	60,840	52,715
TIL Overseas Pte. Limited	9,600	Nil
- Amount outstanding at year-end		
Tractors India Private Limited	41,077	37,529
TIL Overseas Pte. Limited	8,451	Nil

31 CAPITAL COMMITMENT

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Capital Commitment	162	188
[Net of advance ₹ 145 lakhs (Previous year ₹ 30 lakhs)]		

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

- 32.1** 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 2014 being Employer's ₹ 4 lakhs (Previous Year ₹ 4 lakhs) and Employees' ₹ 1 lakh (Previous Year ₹1 lakh).
- 32.2** 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 31st March 2014 being Employer's ₹ 3 lakhs (Previous Year ₹ 3 lakhs) and Employees' ₹ 1 lakh (Previous Year ₹ 1 lakh).
- 33** Pursuant to a stay order obtained by the Company from the Hon'ble High Court, the Company has stopped paying further Tax on Imported goods into West Bengal, with effect from 1st January 2013. The related unpaid amount till 31st March 2014 is ₹ 180 lakhs (Previous Year ₹ 21 lakhs).
- 34** 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 1956 Act included in the annual report for the year.

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

(₹ In Lakhs)

Particulars		Year Ended 31.03.2014	Year Ended 31.03.2013
Profit after Tax attributable to the Equity Shareholders (₹ in Lakhs)	A	251	267
Basic and Diluted			
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	2.50	2.66

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

36 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)

B) Particulars of transactions during the year ended 31st March 2014 :

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
I) Subsidiary Companies		
a) Rental Income		
Tractors India Private Limited	12	3
b) Income from Asset Usage		
Tractors India Private Limited	86	40
c) Dividend Income		
Tractors Nepal Private Limited	-	35
d) Purchase of Spare Parts		
Tractors India Private Limited	33	35
e) Purchase of Fixed Assets		
Tractors India Private Limited	-	31
f) Sale of Spare Parts		
Tractors India Private Limited	1	6
g) Rent Paid		
Tractors India Private Limited	9	19
h) Sale of Long term Investment		
TIL Overseas Pte. Limited	-	413
i) Reimbursement of Expenses (Net) from/to		
Tractors India Private Limited	673	649

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

B) Particulars of transactions during the year ended 31st March 2014 (Contd.) :

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
I) Subsidiary Companies (Contd.)		
j) Interest Paid to		
Tractors India Private Limited	180	185
j) Loan Taken from		
Tractors India Private Limited	24,798	17,057
k) Loan Repaid to		
Tractors India Private Limited	24,798	17,057
l) Year-end Balances		
i) Receivables		
Tractors India Private Limited	1	5
ii) Corporate Guarantee	Refer Note 30	Refer Note 30
iii) Investments		
Myanmar Tractors Limited	13	13
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	12	9
II) Key Management Personnel		
Remuneration		
Mr. A. Mazumdar	482 *	28

* Includes ₹ 226 lakhs pertaining to 2012-13 paid during the year against Central Government approval dated 18th November 2013.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

37 VALUE OF IMPORTED AND INDIGENOUS

Particulars	Year Ended 31.03.2014	%	Year Ended 31.03.2013	%
	(Value ₹ in Lakhs)		(Value ₹ in Lakhs)	
Consumption of Stores				
Imported	103	20	68	15
Indigenous	420	80	399	85
	523	100	467	100

38 C.I.F. VALUE OF IMPORTS

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
(a) Raw Materials with Components	8,711	8,526
(b) Spare Parts (excluding items in transit at year-end)	1,159	1,260
(c) Machines (Trading Items)	-	78
(d) Capital Goods	-	303

39 EXPENDITURE IN FOREIGN CURRENCY

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
(on accrual basis)		
Travelling	9	15
Technical Know-How Fees	68	76
Royalty	216	199

40 EARNINGS IN FOREIGN EXCHANGE

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Remittance received on account of		
(a) Export of goods calculated on FOB basis	1,567	114
(b) Selling Commission (including Dealer's profit)	239	279

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

41 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
a. Derivatives outstanding as on Balance Sheet date		
Forwards Contract to buy EUR		
Hedge of firm commitments	195	1,408
Hedge of Borrowings	83	-
Forwards Contract to buy USD		
Hedge of firm commitments	795	1,991
Hedge of Borrowings	733	-
Swap Contract to buy USD		
Hedge of firm commitments	5,545	6,873
b. Particulars of unhedged foreign currency exposures as at the reporting date		
Trade Payables		
EUR	319	145
GBP	7	5
SGD	1	1
USD	698	1,070
Trade Receivables/Advances		
EUR	354	2
JPY	30	29
USD	78	*
Borrowings		
USD	85	77

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

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

42 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND TO NON-RESIDENT SHAREHOLDERS

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
On Equity Shares :		
(a) Amount Remitted	39	58
(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	2012-13	2011-12

43 Previous year figures have been regrouped and rearranged wherever required to confirm with current year classification.

Signatures to Note '1' to '43'

Place: Kolkata
Date: 20th May 2014

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

TIL LIMITED

CASH FLOW STATEMENT for the year ended 31st March 2014

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	371	500
Adjustments for :		
Depreciation and Amortisation Expense	1,113	981
Trade Receivables Written off	96	146
(Profit)/Loss on Sale of Fixed Assets (Net)	1	-
(Profit)/Loss on Sale of Long term Investment	-	(317)
Finance Costs (Net)	2,982	1,801
Dividend Income	(1)	(36)
Interest Income	(1)	(10)
Liability no longer required written back	(227)	(19)
Unrealised Foreign Exchange (Gain)/Loss (Net)	-	(34)
	3,963	2,512
Operating Profit before Working Capital Changes	4,334	3,012
Adjustments for :		
Trade and Other Receivables	(1,967)	(1,705)
Inventories	(5,480)	(4,500)
Loans and Advances (Short-Term and Long-Term)	(755)	(1,416)
Trade Payables and Other Liabilities	3,035	(63)
	(5,167)	(7,684)
Cash Generated from Operations	(833)	(4,672)
Direct Taxes Paid	(126)	(133)
Net Cash from/(used in) Operating Activities	(959)	(4,805)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(424)	(2,930)
Proceeds from Sale of Fixed Assets	(1)	-
Proceeds from Sale of Investment	403	317
Interest Received	1	3
Dividend Received	1	36
Net Cash from/(used in) Investing Activities	(20)	(2,574)

CASH FLOW STATEMENT for the year ended 31st March 2014 (Contd.)

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014		Year Ended 31.03.2013	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(3,189)		(2,303)	
Proceeds from Long Term borrowings	3		5,138	
Repayment of Long Term borrowings	(1,953)		(1,148)	
Proceeds/(Repayments) of Short-Term Borrowings	6,281		6,157	
Dividend Paid	(202)		(299)	
Income Tax on Dividends Paid	(34)		(49)	
Net Cash from/(used in) Financing Activities		906		7,496
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(73)		117
Cash and Cash Equivalents as at the beginning of the year (Refer Note 18)		144		27
Cash and Cash Equivalents as at the end of the year (Refer Note 18)		71		144

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 figures have been regrouped and rearranged wherever required to conform with current year classification.
- 3) Cash and Cash Equivalents include ₹ 22 lakhs (previous year ₹ 23 lakhs) in respect of unpaid dividend accounts and ₹ 1 lakh (previous year ₹ 1 lakh) in respect of deposits with remaining maturity of more than 12 months from the Balance Sheet date.

In terms of our Report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. Bhattacharya
Partner

Place: Kolkata
Date: 20th May 2014

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
TIL Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TIL Limited (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2014;
- (b) 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
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of Tractors India Private Limited, Tractors Nepal Private Limited, TIL Overseas Pte Limited and Myanmar Tractors Limited, (the subsidiaries), whose financial statements reflect total assets (net) of ₹ 67,701 Lakhs as at 31st March 2014, total revenues of ₹ 103,364 Lakhs and net cash flows amounting to ₹ 241 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

Place: Kolkata
Date: 20th May 2014

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

A. Bhattacharya
Partner
(Membership No. 054110)

TIL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET as at 31st March 2014

(₹ In Lakhs)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	1,003	1,003
(b) Reserves and Surplus	4	35,409	34,741
2 Non- Current Liabilities			
(a) Long-Term Borrowings	5	19,916	12,583
(b) Deferred Tax Liabilities (Net)	6	1,707	1,304
(c) Long-Term Provisions	7	815	682
3 Current Liabilities			
(a) Short-Term Borrowings	8	35,518	36,806
(b) Trade Payables	9	19,351	13,253
(c) Other Current Liabilities	10	7,513	5,640
(d) Short-Term Provisions	11	10,774	10,670
TOTAL		132,006	116,682
B ASSETS			
1 Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	27,991	27,415
(ii) Intangible Assets	13	2,399	257
(iii) Capital Work-In-Progress		4,332	5,583
(iv) Intangible Assets under Development		-	1,617
(v) Goodwill on Consolidation		1	1
(b) Non-Current Investment	14	7	7
(c) Long-Term Loans and Advances	15	8,743	187
2 Current Assets			
(a) Inventories	16	35,991	33,907
(b) Trade Receivables	17	27,135	23,202
(c) Cash and Cash Equivalents	18	4,438	4,752
(d) Short-Term Loans and Advances	19	20,969	19,351
(e) Other Current Assets	20	-	403
TOTAL		132,006	116,682

See accompanying notes forming part of the financial statements.

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

A. Bhattacharya
Partner

Place: Kolkata
Date: 20th May 2014

For and on behalf of Board of Directors
A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the year ended 31st March 2014

(₹ In Lakhs)

	Note No.	Year Ended 31.03.2014	Year Ended 31.03.2013
I. Revenue from Operations (Gross)	21	133,682	120,285
Less: Excise Duty		2,424	2,920
Revenue from Operations (Net)		131,258	117,365
II. Other Income	22	1,090	1,108
III. Total Revenue (I + II)		132,348	118,473
IV. Expenses :			
Cost of Materials Consumed	23	22,023	19,428
Purchases of Stock-In-Trade (Traded Goods)	24	74,770	71,301
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	25	(699)	(3,086)
Employee Benefits Expenses	26	13,053	11,364
Finance Costs	27	7,107	5,688
Depreciation and Amortisation Expense	13.2	3,146	2,773
Other Expenses	28	11,481	10,188
Total Expenses		130,881	117,656
V. Profit Before Tax (III - IV)		1,467	817
VI. Tax expenses			
(1) Current tax		342	259
Less: Minimum Alternate Tax (MAT) Credit Entitlement		(271)	(150)
Net Current Tax		71	109
(2) Income tax provision relating to earlier year, written back		-	(3)
(3) Deferred tax		403	280
		474	386
VII. Profit for the year (V-VI)		993	431
VIII. Earnings per equity share : [Nominal Value per Share ₹ 10/-			
(Previous year ₹ 10/-)] [Refer Note 34]			
Basic and Diluted		9.90	4.30

See accompanying notes forming part of the financial statements.

