Gearing up for the **next level**

TIL LIMITED • ANNUAL REPORT 2008-09

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 realised, 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 uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

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

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Corporate Information

Board of Directors

Mr. A. Mazumdar
Chairman

Mr. Sumit Mazumder
Vice Chairman & Managing Director

Mr. R. L. Gaggar
Solicitor & Advocate

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

Mr. K. S. De
Nominee of Life Insurance Corporation of India

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

Dr. T. Mukherjee
Former Dy. Managing Director of TATA Steel Ltd.
(w.e.f. 4th June, 2009.)

Auditors

Price Waterhouse

Bankers

Bank of India

Union Bank of India

ING Vysya Bank Ltd.

State Bank of Bikaner & Jaipur

State Bank of India

State Bank of Hyderabad

Axis Bank Ltd.

CITI Bank N.A.

Company Secretary

Mr. Debashis Nag

Registrar and Share Transfer Agent

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

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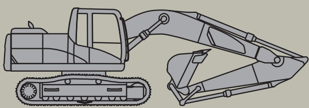
1, Taratolla Road
Garden Reach
Kolkata 700 024
Tel. : (033) 2469 3732 - 36 (5 Lines)
(033) 6633 2000 / 2845
E-mail : secretarial.department@tilindia.com



2008-09 witnessed a slowdown across the globe, impacting the market and business confidence.

At TIL we viewed the slowdown as a positive transition, rather than 'shrinking' of opportunities.

For us it was a time to understand and adapt to the new reality of the market and customer needs by channeling collective strengths and experiences and taking effective decisions to emerge stronger.

We did this through the adoption of proactive steps towards enhancing the organisation's core strengths thereby ensuring that when the operating metrics reach a higher base, the incremental results would be significantly higher leading to superior value creation.

Rather than being discouraged with a short term slump in demand and off take, we focused on the long term opportunity of building infrastructure in India, through our products and services. We took a number of measures such as creation of fiscal strength, intellectual capital sufficiency, diversification of our product and capability repertoire, as well as investment in Greenfield expansions, together with strengthening of our service brand.

We are working on organising ourselves in a manner more aligned to the realities of tomorrow. In doing so, we are creating a TIL which is geared up for the next level.

TIL at a Glance

TECHNOLOGY, INNOVATION, LEADERSHIP - these define TIL as an organisation, its attitude and philosophy. Over the past six decades, TIL has evolved into a world class Company and a growth partner to India's infrastructure sector and is amongst the country's leading providers of a wide range of technology intensive equipment that represent some of the finest in global technology.

Perceived as RESPONSIBLE, VALUED & RESPECTED, TIL attributes much of its success and dynamic growth to the quality and expertise of its people working towards the shared vision of creating a positive difference to the Indian infrastructure industry.

TIL consistently strives to provide service excellence and is committed to deliver the best value proposition by providing total solutions to all customers.

Strategic Business Groups

Material Handling Solutions (MHS)
Engaged in the manufacture and marketing of a comprehensive range of material handling equipment and lifting solutions with integrated customer support and after-sales service.

Construction & Mining Solutions (CMS) This is the dealership division for Caterpillar products across North and East India as well as Bhutan, Nepal and Myanmar - selling and servicing a comprehensive range of construction and mining equipment. The partnership with Caterpillar - the world leader in construction and mining equipment, provides TIL the desired competitive edge, one that is entirely customer focused.

Power Systems Solutions (PSS)
This is also the dealership for Caterpillar range of engines and generator sets for North and East India, Bhutan, Nepal and Myanmar. TIL provides quality power for continuous and standby applications in diesel, gas and heavy fuel configurations. TIL also packages a range of generator sets and undertakes erection and commissioning of all relevant installations.

Rentals and Used Equipment
TIL brings the global concept of providing Equipment on Rent for construction, mining and power applications. TIL has 6 Rental Stores in Sahibabad, Bhubaneswar, Asansol, Lucknow, Udaipur and Chandigarh. These Rental Stores offer new and relatively new Rental Equipment and reliable Used Equipment.

Presence

The Company is headquartered in Kolkata with four regional offices (Kolkata, Delhi, Mumbai and Chennai) and a network of 50 branches. Overseas office is in Phuntsholing (Bhutan) and subsidiaries in Nepal, Myanmar and Singapore. TIL's total stock of spare parts including all three business divisions exceed 2 lac line items. The Company's manufacturing locations are based in Kolkata (cranes, reach stackers and lorry loaders) and Sahibabad (generator sets). TIL is also commissioning a state of the art component rebuild centre at Asansol and a Greenfield manufacturing facility.

Vision

A responsible corporate citizen, valued by customers, respected by principals, and worthy of high esteem of all stakeholders. We will achieve this by building a world-class service organisation and focusing on the growth opportunities for rentals and used equipment.

The unstinted commitment, relentless contribution & the entrepreneurial drive of each employee will translate into positive growth of the Company every year.

Enhancing Customer Experience

Product Support

TIL is committed to provide differentiated, innovative service through which our customers derive maximum equipment productivity. Some key elements of TIL's service solutions are - initial equipment consultancy, investment analysis, engineers 'on call' for site visits, component repair, complete machine rebuild, ready parts availability as well as customer and operator training. The customer support agreements (CSA) and maintenance and repair contracts (MARC) provide guaranteed equipment availability at a fixed cost with the objective to deliver the highest asset uptime and lowest cost of operation over the entire product life cycle.

6-Sigma

The 6-Sigma process helps TIL identify ways to improve process efficiencies and raise business success to new levels. TIL has witnessed growth benefits, cost efficiencies, and quality improvements in many areas of operation achieved through its 6-Sigma initiatives.

Corporate Social Responsibility [CSR]

TIL is committed to good corporate citizenship and believes that as an organisation it has a responsibility towards society, community and environment. The various CSR initiatives are on an ongoing basis and aimed at touching lives and making a difference.

World Class Associations

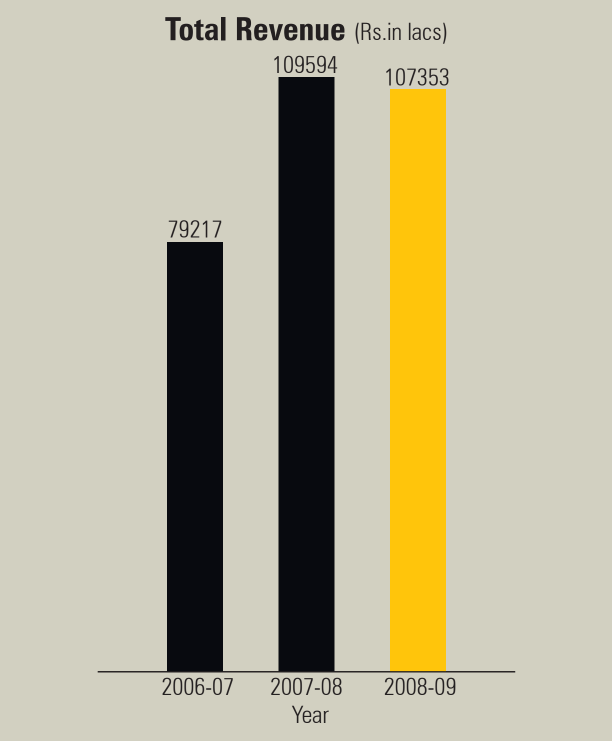
TIL partners with world leaders such as Caterpillar, Grove Worldwide - USA, Manitowoc Crane Group - USA, Paceco Corp - USA [a part of Mitsui Engineering and Shipbuilding - Japan], FAMAK-SA, Poland. The recent partnerships include NACCO Materials Handling Group, Inc. [NMHG] - a part of NACCO Industries Inc-USA (for Hyster Forklift Trucks) and Astec Inc-USA (for continuous Hot Mix Asphalt plants).

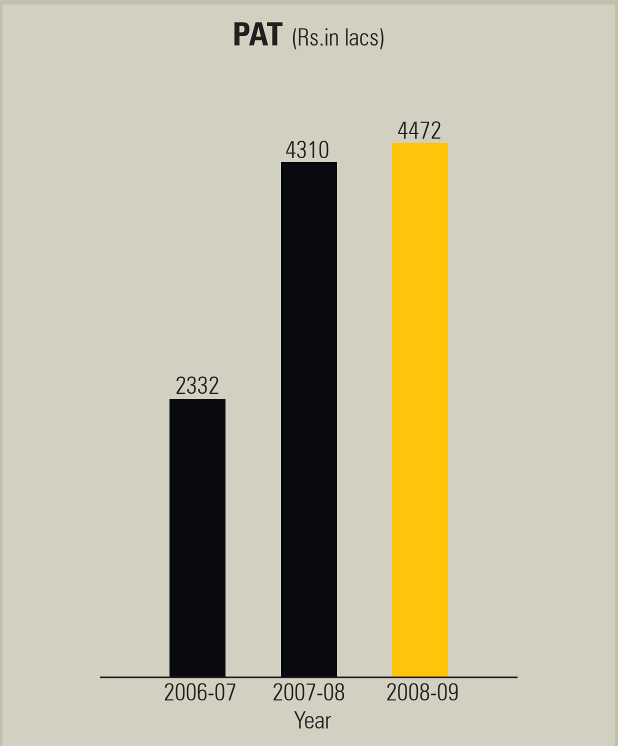
Sectors Served

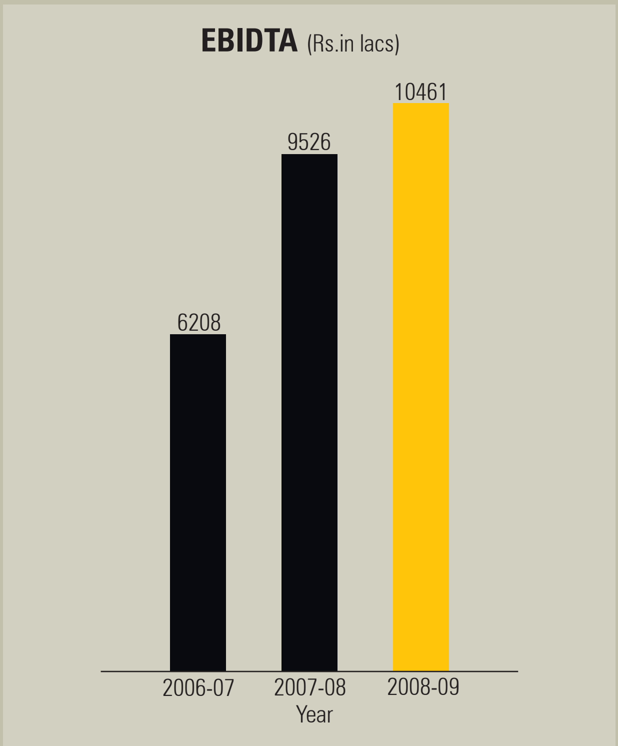
Infrastructure, Engineering & Construction, Mining, Agro Industries, Ports, Railways, Defence, Power, Pharma, Healthcare, Hospitality and Retail.

TIL is listed on the Kolkata, Mumbai and National Stock Exchanges.

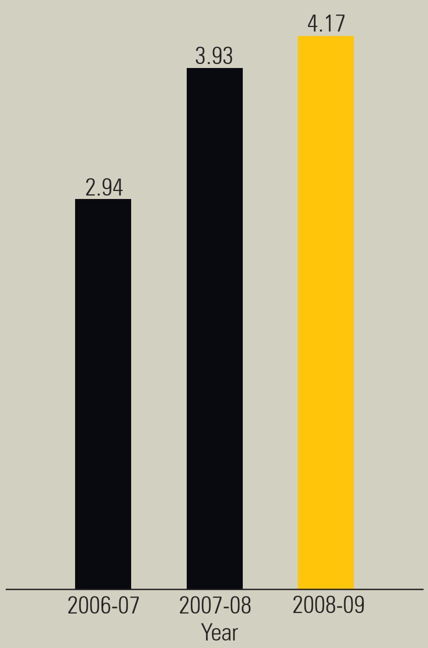
Financial Highlights



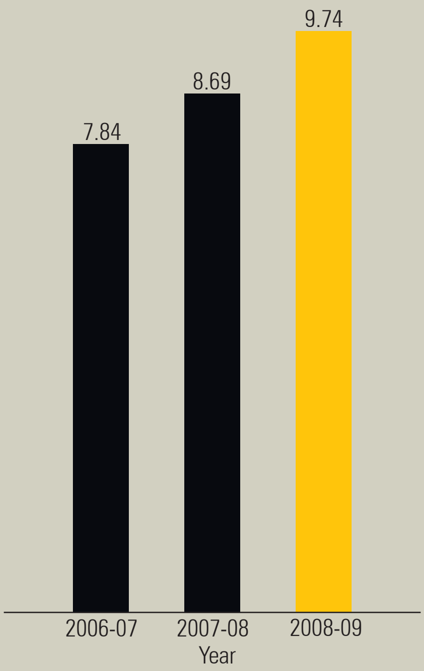




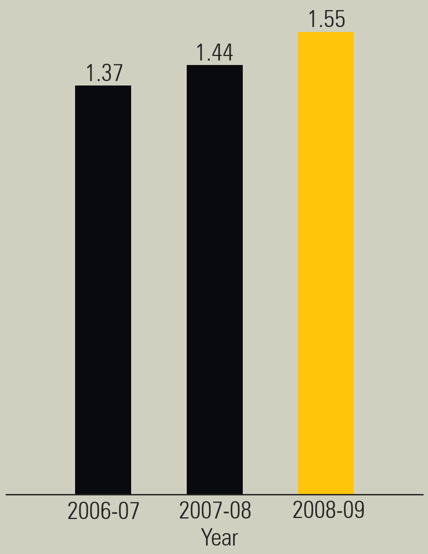
PAT Margin (Per Cent)



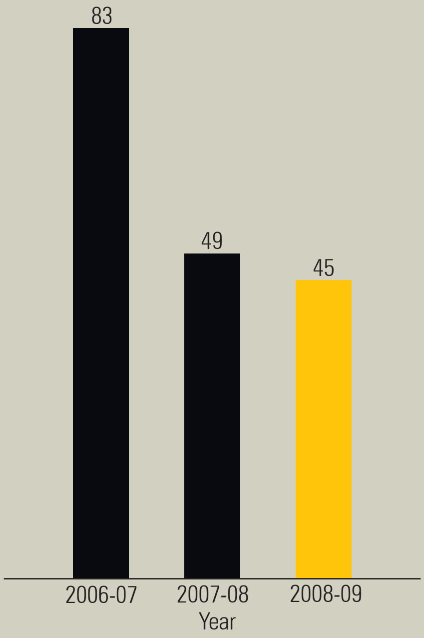
EBIDTA Margin (Per Cent)



Current Ratio



Debtors Days Cover



"As one of the most experienced companies in this segment, TIL has consistently focused on introducing the most contemporary global technologies to the Indian business scenario, and backing it up with a diligent service and support infrastructure."