In terms of our Report attached

For Deloitte Haskins & Sells

Chartered Accountants

A. Bhattacharya

Partner

Place: Kolkata

Date: 20th May 2014

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 2014

(All amounts in ₹ Lakhs, unless otherwise stated)

- 1** The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

- 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 Interest	Accounting Year
Myanmar Tractors Limited. (MTL)	Myanmar	2.5% *	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

* TILO holds the balance 97.5% of MTL shares.

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 Notes 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 2014, 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 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 -

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

Category of Assets	Useful lives (in years)
Vehicles	5
Furniture and Fixtures	5
Plant and Equipment	4-5

Depreciation charge for the year and Accumulated year end Depreciation for such subsidiary as a proportion to the group are as follows:

Particulars	As at 31.03.2014		As at 31. 03.2013	
	Amount	Proportion to the item	Amount	Proportion to the item
Depreciation	6	0.2%	6	0.2%
Accumulated Depreciation	24	0.2%	18	0.1%

- 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.

3 SHARE CAPITAL

(₹ In Lakhs)

	As at 31.03.2014	As at 31.03.2013
Authorised 20,000,000 (31st March 2013 : 20,000,000) Equity Shares of ₹ 10/- each	2,000	2,000
Issued 10,030,265 (31st March 2013 : 10,030,265) Equity Shares of ₹ 10/- each	1,003	1,003
Subscribed and Paid up 10,030,265 (31st March 2013 : 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

(₹ In Lakhs)

Particulars	As at 31.03.2014		As at 31. 03.2013	
	Number	Amount	Number	Amount
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 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 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

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

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	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	1,040,814	10.38
Mr. Avijit Mazumdar	545,301	5.44	545,301	5.44

4 RESERVES AND SURPLUS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
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	659	674
Less: Amount transferred to the Statement of Profit and Loss (Refer Note 12.1)	(15)	(15)
Closing Balance	644	659
Amalgamation Reserve	20	20
Foreign Currency Translation Reserve		
Opening Balance	2,100	1,667
Add: Adjustment for translation	(134)	433
Closing Balance	1,966	2,100
General Reserves		
Opening Balance	5,000	4,980
Add: Amount transferred from Surplus in the Statement of Profit and Loss	13	20
Closing Balance	5,013	5,000
Surplus in Statement of Profit and Loss		
Opening Balance	23,749	23,573
Profit for the year	993	431
Less : Appropriations		
Transfer to General Reserve	(13)	(20)
Proposed Dividend on Equity Shares	(150)	(201)
Tax on Proposed Dividend on Equity Shares	(26)	(34)
Closing Balance	24,553	23,749
Total	35,409	34,741

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

5 LONG TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
a) SECURED LOANS		
Term Loans		
From Banks	11,190	12,210
From Others	8,530	-
Vehicle Loans :		
From Banks	12	26
From Others	-	1
b) UNSECURED LOANS		
From Others	184	346
Total	19,916	12,583

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 its subsidiary 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.

6 DEFERRED TAX LIABILITIES (NET)

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
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.	2,037	1,552
Disallowances allowable for Tax purpose on payment	(330)	(248)
Total	1,707	1,304

7 LONG TERM PROVISIONS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Provisions for employee benefits		
Provident Fund (PF) [Also refer Note 26.1 below]	152	126
Compensated Absences	663	556
Total	815	682

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

8 SHORT TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
SECURED		
Loan Repayable on Demand		
From Banks	31,961	33,434
UNSECURED		
From Banks	3,557	3,372
Total	35,518	36,806

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.

9 TRADE PAYABLES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Other than Acceptances	12,742	12,122
Acceptance	6,609	1,131
Total	19,351	13,253

10 OTHER CURRENT LIABILITIES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Current maturities of long - term debt	3,939	2,974
Interest accrued but not due on borrowings	307	383
Interest accrued and due on borrowings	-	13
Advance from customers and others	1,048	1,295
Investors Education and Protection Fund (the fund) has been credited by the following amount		
Unclaimed/Unpaid Dividend [Note 10.1 below]	22	23
Security Deposit From Customers	249	260
Contribution to Funds	352	81
Statutory remittances	863	486
Others	733	125
Total	7,513	5,640

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

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.

11 SHORT TERM PROVISIONS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
(a) Provision for employee benefits		
Contribution to PF	2	3
Compensated Absences	55	89
	57	92
(b) Others		
Provision for Warranty [Note 11.1 below]	76	70
Provision for Income Tax	10,465	10,273
Provision for Proposed Equity Dividend	150	201
Provision for Tax on Proposed Dividend	26	34
	10,717	10,578
Total	10,774	10,670

11.1 Provision for Warranty :

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 up to 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 Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Opening Balance	70	70
Provision during the year	58	204
Provision utilised during the year	(52)	(204)
Closing Balance	76	70

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

12 TANGIBLE ASSETS

(₹ In Lakhs)

	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Cost/ Valuation as at 01.04.2013	Additions during the year	Sales during the year	Other Adjustment during the year	Cost/ Valuation as at 31.03.2014	As at 01.04.2013	For the Year	On Sales/ Adjustment during the year	Other Adjustment during the year	As at 31.03.2014	As at 31.03.2013
Own Assets											
Freehold Land	2,056 (2,037)	20 (19)	- -	- -	2,076 (2,056)	- -	- -	- -	- -	2,076 (2,056)	2,056
Leasehold Land	451 (451)	- -	- -	- -	451 (451)	88 (79)	8 (9)	- -	- -	355 (363)	363
Buildings	10,276 (9,428)	226 (809)	- -	18 # (39)	10,520 (10,276)	1,077 (813)	279 (277)	- (13)	- -	9,164 (9,199)	9,199
Plant and Equipment	14,259 (12,081)	2,117 (2,300)	141 (176)	170 # (54)	16,405 (14,259)	6,496 (5,410)	987 (1,135)	98 (49)	- -	9,020 (7,763)	7,763
Furniture and Fixtures	1,649 (1,424)	148 (225)	- -	- -	1,797 (1,649)	870 (784)	83 (86)	- -	- -	844 (779)	779
Vehicles	863 (819)	15 (61)	15 (17)	- -	863 (863)	347 (270)	80 (80)	13 (3)	- -	449 (516)	516
Office Equipment	282 (271)	21 (11)	- -	- -	303 (282)	76 (57)	19 (19)	- -	- -	208 (206)	206
Sub total (A)	29,836 (26,511)	2,547 (3,425)	156 (193)	188 (93)	32,415 (29,836)	8,954 (7,413)	1,456 (1,606)	111 (65)	- -	22,116 (20,882)	20,882
Previous Year											
Assets Given On Operating Lease											
Plant and Equipment	8,583 (9,245)	1,483 (1,717)	1,529 (2,379)	- -	8,537 (8,583)	2,050 (2,197)	1,395 (1,118)	783 (1,265)	- -	5,875 (6,533)	6,533
Sub total (B)	8,583	1,483	1,529	-	8,537	2,050	1,395	783	-	5,875	6,533
Total (A+B)	38,419	4,030	1,685	188	40,952	11,004	2,851	894	-	27,991	27,415
Previous Year	35,756	5,142	2,572	93	38,419	9,610	2,724	1,330	-	27,415	

Refer note 12.3 below.

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, Freehold and Leasehold 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 lakhs, 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 lakhs (Previous Year ₹ 15 lakhs) and an amount equivalent to the additional charge has been transferred to the Statement of Profit and Loss from Revaluation Reserve. The effective depreciation rates (other than for leasehold land) are as per Schedule XIV to the 1956 Act.

12.2 Ownership of a flat (cost ₹ 39 lakhs) belonging to the Parent Company in a Co-operative Housing Society is registered in the name of the Managing Director of erstwhile Spundish Engineering Limited

12.3 Other adjustments represents borrowing cost capitalised during the year ₹ 115 lakhs (Previous Year ₹ 93 Lakhs)

12.4 Capital Work in Progress includes borrowing costs ₹ 926 lakhs (Previous Year ₹ 861 Lakhs)

13 INTANGIBLE ASSETS

(₹ In Lakhs)

	GROSS BLOCK				AMORTISATION			NET BLOCK	
	Cost/ Valuation as at 01.04.2013	Additions during the year	Sales during the year	Cost/ Valuation as at 31.03.2014	As at 01.04.2013	For the Year	On Sales/ Adjustment during the year	As at 31.03.2014	As at 31.03.2013
(acquired items)									
Technical Know-how (Refer Note 13.1)	1,276 (1,206)	- (70)	-	1,276 (1,276)	1,019 (955)	68 (64)	- -	1,087 (1,019)	189 (257)
Software	100 (100)	2,451 -	- -	2,551 (100)	100 (100)	242 -	- -	342 (100)	2,209 -
Total	1,376	2,451	-	3,827	1,119	310	-	1,429	2,399
Previous Year	(1,306)	(70)	-	(1,376)	(1,055)	(64)	-	(1,119)	(257)

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Depreciation of Tangible Assets	2,851	2,724
Amortisation of Intangible Assets	310	64
Less : Recoupment from revaluation reserve	(15)	(15)
Depreciation and amortisation charged to Statement of Profit and Loss	3,146	2,773

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

14 NON CURRENT INVESTMENTS (At Cost)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number	Value (₹ in Lakhs)	Number	Value (₹ in Lakhs)
Other Investments:				
Long - Term				
Quoted :				
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	3	7,900	3
Unquoted :				
Debentures				
Woodlands Multispecialty Hospital Limited 1/2 % Debentures of ₹ 100/- each fully paid	20	*	20	*
Total		7		7
Aggregate book value of investments				
Quoted		7		7
Unquoted		*		*
Total		7		7
Aggregate market value of listed quoted investments		23		29

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

15 LONG TERM LOANS AND ADVANCE

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered Good		
Capital Advance	8,496	-
Security Deposits	215	174
Balance with Government Authorities	18	6
Employee Advance	14	7
Total	8,743	187

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

16 INVENTORIES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
a. Raw Material and components	6,585	5,915
Goods-in-transit	1,182	512
	7,767	6,427
b. Work-in-progress	4,646	3,997
	4,646	3,997
c. Finished goods	3,546	2,213
	3,546	2,213
d. Stock-in-trade	19,101	20,719
Goods-in-transit	762	446
	19,863	21,165
e. Stores and spares -Others	83	61
	83	61
f. Loose Tools	86	44
	86	44
Total	35,991	33,907

17 TRADE RECEIVABLES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	2,144	1,931
Doubtful	63	-
	2,207	1,931
Less : Provision for Doubtful Trade Receivables	(63)	-
	2,144	1,931
Other Trade Receivables		
Unsecured, Considered Good	24,991	21,271
Total	27,135	23,202

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

18 CASH AND CASH EQUIVALENTS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Cash in hand	17	26
Cheques in hand	-	219
Balance with Banks :		
On Current Accounts	4,295	4,447
On Dividend Accounts	22	23
On Fixed Deposit #	104	37
Total	4,438	4,752

Balances with banks include deposits with remaining maturity of more than 12 months from the Balance Sheet date.

19 SHORT TERM LOANS AND ADVANCES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered Good		
Claims Receivable	5,406	3,436
Accrued Duty Benefits pertaining to exports/Deemed exports	289	183
Employee Advance	45	40
Advance to Suppliers	823	462
Advance Income Tax	11,416	11,168
MAT Credit Entitlement	744	473
Advance to Government Authorities	848	410
Deposits	393	335
Prepayments	1,005	2,844
	20,969	19,351
Unsecured, Considered Doubtful		
Security Deposit	14	-
Less: Provision for Doubtful Advances	(14)	-
	-	-
Total	20,969	19,351

20 OTHER CURRENT ASSETS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered Good		
Receivable on Sale of Long Term Investment	-	403
Total	-	403

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

21 REVENUE FROM OPERATIONS

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Operating Income		
Sale of product		
Finished Goods	29,178	27,128
Traded goods	90,037	85,832
Sale of services	9,155	2,390
	128,370	115,350
Other Operating Income		
Rental from Machinery	3,184	3,011
Selling Commission earned	1,680	1,226
Scrap Sales	199	231
Profit on Sale of Used Assets	249	467
	5,312	4,935
REVENUE FROM OPERATIONS (GROSS)	133,682	120,285
Less : Excise Duty	2,424	2,920
REVENUE FROM OPERATIONS (NET)	131,258	117,365

22 OTHER INCOME

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Interest :		
- On Income Tax Refunds	4	7
- On deposit with Banks and Others	1	23
Dividend Income (Long Term Investments)	1	1
Profit on Sale of Long Term Investment	-	317
Profit/(Loss) on Sale of Fixed Assets (Net)	34	-
Liabilities no longer required written back	696	121
Bad-debt Recovered	4	313
Discounts	61	2
Miscellaneous Income	289	324
Total	1,090	1,108

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

23 COST OF MATERIALS (INCLUDING COMPONENTS) CONSUMED (₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Opening Inventory	6,488	5,287
Add: Purchases (Net)	23,294	20,629
	29,782	25,916
Less: Closing Inventory	7,759	6,488
Total	22,023	19,428

24 PURCHASE OF STOCK-IN-TRADE (TRADED GOODS) (₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Purchase of Traded Goods	74,770	71,301
Total	74,770	71,301

25 CHANGES IN INVENTORIES (₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Inventories at the end of the year		
Traded goods	19,954	21,165
Work-in-progress	4,646	3,997
Finished goods	3,546	2,213
	28,146	27,375
Inventories at the beginning of the year		
Traded goods	21,165	20,788
Work-in-progress	3,997	2,013
Finished goods	2,213	1,433
	27,375	24,234
Excise Duty on Increase of Finished Goods	72	55
Total Net Decrease/ (Increase)	(699)	(3,086)

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

26 EMPLOYEE BENEFITS EXPENSE

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Salaries, Wages, Bonus etc.	11,535	9,920
Contribution to Provident and other Funds	820	799
Staff Welfare Expenses	431	394
Medical Expenses	267	251
Total	13,053	11,364

26.1 Employee Benefits

The Group has recognised, in the Statement of Profit and Loss for the year ended 31st March 2014 an amount of ₹ 169 Lakhs (Previous year ₹ 148 Lakhs) as expenses under defined contribution plans.

Provident Fund :

The Group 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 ₹ 153 lakhs (Previous Year ₹ 127 lakhs) has been actuarially determined by an independent authority. The Company has contributed for the year ended 31st March 2014 an amount of ₹ 464 lakhs (Previous year ₹ 419 lakhs) as Provident Fund.

The details of fund and plan asset position as at 31st March 2014 is given below:

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Present value of benefit obligation at year end (₹ In lakhs)	4,636	4,092
Cost of shortfall in interest rate guarantee (₹ In lakhs)	24	36
Assumptions used in determining the present value obligation on the interest guarantee under the Deterministic approach		
Guaranteed Rate	8.75%	8.50%
Average yield rate based on data of investment portfolio	8.12%	7.79%
Decrement adjusted average future period of service	21 years	21 years
Average maturity period of investment portfolio	2.58 years	3.1 years
Discount rate	9.15%	8.31%

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

26.2 (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 Lakhs)

Description	Superannuation Fund (Funded)		Gratuity Fund (Funded)	
	2013-2014	2012-2013	2013-2014	2012-2013
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	2,151	2,271	1,061	1,018
b. Current Service Cost	96	99	116	120
c. Interest Cost	161	176	82	80
d. Curtailment Cost/(Credit)	-	-	-	-
e. Actuarial (gain)/loss	2	5	(36)	(6)
f. Benefits paid	(430)	(400)	(147)	(151)
g. Present Value of Obligation at the end of the Year	1,980	2,151	1,076	1,061
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	2,152	2,276	1,148	1,041
b. Expected return on Plan Assets	167	180	89	89
c. Actuarial gain/(loss)	49	21	(47)	4
d. Contributions by the Employer	170	75	25	165
e. Benefits paid	(430)	(400)	(147)	(151)
f. Fair value of Plan Assets at the end of the Year	2,108	2,152	1,068	1,148
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	2,108	2,152	1,068	1,148
b. Present Value of Obligation at the end of the Year	1,980	2,151	1,076	1,061
c. (Assets)/Liabilities recognised in the Balance Sheet	(128)	(1)	8	(87)
4. Expenses recognised during the year :				
a. Current Service cost	96	99	116	120
b. Interest cost	161	176	82	80
c. Expected return on Plan Assets	(167)	(180)	(89)	(89)
d. Curtailment Cost/(Credit)	-	-	-	-
e. Actuarial (Gain) / Loss	(47)	(16)	11	(10)
f. Expenses recognised during the year	43	79	120	101

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

26.2 (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 (Contd.): (₹ In Lakhs)

Description	Superannuation Fund (Funded)					Gratuity Fund (Funded)				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
a. Present Value of Obligation at the end of the Year	1,980	2,151	2,271	1,995	1,905	1,076	1,061	1,018	859	642
b. Fair value of Plan Assets at the end of the Year	2,108	2,152	2,276	1,995	1,906	1,068	1,148	1,041	779	564
c. (Assets)/Liabilities recognised in the Balance Sheet	(128)	(1)	(5)	-	(1)	8	(87)	(23)	81	78
d. Experience Adjustments on Plan Obligation [(Gain) /Loss]	31	(40)	391	168	256	(4)	(20)	142	235	70
e. Experience Adjustments on Plan Assets[Gain/(Loss)]	49	21	3	5	21	(47)	4	(3)	(7)	(49)

Description	Superannuation Fund % Invested		Gratuity Fund % Invested	
Investment Details of Plan Assets as at	31.03.14	31.03.13	31.03.14	31.03.13
a. Govt of India Securities	25.47	23.78	25.88	23.56
b. Public Sector (PSU) Bonds	48.74	49.32	32.21	36.82
c. State / Central Govt Securities	11.72	13.68	21.16	18.80
d. Special Deposit Scheme	14.07	13.13	20.75	20.19
e. Other including Bank Balance	-	0.09	-	0.63
Total	100.00	100.00	100.00	100.00
Assumptions				
a. Discount rate per annum	8.75%	8.30%	8.75%	8.30%
b. Salary escalation rate per annum	4.00%	4.00%	4.00%	4.00%
c. Expected rate of return on Plan Assets per annum	8.75%	8.30%	8.75%	8.30%
d. Method used	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method
Actual Return on Plan Assets	10.18%	8.51%	3.87%	8.21%

26.2 (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.

26.2 (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 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

27 FINANCE COSTS

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Interest Expenses	6,856	5,512
Other Borrowing Cost	251	176
Total	7,107	5,688

28 OTHER EXPENSES

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Consumption of Stores	524	467
Power and Fuel	564	571
Rent	814	509
Repairs :		
Buildings	223	208
Plant and Machinery	242	537
Others	851	185
	1,316	930
Insurance	402	381
Rates and Taxes	192	34
Bank Charges	605	402
Travelling Expenses	1,997	1,900
Stationery and Printing	134	125
Postage, Telephone and other Communication Expenses	319	303
Advertising	164	42
Commission	212	147
Forwarding Charges	30	529
Royalties	216	199
Professional Fees	1,412	806
Motor Car and Van Expenses	210	176
Service Support Expenses	15	590
Debts/Advances/Claims written off	295	286
Provision for Bad & doubtful Debt	77	-
Carriage Inward	420	285
Warranty Expenses	58	204
Miscellaneous Expenses	1,505	1,302
Total	11,481	10,188

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

- 29** 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 ₹ 497 lakhs (Previous Year ₹ 455 lakhs).