Chairman's Message

A Mazumdar
Chairman

The financial year 2008-09 has been extremely difficult one for economies worldwide and the impact however controlled, was felt even here in India. India's GDP growth came down from the average of 9 per cent during the previous 3 years to under 7 per cent during the first 3 quarters of 2008-09. The infrastructure industry in particular, was impacted because of the freeze on fresh capital infusion into projects of a large size, given the contracted liquidity situation.

However, the outlook is decidedly positive. The Indian construction equipment industry at US$ 2.3 billion, is a fraction of the global market, whose size is over US$ 75 billion. However, it has been growing at a frenetic pace of 30 per cent, in sharp contrast to the world average of 5 per cent. Today, India is one among the top 10 markets for construction equipment and is one of the key international markets. The Government of India's focus on infrastructure development is the single biggest driver for the construction, mining and material handling equipment industry.

For organisations in the business of providing technology intensive capital equipment that would require deployment in our infrastructure sectors, the opportunities are as enormous as they are challenging. The performance of our infrastructure sectors, their required output in qualitative and quantitative terms, will in turn depend in large measure on the performance of equipment

providing companies. As one of the most experienced companies in this segment, TIL has consistently focused on introducing the most contemporary global technologies to the Indian business scenario, and backing it up with a diligent service and support infrastructure.

At TIL, that has been our consistent endeavour – to focus on the near term performance goals and objectives, without losing sight of the eventual organisational mission - to ensure that today's action results in our long term goals.

We took several important initiatives in 2008-09, that demonstrate this ability of ours. We have remained on our growth trajectory; although at a slightly lessened pace due to the economic headwinds that we had to contend with. At the same time, we have invested in structure, strategies and resources needed to emerge as a value-adding force. Our growth bears a strong correlation to the growth of India as a world economic force given the contribution that we have made to its infrastructure for over half a century. I am confident that in the time to come, we will play an even larger role, and in the process create a TIL which is continuously facilitating profits for our customers, and value for all our stakeholders.

A Mazumdar
Chairman

Vice Chairman & MD's Message

Sumit Mazumder
Vice Chairman & Managing Director

A reasonably good year despite the challenging times

2008-2009 was one of the most difficult years in the world economy impacting almost all organisations. Despite the negative impact of the uncertain times, we at TIL managed to grow our revenues by 16 per cent over the previous year and maintained our PBT margins. In my opinion, team TIL has performed well under the challenging circumstances.

Our profits would have been more in line with the sales growth, but for the external factors including unfavourable currency fluctuations and rise in the price of critical inputs such as steel and components. To add to this, there was a slowdown in the overall economy in the second half of the year coupled with a liquidity crunch, resulting in our customers lowering their business investments which in turn translated to reduced orders for us.

Reasonable growth across all divisions

Although in 2008-09, the availability of funds and credit to our customers was severely impacted, TIL managed to grow revenues across all its business divisions. Material Handling Solutions, Construction & Mining Solutions and Power Systems Solutions grew their revenues by 13, 18 and 17 per cent respectively, reflective of a strong marketing effort and resilience in our business model. We were able to protect our margins despite a steep rise in direct costs – steel inputs, cost of imports as well as personnel expenses – because of our ability to manage our working capital and leverage our assets better. TIL absorbed the impact of a significant rise in personnel costs during the year, reflecting our commitment to our people, even during tough times.

Gearing up for the next level

We are laser focused on taking the organisation into the next orbit of growth. Our experience in the infrastructure sector has instilled a sense of preparedness in us. We are thus ready to respond to the growth opportunities that are likely to emerge, and we utilised 2008-09 in arming our organisation with the necessary strategies and strengths for the next big leap. We took a number of steps towards

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gearing ourselves up for the next level of growth prospects. Though outlined in detail elsewhere in this report, I will just highlight them here.

One, we ensured that our teams were motivated, and passionate enough to help realize the organisational vision. In a year where cash preservation was the global norm, we did not relent in our commitment to our people and in developing capabilities as a prudent investment towards future growth.

Two, our investment in our capital expansion continued unabated. Both our capacity expansion projects – the 5-star Component Rebuild Centre at Asansol and the new Material Handling Solutions division's Greenfield facility continued to receive the required fund inflow during the year and are expected to be functional soon. We believe that these facilities will significantly augment our product offerings and result in increasing our abilities to service the upsurge in demand we envisage, at far shorter lead times.

Three, we continued to expand our product profile and cater to a larger customer group than before. Our distribution and collaboration arrangements with NACCO, USA (for Hyster Forklift Trucks) and Astec Inc USA (for continuous Hot Mix Asphalt plants) are a step in this direction and will establish our presence in the related growing segments, as part of our domain expansion strategy.

Four, we continued to take rapid strides in developing our service brand, and emerging as facilitators of profitability for our customers. At TIL our real commitment remains to be a Total Solutions Provider to our customers which begins with identifying the optimum machine selection and asset delivery but doesn't end there. Today there are a number of service related initiatives that have been set in motion to ensure that we retain our customers through the lifecycle of their business, and not just through the currency of a transaction.

Five, we worked on making our operations far more sustainable fiscally. Not only did we manage to keep our debt liabilities in check given an increase in revenue and a resultant increase in the working capital

> **We are using the downturn as an opportunity to eliminate 'excess fat' without losing our 'muscle', by strengthening our core business, streamlining our operations, driving improved efficiency, and conserving the much needed cash without affecting future growth plan. We will come out stronger and more aligned with our customers to optimize on the opportunities that will emerge once the downturn is over.**

needed, we also improved the parameters on which operating strength is evaluated. Cash conservation through operational efficiency was the 'mantra' in the year just gone by. In 2008-09, we improved our rental business which resulted in our asset-size going up. Therefore, in all aspects, we created a stronger balance sheet, while successfully combating the negative impact of the market conditions.

Of course, our regular initiatives such as 6-Sigma, product support and production efficiency management continued unchanged, as part of the regular culture of excellence at TIL.

A positive outlook

We are using the downturn as an opportunity to eliminate 'excess fat' without losing our 'muscle', by strengthening our core business, streamlining our operations, driving improved efficiency, and conserving the much needed cash without affecting future growth plan. We will come out stronger and more aligned with our customers to optimize on the opportunities that will emerge once the downturn is over. We view the downturn as a positive transition, rather than 'shrinking' of opportunities, a time to understand and adapt to the new reality of the market and customer needs. This is an excellent time to move ahead of competitors who fail to adjust to changing market conditions.

As I write this, we are already looking at an environment of positivity. India, I have always believed is better insulated against the downturn because of its national imperatives and under developed core sectors. Coupled with a stable government, increased focus to continue public spending on infrastructure, and a vision to become a leading economy of the world, this translates into an onslaught of opportunity for companies such as TIL.

Nearly all of the infrastructure sectors present excellent opportunities, with roads and highways, ports and airports, railways and power, standing out as particular focus areas, with staggering sums of investment planned – over 350 billion US dollars – as per some estimates. The enormity of the opportunity cannot be exaggerated, and as a natural corollary, the positives for TIL and the resultant value augmentation that will be seen cannot be ignored.

Meeting the challenges

To maintain and grow our service standards and to keep our team motivated and driven in realizing these opportunities remains a critical driver of success, as well as an ongoing challenge. A number of initiatives taken over the years have resulted in creating a strong performance culture and pride in working at TIL. However, we don't let ourselves be complacent and continue in the endeavour of creating a model workplace. Our laser focus allows

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us to consistently innovate on our people practices, invest in the training of our people both at a technical level and at a mindset level, so that we are fully aligned to customer expectations. At the same time TIL is aligning itself to employee expectations in building a synergistic partnership for the future. We are creating leaders through Caterpillar's Dealer Learning Management System, investing in Knowledge Resource Management initiatives within the Company, and investing in projects such as the Contractor College to bring about an all permeating service culture that allows stakeholders to derive optimal value from the assets and service we provide. To do this continuously, and sustainably, is the greatest management priority at TIL.

Continuing our nation-building role

65 years in business has made TIL an experienced and resilient organisation. We have realized that although the nature of each economic slowdown is different, the commonality is that they invariably come to an end. And each time the world emerges from a slowdown it becomes stronger, and the opportunities that ensue are monumental.

At TIL we draw our optimism from this time-tested fact, and are committed to steering the organisation to the next level both in terms of business magnitude and value creation. We remain committed to doing what we do best – facilitate infrastructure creation through providing high-technology equipment and servicing them – with the eventual aim of augmenting shareholder value. We continue in our role of responsible nation building as we have been doing for the past 65 years. We believe that in the new world order where India will command an important seat, we will continue to contribute to its development. This is a source of pride, motivation and inspiration for us.

On behalf of the entire team of TIL, I acknowledge the role of our stakeholders in our endeavour, and I am confident that we will continue to receive your support and encouragement in our quest to create a stronger nation, and greater value for all.

Sumit Mazumder
Vice Chairman & Managing Director

Gearing up for the next level through

A Stronger Balance Sheet

IN 2008-09, TIL'S ENERGIES WERE FOCUSED ON MAKING IT FISCALLY MORE ROBUST SO THAT OUR BALANCE SHEET GAINED THE NECESSARY RESILIENCE TO WEATHER ECONOMIC HEADWINDS, AND RESULTANTLY ENABLE THE FACILITATION OF OUR ENTRY INTO THE NEXT ORBIT OF GROWTH.

Apart from our regular policy of fiscal sensitization for all our people, we invested in competitive intelligence for benchmarking and revisiting customer opportunities and risks without compromising on fiscal salience, which gave our efforts a holistic bearing. In addition to this, the adoption of a judicious expenditure optimisation programme allowed TIL to contain the impact of the adversities.

We also ensured that despite the overarching pessimism in the external mood, the fiscal strength of TIL remained intact as a result of our prudent capital management practices.

Better Working Capital Metrics

Our debtors days' cover came down from 49 days in the previous year to 45 days during 2008-09 and our inventory days' cover reduced from 88 to 84 days in the same period.

This was achieved despite the constraints placed under Caterpillar's 'Managed Distribution System' which required a six month lead time in equipment ordering. Caterpillar met orders placed in the first half of 2008-09 during the second half, when recession had already crept in. As a result, TIL accumulated a large machine and engine stock as order cancellations and deferments occurred. However, in spite of the difficult business climate, TIL secured a large order and reduced its inventory level.

Consistent Capital Expenditure

TIL invested a sum of Rs. 3,435 lacs towards its capital expansion plans, and consequently, the loan funds increased to Rs. 11,343 lacs on 31st March, 2009 from Rs. 7,876 lacs on 31st March, 2008. Despite this, the Company managed to keep its overall liability under check – an increase of only Rs. 545 lacs from Rs. 22,293 lacs on 31st March, 2008 to Rs. 22,838 lacs on 31st March, 2009.

Improving Liquidity Parameters

All our liquidity parameters improved as a result – our current ratio went from 1.44 in 2007-08 to 1.55 this year and our credit worthiness improved from 1.66 last year to 1.37 in the year under review. The return on capital employed in our business was a healthy 25 per cent.

We are therefore well poised to leverage our strong financial position in assuming higher business volumes and in effect, geared up for the next level of growth.

Gearing up for the next level through

An Inspired Workforce

IN GEARING UP FOR THE NEXT LEVEL, IT IS IMPERATIVE THAT OUR INTELLECTUAL CAPITAL CONTINUES TO REMAIN ABREAST OF GLOBAL DEVELOPMENTS AND IS CONSISTENTLY MOTIVATED AND INSPIRED. IN 2008-09, WE INVESTED WELL IN OUR PEOPLE TO HAVE A FUTURE - READY TEAM AND ENSURED THAT OUR INITIATIVES AND INVESTMENTS TOUCHED EACH OF THE OVER 1700 MEMBERS OF OUR YOUNG TEAM (AVERAGE AGE 38).

TIL concentrated on increasing its team strength to meet the demands of new opportunities. In 2008-09 TIL recruited 380 people, including 140 management and diploma trainees, signifying our confidence in the magnitude of our business potential and the size of the opportunities. Even during the latter half of the year, when most companies were freezing fresh hiring, we at TIL maintained our hiring programme, though cautiously.

Benchmarking

One of the most important exercises was a comprehensive salary survey, post which we recalibrated our pay structures in order to achieve conformity with the best in our industry as far as compensation is concerned.

Investing in Skill Development

At TIL, Training & Development is considered imperative to organisational growth. During the year, our Human Resource Department [Knowledge Resource Management] along with Training department designed a comprehensive training system. The system focused on identifying training needs based on skill gap analysis across both behavioral and technical domains to enhance capabilities, technical knowhow and product knowledge. The training system aligned itself to TIL's business objectives, people strategy with the objective of building long-term organisational capability and core functional skills and forming a direct linkage with business results. It also facilitated the development of individuals.

Growing our People

These training interventions were designed to help our employees climb their career value chain and develop their own skills in a quest for achieving personal goals.

ERP Implementation

To facilitate better standardization of process, eliminate complexity and enhance speed of operations, TIL implemented the Oracle ERP during the year in the Knowledge Resource Management function across all its locations. The modules implemented were - core HR which forms the basic foundation of HR system in an organisation, Self Service HR for direct management of information by employees and e-Zenith, the comprehensive performance appraisal system.

Our investment in skill and knowledge developement is critical to our mission of helping our customers become more profitable. Our attempts in spreading congeniality, optimizing the value of resources and retaining talent will continue to serve us well in our journey to the next level of growth.

Gearing up for the next level through

A 24x7 Service Culture

AT TIL, WE RECOGNIZE THE CRITICALITY OF A LONG TERM ASSOCIATION WITH OUR CUSTOMERS THROUGH SUPPORT AND SERVICE. AN ALL PERVADING SERVICE-CULTURE AND A CONSTANT UPGRADATION OF THE SAME HELP US REMAIN RELEVANT TO OUR CUSTOMERS THROUGHOUT THE CURRENCY OF THE EQUIPMENT USE AND IN MOST CASES EVEN BEYOND IT.