30 CONTINGENT LIABILITIES IN RESPECT OF

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
a. Sales Tax Matters under dispute [Related payments ₹ 69 lakhs (Previous year ₹ 69 lakhs)]	3,079	2,856
b. Income Tax Matters under dispute [Excludes disputed Income Tax matters, in view of favourable Tribunal decision in similar case] [Related payments ₹ 118 lakhs (Previous year ₹ 116 lakhs)]	1,330	208
c. Service Tax matters under dispute [Related payments ₹ 229 lakhs (Previous year ₹ 239 lakhs)]	3,613	1,163
d. Excise Duty matters under dispute [Related payments ₹ 33 lakhs (Previous year ₹ 23 lakhs)]	58	48
e. Bill discounting with Banks	1,492	-
f. Others	6	6

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.

31 CORPORATE GUARANTEE GIVEN ON BEHALF OF SUBSIDIARIES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
- Limit		
Tractors India Private Limited	60,840	52,715
TIL Overseas Pte. Limited	9,600	Nil
- Amount outstanding at year-end		
Tractors India Private Limited	41,077	37,529
TIL Overseas Pte. Limited	8,451	Nil

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

32 CAPITAL COMMITMENT

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Capital Commitment [Net of advance ₹ 145 lakhs (Previous year ₹ 1,647 lakhs)]	162	882
Other Commitments [(a) and (b) below]	10,696	6,351

- (a) Includes orders placed for procuring Caterpillar products viz Machines, Engines, Parts etc. ₹ 10,696 lakhs (Previous year - ₹ 6,104 lakhs)
- (b) Pursuant to the Master Asset Purchase Agreement (MAPA) signed between Tractors India Private Limited and Bucyrus India Pvt. Ltd. on 1st November 2013, Tractors India Private limited has committed to pay an estimated amount of ₹ 3,000 Lakhs, towards procurement of certain assets mainly inventory. Till the Balance Sheet date Tractors India Private Limited has purchased inventory from Bucyrus India Pvt. Ltd. valued at ₹ 495 lakhs.

33 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 Equipment namely Mobile Cranes, Port Equipment (Reachstacker, Level Luffing Cranes), Road Construction Equipment, Self Loading Truck Cranes etc. and dealing in spares and providing services to related equipments.
- Construction and Mining Solutions (CMS) - engaged as a dealer for Caterpillar Inc. USA for their earthmoving, construction mining equipment, spares etc. and providing related services in Eastern and Northern India, Bhutan and Nepal.
- 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 and Nepal.

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

33.1 Information about primary segments - Business Segments

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014				
	MHS	CMS	PSS	ELIMINATION	TOTAL
Gross External Revenue	30,438	72,810	30,434	-	133,682
	(29,197)	(64,115)	(26,973)	-	(120,285)
Less : Excise Duty	1,688	-	736	-	2,424
	(2,417)	-	(503)	-	(2,920)
Net External Revenue	28,750	72,810	29,698	-	131,258
	(26,780)	(64,115)	(26,470)	-	(117,365)
Inter Segment Revenue	1	22	33	(56)	-
	(9)	(35)	(50)	(94)	-
Total Revenue from Operations	28,751	72,832	29,731	(56)	131,258
	(26,789)	(64,150)	(26,520)	(94)	(117,365)
Segment Results	3,062	3,253	1,169	-	7,484
	(1,995)	(2,273)	(1,618)	-	(5,886)
Add(+)/(Less)(-): Unallocated income					
net off unallocated expense(+)/					1,090
[Unallocated expense net off unallocated income(-)]					(619)
Finance Costs					7,107
					(5,688)
Profit before tax					1,467
					(817)
	MHS	CMS	PSS	UNALLOCABLE	TOTAL
Other Segment Information :					
Depreciation and Amortisation	986	1,264	474	422	3,146
	(845)	(1,269)	(522)	(137)	(2,773)
Non Cash Expenses other than	173	101	98	-	372
Depreciation and Amortisation	(146)	(74)	(66)	-	(286)
Segment Assets	53,244	36,125	17,246	25,391	132,006
	(46,195)	(34,070)	(17,823)	(18,594)	(116,682)
Segment Liabilities	8,733	9,483	5,131	72,247	95,594
(excluding Shareholders' Funds)	(5,927)	(5,655)	(4,720)	(64,634)	(80,936)
Capital Expenditure	543	2,020	318	920	3,801
	(3,528)	(2,117)	(568)	(917)	(7,130)

Previous year's figures in bracket.

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

33.2 Information about secondary segments - Geographical Segments

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Revenue		
India	125,764	108,709
Outside India	5,494	8,656
Total	131,258	117,365
Assets		
India	105,198	96,512
Outside India	1,417	1,576
Total	106,615	98,088
Capital Expenditure		
India	2,880	6,210
Outside India	1	3
Total	2,881	6,213

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

(₹ In Lakhs)

Particulars		Year Ended 31.03.2014	Year Ended 31.03.2013
Profit after Tax attributable to the Equity Shareholders (₹ Lakhs)	A	993	431
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	9.90	4.30

Notes to Consolidated Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

35 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 Wholetime Director-TIL Limited)
	Mr. S. Mazumder (Vice Chairman and Managing Director-TIL Limited)

B) Particulars of transactions during the year ended 31st March 2014 :

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Key Management Personnel		
Remuneration -		
Mr. A. Mazumdar	482 *	28
Mr. S. Mazumder	411 **	216

* Includes ₹ 226 lakhs pertaining to 2012-13 paid during the year against Central Government approval dated 18th November 2013.

** Includes ₹ 127 lakhs pertaining to 2012-13 paid during the year against Central Government approval dated 18th November 2013.

36 Previous year figures have been regrouped and rearranged wherever required to conform with current year classification.

Signatures to Notes ‘1’ to ‘36’

Place: Kolkata
Date: 20th May 2014

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

TIL LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March 2014

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1,467	817
Adjustments for :		
Depreciation and Amortisation Expenses	3,146	2,773
Trade Receivables Written off	372	286
(Profit)/Loss on Sale of Fixed Assets (Net)	(283)	(467)
(Profit)/Loss on Sale of Investment (Net)	-	(317)
Finance Costs (Net)	7,107	5,688
Dividend Income	(1)	(1)
Interest Income	(5)	(30)
Liability no longer required written back	(696)	(121)
Unrealised Foreign Exchange (Gain)/Loss (Net)	189	400
	9,829	8,211
Operating Profit before Working Capital Changes	11,296	9,028
Adjustments for :		
Trade and Other Receivables	(4,300)	(2,492)
Inventories	(2,084)	(4,304)
Loans and Advances (Short-Term and Long-Term)	(9,252)	(3,004)
Trade Payables and Other Liabilities	7,836	(976)
	(7,800)	(10,776)
Cash Generated from Operations	3,496	(1,748)
Direct Taxes Paid	(778)	(408)
Net Cash from/(used in) Operating Activities	2,718	(2,156)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,506)	(6,603)
Proceeds from Sale of Fixed Assets	1,074	1,709
Proceeds from Sale of Investments	-	317
Interest Received	1	23
Dividend Received	1	1
Net Cash from/(used in) Investing Activities	(2,430)	(4,553)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(7,376)	(6,140)
Proceeds from Long Term borrowings	11,341	5,927
Repayment of Long Term borrowings	(3,043)	(2,207)
Proceeds/(Repayments) of Short-Term Borrowings (Net)	(1,288)	7,746
Dividend Paid	(202)	(299)
Income Tax on Dividends Paid	(34)	(49)
Net Cash from/(used in) Financing Activities	(602)	4,978
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(314)	(1,731)
Cash and Cash Equivalents as at the beginning of the year (Refer Note 18)	4,752	6,483
Cash and Cash Equivalents as at the end of the year (Refer Note 18)	4,438	4,752

- 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 figures have been regrouped and rearranged wherever required to conform with current year classification.
 - 3) Cash and Cash Equivalents include ₹ 22 lakhs (previous year ₹ 23 lakhs) in respect of unpaid dividend accounts and ₹ 1 lakh (previous year ₹ 1 lakh) in respect of deposits with remaining maturity of more than 12 months from the Balance Sheet date.

In terms of our Report attached
For Deloitte Haskins & Sells
Chartered Accountants
A. Bhattacharya
Partner
Place: Kolkata
Date: 20th May 2014

For and on behalf of Board of Directors
A. Mazumdar
Chairman
Sumit Mazumder
Vice Chairman & Managing Director
Sekhar Bhattacharjee
Company Secretary

STATEMENT REGARDING SUBSIDIARY COMPANIES

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

Name of the Company	Tractors India Pvt. Ltd. (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 2014.				
a) No. of Equity Shares	4,500,000	602	120,000	107,577
b) Face Value	₹ 10	Kyats 1000	NPR 100	S\$ 10
c) Extent of Holding	100%	2.5%*	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 2014:				
i) Not dealt with in the Books of Accounts of the Company.	₹ (Lakhs) 790	US\$ (231,528)	NPR 16,209,793	US\$ (47,869)
	(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.	₹ (Lakhs) 2,522	US\$ 4,997,350	NPR 39,277,133	US\$ 2,624,712
	(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 97.5% 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 the holding company, other than those reflected in the Accounts of TIL Limited.

Place: Kolkata
Date: 20th May 2014

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

CORPORATE INFORMATION

TRACTORS INDIA PVT. LTD.

BOARD OF DIRECTORS

Mr. Sumit Mazumder

Chairman

(with effect from 1st January 2014)

Mr. Sunil Kumar Chaturvedi

Managing Director & CEO

(with effect from 1st January 2014)

Mr. Alope Banerjee

Director - Finance

Dr. T. Mukherjee

Non-Executive 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.

Citibank 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

TRACTORS INDIA PVT. LTD.

DIRECTORS' REPORT



Your Directors have pleasure in presenting the Annual Report and Audited Accounts for the year ended 31st March 2014.

1. FINANCIAL RESULTS

(₹ / Crs.)

	For the year ended	
	31.03.2014	31.03.2013
Profit for the year after meeting all expenses but before charging Depreciation and Finance Cost.	72.26	60.65
Less: Finance Cost	40.41	38.87
Depreciation	20.16	17.75
PROFIT/(LOSS) BEFORE TAX	11.69	4.03
Tax Provision		
a) Current Tax	0.60	0.87
b) Deferred Tax	3.19	0.56
PROFIT/(LOSS) AFTER TAX	7.90	2.60
Balance Carried Forward	7.90	2.60

2. PERFORMANCE

The Company achieved a turnover including income from operations and other income of ₹ 1,012.64 Crs. compared to ₹ 882.98 Crs. in the previous year. Profit before tax stood at ₹ 11.69 Crs. compared to ₹ 4.03 Crs. in the previous year.