TIL provides a complete gamut of support solutions ranging from equipment recommendation to total maintenance and repair contracts – ensuring lowest cost per ton of material moved. This is achieved through higher productivity, better availability of equipment, reliability and durability of component life. Our service contracts are tailored on the concept of maximum machine utilisation at lowest cost. This successful practice of integrating people, process and technology has enabled TIL in providing unmatched product support and customer support solutions.

Some of the measures and strategies that reinforce our service commitment and culture are enumerated below.

Contractor College

For the first time in India, TIL and Caterpillar brought the concept of Contractor College - an opportunity for machine owners and users in construction and mining industry. The concept and the course modules help customer widen their knowledge horizon and maximize productivity and profit.

The Dealer Learning Management System

These learning solutions and resource tools have empowered and enriched the expertise and technical knowhow of our team TIL as per Caterpillar global standards-providing a single point of access to worldwide training and performance improvement resources.

Operator Trainer Courses

Operator skill is strongly linked with increased productivity and optimisation of machine life. In view of this, TIL along with Caterpillar has developed a pool of competent operator trainers, certified at the highest level to train operators of our customers for all machine models. TIL has also signed an agreement with Global Institute of Science & Technology (GIST), Haldia, West Bengal to train operators and technicians on backhoe and pay loaders.

Customer Value Survey (CVS)

This initiative has been taken to enhance our efforts at being a more customer centric organisation.

Despite the challenging economic conditions, we at TIL continued in our belief that keeping the interest of our customers on topmost priority, is the surest way for us to create value for our stakeholders. Our quest for excellence stems from our conviction of knowing, valuing and respecting our customers as partners and stakeholders. Our business grows as our customers become more profitable. And in the process, we reach the next level of service excellence.

Gearing up for the next level through

Expanding Competencies

TIL HAS ALWAYS BEEN AT THE FOREFRONT OF THE TECHNOLOGY REVOLUTION IN ITS DOMAIN, GIVEN ITS ROLE OF INTRODUCING THE MOST CONTEMPORARY TECHNOLOGIES TO INDIA THROUGH OUR GLOBAL PARTNERS. IN LINE WITH THE PHILOSOPHY, WE BELIEVE THAT TO CATAPULT OURSELVES IN THE NEXT LEVEL, IT WILL BE IMPORTANT TO CONTINUE INITIATING GLOBAL BEST PRACTICES, BRING IN NEW PRODUCT LINES AND INCREASE CAPACITIES.

Capacity Expansion

TIL has not relented in its capital expenditure commitments to create newer facilities for its operations that represent next-generation plants. TIL is investing in a 5-star Component Rebuild Centre at Asansol, as per the Caterpillar standards as well as in a Greenfield manufacturing facility for Material Handling Solutions division. These expansion plans will significantly augment TIL's product portfolio and meet the future needs of the market.

Increasing Rental Focus

Rentals and Used Equipment are an important line of business for TIL, especially in times of constrained liquidity. TIL already has 6 Rental Stores and is steadily increasing focus in this segment of our business through other branch outlets. Access to quality equipment on Rental eliminates capital investments, risk of equipment idling, the need for cumbersome maintenance, as well as inventory management. TIL Rental stores are a perfect "One Stop Shop" for Construction Equipment & Power Systems.

Collaboration with NACCO Industries Inc – USA for Hyster range of Big Forklift Trucks

Our strategic tie up with NACCO is a significant step for the Company towards enhancing business prospects of the Material Handling Solutions division. Under the partnership TIL will offer Big Forklift Trucks, Container Handlers and Reach Stackers thereby increasing our product line and reaching new customers. The TIL - NACCO partnership brings together two leading companies with complementary strategic visions and product technologies further reinforced by TIL's commitment to provide total solutions to its customers.

Strategic tie up with Astec Inc

The strategic tie-up with Astec adds another important dimension to TIL's portfolio with a range of Crushers and Screens for mining and construction industry, as well as Hot Mix Asphalt plants for road building industry. The new indigenisation process under the technology transfer and licensing agreement from Astec for manufacturing a range of Double Barrel Hot Mix plants will enhance our cost competitiveness and ensure faster delivery and better value proposition for the customers.

With these initiatives TIL once again demonstrates its commitment to continue serving the Indian Infrastructure Industry. It has done so through the most advanced technologies as well as a more efficient manufacturing and service delivery platform, representing the next level of growth trajectory for both TIL and India.

Divisional Analysis

Material Handling Solutions (MHS)

Revenues for 2008-09 - Rs. **18,663** lacs

Revenue growth - **11** %

MHS Revenue as % of total - **22** %

Overview

The Material Handling Solutions division designs, manufactures, markets and supports a comprehensive range of lifting and material handling equipment. TIL's manufacturing record represents many 'firsts' in India - the first Mobile Yard crane, the first Truck Mounted crane, the first Rough Terrain crane, the first 100 tonne crane, to name a few. Today, material handling equipment from TIL are recognised as reliable, productive and efficient and over the years TIL has emerged as the country's foremost material handling equipment manufacturer and cutting edge service provider.

TIL cranes have over 60 per cent market share and are highly accepted among the user sectors in the country. TIL is the only manufacturer of mobile cranes of higher capacity [40 tonnes and above] in India and has an even higher share of the market in this segment.

TIL's plant at Kolkata is the only purpose built mobile crane manufacturing facility in India. The plant is a fully integrated facility that includes conceptualisation to the finished product. The facility has state of the art fully equipped machine shop with latest CNC controlled plasma cutting machines, fabrication and assembly shop capable of building structures with load up to 100MT, finishing bays and test bed. It is also certified under ISO 9000:2000 and EN 729 international standards.

In areas of design excellence, a dedicated team of engineers and R&D experts work at the research and development centre equipped with latest software and other state of the art facilities. The division uses the best technology available worldwide in its domain, and brings its customers the best products at the most optimal price.

Product Portfolio

The broad product portfolio catering to a varied customer segments include:
Mobile cranes (Industrial cranes, Truck Mounted cranes, Rough Terrain cranes, All Terrain cranes), Lorry Loaders, Reach Stackers. Electric Level Luffing cranes, Rubber Tyre Gantry cranes.
The division also markets and supports a comprehensive range of Lattice Boom Crawler cranes. The recent partnerships include products such as Big Forklift Trucks, Hot Mix Asphalt plants and Crushing & Screening plants.

User Industries

The MHS division caters to a wide array of infrastructure sectors such as Port, Aviation, Railways, Construction, Mining, Oil & Petrochemicals, Steel plants, Cement, Power and Defence through its product range.

Partners

Manufacturing and technical collaborations are with Grove Worldwide USA, Manitowoc Crane Group - USA, Paceco Corp-USA [a part of Mitsui Engineering and Shipbuilding-Japan], FAMAK - SA, Poland. The recent partnerships include Hyster [a part of NACCO-USA] and Astec Inc - USA.

Performance Highlights, 2008-09

- The division maintained its margin both in the Crane as well as the Reach Stacker segment.
- Redesigned and introduced new and more cost effective models, resulting in better market price realisation and material cost containment.
- Introduced new models including the 40 tonne Truck crane and the 20 tonne Rough Terrain crane, both of which are well received in the market.
- Continuous product innovation to compete with low cost Chinese imports.
- Signed an important technology collaboration with Grove USA [part of Manitowoc group] for technology upgradation of Rough Terrain cranes.
- Tie up with NACCO-USA for its Hyster range of Big Forklift trucks and Container Handlers and Astec Inc for Double Barrel Hot Mix Asphalt plant, used in the road making industry and for Crushing and Screening plants with the Aggregate & Mining group of Astec.
- Exports of structural components to Manitowoc, Germany.
- Work under way for the new Greenfield manufacturing facility for capacity expansion.

Drivers of Success

- Integrated manufacturing set up in Kolkata that addresses requirements from the designing to the assembly stage.
- A culture of manufacturing excellence and leadership position that adopts global best practices.
- The plant is linked with the vast network of service locations and customer support personnel through a robust ERP system – minimising time to market and real time information exchange.
- Young, dedicated team led by experienced management.
- An integrated approach to products and services offering solutions throughout the equipment's life cycle.
- 5 depots with Stock Keeping Units (SKU) exceeding 75,000 items. Integrated support provided by a qualified and experienced team across 20 locations dedicated to post - sales service, on site demos and total lifecycle support.

Outlook and Strategy

- MHS to benefit from the large investments announced in the infrastructure sector especially related to heavy construction, roads and ports.
- In the construction segment too, the application of the larger capacity cranes is growing, and given TIL's leadership in the segment, it is well poised to see a marked increase in off take.
- Range extension and diversification in lifting equipment and material handling solutions in line with TIL's core competencies.
- To be the preferred supplier for key structural components to overseas customers resulting in better business growth.
- MHS has focused on technology tie ups and diversification in order to derisk its business and will continue to do so.
- The sales focus will remain in favour of higher capacity cranes that earn higher margins.

Divisional Analysis

Construction and Mining Solutions (CMS)

Revenues for 2008-09 - Rs. **48,041** lacs

Revenue growth - **18** %

CMS Revenue as % of total - **57** %

Overview

TIL's dealership of Caterpillar USA began in 1944 and this linkage has grown stronger over the decades. This segment provides a comprehensive product portfolio of Caterpillar earthmoving, construction and mining equipment, across North and East India as well as Bhutan, Nepal and Myanmar. Along with the product offerings, TIL also provides application solutions for its construction and mining customers. TIL's quality and value of product support and customised solutions speak of our commitment to the customers in optimizing cost and time.

Product Portfolio

Product range across construction and mining category include: Wheel Loaders, Backhoe Loaders, Excavators, Off Highway Trucks, Motor Graders, Track - Type Tractors, Compactors, Paving products, Wheel Dozers and Underground Mining equipment.

User Industries

Construction: Building, Roads, Ports, Power (thermal and hydro), Airport, Urban and Rural infrastructure.

Mining & Quarrying : Coal, Iron Ore, Metal and Limestone.

Performance Highlights, 2008-09

- In the construction sector, the road segment showed some robust growth till September '08. The economic slowdown resulted in projects being deferred. A total of 199 Units valued at Rs. 8,676 lacs were from customers belonging to road construction sector.
- The foreign exchange fluctuation and the adverse impact on the private contractors' liquidity situation affected the outright machine sales in this division.
- In terms of mining, further progress was made with the sale of Dumpers in the growing Cement segment valued at Rs. 600 lacs.
- Machines like Truck Type Loaders valued at approximately Rs. 470 lacs were procured by an established Steel manufacturer.
- Additional focus was given to Rental business to offer innovative equipment acquisition option and viable Rental alternative to customers.
- The Rental fleet was augmented, surpassing 150 units for the first time in 2008-09. This also resulted in an increase in the asset base of the Company by Rs. 800 lacs. To improve coverage and be close to the customers, Rental was also promoted from TIL outlets in Dhanbad, Jamshedpur, Kolkata and Ranchi besides dedicated Rental Stores at Asansol, Bhubaneswar, Lucknow, Sahibabad, Chandigarh and Udaipur.

Drivers of Success

Strong service capabilities - The service offerings, customer focused solutions coupled with a deep seated product knowledge and service infrastructure make us indispensable to our customers during the lifetime of the asset. We help in improving the uptime and productivity which results in customers deriving enhanced profitability.

Enduring customer relationships - Our ability to provide total solutions to our customers has resulted in long standing customer loyalty amongst most of our customers. Their recurring and referral requirements are one of the most critical drivers of our business.

Brand and intellectual capital - TIL's partnership with Caterpillar allows us to a rich repository of resources, including processes, products and technical information which we optimize in order to develop the best suited solutions for our customers. TIL's long standing presence in the market lends credibility to our operations and allows customers to trust our delivery capabilities.

Rich market presence - A network of branches and project site offices in close proximity to the customers enable us to ensure efficient, effective & timely service.

Outlook and Strategy

- TIL to continue in its focus on increasing the off take of its construction, mining products and given the thrust on infrastructure by the government, the outlook for this business looks positive.
- The investments that are envisaged in the roads, ports, mining and other infrastructure avenues are going to result in a large number of orders for the construction and mining services.
- In line with its endeavour to enhance its service capacity, the division is in the process of setting up a new "Component Rebuild Centre" in Asansol, West Bengal.
- The division will also continue to invest in this product category with dedicated sales resource and operations through extension of branches for better market coverage.
- The focus for this division is on growing the market share through latest and best products and superior pre and after sales service.

Divisional Analysis

Power Systems Solutions (PSS)

Revenues for 2008-09 - Rs. **17,831** lacs

Revenue growth - **17** %

PSS Revenue as % of total - **21** %

Overview

The Power Systems Solutions division of TIL caters to the sales, service and after market support for Caterpillar engines and generator sets, in diesel, gas and heavy fuel configurations for continuous prime and emergency standby power.

All the products offered have world class quality and low life cycle costs and provide users with features that are the hallmark of economy, reliability, and quality power resulting in excellent customer acceptance.

As a single source for complete power solutions, TIL provides application engineering, feasibility studies, supply chain management, on-site installation services and uninterrupted product uptime through on-site support & maintenance.

Product Portfolio

A complete portfolio of diesel and natural gas generator sets are available from small capacities to 10MW single generator sets and engines for industrial, oil & gas, marine as well other applications. The core focus products are diesel generators from 200 kVA to 3500 kVA and gas generators from 1000 kVA to 3500 kVA. TIL also offers engine and generator sets used for the Petroleum sector.

User Industries

PSS is a turnkey solutions provider for the following user industries:

- Captive Power generation.
- Oil sector for exploration, production & distribution.
- Locomotives.
- Blowers, Pumps and allied industries.
- Energy efficient co-generation using engine exhaust heat and cooling water heat of generator sets for chillers, air conditioners, heating & others.
- Marine industry.
- Major infrastructure projects.

Performance Highlights, 2008-09

- In the petroleum segment, the business continued to support the impressive contract with ONGC for supply of CAT engines, for refurbishing the ONGC Rigs as replacement for old CAT engines.
- ONGC also reaffirmed its confidence in TIL with the Annual Maintenance and Parts Contacts.
- Apart from supporting leading construction companies for reliable on-site construction power in difficult areas, TIL has begun supporting the growing business demands of Gas compressor station engines at automobile CNG filling stations.
- PSS included 350 new customers in its fold in 2008-09.
- In terms of Units 436 engines were sold this year.
- The Division achieved an increased PBT of Rs. 1,300 lacs over last year's PBT of Rs. 900 lacs. This was achieved in spite of an adverse Foreign Exchange impact and high inventory holding of finished goods.

Drivers of Success

Integrated approach: TIL provides an integrated service to its customers right from conducting feasibility studies, managing supply chain to erecting & commissioning the equipment on-site.