3. FINANCE

Reserves & Surplus of the Company increased from ₹ 116.57 Crs. to ₹ 124.47 Crs. and the Shareholders' Funds increased from ₹ 121.07 Crs. to ₹ 128.97 Crs. during the year under review.

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 2014 was 1,839.

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. Sumit Mazumder (DIN 00116654) Chairman and Managing Director of the Company was elevated as "Executive Chairman" by the Board of Directors of the Company at its meeting held on 1st January 2014.

Mr. Sunil Kumar Chaturvedi (DIN: 02183147) was appointed as an Additional Director of the Company and subsequently as the Managing Director & Chief Executive Officer of the Company for a period of five years with effect from 1st January 2014 by the Board of Directors of the Company at its meeting held on the same day. Accordingly, under the applicable provisions of the Companies Act, 2013, the tenure of Mr. Chaturvedi as Additional Director of the Company would expire at the ensuing Annual General Meeting. The Company has received requisite notice under Section 160 of the Companies Act, 2013 from a shareholder proposing the candidature of Mr. Chaturvedi to be appointed as a Director whose office shall be liable to retire by rotation. Furthermore, the appointment of Mr. Sunil Kumar Chaturvedi as the Managing Director & Chief Executive Officer of the Company is also subject to approval of the Shareholders.

Dr. T. Mukherjee (DIN: 00004777), Director, 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:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on a going concern basis.

9. AUDITORS

Messrs. Price Waterhouse (FRN : 012754N), Chartered Accountants, Kolkata, Statutory Auditors of the Company, have informed the Company that they would not be seeking re-appointment as Auditors of the Company at the ensuing Annual General Meeting.

Messrs. Deloitte Haskins & Sells (FRN : 302009E), Chartered Accountants, Kolkata, the Statutory Auditors of the Holding Company have expressed their willingness to be appointed as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting. The Board recommends their appointment.

10. AUDITORS' REPORT

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and, therefore, does not call for any further comment under Section 217(3) of the Companies Act, 1956.

11. MINING EQUIPMENT BUSINESS

With the acquisition of the mining equipment business of Bucyrus International by Caterpillar Inc., your Company has been appointed as a Dealer & Distributor of the Caterpillar mining product line for North and East of India including Bhutan and Nepal effective from 18th November 2013. With this business, your Company is now in a position to offer the most comprehensive product line in surface and underground mining and serve the customers more effectively.

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, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the financial year ended 31st March 2014. 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. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the relevant Rules thereunder, a Sub-Committee of the Board named as "Corporate Social Responsibility Committee" has been constituted by the Board to formulate, recommend, carry out and monitor the CSR policy and activities to be undertaken by the Company as specified under the said Act and the Rules. The composition of the said Committee shall be four Members viz., Mr. Sumit Mazumder, Mr. Sunil Kumar Chaturvedi, Mr. Alope Banerjee and Dr. T. Mukherjee respectively.

14. 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: 20th May 2014

Sumit Mazumder
Chairman

ANNEXURE TO DIRECTORS' REPORT

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

FORM - A

CONSERVATION OF ENERGY

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

1. Measures taken:

The Company's manufacturing process is not energy intensive in nature and hence it is committed to conserve energy by optimal usage of this scarce resource. Asansol, CRC has submitted an application to WBSEDCL 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 equipment 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:

Particulars	Standard Unit	Year ended 31.03.2014	Year ended 31.03.2013
A. Power and fuel consumption			
a) Electricity			
Purchased Units		170,892	239,278
Total amount (₹ Crs.)		0.30	0.21
Rate Per Unit (₹)		7.89	8.65
b) Own Generation			
Through Diesel Generator			
Units		80,900	70,779
Units per litre		3.00	3.27
Cost per unit (₹)		17.75	14.95
B. Consumption per unit of Production			
Product – DG Sets Electricity (in '000)	Nos.	1.54	1.18

FORM - B

TECHNOLOGY ABSORPTION

Not Applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings and Outgo:

(₹ / Crs.)

i) Foreign Exchange Earnings - export sales (FOB), Commission, Dividend, etc.	31.56
ii) Foreign Exchange outgo (includes raw material, capital goods, components & spares, and other expenditure in foreign currency, including dividends) :	
a) Machines (Trading items)	53.40
b) Components & Spares	136.20
c) Capital goods	0.02
d) Travelling	0.40

For and on behalf of the Board of Directors

Place: Kolkata
Date: 20th May 2014

Sumit Mazumder
Chairman

COMPLIANCE CERTIFICATE

CIN : U29150WB1995PTC072501

Nominal Capital /Paid-up Capital : ₹ 70,000,000

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 ('the Company'), 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 Articles of Association of the Company for the financial year ended 31st March 2014. 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 thereunder and all entries herein 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 4 excluding its present and past employees of the Company. During the year under scrutiny, the Company:
 - 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 Six (6) times on 13/05/2013, 29/07/2013, 17/10/2013, 04/11/2013, 01/01/2014 and 20/01/2014. 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 31/03/2013 was held on 29/07/2013 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. The Extraordinary General Meeting for the financial year was held on 18/11/2013.

8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred in 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 maintained 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 Act.
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 Wholetime 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 not made any application to the Central Government for approval of the 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 thereunder.
19. The Company has not issued any Shares during the financial year.
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 Sections 58A and 58AA of the Act 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 31st March 2014 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 it's 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 it's 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 the name of the Company during the year under scrutiny.
29. The Company has altered the 'Authorized 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 altered its Articles of Association during the year under scrutiny.
31. I have been given to understand by the Management that there was/were no prosecution(s) 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.

Place: Kolkata
Date: 15th May 2014

Tarun Chatterjee
Company Secretary in Practice
CP NO. 6935

INDEPENDENT AUDITORS' REPORT

To the Members of
Tractors India Pvt. Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Tractors India Private Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), 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.

As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, 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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

Place: Kolkata
Date: 20th May 2014

For Price Waterhouse
Firm Registration No. 012754N
Chartered Accountants

Sunit Kumar Basu
Partner
(Membership No. 55000)

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Tractors India Pvt. Ltd. on the financial statements as of and for the year ended 31st March 2014)

- i. (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 have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (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.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)(b), (c), (d), (f) and (g) of the said Order are not applicable to the Company.
- iv. 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.
- v. According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- vi. 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.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

- viii. 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.
- ix. (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 generally regular in depositing undisputed statutory dues in respect of sales tax and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, wealth 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, service tax and excise duty as at 31st March 2014 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	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, 1956	Sales Tax	4.91	2002-03	The High Court of Delhi
The Bihar VAT Act	Sales Tax	80.91	2008-09 & 2009-10	The Joint Commissioner of Commercial Taxes (Appeal) Patna
	Sales Tax	342.71	2010-11	The Joint Commissioner of Commercial Taxes (Appeal) Patna
The Punjab VAT Act, 2005	Sales Tax	4.71	2012-13	The Deputy Commissioner & Taxation Commissioner Appeal Patiala Division Patiala
Finance Act, 1994	Service Tax	140.57	2003-04 to 2007-08 and 2009-10	Custom, Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	861.03	Jan-2004 to Aug 2007	Custom, Excise and Service Tax Appellate Tribunal, Kolkata
Finance Act, 1994	Service Tax	38.47	2004-05, 2007-08 and 2008-09	The Commissioner of Central Excise, Kolkata
Central Excise Rules, 1944	Excise Duty	10.04	2008-09 to 2010-11	Commissioner Appeal – Ghaziabad
Finance Act, 1994	Service Tax	88.68	2010-11	The Commissioner of Central Excise, Jaipur
The Central Sales Tax Act 1956	Sales Tax	69.25	2010-11	The Senior Joint Commissioner Appeal, Kolkata
West Bengal Value Added Tax -2002	Sales Tax	5.48	2010-11	The Senior Joint Commissioner Appeal, Kolkata
Finance Act 1994	Service Tax	337.92	2010-11 to 2011-12	Custom, Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act 1994	Service Tax	1744.17	2008-09 to 2010-11	Custom, Excise and Service Tax Appellate Tribunal, New Delhi
Finance Act 1994	Service Tax	26.68	2011-12	The Commissioner of Central Excise, Jaipur
Income Tax Act, 1961	Income Tax	330.25	2010-11	Commissioner of Income Tax, Appeals

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. 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.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. 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. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. 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.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. 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. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. 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 material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Place: Kolkata
Date: 20th May 2014

For Price Waterhouse
Firm Registration No. 012754N
Chartered Accountants

Sunit Kumar Basu
Partner
(Membership No. 55000)

TRACTORS INDIA PVT. LTD.