Brand and portfolio diversity: TIL offers the entire Caterpillar generator set portfolio - a product for every need. All products marketed by the Company are customized to meet growing customer demands.

Service and reliability: Every 4th generator set sold by the Company is backed by customer support agreement to ensure effective running, delivering higher productivity and maximum uptime. PSS's reliable after sales support has further strengthened relationship with our customers over the decades.

Outlook and Strategy

- As per a study by Frost & Sullivan, the Indian generator set segment is valued at Rs. 50 billion, accelerated by the normal growth in the economy and the increasing power shortage. A 15 per cent CAGR growth till 2012 is projected in some estimates. There will be a significant growth in the demand for the larger and the higher capacity generator sets. TIL is all set to tap this potential.
- TIL is also gearing up to capitalise on its prime power generation engine segment.
- An increasing construction and oil exploration activity and an increase in gas-based captive power plants in northern India are also seen as areas of opportunity for the Company.
- Besides, Caterpillar, the Company's principal, is introducing electronic state-of-the-art engines across the entire range till 3000 kVA, representing a new generation of equipment.

India:
The Infrastructure Opportunity

Why the outlook is positive for TIL

The key to sustaining India's growth rate lies in developing India's infrastructure. Keeping this in mind, the government is targeting an investment of Rs. 1,036.12 billion over the next two years in the infrastructure sector. The scheme aims to take up infrastructure projects under public-private partnership (PPP) with maximum private investment.

Confederation of Indian Industry (CII) pegs the GDP growth at 6.1 per cent in 2009-10. This scenario factors in sectoral growth rates of 2.8-3 per cent, 5-5.5 per cent and 7.5-8 per cent, respectively, for agriculture, industry and services.

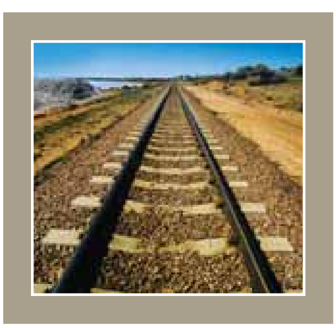
The Eleventh five year plan plan has given a lot of priority to the Infrastructure sector which are outlined below:

Ports

The government has identified 276 projects entailing an investment of Rs. 610.08 billion. According to the Planning Commission, there is an investment opportunity of Rs. 1,271.00 billion by 2011-12 in India's shipping and ports sectors, as the country seeks to double its ports capacity to 1,500 million tonnes. Segment-wise, while the ports sector would provide a Rs. 699.05 billion investment opportunity, shipping and inland waterways are likely to present a Rs. 571.95 billion investment opportunity.

Airports

The government plans to attract private players through the PPP model for the development of over 300 airports and airstrips. It would invest Rs. 457.56 billion to modernise existing airports by 2010. The Civil Aviation Ministry plans to develop 35 Greenfield airports across India by 2010 with an investment of Rs. 1,779.40 billion.



Railroads

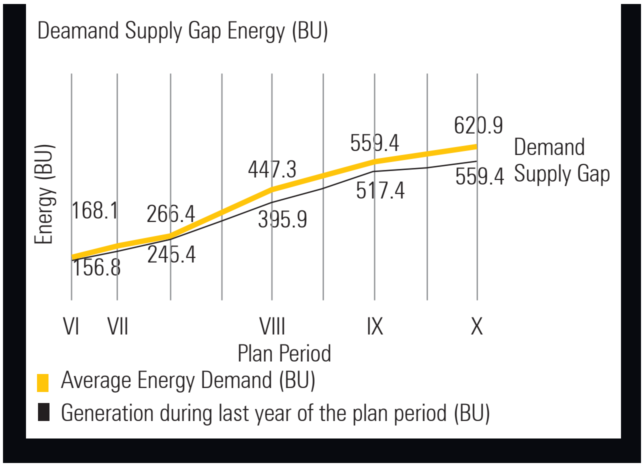
The Indian Railways industry has one of the largest developed networks in the world. The Indian Railways has made ambitious plans for both national and state level projects. Large scale investments are expected to continue in the sector under the PPP scheme. Freight and passenger traffic is projected to grow at rates of 8.6 per cent and 6 per cent respectively during the Eleventh five year plan. Indian Railways has major capacity expansion plans and the total planned outlay for Indian Railways in the Eleventh Plan Period is about Rs. 2,510 billion.

Roads & Highways

Opportunities worth over Rs. 4,000 billion have been estimated during the Eleventh Plan Period. About half of this will come in on an EPC (Engineering - Procurement - Construction) basis and the remaining through the PPP model. Of the total investment, Rs. 2,500 billion is projected to come in the national highway segment, Rs. 1,000 billion in the state road network development and Rs. 500 billion in the rural roads segment.

Power

The Eleventh five year plan has also indicated an investment of Rs. 5,948.28 billion in the Power sector. Despite slow down in the economy, the demand for power remains robust. Existing capacity falls short of the demand with the peak shortage being as high as 16 per cent. While there are examples of private participation in transmission and distribution, power sector offers one of the the largest opportunities across a range of sectors.



Source: CEA (Central Electricity Authority)

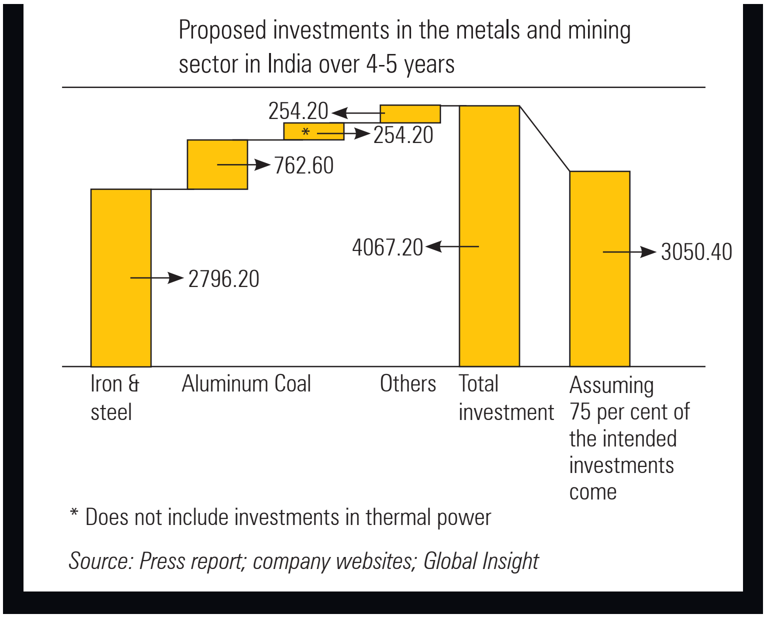
Mining

India has an abundance of metals and minerals. Globally, the country is the largest producer of sheet mica, the third largest producer of coal, the fourth largest producer of iron ore and the fifth largest producer of bauxite. Besides these natural resources, India also has significant reserves of copper, zinc, gold and about 26 other metallic and minor minerals.

The Indian mining sector is largely state-dominated, but the government is now seeking a phased withdrawal of its participation from the non-strategic metal sector in order to encourage private players to take the centre stage. However, despite falling commodity prices, India's mining sector is continuing to post strong growth driven by strong domestic demand. Between 2008 and 2013, BMI (Business Monitor International) forecasts that the sector will grow to reach a total value of Rs. 2,308.14 billion.

The metals and mining sector could potentially attract more investment than any other sector in the next 4-5 years.

Rs. Billion



* Does not include investments in thermal power

Source: Press report; company websites; Global Insight

Outlook

According to various projections, all these actions initiated by the Government are expected to bring the economy back on track during the second half of the Financial Year 2009-10. This translates into great opportunity for TIL. It is estimated that in the construction and mining sectors, growth will be around 15-20 per cent for the next year with higher focus on Rental and Used Equipment operations.

Infrastructure Research estimates the construction equipment requirement in monetary terms for the Eleventh five year plan for key sectors. While equipment cost in power generation will amount to being in the range of Rs. 1,200 - Rs. 1,400 billion for the Eleventh five year plan, for the roads sector it will amount to being in the range of Rs. 850 - Rs. 900 billion.

Estimates for Construction Equipment Requirements for the Eleventh Plan

Sector	Equipment cost as a % of total investment	Total Investment envisaged in the Eleventh Plan	Construction Equipment Requirement during the Eleventh Plan (Rs. Billion)
Residential Construction	4.5	3,613.18	162.59
Airport	20	450	90.00
Oil and Gas	5 to 7	2,690	134.50-188.30
Ports	30 to 35	1,050	315.00-367.50
Power Generation	21 to 24	6,000	1,260.00-1,440.00
Power (T&D)	5	4,500	225.00
Roads	21 to 23	4,014.88	843.13-923.42
Railways	6 to 8	2,510	150.60-200.80

Source: India Infrastructure Research

TIL in its endeavour to gear up for the next level of opportunity optimisation, has initiated all necessary steps to take full advantage of these emerging opportunities in the infrastructural space of the country, with its current as well as proposed product range to be introduced in the near future.

Directors' Report

Your Directors have pleasure in presenting the Annual Report and Accounts for the year ended 31st March, 2009.

1. FINANCIAL RESULTS

		(Rs./Crores)
	For the year ended 31.03.2009	For the year ended 31.03.2008
Profit for the year after meeting all expenses but before charging Depreciation and Interest.	85.28	78.28
Less : Interest	20.39	16.63
Depreciation	14.32	11.40
PROFIT BEFORE TAX	**50.57**	**50.25**
Tax Provision		
a) Current year	17.65	15.58
b) Deferred Tax (Credit)/Charge	(0.25)	1.70
c) Fringe Benefit Tax	0.90	0.73
PROFIT AFTER TAX	**32.27**	**32.24**
Balance Net Profit available for appropriation	32.27	32.24
APPROPRIATIONS	-	-
General Reserve	3.23	6.45
Proposed Dividend:		
Equity Shares	4.01	4.01
Tax on Dividend	0.68	0.68
Balance Carried Forward	**24.35**	**21.10**

2. PERFORMANCE

Turnover including income from operations and Other Income for the year under review at Rs.875.79 Crores represents an increase of 16 per cent compared to Rs.755.48 Crores in the previous year. The profit before tax marginally improved to Rs.50.57 Crores from Rs.50.25 Crores in the previous year.

MYANMAR TRACTORS LTD.

The Subsidiary Company, Myanmar Tractors Ltd., in the Union of Myanmar, achieved a turnover including service income of Rs.41.78 Crores compared to Rs.49.81 Crores in the previous year and a profit before tax of Rs.2.44 Crores compared to Rs.4.33 Crores in the previous year.

TIL OVERSEAS PTE. LTD.

The Wholly Owned Subsidiary Company, TIL Overseas Pte. Ltd., in Singapore, achieved a turnover of Rs.170.49 Crores compared to Rs.292.48 Crores in the previous year and achieved a profit before tax of Rs.8.70 Crores compared to Rs.18.09 Crores in the previous year. This activity is totally for and on behalf of Myanmar Tractors Limited.

TRACTORS NEPAL PVT. LTD.

The Wholly Owned Subsidiary Company, Tractors Nepal Pvt. Ltd., in Nepal, achieved a turnover of Rs.1.97 Crores compared to previous year of Rs.1.19 Crores and earned a profit before tax of Rs.1.21 Crores compared to Rs.0.65 Crore in the previous year.

CONSOLIDATED PERFORMANCE

On a consolidated basis, your Company's Group turnover including income from operations and other income stands at Rs.1073.53 Crores compared to Rs.1095.94 Crores in the previous year and profit before tax is Rs.65.30 Crores compared to Rs.65.69 Crores in the previous year.

3. FINANCE

After providing Rs.18.30 Crores as Provision for Taxation

Rs. 4.69 Crores (including Dividend Tax of Rs. 0.68 Crores) for Equity Dividend, Rs. 92.35 Crores has been carried forward to Balance Sheet. The Reserve & Surplus (excluding Revaluation Reserves) of the Company increased from Rs.105.02 Crores to Rs. 132.59 Crores and the Shareholders' Fund (excluding Revaluation Reserves) increased from Rs.123.83 Crores to Rs. 151.41 Crores.

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

4. DIVIDEND

Board has recommended a Dividend @ Rs. 4/- on each Equity Share (Face value of Rs.10/- each) for the year under review.

5. FIXED DEPOSIT

The Company has not accepted any deposits from the public during the year. Deposits outstanding as on 31st March, 2009 including unclaimed deposits was Rs 0.30 Lacs.

6. RESTRUCTURING

Board considered the proposal for restructuring of Caterpillar Business to be transferred to a Wholly Owned Subsidiary of the Company by transferring the assets and liabilities of Caterpillar Business. The detailed formal plan (for transfer of assets, liabilities and employees, etc.) will be worked out and finalized at a later date.

7. PREFERENTIAL ISSUE OF WARRANTS

Consequent upon issuance of convertible warrants into equity shares on preferential basis to the Promoters and ENAM Group during the year 2007-08, no option for such conversion has been exercised by them during the year under review. Such option can be exercised till 27th June, 2009.

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

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

9. PARTICULARS OF EMPLOYEES

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

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

10. SUBSIDIARY COMPANIES

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

11. DIRECTORS

The Board of Directors at its meeting held on 11th May, 2009 re-appointed Mr. A. Mazumdar as Chairman and Wholetime Director of the Company w.e.f. 1st June, 2009 for a period of 5 years. The details of the terms of re-appointment are given in the Notice convening the Annual General Meeting. The Board recommends Mr. A. Mazumdar's re-appointment.

The Board of Directors at its meeting held on 11th May, 2009 re-appointed Mr. S. Mazumder as Vice Chairman and Managing Director of the Company w.e.f. 1st June, 2009 for a period of 5 years. The details of the terms of re-appointment are given in the Notice convening the Annual General Meeting. The Board recommends Mr. S. Mazumder's re-appointment.

Mr. R. L. Gaggar retires by rotation and being eligible offers himself for re-appointment. The Board recommends this re-appointment.

12. 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.

13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

15. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is an integral part of your Company's Corporate Vision. Your Company continues in its commitment to good corporate citizenship by aiming to achieve a balance in the economic, environmental and social responsibility through its various social involvements.

Maintaining a safe and healthy workplace is an important necessity at TIL, which manifests itself into regular safety awareness trainings imparted to its workforce. Scholarship schemes for education for children, vocational trainings for youth, providing flood and calamity relief for the disaster struck, medical assistance through mobile medical van around the community are some examples of the ongoing endeavour. TIL Welfare Trust, provides relief in the form of education, medical and financial support to those in need and distress. Every year, on TIL Caring Day, your Company reaches out to the under-privileged sections of the society.

CSR will continue to remain one of the leading priorities at TIL through which your Company will constantly strive to touch lives and make a difference. In a small way, this is your Company's contribution in alleviating India's poverty.

16. ENVIRONMENT

Your Company pursues activities directly aligned with environmental protection and sustenance with a focus on making the world a better place. All products manufactured and / or sold are fully compliant with environmental regulations.

Every year during the world environment day, your Company undertakes various initiatives towards making the world a greener and better place to live in. Some examples of the activities are tree plantation across customer sites and surrounding communities, creating awareness on environment among children through drawing contest, and donating saplings.

17. AUDITORS

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

18. AUDITORS' REPORT

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

19. ACKNOWLEDGEMENTS

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

For and on behalf of the
Board of Directors

Place : Kolkata
Date : 11th May, 2009.

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

1. **Measures taken:**

   The Company gives substantial importance to conserve energy in its manufacturing units by systematically monitoring and periodically improving upon the power factor.

2. **Improvements:**

   The measures taken by the Company has resulted in positive impact on energy consumption.

3. **Impact of (1) & (2):** The energy consumption per unit has been satisfactory.

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

	Year ended 31.03.2009	Year ended 31.03.2008
A. Power and fuel consumption		
a) Electricity		
Purchased Units	1,884,854	1,805,315
Total amount (Rs. Lacs)	108.86	93.47
Rate Per Unit (Rs.)	5.78	5.18
b) Own Generation		
Through Diesel Generator		
Units	128,046	142,745
Units per litre	4.15	3.71
Cost per unit (Rs.)	8.36	8.22

B. Consumption per unit of Production

	Standard Unit	Year ended 31.03.2009	Year ended 31.03.2008
Product – Cranes & DG Sets Electricity (in '000)	Nos.	4.63 *	4.31 *

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

FORM B

TECHNOLOGY ABSORPTION

I. Research and Development

1. Specific Areas : Our research and development activities are concentrated in the areas of developing new range of material handling equipment including specialized products for defence requirements, improving existing models and import substitution.
2. Benefits Derived: The Company's continuous efforts on technology adaption and implementation thereof have been driving force in retaining its position as market leader in the material handling industry.
3. Plan of Action: Technology upgradation of existing products and introduction of highly sophisticated material handling equipment are to meet the complex needs of user sectors and will continue as priority.
4. Expenditure on R&D

	Rs. in Lacs
a) Capital Expenditure	-
b) Recurring (Including Market Research and Development)	113.08
c) Total Expenses	113.08
d) Total as % of Turnover	0.13 %

II. Technology Absorption, Adoption & Innovation

1. Efforts made: Improvement of the quality of the product, existing manufacturing facilities and absorbing latest technology in its product range are the focused areas where the Company is pursing as an ongoing process.
2. Benefits: The Company believes that the improved technology and the value addition that is being made to its product range will enhance the quality of its products.
3. Imported Technology: The Company has entered into technology transfer agreement and licensing agreement with world's renowned organizations to derive latest state of the art technology available globally.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

2. Earnings and Outgo: **Rs. in Lacs**

   i) Foreign Exchange Earnings - export sales (FOB), Commission, Dividend, etc. 3,870

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

a)	Raw Material	5,109
b)	Machines (Trading items)	15,987
c)	Components & Spares	2,053
d)	Capital goods	75
e)	Travelling	33
f)	Technical Know-how Fees	6
g)	Commission	3
h)	Royalty	167
i)	Dividend	78

Place : Kolkata
Date : 11th May, 2009.

A. Mazumdar
Chairman

Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENT

The business is organized into three major groups and the revenue % for each of the business divisions are given below:

Material Handling Solutions	22%
Construction and Mining Solutions	57%
Power Systems Solutions	21%

The 11th Five Year Plan had an initial investment outlay for infrastructural development of Rs. 225,00,000 Lacs. Management Consultants McKinsey in their study revised the figure to Rs. 375,00,000 Lacs. The 11th Five Year Plan (2007 – 12) reflects India's commitment towards economic development. India Inc. witnessed an average GDP growth in excess of 8% for the last three years, and in 2009-10 it is being estimated to be around 6.5%, which indicates that the macro economic impact of melt down around the world has not affected India severely. This is mainly due to the overall strength of the domestic demand and a number of stimulus measures injected into the economy by RBI with an objective to boost infrastructure development activities. According to Government of India's projections, all these actions initiated by the Government are expected to bring the economy back on track during the second half of the Financial Year 2009-10.

Infrastructural development is a priority for the Indian Government and it has taken concrete steps to revive this sector through various measures which includes setting up of special corpus of around Rs. 52,40,000 Lacs towards financing of infrastructural projects, authorizing Indian Infrastructure Finance Company Ltd. (IIFCL) to raise Rs. 5,00,00,000 Lacs by issuance of tax free bonds for the construction of highways and ports, liberalization of ECB Policy, allocation of Rs. 12,00,000 Lacs under the Jawaharlal Nehru National Urban Renewal Mission. In addition to this, Rs. 25,00,000 Lacs investment is planned to construct 6 lane roads over 6500 Kms. on National Highways on the Design Build Finance and Operate (DBFO) basis in Golden Quadrilateral and other high traffic stretches. The 11th Five Year Plan has also indicated an investment of Rs. 585,00,000 Lacs in the Power sector. Despite slow down in the economy, the demand for power remains robust and the continuous shortage of power generation will require generator sets for Textile, IT, Real Estate, Auto Ancillary and Petroleum sectors.

In the Construction and Mining sectors, it is estimated that the growth will be around 15-20% for the next year. There will be focus on the rental and used equipments operations in the Construction and Mining segment. Your company has initiated all necessary steps to take full advantage of these emerging opportunities in the infrastructural space of the Country, which will be catered through the current product range alongwith the proposed product range to be introduced in the near future.

SEGMENTWISE PERFORMANCE

Material Handling Solutions (MHS)

MHS has accounted for about 22% of Company's sales during the year 2008-09 and also registered a growth in sales of around 11% compared to previous year. This Division continues to be the market leader and preferred supplier of mobile cranes to India's infrastructure and core sector.

During the year, the Division received major orders from the Mining and Construction sector. The Division also executed bulk orders received from Indian Air force and Bharat Earth Movers Ltd. for supply of mobile cranes and lorry loaders.

The Division embarked upon a cost reduction drive through re-engineering, re-sourcing and product updation programmes. This resulted in enhancing margins for the Division's business.

Global recession and downturn in Container Traffic in Ports across India adversely impacted the Division's export of component to Grove, Germany, as well as Port Equipment sales.

In line with Division's plan to enhance its product offerings, a new agreement has been entered into with NACCO Material Handling Group Inc., USA for 'Hyster' brand of Forklifts and Reach Stackers. This agreement will not only assist the Division in bringing 'State-of-the-art' equipment to Indian market, but will also enable MHS to export critical components and Reach Stackers to overseas market in near future.

MHS, with its product offerings, new tie ups and state of the art technology is well placed to weather the challenging times and maintain its leadership position in the market.

Construction & Mining Solutions (CMS)

CMS accounted for 57% of the Company's revenue and registered a 18% growth during the year under review. The market has witnessed difficult economic conditions which prevailed from September, 2008 onwards.

In terms of Unit sales, 922 Units of Machines were sold with an order backlog of 54 Units valued at Rs.2254 Lacs.

In the Construction sector, the road segment showed some robust growth till September, 2008. The economic slowdown resulted in projects seeing deferment in time schedules. During this period, CMS executed order of 199 Units valued at Rs. 8676 Lacs for customers in the road segment. In terms of mining, further progress was made with the sale of Dumpers in the growing Cement segment valued at Rs.600 Lacs. During the first half of 2008-09, the despatches from Caterpillar were under the managed distribution system. The orders placed with Caterpillar were despatched after a gap of 3 to 4 months. During this period, this led to the situation of having large inventory during the second half of 2008-09, as orders placed on Caterpillar during the second quarter of Financial Year 2008-09 were received by us during the second half of 2008-09 when the slow down in the economy had already crept in. Consequently the inventory increased substantially which led to a steep rise in the financing cost for this division. While many Road Projects have been awarded, but most are on hold pending Bank financing. Bank financing to this sector has witnessed a dramatic drop in the 2nd half of 2008-09.

In the mining sector, coal mining opportunities continue, however metal mining has had a set back because of the low commodity prices.

Despite a setback in the Steel industry, machines like Truck Type Loaders valued at approximately Rs.470 Lacs were sold to an established Steel manufacturer. The rapidly growing Back Hoe Loaders (BHL) market showed the maximum de-growth amongst construction equipment. This was largely due to the credit squeeze, delays in projects and with “first time buyers” who normally form a large segment of buyers being affected with the changed market dynamics. However, the Company continued to invest in this product category with dedicated sales resource and operations through extension of Branches for enhanced market coverage.

Additional focus was given to Rental Business to offer Innovative Equipment Acquisition Option and viable Rental alternative to customers. New business systems and processes were introduced to improve efficiency and customer satisfaction through best practices.

TIL Rental Fleet recorded 100 Units and thereafter surpassed 150 Units for the first time. To improve coverage and be close to the customers, Rental was also promoted from TIL outlets in Dhanbad, Jamshedpur, Kolkata and Ranchi besides dedicated Rental Stores at Asansol, Bhubaneswar, Lucknow, Sahibabad, Chandigarh and Udaipur.

Power Systems Solutions (PSS)

PSS accounted for 21% of revenue earning during the period under review – in terms of Units, 432 engines were sold in this year. In the petroleum segment, the business continued to support the impressive contract with ONGC for supply of CAT-3512 engines, for refurbishing the ONGC Rigs as replacement for old CAT engines. This apart, ONGC reconfirmed its confidence on TIL with the Annual Maintenance and Parts Contacts. Apart from supporting leading construction companies for reliable on-site construction power in difficult areas, TIL has begun supporting the growing business demands of Gas compressor station engines at automobile CNG filling stations.

Given the overall economic environment, it is significant to note that through conscious efforts, the Company has endeavored to broad base its customer profile and seek new opportunities and customers. During the year under review, CMS brought in 377 new customers whilst PSS included 367 new customers in its fold.

OPPORTUNITIES AND THREATS

During the second half of the Financial Year 2008-09, India started witnessing a slow down in the economic growth. Much of the investments that were planned during that time frame have not fructified. Many key projects which were to be financed during the Financial Year 2008-09 have been deferred. It is expected that the investments in the infrastructural industry will materialize and increase significantly with the finalization of the key projects which includes construction of Expressways, Flyovers, Metro railway projects, SEZs and investments in the major Ports, privatization of Mining and upgradation of Metro Airports. There has been a significant slow down in the Real Estate space. The 11th Five Year Plan mentions significant investments in these sectors.

The Company is geared up to avail these emerging opportunities and thereby strengthen the Company's position. The Company has initiated various strategies with focus on products and range expansion, market penetration, enhance manufacturing capacity, operational excellence, focused organization structure, IT and Systems development and Human Resource Development.

In addition to the technical collaboration agreement with the world leaders in the Material Handling space, a few more technical collaboration agreements have further been entered into, which will enable the Company to enhance the business opportunities. The Company remains focused in its objective to pursue the path of profitability and sustainable growth, maximize operational efficiency and strategies to attain the highest standard of quality, safety and productivity.

In 2008-09 the Foreign Exchange fluctuation adversely affected the Company's profitability and the uncertainty in this area continues to exist in 2009-10. In addition to this the economic slow down and the threat of Chinese products in the Country could affect the growth of the business.

RISKS AND CONCERNS

The Company's business involves manufacturing and dealership activities. Any further rise in the cost of inputs will affect the margin and consequently the profits of the Company. There has been deferment of key projects and further delay in the execution of the planned projects mentioned in the 11th Five Year Plan may impact the Company's performance. The Company has framed a Risk Management Policy including mitigation thereof and the same is reviewed by the Board of Directors periodically. Several local and international players have already become active in the space where your Company operates, which has resulted in serious competition in the respective segments. However, the Company is addressing all these concerns in a structured manner and various strategies are in place to overcome this situation.

OUTLOOK

The investment in the infrastructural development activity continues to be the Government of India's priority despite the economic slow down that is being presently faced by all. According to a recent survey by Ernst & Young, India Inc. is confident of weathering the slow down. Also, according to Dr. Pronob Sen, the Country's Chief Statistician, the economy could be back on a high growth trajectory earlier than expected and it is estimated that the GDP growth of 8% can still be achieved in the Financial Year 2009-10.

However, the prevailing degree of uncertainty of the Country's economy is making it extremely difficult for projecting significant growth in the current Financial Year. The Company remains optimistic about its long term growth plan, which will further depend on the timing and the speed of the economic recovery. Since many of the key projects which were to be financed during 2008-09 has been deferred, there is a possibility that such investments will happen during 2009-10. In the midst of this uncertainty the Company intends to continue with the expansion programme of its manufacturing activities in a phased manner.

During this period the Company plans to pursue aggressively the Rental business. The Company has also drawn up strategies for aggressive marketing of its various products and enhancing coverage for the Retail segment with special focus on international miners' foray into the Country. TIL is all set to tap the emerging potential.

The overall outlook of the Company continues to be positive and the Management remains confident to meet the requirements of the infrastructural sectors through its technology intensive product offerings in the areas of mining, construction, earth moving, material handling equipment and power systems.

The key differentiator to capitalize the business opportunities would be the world class service support provided to our customers. To this end, TIL has an extensive and exhaustive programme in place to continuously upgrade and enhance the knowledge capital within TIL.

INTERNAL CONTROLS & THEIR ADEQUACY

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Total income of TIL for the year grew 16% to Rs. 87,579 Lacs from Rs. 75,548 Lacs in 2007-08. PBT for the year stands at Rs. 5,057 Lacs compared to Rs. 5,025 Lacs in the previous year.

EBIDTA for the year is Rs. 8,528 Lacs (i.e. an increase of 8.94%) vis-à-vis Rs. 7,828 Lacs in 2007-08.

On an activity basis, TIL transacted Rs.99,955 Lacs in 2008-09, which is an increase of 12% in comparison to 2007-08.

The consolidated group income for the year stands at Rs. 107,353 Lacs vis-à-vis Rs. 109,594 Lacs in 2007-08. The consolidated PBT is Rs. 6,530 Lacs as against Rs. 6,569 Lacs in the previous year.