BALANCE SHEET as at 31st March 2014

(₹ In Lakhs)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
A EQUITY AND LIABILITIES			
Shareholders ' Funds			
Share Capital	3	450	450
Reserves and Surplus	4	12,447	11,657
Non- Current Liabilities			
Long -Term Borrowings	5	3,221	1,581
Deferred Tax Liabilities (Net)	6	807	488
Long- Term Provisions	7	411	376
Current Liabilities			
Short -Term Borrowings	8	19,523	27,091
Trade Payables	9	11,742	7,729
Other Current Liabilities	10	3,705	3,350
Short- Term Provisions	11	20	14
TOTAL		52,326	52,736
ASSETS			
Non - Current Assets			
Fixed Assets			
(i) Tangible Assets	15	9,543	9,710
(ii) Intangible Assets	16	2,209	-
(iii) Capital Work-In-Progress		-	383
(iv) Intangible Assets under development (Computer Software)		-	1,234
Long Term Loans and Advances	17	160	101
Current Assets			
Inventories	18	16,297	20,354
Trade Receivables	19	18,975	16,072
Cash and Cash Equivalents	20	21	122
Short Term Loans and Advances	21	4,990	4,598
Other Current Assets	22	131	162
TOTAL		52,326	52,736
Summary of significant Accounting policies	2		

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

For Price Waterhouse

Firm Registration No. 012754N
Chartered Accountants

Sunit Kumar Basu

Partner Membership No. 55000

Place: Kolkata

Date: 20th May 2014

For and on behalf of Board of Directors

Sumit Mazumder

Chairman

Sunil Kumar Chaturvedi

Managing Director & CEO

STATEMENT OF PROFIT & LOSS for the Year ended 31st March 2014

(₹ In Lakhs)

	Note No.	Year Ended 31.03.2014	Year Ended 31.03.2013
I. Revenue from Operations (Gross)	23	100,758	87,858
Less: Excise Duty		736	503
Revenue from Operations (Net)		100,022	87,355
II. Other Income	24	506	440
III. Total Revenue (I + II)		100,528	87,795
IV. Expenses :			
Cost of Material Consumed	25	6,296	3,954
Purchase of Stock-In-Trade	26	68,944	65,426
Changes in Inventories of Finished Goods Work-In-Progress and Stock-In-Trade	27	3,983	435
Employee Benefit Expense	28	8,138	7,195
Finance Costs	29	4,041	3,887
Depreciation and Amortization Expense	16.2	2,016	1,775
Other Expenses	30	5,941	4,720
Total expenses		99,359	87,392
V. Profit Before Tax (III - IV)		1,169	403
VI. Tax expenses			
(1) Current tax		245	137
Less: MAT Credit Entitlement		(185)	(50)
Net Current Tax		60	87
(2) Deferred tax		319	56
		379	143
VII. Profit for the year (V-VI)		790	260
VIII. Earnings per equity share : [Nominal Value per Share ₹ 10/-	31		
(Previous year ₹ 10/-)]			
(1) Basic (₹)		17.56	5.78
(2) Diluted (₹)		17.56	5.78

The Notes form an integral part of these Financial Statements.

For Price WaterhouseFirm Registration No. 012754N
Chartered Accountants**Sunit Kumar Basu**

Partner Membership No. 55000

Place: Kolkata

Date: 20th May 2014

For and on behalf of Board of Directors

Sumit Mazumder

Chairman

Sunil Kumar Chaturvedi

Managing Director & CEO

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, 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. Pursuant to Circular 15/2013 dated 13.09.2013, read with Circular 08/2014 dated 04.04.2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these 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 Revised 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

(a) Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

(b) Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Intangible Assets are amortised on a Straight Line method basis over their estimated useful lives. A rebuttable presumption that the useful life of an Intangible Asset will not exceed 10 years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

2.4 Depreciation and Amortisation

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

- (a) Leasehold land is amortised over the period of lease.
- (b) 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.
- (c) Computer Software (Intangible Asset) are being amortised under Straight Line method over its useful life of 7 years.

2.5 Impairment Loss

Impairment Loss, if any, is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount, i.e., the higher of the assets' Net selling price and Value-in-use.

2.6 Inventories

Inventories are stated at cost or net realisable value, whichever is lower. Cost is determined at weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their location and includes where applicable, appropriate overheads. Obsolete and slow moving inventories are identified at the time of physical verification and where necessary, provision is made for such inventories.

2.7 Taxation

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

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets and liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

Minimum Alternative Tax Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.8 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 28.3)

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 28.4, 28.6 and 28.7).

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 28.5).

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 28.5, 28.6 and 28.7).

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.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

2.9 Transactions in Foreign Currencies

(a) Initial Recognition

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction.

(b) Subsequent Recognition

At the reporting date, foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate.

With respect to long-term foreign currency monetary items, from 1st April 2011 onwards, the Company has adopted the following policy:

- (i) Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of depreciable asset, which would be depreciated over the balance life of the asset.
- (ii) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset / liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

(c) Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

2.10 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 Statement of Profit and Loss in the period in which they are incurred.

2.11 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 the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

2.12 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the amount required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.13 Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.14 Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3 SHARE CAPITAL

(₹ In Lakhs)

	As at 31.03.2014	As at 31.03.2013
Authorised		
7,000,000 (31st March 2013 : 7,000,000) Equity Shares of ₹ 10/- each	700	700
1,500,000 (31st March 2013: Nil) Optionally Convertible Preference Shares of ₹ 10/- each	150	–
Total	850	700
Issued		
4,500,000 (31st March 2013 : 4,500,000) Equity Shares of ₹ 10/- each	450	450
Subscribed and Paid up		
4,500,000 (31st March 2013 : 4,500,000) Equity Shares of ₹ 10/- each (fully paid up)	450	450
Total	450	450

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

3.1 Reconciliation of the number of Equity shares

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
Balance as at the beginning of the year	4,500,000	450	4,500,000	450
Add/ Less: Movement during the year	-	-	-	-
Balance as at the end of the year	4,500,000	450	4,500,000	450

3.2 Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of equity shares referred to as equity shares having par value of ₹ 10/- per share. Each share holder is eligible to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the Company after distribution of all preferential amount, in proportion to their shareholding.

3.3 Share held by holding company / ultimate holding company and / or their subsidiaries and associates.

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2013
4,500,000 equity shares of ₹ 10/- each held by TIL Limited, the Company's Holding Company	450	450

3.3 Details of Shares held by shareholders holding more than 5 % of the aggregate shares in the Company

Particulars	As at 31.03.2013
TIL Limited (Number)	4,500,000
TIL Limited (%)	(100)

4 RESERVES AND SURPLUS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Securities Premium Account	9,135	9,135
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	2,522	2,262
Profit for the year	790	260
Balance as at the end of the year	3,312	2,522
Total	12,447	11,657

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

5 LONG TERM BORROWINGS (Refer Note 5.1)

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
SECURED LOANS		
Term Loans		
From Banks	3,029	1,208
Vehicle Term Loans		
From Bank	8	26
From Other Parties	-	1
UNSECURED LOANS		
Term Loan from Other Parties:		
From IBM Global Finance (Refer Note 5.2)	184	346
Total	3,221	1,581

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 (1) HDFC Bank ₹ 757 lakhs (31st March 2013 - ₹ 1,136 lakhs), Axis Bank ₹ 450 lakhs (31st March 2013 - ₹ 750 lakhs), (2)HDFC Bank ₹ 2,500 lakhs (31st March 2013 - NIL) 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 by TIL Limited	Term Loans : Term loan (1) from HDFC Bank repayable in 16 equal quarterly instalments starting from 30th June 2012 with interest at Base Rate + 225 bps. Term loan (2) from HDFC Bank repayable in 16 quarterly instalments starting from 30th June 2015 with interest at Base Rate + 225 bps. Term loan from Axis Bank is repayable in 20 equal quarterly instalments starting from 16th October 2010 with interest at Base Rate + 275 bps.
Vehicle Term Loans: Vehicle loans are secured by hypothecation of the Vehicle financed.	Vehicle Term Loans: Repayable in 36 monthly instalments together along with interest (10%-12%) thereon

5.2 Unsecured loan from IBM Global Finance is repayable in 12 equal quarterly instalments starting after 15 days from the date of disbursement with interest thereon, whereas first repayment started from April, 2012 and latest disbursement was in March 2014.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

6 DEFERRED TAX LIABILITIES (NET)

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
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.	826	488
Disallowances allowable for Tax purpose on payment	(19)	-
Total	807	488

7 LONG TERM PROVISIONS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits		
Provident Fund (Also refer Note 28.3 below)	62	46
Compensated Absence	349	330
Total	411	376

8 SHORT TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
SECURED		
Loan Repayable on Demand		
From Banks	15,966	25,789
UNSECURED		
Loan Repayable on Demand		
From Banks	3,557	1,302
Total	19,523	27,091

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

Cash Credit/Working Capital/Buyers' Credit 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.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

9 TRADE PAYABLES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Sundry Creditors (Refer Note 12)*	5,133	6,598
Acceptance	6,609	1,131
Total	11,742	7,729

* Includes payable to Related Parties [Refer Note 35 (1) (j) (ii)]

10 OTHER CURRENT LIABILITIES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Current maturities of long - term debt [Refer Note 5.1]	1,103	1,024
Interest accrued but not due on borrowings	185	245
Advance from customers and others	777	982
Security Deposit From Customers	242	256
Employees Benefits Payable:		
Salary & Reimbursement	47	295
Contribution to Fund (Net)	150	146
Other Payables:		
Sales Tax	483	336
Service Tax	44	5
Others	674	61
Total	3,705	3,350

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.

11 SHORT TERM PROVISIONS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits		
Provident Fund (Refer Note 28.3)	1	1
Compensated Absence	19	13
Total	20	14

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

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

13 CONTINGENT LIABILITIES IN RESPECT OF

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
a. Sales Tax Matters under dispute [Net of payments ₹ 69 lakhs (Previous year - ₹ 68 lakhs)]	512	438
b. Service Tax matters under dispute [Net of payments ₹ 229 lakhs (Previous year - ₹ 229 lakhs)]	3,237	1,129
c. Excise matters under dispute [Net of payments ₹ 10 lakhs (Previous year - ₹ 10 lakhs)]	10	10
d. Bill Discounting with Banks	1,492	-
e. Income Tax	330	-
Total	5,581	1,577

14 DETAILS OF CAPITAL AND OTHER COMMITMENTS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Capital Commitment	-	694
[Net of advance ₹ Nil (Previous year ₹ 1617 lakhs)]		
Other Commitments (a) and (b) below	10,696	6,351
Total	10,696	7,045

(a) Includes orders placed for procuring Caterpillar products viz Machines, Engines, Parts etc. ₹ 10,696 lakhs
(Previous year - ₹ 6,104 lakhs)

(b) Pursuant to the Master Asset Purchase Agreement (MAPA) signed between Tractors India Private Limited and Bucyrus India Pvt. Ltd. on 1st November 2013, Tractors India Private limited has committed to pay an estimated amount of ₹ 3,000 Lakhs, towards procurement of certain assets mainly inventory. Till the Balance Sheet date Tractors India Private Limited has purchased inventory from Bucyrus India Pvt. Ltd. valued at ₹ 495 lakhs

Notes to the Financial Statements for the year ended 31st March 2014 (All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

15 TANGIBLE ASSETS

(₹ In Lakhs)

	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Cost as at 01.04.2013	Additions during the year	Disposal during the year	Cost as at 31.03.2014	As at 01.04.2013	For the Year	Disposal during the year	As at 31.03.2014	As at 31.03.2013
Own Assets									
Leasehold Land	25	-	-	25	4	1	-	20	21
Buildings :									
Leasehold	975	-	-	975	103	25	-	847	872
Plant and Machinery	5,326	841	61	6,106	2,703	531	21	2,893	2,623
Furniture and Fixtures	394	41	-	435	142	24	-	269	252
Vehicles	518	8	6	520	179	47	5	299	339
Office Equipment	256	21	-	277	64	16	-	197	192
Sub Total (A)	7,494	911	67	8,338	3,195	644	26	4,526	4,299
Assets Given On Operating Lease :									
Plant and Machinery (Refer Note 15.1)	7,551	1,483	1,529	7,505	2,140	1,130	781	5,017	5,411
Sub Total (B)	7,551	1,483	1,529	7,505	2,140	1,130	781	5,017	5,411
Total (A+B)	15,045	2,394	1,596	15,843	5,335	1,774	807	9,543	9,710
Previous year	14,904	2,757	2,616	15,045	4,877	1,775	1,317	9,710	

15.1 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 ₹ 2,680 lakhs (Previous Year - ₹ 2,829 lakhs).