KNOWLEDGE RESOURCES

The Company accords high priority to people development and enhancement of knowledge and skill levels for all its employees which continues to remain a focus area. To this direction the Company has institutionalized performance management system, adopting Balanced Scorecard principle where strategy of the organization is cascaded across all levels. Skill development of people have been addressed through various training programmes and workshops. Initiatives have been taken for creation of talent pool through fresh induction and enabling active managerial participation in career progression and succession planning. Several activities have been adopted for enhancing employee engagement and motivation for creating ideal work environment. The focal point of the Knowledge Resource Management has been the implementation of Oracle ERP for the organization including self service HR, which helps in faster information generation and decision making across all levels in the organization. As on 31st March, 2009, your Company's employee strength stood at 1331.

INDUSTRIAL RELATIONS

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

CAUTIONARY STATEMENT

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

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

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

1. Board of Directors

a) The present Board comprises 6 Members of whom 2 are Wholetime Directors and 4 Non-Executive Independent Directors including a Nominee Director of Life Insurance Corporation of India (LIC).

Composition, Category, Directorships and Committee Memberships in other Companies as on 31st March, 2009.

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	-	-	-
Mr. R.L. Gaggar – Director	Non-Executive @	13	-	7
Mr. U. V. Rao – Director	Non-Executive @	5	1	4
Mr. K. S. De – Director (Nominee of LIC){+}	Non-Executive @	-	-	-
Mr. G. Swarup – Director	Non-Executive @	7	-	1

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

* Includes Chairmanship.

@ Also Independent.

{+} LIC being an Equity Investors.

During the financial year ended on 31st March, 2009 five meetings of the Board of Directors were held on 9th May 2008, 29th July 2008, 27th October 2008, 27th January, 2009 and 24th March, 2009.

b) Attendance of Directors at the Board Meetings and Annual General Meeting (AGM) during the year ended 31st March, 2009 :

Name of Directors	No of Board Meetings		Attendance at the last AGM Held on 29th July, 2008
	Held	Attended	
Mr. A. Mazumdar	5	4	Yes
Mr. Sumit Mazumder	5	5	Yes
Mr. R. L. Gaggar	5	5	Yes
Mr. U. V. Rao	5	5	Yes
Mr. K. S. De	5	5	Yes
Mr. G. Swarup	5	4	Yes

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

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

2. Audit Committee

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

b) The Audit Committee comprises four Directors, all being Non-Executive Independent Directors namely Mr. U. V. Rao, Mr. R. L. Gaggar, Mr. K. S. De and Mr G. Swarup. The Vice Chairman & Managing Director, Chief Financial Officer, President – MHS, President – CMS & PSS are permanent invitees and Statutory Auditors and Internal Auditors are invitees. The Company Secretary, Mr. Debashis Nag, is the Secretary to the Audit Committee.

c) Mr. U. V.Rao, Chairman of the Audit Committee attended the AGM held on 29th July, 2008.

i. During the year Audit Committee meetings were held on 9th May 2008, 29th July 2008, 27th October 2008 and 27th January, 2009.

ii. The Annual Financial Statements for the financial year 2007-08 were reviewed by the Audit Committee at its meeting held on 9th May, 2008 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) Composition of the Audit Committee and attendance of the members during the year ended 31st March, 2009:

Name	Status	Meetings held	Meetings attended
Mr. U. V. Rao	Chairman	4	4
Mr. R. L. Gaggar	Member	4	4
Mr. K. S. De	Member	4	4
Mr. G. Swarup	Member	4	4

3. Remuneration Committee

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

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

The Remuneration Committee comprises three Independent Non-Executive Directors namely, Mr. R. L. Gaggar, Mr. U. V. Rao and Mr. K. S. De. Remuneration of Whole-time Directors of the Company largely consists of base remuneration, perquisites and special pay/incentives/commission. The components of the total remuneration vary for different cadres and are governed by industry patterns, qualifications and experience of the incumbent, responsibilities handled by him, individual performance, etc.

During the financial year 2008-09 no meeting of the Remuneration Committee was held.

Remuneration of Directors for the Financial Year Ended 31st March, 2009:

(Rs.'000)

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	3700	1848	1474	10804	-	-
Mr. Sumit Mazumder	3500	1606	1389	10884	-	-
Mr. R. L. Gaggar	-	-	-	600	75	75
Mr. U.V. Rao	-	-	-	600	75	60
Mr. K. S. De *	-	-	-	600	75	60
Mr. G. Swarup	-	-	-	600	60	60

* Payable to LIC as per terms of nomination.

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

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

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

4A. Shareholders'/Investors' Grievance Committee

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

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

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

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

c) During the financial year one meeting of Shareholders'/Investors' Grievance Committee was held on 31st March 2009.

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

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 and approved the transfer of shares lodged with the Company. At the year-end, there was no share pending for transfer.

5. General Body Meetings

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

Financial Year (31st March)	Date	Time	Location
2005-2006	25.07.2006	11.00 a.m.	1, Taratolla Road Garden Reach, Kolkata 700 024
2006-2007	24.07.2007	10.30 a.m.	1, Taratolla Road Garden Reach, Kolkata 700 024
2007-2008	29.07.2008	10.00 a.m.	1, Taratolla Road Garden Reach, Kolkata 700 024

b) Special Resolutions passed at the last 3 (three) AGMs.

Financial Year	Item
2005-2006	i) Appointment of Auditors ii) Alteration of Memorandum of Association & Articles of Association of the Company by Postal Ballot.
2006-2007	Payment of Commission to the Directors of the Company, other than Managing Director and Whole-time Directors, but including Nominee Director.
2007-2008	Nil

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

2007-2008	28.11.2007	10.30 a.m.	1, Taratolla Road Garden Reach, Kolkata 700 024

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

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

e) No Special Resolution was passed during the Financial Year ended 31st March, 2008 through Postal Ballot.

6. Disclosures

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

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

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

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

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

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

7. Subsidiary Companies

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

8. Means of Communication

a) The Company had arranged to publish the quarterly results in the newspapers immediately after they were taken on record by the Board of Directors and had the same displayed on its website www.tilindia.in. The Company did not make any presentation to Institutional Investors or Analysts. The Company's financial results are normally published in the Economic Times/Business

Standard and Aajkal. Pursuant to amended Clause 52 of the Listing Agreement with the Stock Exchanges, the Company is also posting financial results and other shareholders' related information in the Corporate Filing and Dissemination System (CFDS), viz., www.corpfiling.co.in.

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

9. General Shareholder Information

a) **AGM: Date, time and venue**

Forthcoming Annual General Meeting will be held on 28th July, 2009 at 10:00 A.M. at the Company's registered office at 1, Taratolla Road, Garden Reach, Kolkata 700024.

b) **Financial Calendar (Tentative)**

Financial Reporting for the year ended 31st March, 2009	May, 2009
Mailing of Annual Reports for 2008-2009	June, 2009
Financial Reporting for the quarter ending 30th June, 2009	July, 2009
Limited Review Report for the quarter ending 30th June, 2009	July, 2009
Financial Reporting for the quarter /half year ending 30th September, 2009.	October, 2009
Limited Review Report for the half year ending 30th September, 2009	October, 2009
Financial Reporting for the quarter ending 31st December, 2009	January, 2010
Limited Review Report for quarter ending 31st December, 2009	January, 2010
Financial Reporting for the year ending 31st March, 2010	May, 2010

c) **Date of Book closure**

The Share Transfer Books and Register of Members will remain closed from 22nd July, 2009 to 28th July, 2009, both days inclusive.

d) **Dividend Payment date**

On or about 5th August, 2009.

e) **Listing on Stock Exchanges**

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

Listing fees for the year 2009-10 have been paid to the Stock Exchanges.

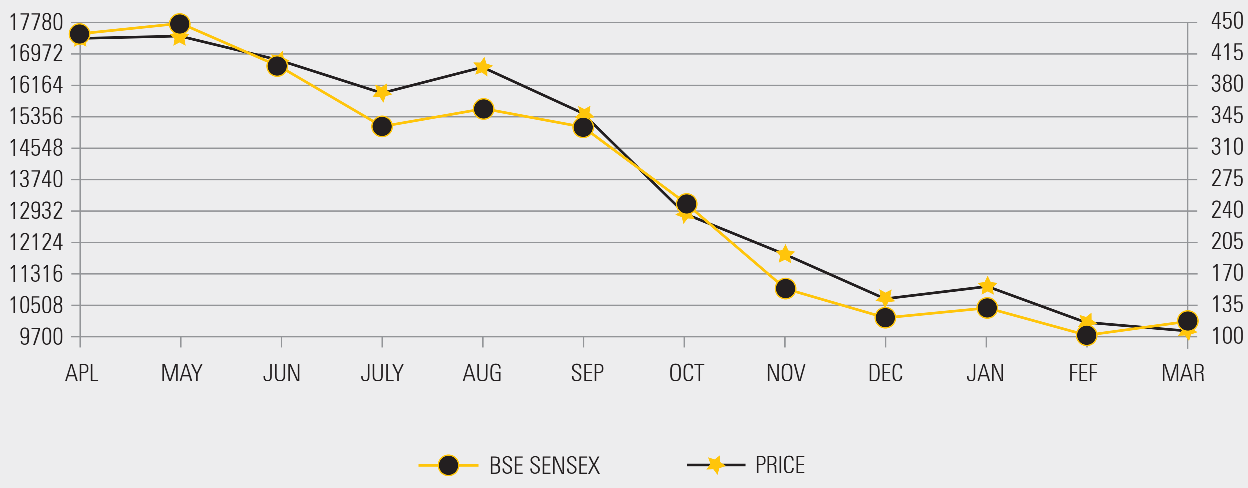
The International Security Identification Number (ISIN) is INE806C01018.

f) **Market Price Data**

Months	Bombay Stock Exchange Limited* Market Price (Rs.)	
	High	Low
April 2008	433.30	365.60
May 2008	435.00	381.00
June 2008	408.90	340.00
July 2008	373.85	296.00
August 2008	399.80	330.00
September 2008	351.00	205.00
October 2008	239.00	126.00
November 2008	193.00	127.50
December 2008	141.95	112.75
January 2009	157.00	97.00
February 2009	117.35	83.00
March 2009	107.80	69.90

* Where Equity Shares of the Company are regularly traded.

Sensex Vs Shareprice (Apl '08 - Mar '09)



g) **Registrar and Share Transfer Agents**

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

C.B. Management Services (P) Ltd.,
P-22, Bondel Road, Kolkata 700 019

Telephone Numbers	:	033 4011 6700, 4011 6711, 4011 6718
Fax Number	:	033 4011 6723
E-Mail	:	rta@cbmsl.com

h) **Share Transfer system**

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

i) **Shareholding Pattern as on 31st March, 2009**

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Share pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a Percentage
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals/ Hindu Undivided Family	4	757647	713447	7.55	7.55	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	8	2416628	2151493	24.09	24.09	-	-
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-	-
	Sub Total(A)(1)	12	3174275	3864940	31.64	31.64	-	-
2	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	1	1930828	-	19.25	19.25	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Others(Specify)	-	-	-	-	-	-	-
	Sub Total(A)(2)	1	1930828	-	19.25	19.25	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	13	5105103	2864940	50.89	50.89	-	-

Cate-gory code	Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in demateria-lized form	Total shareholding as a percentage of total number of shares		Share pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a Percentage
(B)	**Public shareholding**							
1.	**Institutions**							
(a)	Mutual Funds/ UTI	4	538236	537151	5.37	5.37	-	-
(b)	Financial Institutions / Banks	9	2503	1562	0.03	0.03	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	5	2114879	2114879	21.08	21.08	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	18	2655618	2653592	26.48	26.48	-	-
2.	**Non-institutions**							
(a)	Bodies Corporate	221	483976	480433	4.83	4.83	-	-
(b)	Individuals							
(i)	Individual shareholders holding nominal share capital up to Rs 1 lac	5328	1349850	986996	13.46	13.46	-	-
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lac.	16	348416	333416	3.47	3.47	-	-
(c)	Any Other (specify)							
(i)	Non-Resident	98	60636	45060	0.60	0.60	-	-
(ii)	Clearing Member	38	24766	24766	0.25	0.25	-	-
(iii)	Trust	5	1900	1900	0.02	0.02	-	-
	Sub-Total (B)(2)	5706	2269544	1872571	22.63	22.63	-	-
	Total Public Shareholding (B)= (B)(1)+(B)(2)	5724	4925162	4526163	49.11	49.11	-	-
	TOTAL (A)+(B)	5737	10030265	7391103	100.00	100.00	-	-
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**5737**	**10030265**	**7391103**	**100.00**	**100.00**	**-**	**-**

j) Distribution of shareholding as on 31st March, 2009.

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1-500	5071	88.39	556131	5.54
501-1000	332	5.79	258730	2.58
1001-2000	155	2.70	232461	2.32
2001-3000	56	0.98	141015	1.41
3001-4000	36	0.63	128610	1.28
4001-5000	12	0.21	54648	0.54
5001-10000	30	0.52	227688	2.27
10001 & above	45	0.78	8430982	84.06
Total	**5737**	**100.00**	**10030265**	**100.00**

k) Dematerialisation of Shares and Liquidity

The Company has entered into agreements with NSDL and CDSL whereby shareholders have an option to dematerialize the shares with either of the Depositories. As on 31st March, 2009 Company's total shares representing 7391103 shares (73.68%) were held in dematerialized form out of which 7025606 shares (70.04%) were held in NSDL and 365497 shares (3.64%) in CDSL. The balance 2639162 shares representing 26.32% were in paper form.

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

Pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 read with Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000 on Preferential Issue and provisions of the Listing Agreements, the Company issued and allotted 29,93,842 warrants of Rs. 10/- each with a premium of Rs. 316/- convertible into equity shares of Rs. 10/- each within eighteen months from the date of allotment, in terms of the special resolution passed at the Extra-ordinary General Meeting of the Shareholders held on November 28, 2007. The said warrants were allotted to the allottees by the Board on December 28, 2007. During the financial year 2007-08, four allottees exercised their option and converted 300,135 warrants into fully paid equity shares of Rs. 10/-. With the allotment of 3,00,135 equity shares, the paid-up share capital of the Company is Rs. 100,302,650/- divided into 100,30,265 Equity Shares of Rs. 10/- each.

m) Plant Locations

Kamarhatty – 517, B.T. Road, Kolkata 700 058, West Bengal.