Notes to the Financial Statements for the year ended 31st March 2014
(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

16 INTANGIBLE ASSETS

16 INTANGIBLE ASSETS

(₹ In Lakhs)										
	GROSS BLOCK					AMORTISATION			NET BLOCK	
	Cost/ Valuation as at 01.04.2013	Additions during the year	Sales during the year	Adjustment during the year	Cost/ Valuation as at 31.03.2014	As at 01.04.2013	For the Year	On Sales/ Adjustment during the year	As at 31.03.2014	As at 31.03.2013
Software	-	2,451	-	-	2,451	-	242	-	2,209	-
Total		2,451	-	-	2,451	-	242	-	2,209	-
Previous Year	-	-	-	-	-	-	-	-	-	-

(₹ In Lakhs)

16.2 Details of Depreciation and Amortisation Expenses

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Depreciation of Tangible Assets	1,774	1,775
Amortisation of Intangible Assets	242	-
Net Depreciation Charged to Profit and Loss Statement	2,016	1,775

(₹ In Lakhs)

17 LONG TERM LOANS AND ADVANCES

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered Good		
Deposit to customer	160	101
Total	160	101

(₹ In Lakhs)

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

18 INVENTORIES

(Refer Note 2.5 above for Accounting Policy on valuation of inventory)

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
a. Raw Material and components	585	702
	585	702
b. Work -in-progress	529	774
	529	774
c. Finished goods	353	14
	353	14
d. Stock-in-trade	14,744	18,821
	14,744	18,821
e. Loose Tools, Spares & Consumables	86	43
	86	43
Total	16,297	20,354

18.1 (a) Details of Inventory

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
(i) Finished goods		
Diesel Generating Set	353	14
Total	353	14
(ii) Details of traded goods		
a) Construction & Mining Equipment, etc.	3,169	7,625
b) Packaged Diesel Generating Set	1,731	4,221
c) Goods, Components and Parts for Mining Equipments & Diesel Generating Set	9,844	6,975
Total	14,744	18,821

19 TRADE RECEIVABLES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they were due for payment	1,498	1,364
Others *	17,477	14,708
Total	18,975	16,072

* Includes receivable from Related Parties [Refer Note 35 (1) (j) (i)]

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

20 CASH AND CASH EQUIVALENTS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Cash in hand	6	6
Cheques in Hand	-	107
Balance with Schedule Banks :		
On Current Accounts	15	9
Total	21	122

21 SHORT TERM LOANS AND ADVANCES

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Unsecured, Considered Good:		
Others		
Deposit	142	137
Advance Recoverable in Cash or Kind or for value to be received	668	2,683
Claims Receivable	2,590	971
Accrued Duty Benefits pertaining to exports/Deemed exports	72	14
	3,472	3,805
Other Loans & Advances:		
Advance Income Tax	451	553
[Net of Provision of ₹ 382 lakhs (31 March 2013 - ₹ 221 lakhs)]		
Mat Credit Entitlement	262	77
Balance with Statutory / Government Authorities	805	163
	1,518	793
Total	4,990	4,598

22 OTHER CURRENT ASSETS

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Gratuity Fund Plan Assets (Net)	131	162
Total	131	162

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

23 REVENUE FROM OPERATIONS

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Operating Income		
Sale of products		
Finished Goods	7,186	4,886
Traded goods	81,573	76,391
Sale of services	7,632	2,387
	96,391	83,664
Other Operating Revenues		
Rental from Machinery	2,680	2,829
Selling Commission earned	1,438	920
Profit on Sale of Used Rental Machinery	249	445
REVENUE FROM OPERATIONS (GROSS)	100,758	87,858
Less : Excise Duty	736	503
REVENUE FROM OPERATIONS (NET)	100,022	87,355

23.1 Details of sale of Finished Goods

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Diesel Generating Set	5,886	4,886
Parts	1,300	-
Total	7,186	4,886

23.2 Details of sale of Traded Goods

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
a) Construction & Mining Equipment, etc.	3,951	34,992
b) Packaged Diesel Generating Set	12,231	10,549
c) Goods, Components and Parts for Mining Equipments & Diesel Generating Set	65,391	30,850
	81,573	76,391

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

24 OTHER INCOME

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Profit/(Loss) on Sale of Fixed Assets (Net)	34	22
Liabilities no longer required written back	115	88
Discounts	61	2
Scrap Sales	20	49
Miscellaneous Income	276	279
	506	440

25 COST OF RAW MATERIALS CONSUMED

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Opening Inventory	702	711
Add: Purchases (Net)	6,179	3,825
	6,881	4,536
Less: Closing Inventory	585	702
Material Consumed	6,296	3,834
Add: Carriage Inward	-	120
Total	6,296	3,954

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Engines	2507	2329
Acoustic Enclosures (for D G Sets)	598	546
Alternators (for DG Sets)	484	554
Parts	2,213	-
Miscellaneous	494	405
Total	6,296	3,834

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

26 PURCHASES OF STOCK IN TRADE

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Total Purchase	75,002	68,942
Less : Capitalised	-	197
	75,002	68,745
Less : Raw Materials purchased	6,179	3,825
Purchase of Stock in Trade	68,823	64,920
Packing & Forwarding	121	506
Purchase of Stock in Trade	68,944	65,426

26.1 Details of purchases of Traded Goods

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
a) Construction & Mining Equipment, etc.	38,315	33,169
b) Packaged Diesel Generating Set	15,310	10,174
c) Goods, Components and Parts for Mining Equipments & Diesel Generating Set	15,198	21,577
Total	68,823	64,920

26.1 Purchases excludes

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Items being recoverable by way of reimbursement i.e.. Other than through Sales	1,394	1,419

27 CHANGE IN INVENTORIES

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Inventories at the end of the year		
Traded goods	14,744	18,821
Work-in-progress	529	774
Finished goods	353	14
	15,626	19,609
Inventories at the beginning of the year		
Traded goods	18,821	19,372
Work-in-progress	774	609
Finished goods	14	63
	19,609	20,044
(Increase) /Decrease in Inventories	3,983	435

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

28 EMPLOYEE BENEFITS EXPENSE

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Salaries, Wages and Bonus*	7,207	6,378
Contribution to Provident and other Funds * [Refer Note 28.6]	547	462
Staff Welfare Expenses*	220	200
Medical Expenses*	164	155
Total	8,138	7,195

*Includes reimbursements [Refer Note 35 (l)(b)]

28.1 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 the 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.

28.2 The Company has recognised, in the Statement of Profit and Loss Account for the year ended 31st March 2014 an amount of ₹ 90 lakhs (Previous year - ₹ 82 lakhs) as expenses under defined contribution plans as detailed below:

Benefit (Contribution to)	Year Ended 31.03.2014	Year Ended 31.03.2013
Employees State Insurance	6	7
Superannuation Fund	84	75
Total	90	82

28.3 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.

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 2014 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 ₹ 14 Lakhs (Previous year ₹ 13 Lakhs).

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

28.3 Provident Fund (Contd.):

The relevant parameters/assumptions used by the Actuary to determine the present value of interest rate guaranteed for the year ended 31st March 2014 is provided below :

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Estimated Provident Fund Accumulation as at 31st March 2014 (₹ in lakhs)	2,481	2,133
Guaranteed Rate	8.75%	8.50%
Average yield rate based on data of investment portfolio	8.34%	8.38%
Decrement adjusted average future period of service	22 years	23 years
Average maturity period of investment portfolio	2.6 years	3.4 years
Discount rate	9.13%	8.07%

During the year the Company has charged ₹ 264 lakhs (including ₹ 14 lakhs on account of interest rate guarantee) [Previous Year ₹ 227 lakhs] 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).

28.4 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 2014.

28.5 Superannuation Fund :

- 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 2014.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

28.5 Superannuation Fund (Contd.):

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 services 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 on 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.

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

(₹ In Lakhs)

Description	Superannuation Fund (Funded)*		Gratuity Fund (Funded)*	
	2013-14	2012-13	2013-14	2012-13
1. Reconciliation of the Opening and Closing balances of the Present Value of the Defined Benefit Obligation				
a. Present Value of Obligation at the Beginning of the Year	1070	1106	474	452
b. Current Service Cost	50	51	62	73
c. Interest Cost	77	89	36	36
d. Actuarial (gain)/loss	(26)	(47)	(18)	(33)
e. Benefits paid	(285)	(129)	(75)	(54)
f. Present Value of Obligation at the end of the Year	886	1070	479	474
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	1079	1108	636	570
b. Expected return on Plan Assets	81	89	50	48
c. Actuarial gain/(loss)	24	11	(26)	2
d. Contributions by the Employer	93	-	25	70
e. Benefits paid	(285)	(129)	(75)	(54)
f. Fair value of Plan Assets at the end of the Year	992	1079	610	636
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	992	1079	610	636
b. Present Value of Obligation at the end of the Year	886	1070	479	474
c. (Assets)/Liabilities recognised in the Balance Sheet	(106)	(9)	(131)	(162)

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

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

(₹ In Lakhs)

Description	Superannuation Fund (Funded)*			Gratuity Fund (Funded)*		
	2013-14	2012-13		2013-14	2012-13	
4. Expenses recognised during the year :						
a. Current Service cost	50	51		62	73	
b. Interest cost	77	89		36	36	
c. Expected return on Plan Assets	(81)	(89)		(50)	(48)	
d. Actuarial (Gain) / Loss	(50)	(58)		8	(35)	
e. Expense recognised during the year	(4)	(6)		56	26	
5. Experience Adjustments on Plan Obligation and Assets	2013-14	2012-13	2011-12	2013-14	2012-13	2011-12
a. Experience Adjustments on Plan Obligation [(Gain) /Loss]	(19)	(69)	346	(1)	(39)	112
b. Experience Adjustments on Plan Assets[Gain/(Loss)]	24	11	36	(26)	2	(1)

* The expense for the defined benefits are included in the line item under Contribution to Provident and other Funds (Refer Note 28).

Description	Superannuation Fund (Funded)*		Gratuity Fund (Funded)*	
6. Investment Details of Plan Assets as at	31.03.2014	31.03.2013	31.03.2014	31.03.2013
a. Govt of India Securities	25.47	23.78	25.88	23.56
b. Public Sector (PSU) Bonds	48.74	49.32	32.21	36.82
c. State Govt Securities	11.72	13.68	21.16	18.80
d. Special Deposit Scheme	14.07	13.13	20.75	20.19
e. Other including Bank Balance	-	0.09	-	0.63
Total	100.00	100.00	100.00	100.00
7. Assumptions				
a. Discount rate per annum	8.75	8.30	8.75	8.30
b. Salary escalation rate per annum	4.00	4.00	4.00	4.00
c. Expected rate of return on Plan Asset per annum	8.75	8.30	8.75	8.30
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	10.20%	8.51%	3.94%	8.21%

* Disclosure in respect of 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 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.

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

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

28.7 The fair value of plan assets pertaining to the Company as on 31.03.2014 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.

29 FINANCE COST

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Interest Expenses	3,819	3,759
Other Borrowing Charges	222	128
Total	4,041	3,887

30 OTHER EXPENSES

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Rent	367	347
Rates and Taxes	120	17
Bank Charges	375	207
Insurance	235	241
Repairs and Maintenance :		
Buildings	100	78
Plant and Machinery	135	437
Other	749	114
	984	629
Travelling Expenses	1,281	1,173
Stationery and Printing	62	52
Postage, Telephone and other Communication Expenses	184	183
Advertising	129	24
Power and Fuel	132	124
Commission	26	20
Miscellaneous Expenses *	690	793
Net loss on foreign currency transaction	14	111
Professional Fees	1,169	547
Motor Car and Van Expenses	156	139
Service Support Expenses	13	-
Debts/Advances/Claims written off	4	113
Total	5,941	4,720

* Includes Asset Usage Charges paid [Refer Note 35 (1) (a)]

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

30.1 Professional fees include :

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
As Auditors*		
- Audit Fees	16	16
- Tax Audit Fees	2	2
- Others (Certificates, etc.)	7	8
- Reimbursement of expenses	1	1

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

31.1 C.I.F. Value of Imports :

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Parts and Components	13,620	12,434
Machines (Trading Items)	5,340	6,741
Capital Goods	2	137

31.2 Expenditure in Foreign Currency :

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Subscription	-	2
Software Maintanance Charges	-	200
Travelling	40	28

31.3 Earnings in Foreign Exchange :

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Remittance received on account of		
Export of goods calculated on FOB basis	1,026	2,003
Selling Commission (including other Dealer's income)	2,130	3,012

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

- 32** 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 ₹ 367 lakhs (Previous Year - ₹ 347 lakhs)

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

(₹ In Lakhs)

Particulars		Year Ended 31.03.2014	Year Ended 31.03.2013
Profit for the period attributable to Equity Shareholders	A	790	260
Basic and Diluted :			
i. Number of Equity Shares at the beginning of the year		4,500,000	4,500,000
ii. Number of Equity Shares issued during the year		-	-
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	17.56	5.78

34 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 the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

34 Segment Reporting in accordance with Accounting Standard 17 (Contd.):

(₹ In Lakhs)

	Year Ended 31.03.2014				Year Ended 31.03.2013			
	CMS	PSS	OTHERS (Unallocated)	TOTAL	CMS	PSS	OTHERS (Unallocated)	TOTAL
Segment Revenue *	71,233	28,789	506	100,528	62,228	25,127	440	87,795
Segment Results	3,323	1,383	504	5,210	2,263	1,587	440	4,290
Less : Unallocated expenses net of Unallocated (income)				-				-
Finance Costs			4,041	4,041			3,887	3,887
Profit Before Tax				1,169				403
Depreciation and Amortisation	1,456	560	-	2,016	1,256	519	-	1,775
Non Cash Expenses other than Depreciation and Amortisation	3	1	-	4	47	66	-	113
Segment Assets	35,649	16,333	344	52,326	33,494	16,833	2,409	52,736
Segment Liabilities (excluding Shareholders' funds)	9,263	5,131	25,035	39,429	5,326	4,720	30,583	40,629
Capital Expenditure	2,019	318	891	3,228	2,114	568	917	3,599

* There is no inter segment revenue.

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

A) List of Related Parties

Holding Company	TIL Limited
Fellow Subsidiary Company	TIL Overseas Pte. Limited Tractors Nepal Private Limited Myanmar Tractors Ltd.
Key Management Personnel	Mr. S. Mazumder (Chairman & Managing Director) Mr. A. Banerjee (Director Finance) Mr. Sunil Kumar Chaturvedi (Managing Director & CEO)

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

35 Related Party Disclosure in keeping with Accounting Standard 18 on “Related Party Disclosures” (Contd.)

B) Particulars of transactions during the year ended 31st March 2014 :

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
I) Holding Company		
a) Asset Usage Charges Paid	86	40
b) Reimbursement of Expenses	673	649
c) Rent Expenses	12	3
d) Rental Income	9	19
e) Sale of Goods	33	66
f) Purchase of Goods	1	6
g) Interest Income	180	185
h) Loan given to	24,798	17,057
i) Loan repaid by	24,798	17,057
j) Year-end Balances		
i) Receivable	12	9
ii) Payable	1	5
II) Fellow Subsidiary Company		
a) Sale of Goods	22	4
b) Year end Balance		
Receivable	17	1
III) Key Management Personnel		
Remuneration		
Mr. S. Mazumder	411**	216 *
Mr. G V R. Murthy up to 6th November 2012	-	61
Mr. A. Banerjee	90	90
Mr. Sunil Kumar Chaturvedi	59	-

** Includes ₹ 127 lakhs pertaining to 2012-13 paid during the year against Central Government approval dated 18th November 2013.

* Includes ₹ 188 lakhs pertaining to 2011-12 paid during the year against Central Government approval dated 3rd October 2012.

Notes to the Financial Statements for the year ended 31st March 2014

(All amounts in ₹ Lakhs, unless otherwise stated) **Contd.**

36 A) Derivative outstanding as at reporting date :

(₹ In Lakhs)

Particulars	Purpose	As at 31.03.2014	As at 31.03.2013
Forward contracts to buy US Dollar (31 March 2014: US\$ 12.28 Million) (31 March 2013: US\$ 17.29 Million)	Hedge of firm commitments and borrowings	7,774	9,644

B) Particulars of unhedged foreign currency exposures as at the reporting date

(₹ In Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Trade Payables (31 March 2014: NIL) (31 March 2013: US\$ 1.83 Million)	-	997
Trade Receivables (31 March 2014: US\$ 0.66 Million) (31 March 2013: NIL)	398	-
Borrowings (31 March 2014: NIL) (31 March 2013: US\$ 2.48 Million)	-	1,345

37 Previous year figures have been rearranged and regrouped to confirm to this year's classification.

Signatures to Notes '1' to '37'

For Price Waterhouse

Firm Registration No. 012754N
Chartered Accountants

Sunit Kumar Basu

Partner Membership No. 55000

Place: Kolkata

Date: 20th May 2014

For and on behalf of Board of Directors

Sumit Mazumder

Chairman

Sunil Kumar Chaturvedi

Managing Director & CEO

CASH FLOW STATEMENT for the year ended 31st March 2014

(₹ In Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax	1,169	403
Adjustments for :		
Depreciation and Amortisation	2,016	1,775
Bad Debts, Advances etc Written off	4	113
(Profit)/Loss on Sale of Fixed Assets (Net)	(34)	(22)
Interest Expenses (Net)	4,041	3,887
Liability no longer required Written Back	(115)	(88)
Discount Income	-	(2)
Unrealised Foreign Exchange (Gain)/Loss (Net)	-	-
	5,912	5,663
Operating Profit/(Loss) before Working Capital Changes	7,081	6,066
Adjustments for :		
Trade and Other Receivables	(2,907)	(67)
Inventories	4,057	481
Increase / (Decrease) in Current Liability	-	(383)
Loans and Advances and Other Current Assets	(339)	(968)
Increase / (Decrease) in Provision	-	22
Trade Payables	4,505	(254)
	5,316	(1,169)
Cash (Used in)/ from Operations	12,397	4,897
Direct Taxes Paid	(143)	-
Net Cash (Used in)/ from Operating Activities	12,254	4,897
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,228)	(3,674)
Proceeds from Sale of Fixed Assets	823	1,321
Net Cash (Used in)/ from Investing Activities	(2,405)	(2,353)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(4,101)	(3,838)
Proceeds from Long Term borrowings	1,719	787
Repayment of Long Term borrowings	(7,568)	(1,059)
Increase in Cash Credit and other short term borrowings (Net)	-	1,590
Net Cash (Used in)/ from Financing Activities	(9,950)	(2,520)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(101)	24
Cash and Cash Equivalents as at the beginning of the year (Refer Note no 19)	122	98
Cash and Cash Equivalents as at the close of the year (Refer Note no 19)	21	122

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 have been rearranged and regrouped wherever necessary.

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

For Price Waterhouse

Firm Registration No. 012754N
Chartered Accountants

Sunit Kumar Basu

Partner Membership No. 55000

Place: Kolkata

Date: 20th May 2014

For and on behalf of Board of Directors

Sumit Mazumder

Chairman

Sunil Kumar Chaturvedi

Managing Director & CEO

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NOTE

NOTE

“We make our customers more profitable”



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