Sahibabad – Plot No.11, Site-4, Sahibabad Industrial Area, Ghaziabad 201 010, Uttar Pradesh.

n) Address for correspondence

Registered Office:
1, Taratolla Road, Garden Reach, Kolkata 700 024
Phone Nos. (033) 2469-3732/36 (5 lines)
Fax Nos. (033) 2469-2143/2469-3731
Email – secretarial.department@tilindia.com
Website: www.tilindia.in

10. Code of Conduct

A Code of Conduct for the Board of Directors and Senior Managers has been formulated and adopted by the Board of Directors in the Meeting held on 15th March, 2005. The Code of Conduct, as approved by the Board, is also posted on the Website of the Company. A declaration by the Vice Chairman & Managing Director (CEO) stating that all Board Members and Senior Management Personnel have complied with the Code of Conduct for the Financial Year ended 31st March, 2009 forms part of the Annual Report.

11. CEO and CFO Certification

As per Clause 49(V) of the Listing Agreement, a certificate duly signed by the Vice Chairman & Managing Director and CFO, in respect of the financial year ended 31st March, 2009 has been placed before the Board in the Meeting held on 11th May, 2009.

12. Non-Mandatory Requirements

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

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

b) Remuneration Committee

The Company has a Remuneration Committee in place. For details regarding composition and scope of Remuneration Committee, please refer to Item no. 3.

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

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

d) Audit Qualifications

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

e) Training of Board Members

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

f) Mechanism for evaluating Non-Executive Board Members

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

g) Whistle Blower Policy

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

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

For and on behalf of the Board of Directors

Place : Kolkata
Date : 11th May, 2009.

A. Mazumdar
Chairman

Certificate of Compliance

of the Code of Conduct of the Company

This is to confirm that a Code of Conduct for the Board Members and Senior Management Personnel of the Company has been adopted by the Company. The Code of Conduct as adopted by the Board was also circulated and posted on the Website of the Company. The Company received declarations affirming compliance of the Code from the Directors and Senior Managers of the Company for the Financial Year ended 31st March, 2009. The same has also been noted by the Board in its Meeting held on 11th May, 2009.

TIL LIMITED

Place : Kolkata
Date : 11th May, 2009.

S. Mazumder
Vice Chairman & Managing Director

Auditors' Certificate

regarding Compliance of Conditions of Corporate Governance

To The Members of TIL Limited

We have examined the compliance of conditions of Corporate Governance by TIL Limited, for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

S.K. Deb
Partner
Membership No. 13390
For and behalf of
Price Waterhouse
Chartered Accountants

Place : Kolkata
Date : 11th May, 2009

Ten Years

Financial Highlights

(Rs. in '000)

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

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

Auditors' Report
to the Members of TIL LIMITED

1. We have audited the attached Balance Sheet of TIL Limited as at 31st March, 2009, the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, all of which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in paragraph 3 above, we report that:
   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Act;
   e) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub – section (1) of Section 274 of the Act;
   f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India :
      i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
      ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
      iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

S.K.Deb
Partner
Membership Number – 13390
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Kolkata
Date : 11th May, 2009.

Annexure to Auditors' Report

Annexure referred to in paragraph 3 of the report of even date of the auditors to the members of TIL LIMITED on the financial statements for the year ended 31st March, 2009

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

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

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

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

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

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

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

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

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

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

7. In our opinion, the Company's present internal audit system (firm of chartered accountants has been appointed for the purpose) as conducted in a phased manner is commensurate with its size and nature of business.

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

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

   (b) According to the information and explanations given to us and the records of the Company examined by us, as at 31st March, 2009, there were no dues in respect of Customs Duty, Wealth Tax and Cess which have not been deposited on account of dispute other than certain disputed dues of Income Tax, Sales Tax, Service Tax and Excise Duty in respect of which amounts involved and the forum at which dispute is pending are set out below:

Name of the Statute	Nature of Dues	Amount (Rs. in lacs) [net of payments]	Forum where dispute is pending
The Central Sales Tax Act, 1956	Sales Tax dues for the year 2003-04.	9.86	The Joint Commissioner (Appeals), Ghaziabad, Uttar Pradesh.
The Uttar Pradesh Trade Tax Act, 1948	Entry Tax dues for the financial year 2004-05.	6.42	The Joint Commissioner (Appeals), Ghaziabad, Uttar Pradesh.

Name of the Statute	Nature of Dues	Amount (Rs. in lacs) [net of payments]	Forum where dispute is pending
The Central Sales Tax Act, 1956	Sales Tax dues for the year 2004-05.	11.80	The Joint Commissioner (Appeals), Ghaziabad, Uttar Pradesh.
The Uttar Pradesh Value Added Tax Act, 2008	Entry Tax dues for the financial year 2008-09.	12.38	The Joint Commissioner (Appeals) / The Deputy Commissioner (Appeals), Ghaziabad, Uttar Pradesh.
The Income tax Act, 1961	Income tax dues for the assessment year 2004-05	10.00	Commissioner of Income-tax (Appeals)
The Income tax Act, 1961	Income tax dues for the assessment year 2006-07	10.28	Commissioner of Income-tax (Appeals).
The Central Excise Act, 1944	Excise valuation disputes for the financial year 2002-03.	18.57	Customs, Excise and Service Tax Appellate Tribunal, Chennai.
The Central Excise Act, 1944	Clearance of Excise exempted goods in the financial year 2003-04.	66.50	Customs, Excise and Service Tax Appellate Tribunal, Kolkata.
The Central Excise Act, 1944	Dispute regarding duty exemption certificate produced by a customer.	9.54	Commissioner (Appeals) Kolkata
Finance Act, 1994	Service Tax dues for the period August 2004 to July 2007	104.42	Customs, Excise and Service Tax Appellate Tribunal, New Delhi.
Finance Act, 1994	Service Tax dues for the period October 2006 to January 2008	6.60	The Commisioner of Central Excise, Jaipur.

10. The Company has no accumulated losses as at 31st March, 2009, and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions, are not prejudicial to the interest of the Company.
16. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year and accordingly, the question of creation of security or charges in this respect does not arise.
20. The Company has not recently raised any money by public issue.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

S.K.Deb
Partner
Membership Number – 13390
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : Kolkata
Date : 11th May, 2009.

Balance Sheet

as at 31st March, 2009

(Rs. in '000)

	Schedule	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	A	100,303	100,303
(b) Equity Warrants (Note 27.1 on Schedule 'O')		87,815	87,815
(c) Reserves and Surplus	B	1,397,943	1,123,720
		1,586,061	**1,311,838**
2. Loan Funds	C		
(a) Secured Loans		685,125	662,498
(b) Unsecured Loans		449,165	125,063
		1,134,290	**787,561**
3. Deferred Tax Liabilitiy (Net)		30,946	33,450
Total		**2,751,297**	**2,132,849**
APPLICATIONS OF FUNDS			
1. Fixed Assets	E		
(a) Gross Block		1,609,642	1,411,669
(b) Less : Depreciation		688,940	578,655
(c) Net Block		**920,702**	**833,014**
(d) Capital Work-in-Progress		187,334	105,783
		1,108,036	**938,797**
2. Investments	F	**74,866**	**74,866**
3. Current Assets, Loans and Advances			
(a) Inventories	G	1,462,172	1,344,579
(b) Sundry Debtors	H	1,071,452	997,539
(c) Cash and Bank Balances	I	2,954	2,185
(d) Other Current Assets	J	173,820	149,370
(e) Loans and Advances	K	621,859	460,441
		3,332,257	**2,954,114**
Less : Current Liabilities and Provisions	D		
(a) Liabilities		1,115,711	1,372,416
(b) Provisions		648,151	462,512
		1,763,862	**1,834,928**
Net Current Assets		1,568,395	1,119,186
Total		**2,751,297**	**2,132,849**
Notes	O		

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

For and on behalf of Board of Directors

A. Mazumdar	Sumit Mazumder	Debashis Nag
Chairman	Vice Chairman & Managing Director	Company Secretary

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

S.K.Deb
Partner
Membership No. - 13390
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Place : Kolkata
Date : 11th May, 2009.

Profit & Loss Account

for the year ended 31st March, 2009

	Schedule	Year Ended 31.03.2009	(Rs. in '000) Year Ended 31.03.2008
INCOME			
Sales and Services (Gross) (Note 14.1 on Schedule 'O')		8,327,483	7,175,289
Less : Excise Duty (Note 14.2 on Schedule 'O')		231,426	258,037
Sales and Services (Net)		**8,096,057**	**6,917,252**
Selling Commission Earned		197,805	167,662
Rental from Machinery		130,528	101,795
Other Income	L	102,100	110,138
		8,526,490	**7,296,847**
EXPENDITURE			
Cost of Materials and Direct Manufacturing Expenses	M	6,364,082	5,596,383
Expenses	N	1,309,623	917,543
		7,673,705	**6,513,926**
Interest on :			
Fixed Loans		56,260	57,513
Others		147,618	108,830
		203,878	**166,343**
Depreciation and Amortisation		144,748	115,590
Less : Transfer from Revaluation Reserve (Note 3 on Schedule 'O')		1,545	1,545
		143,203	**114,045**
PROFIT BEFORE TAXATION		**505,704**	**502,533**
Less : Provision for Taxation :			
Current Tax		176,500	155,850
Deferred Tax Charge/(Credit)		(2,504)	16,950
Fringe Benefit Tax		9,000	7,300
		182,996	**180,100**
PROFIT AFTER TAXATION		**322,708**	**322,433**
Add : Balance of Profit and Loss Account brought forward from previous year		679,989	468,983
BALANCE AVAILABLE FOR APPROPRIATIONS		**1,002,697**	**791,416**
APPROPRIATIONS			
General Reserve		32,271	64,487
Proposed Dividend :			
Equity Shares		40,121	40,121
Tax on Dividend		6,819	6,819
Balance Carried Forward		923,486	679,989
		1,002,697	**791,416**
Earnings Per Share - (Note 5 on Schedule 'O')			
Basic (Rs)		32.17	33.12
Diluted (Rs)		32.17	32.28
Notes	O		

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

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

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

S.K.Deb
Partner
Membership No. - 13390
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Place : Kolkata
Date : 11th May, 2009.

Schedules

forming part of the Balance Sheet

	As at 31.03.2009	(Rs. in '000) As at 31.03.2008
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised		
20,000,000 Equity Shares of Rs 10/- each	200,000	200,000
	200,000	**200,000**
Issued, Subscribed and Paid up		
10,030,265 Equity Shares of Rs 10/- each fully paid up (Note below)	100,303	100,303
Total	**100,303**	**100,303**

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

	As per last Account	Additions	Deductions	(Rs. in '000) As at 31.03.2009
SCHEDULE 'B'				
RESERVES AND SURPLUS				
Capital Reserve	19	-	-	19
Capital Redemption Reserve	40,005	-	-	40,005
Securities Premium Account	193,377	-	-	193,377
Revaluation Reserve (Note 3 on Schedule 'O')	73,535	-	1,545	71,990
Amalgamation Reserve	2,045	-	-	2,045
Development Rebate Reserve	84	-	-	84
General Reserve	134,666	32,271	-	166,937
	443,731	**32,271**	**1,545**	**474,457**
Profit and Loss Account	679,989			923,486
Total	**1,123,720**			**1,397,943**

	As at 31.03.2009	(Rs. in '000) As at 31.03.2008
SCHEDULE 'C'		
LOAN FUNDS		
(a) Secured Loans		
Cash Credit / Working Capital Demand Loans		
From Banks	341,396	454,258
[Secured by hypothecation of stocks, book debts and all movable properties of the Company (except items of capital nature such as Plant and Machinery) both present and future by way of first charge ranking pari passu under a joint letter of Hypothecation amongst the Company's bankers and by second charge on the movable properties (items of capital nature such as Plant and Machinery) and immovable properties of the Company.]		
Interest accrued and due	243	830
Term Loans		
From Banks (Due within one year 63,796)	343,486	207,410
[Secured by equitable mortgage on the Company's immovable properties and by first charge on all moveable properties of the Company, both present and future and subject to prior charges created in favour of Banks for Cash Credit facilities.]		
Total	**685,125**	**662,498**
(b) Unsecured Loans		
From Banks (Due within one year 449,065)	449,165	125,063
Total	**449,165**	**125,063**

		(Rs. in '000)
	As at 31.03.2009	As at 31.03.2008
SCHEDULE 'D'		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities :		
Sundry Creditors (Note 11 on Schedule 'O')	653,470	727,035
Advance from Customers and others	137,858	244,716
Investor Education and Protection Fund (the Fund) shall be credited by the following amount :		
Unclaimed/Unpaid Dividends @	849	664
Unclaimed/Unpaid Matured Deposits @	30	40
Security Deposit from Customers	15,985	16,799
Other Liabilities	301,153	382,939
Interest accrued but not due on Loans	6,366	223
	1,115,711	**1,372,416**
Provisions for :		
Accrued Leave Encashment Benefit for employees	22,393	22,414
Provision for Taxation [Includes Fringe Benefit Tax 31,950 (Previous year 22,950)]	578,818	393,158
Proposed Dividend :		
On Equity Shares	40,121	40,121
Tax on Dividend	6,819	6,819
	648,151	**462,512**
Total	**1,763,862**	**1,834,928**

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

Schedules

forming part of the Balance Sheet

(Rs. in '000)

	Cost / Valuation as at 31.03.2008	Additions/ Adjustment during the year	Sales/ Adjustment etc during the year	Total Cost / Valuation as at 31.03.2009	Depreciation Provided up to 31.03.2008	Depreciation Provided during the year	Depreciation on Sales/ Adjustment etc during the year	Depreciation Provided up to 31.03.2009	Net Value of Assets as at 31.03.2009	Net Value of Assets as at 31.03.2008
SCHEDULE 'E'										
FIXED ASSETS										
Tangible Assets										
Freehold Land	39,543	-	-	39,543	-	-	-	-	39,543	39,543
Leasehold Land	45,112	-	-	45,112	4,233	908	-	5,141	39,971	40,879
Buildings :										
Leasehold	67,263	12,028	-	79,291	19,987	1,386	-	21,373	57,918	47,276
Freehold	102,011	903	-	102,914	39,413	2,623	-	42,036	60,878	62,598
Plant and Machinery [Note 10.2 on Schedule 'O']	939,135	222,050	52,489	1,108,696	374,883	121,626	32,754	463,755	644,941	564,252
Tubewell	671	-	-	671	329	9	-	338	333	342
Furniture and Equipment	94,176	11,626	9	105,793	41,953	10,383	6	52,330	53,463	52,223
Cycle and Motor Vehicles	29,564	6,520	2,656	33,428	11,790	2,836	1,703	12,923	20,505	17,774
Sub total	**1,317,475**	**253,127**	**55,154**	**1,515,448**	**492,588**	**139,771**	**34,463**	**597,896**	**917,552**	**824,887**
Intangible Assets (acquired items)										
Technical Know-how [Note 12 on Schedule 'O']	84,194	-	-	84,194	77,734	3,310	-	81,044	3,150	6,460
Software	10,000	-	-	10,000	8,333	1,667	-	10,000	-	1,667
Sub total	94,194	-	-	94,194	86,067	4,977	-	91,044	3,150	8,127
Total	**1,411,669**	**253,127**	**55,154**	**1,609,642**	**578,655**	**144,748**	**34,463**	**688,940**	**920,702**	**833,014**
Previous year	1,233,473	278,438	100,242	1,411,669	502,996	115,590	39,931	578,655		
Capital Work-in-Progress									187,334*	105,783*
Grand total									**1,108,036**	**938,797**

* Includes expenditure on New Project 110,243 (Previous year 90,007)

(Rs. in '000)

Name	Particulars	Numbers As at 31.03.2009	Value As at 31.03.2009	Numbers As at 31.03.2008	Value As at 31.03.2008
SCHEDULE 'F'					
INVESTMENTS - LONG TERM - AT COST					
Trade - Unquoted :					
Subsidiary :					
Myanmar Tractors Limited	Shares of Kyats 1000/- each fully paid (equivalent to US$ 168.55 each)	19,714	41,625	19,714	41,625
Tractors Nepal Private Limited	Shares of Nepalese Rupees 100/- each fully paid	36,800	2,300	36,800	2,300
TIL Overseas Pte Limited	Shares of Singapore $10 each fully paid	107,577	30,222	107,577	30,222
Other than Trade :					
Quoted :					
Eveready Industries India Limited	Shares of Rs 5/- each fully paid	1,266	180	1,266	180
Mcleod Russel India Limited	Shares of Rs 5/- each fully paid	1,266	181	1,266	181
Bank of India	Shares of Rs 10/- each fully paid	7,900	356	7,900	356
Unquoted :					
Woodlands Nursing Home and Research Centre Limited	1/2 % Debentures of Rs 100/- each fully paid	20	2	20	2
Gulshan Villa Premises Co-operative Society Limited	Shares of Rs 50/- each fully paid (Rs 500/-)	10		10	
Total			**74,866**		**74,866**
Aggregate book value of investments					
Quoted			717		717
Unquoted			74,149		74,149
Total			**74,866**		**74,866**
Aggregate market value of quoted investments			1,841		2,131

(Rs. in '000)

	As at 31.03.2009	As at 31.03.2008
SCHEDULE 'G'		
INVENTORIES (Refer Note 2.5 on Schedule 'O')		
Stores - at or under cost	8,559	7,307
Loose tools - at or under cost	19,005	25,029
Raw Materials -at lower of cost and net realisable value [including in Transit 7,785 (Previous year 106,001)]	374,993	505,574
Stock-in-Trade-at lower of cost and net realisable value	960,267	711,000
Work-in-Progress-at lower of cost and net realisable value	99,348	95,669
Total	**1,462,172**	**1,344,579**
SCHEDULE 'H'		
SUNDRY DEBTORS (Unsecured - Considered Good)		
Debts outstanding for more than six months	128,792	82,068
Other Debts	942,660	915,471
Total	**1,071,452**	**997,539**

Schedules

forming part of the Balance Sheet

		(Rs. in '000)
	As at 31.03.2009	As at 31.03.2008
SCHEDULE 'I'		
CASH AND BANK BALANCES		
Cash in hand	297	412
Balance with Scheduled Banks		
On Current Accounts	1,488	285
On Dividend Accounts	849	664
On Fixed Deposit (Margin Money against Letters of Credit / Bank Guarantees)	184	780
Remittance-in-Transit	136	44
Total	**2,954**	**2,185**
SCHEDULE 'J'		
OTHER CURRENT ASSETS (Unsecured-Considered Good)		
Interest accrued on Fixed Deposits	-	13
Claims Receivable [including 843 (Previous year 11,216) with Custom, Excise, Port Trust Authorities]	122,246	91,785
Accrued duty benefits pertaining to Exports / Deemed Exports	21,515	32,375
Deposits [including 977 (Previous year 779) with Custom, Excise, Port Trust Authorities]	30,059	25,197
Total	**173,820**	**149,370**
SCHEDULE 'K'		
LOANS AND ADVANCES (Unsecured-Considered Good)		
Advances recoverable in cash or in kind or for value to be received	54,300	39,512
Advance Income Tax (Including Tax deducted at source) [Includes Fringe Benefit Tax 31,119 (Previous year 22,567)]	567,559	420,929
Total	**621,859**	**460,441**

Schedules
forming part of the Profit and Loss Account

(Rs. in '000)

	Year Ended 31.03.2009	Year Ended 31.03.2008
SCHEDULE 'L'		
OTHER INCOME		
Technical and Other Fees	66,387	35,655
Sale of Scraps	10,653	9,961
Income from Long Term Investments - Dividends [Gross - Tax deducted at source Nil (Previous Year Nil)]		
a) Investments in Subsidiary Companies (Trade Investments)	1,150	16,408
b) Other Investments	33	13
Profit on Sale of Assets (Net)	5,981	22,960
Interest [Gross - Tax deducted at source Nil (Previous Year Nil)]		
a) On Income Tax Refunds	2,267	-
b) On deposit with Banks and Others	367	206
Bad Debts Recovery	5,162	5,585
Discounts	3,575	10,258
Miscellaneous Income	6,525	9,092
Total	**102,100**	**110,138**
SCHEDULE 'M'		
COST OF MATERIALS AND DIRECT MANUFACTURING EXPENSES		
Opening Stock		
Raw Materials -		
in Hand	399,573	379,001
in Transit	106,001	71,831
Stock in Trade	711,000	389,229
	1,216,574	**840,061**
Add : Purchases * [Note 15 on Schedule 'O']	6,398,481**	5,916,315**
	7,615,055	**6,756,376**
Less : Closing Stock		
Raw Materials -		
in Hand	367,208	399,573
in Transit	7,785	106,001
Stock in Trade	960,267	711,000
	1,335,260	**1,216,574**
	6,279,795	**5,539,802**
Add : Work-in-Progress on 01.04.2008	95,669	83,827
	6,375,464	**5,623,629**
Less : Work-in-Progress on 31.03.2009	99,348	95,669
	6,276,116	**5,527,960**
Less : Capitalised	13,953	19,209
	6,262,163	**5,508,751**
Direct Wages	13,588	14,257
Incentive Payments	15,951	10,616
Consumption of Stores	38,462	31,709
Contribution to Employees' State Insurance	210	545
Carriage Inward	33,708	30,505
Total	**6,364,082**	**5,596,383**

*Including (Gain)/Loss on foreign exchange (net) (4,267) [Previous year (4,810)]
**Purchases are net of 2,700 (Previous year 4,600) on account of accrued duty benefit pertaining to Exports/ Deemed Exports.

Schedules

forming part of the Profit and Loss Account

(Rs. in '000)

	Year Ended 31.03.2009	Year Ended 31.03.2008
SCHEDULE 'N'		
EXPENSES		
Salaries, Wages, Bonus etc	519,116	379,323
Contribution to Provident and other Funds	73,938	40,315
Staff Welfare Expenses	17,602	15,372
Rent (Net)	22,686	15,352
Rates and Taxes	14,620	14,899
Bank Charges	38,894	30,760
Insurance	17,487	14,754
Repairs and Maintenance :		
Buildings	15,015	12,718
Plant and Machinery	30,093	23,013
Other Assets	9,598	10,250
	54,706	**45,981**
Travelling Expenses	116,524	102,280
Stationery and Printing	10,975	9,639
Postage,Telephone and other Communication Expenses	20,304	17,010
Advertisement	5,671	10,343
Gas and Electricity	19,650	17,165
Commission	25,991	14,039
Miscellaneous Expenses (Note 16.1 on Schedule 'O')	203,265	68,220
Forwarding Charges (Net)	24,606	19,122
Royalties	18,300	18,606
Medical Expenses	11,958	8,238
Professional Fees (Note 16.2 on Schedule 'O')	21,727	15,604
Motor Car and Van Expenses	8,896	8,770
Service Support Expenses	47,668	25,233
Debts/Advances/Claims written off	15,039	26,518
Total	**1,309,623**	**917,543**

(All Figures in Rs. '000)

SCHEDULE 'O'

NOTES

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

2. **SIGNIFICANT ACCOUNTING POLICIES**

2.1 Sales

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

2.2 Fixed Assets

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

Software are capitalised where it is expected to provide future enduring economic benefit. Capitalisation costs 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 is recognised wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount i.e. net selling price or value in use, whichever is higher.

2.3 Depreciation

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

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

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

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

(d) Technical Know-how fees are amortised under straight line method over total useful lives (5,10 or 15 years), as estimated by the Management.

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

2.4 Investments

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

2.5 Inventories

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

Loose Tools acquired prior to 1st September,2008 are written off over a period up to 5 years, after retaining 10% residual value. Loose Tools acquired after 1st September,2008 are charged off (also refer Note 17 below).

2.6 Taxation

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

2.7 Employee Benefits

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 Trusts administered by the Company and such Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the

(All Figures in Rs. '000)

'O' Notes (Contd.)

Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act,1952 and shortfall, if any, on account of interest, is made good by the Company. (Also refer note 19.2 below)

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

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 and Superannuation for eligible employees are (being defined benefit plans) made on the basis of year-end actuarial valuation.

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

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

2.8 Research and Development

Revenue expenditure on research and development is charged in the year in which it is incurred.

2.9 Foreign Currency Transactions

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

2.10 Borrowing Cost

Borrowing Cost 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.

2.11 Leases

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

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

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

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

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

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

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

(All Figures in Rs. '000)

'O' Notes (Contd.)

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

			Year Ended 31.03.2009	Year Ended 31.03.2008
	Profit after Tax attributable to the Equity Shareholders	**A**	**322,708**	**322,433**
5.1.	**Basic**			
i.	Number of Equity Shares at the beginning of the year		10,030,265	9,730,130
ii.	Number of Equity Shares issued during the year		-	300,135
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	9,735,064
v.	Nominal Value of Equity Shares		Rs. 10/-	Rs. 10/-
	Basic Earnings per Share (Rs.)	**A/B**	**32.17**	**33.12**
5.2.	**Diluted**			
i.	Number of Potential Equity Shares at the beginning of the year		2,693,707	-
ii.	Number of Potential Equity Shares issued during the year		-	2,993,842
iii.	Number of Potential Equity Shares converted during the year		-	300,135
iv.	Number of Potential Equity Shares at the end of the year		2,693,707	2,693,707
v.	Dilutive potential equity shares at the end of the year determined after taking into consideration the fair value and the issue price per share		*	253,606
vi.	Weighted average number of Diluted Potential Equity Shares outstanding during the year		*	253,606
vii.	Weighted average number of Equity Shares considered for computation of Diluted Earnings per share [5.1.(iv) + 5.2(vi)]	**C**	*	9,988,670
	Diluted Earnings per Share (Rs.)	**A/C**	*****	**32.28**

* In view of the average market price of Equity Shares of the company being less than the applicable conversion price, the conversion option embedded in the 2,693,707 Convertible Equity Warrants allotted to the Promoter Group and certain other Companies / entities / persons on 28th December, 2007 is considered as anti-dilutive and accordingly not considered for computation of diluted earnings per share as per Accounting Standard 20 "Earnings Per Share". Diluted Earnings per share has been considerd as equal to Basic Earnings per share ie Rs.32.17.

6. **Contingent Liabilities in respect of -**

		As at 31.03.2009	As at 31.03.2008
6.1	Sales Tax Matters under dispute (Net of 300 paid)	4,046	2,467
6.2	Income Tax Matters under dispute *Excludes disputed Income Tax matters, in view of favourable Tribunal decision in similar case.	2028*	1000 *
6.3	Excise Duty matters under dispute (Net of 11,455 paid)	20,563	9,461

7.

7.1	Bank Guarantees outstanding	361,545	407,029
7.2	Corporate Guarantee given on behalf of an Overseas Subsidiary		
	Limit	307,380	240,420
	Amount outstanding at year-end	Nil	Nil

8.

Capital Commitment	57,960	2,303

9. Based on legal proceedings initiated by the Employees' Union / Association and the interim order of Calcutta High Court dated 22nd December, 2006 and 18th April, 2007 restraining the Company from making any contribution / deduction towards Employees' State Insurance in respect of its Kamarhatty (with effect from October, 2006) and Taratolla (with effect from March, 2007) units, in respect of employees whose monthly salaries (i.e.basic, dearness allowance and overtime) are between Rs. 7,501 and Rs. 10,000, no contributions / deductions have been made and deposited with the appropriate authorities.The related amounts involved till date being (Employer's) 568 (Previous Year 376) and (Employees') 209 (Previous Year 138).

(All Figures in Rs. '000)

'O' Notes (Contd.)

10. 10.1 The Company has taken various residential / commercial premises under cancellable operating lease. Leases range for periods between 3 to 5 years. Terms of the lease include operating term for renewal, increase in rent for future periods, terms of cancellation etc. The operating lease payments for the year amount to 11,811 (Previous Year 12,063).

10.2 The Company has given various Plant and Machinery (namely Diesel Generating Sets, Machines etc.) under cancellable operating leases. Leases range for periods between 6 months to 3 years. Terms of lease include terms for renewal, cancellation etc. Initial Direct costs (commissioning, installation etc.) for such assets are borne by the lessee, other than transportation cost, which is borne by the Company and charged off to revenue. Lease rentals recognised as income during the year 130,528 (Previous Year 101,795). Other details for such Plant and Machinery are as below.

Gross value		Accumulated Depreciation		Depreciation	
As at 31.03.2009	As at 31.03.2008	As at 31.03.2009	As at 31.03.2008	Year Ended 31.03.2009	Year Ended 31.03.2008
442,511	361,874	106,939	81,629	55,371	43,571

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

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

13. The Company has entered into certain long-term composite maintenance contracts with a party which entails, inter alia, supply of spare parts. The billing/payment schedule is time phased. Pending supply of spare parts, related amount of 9,519 (Previous Year 58,231) billed during the year as per the payment schedule of the aforesaid contract, has been considered as liability and the related sales will be recognised on supply of spares, as and when required, under the said contracts, in future in keeping with the accounting policies set out in Note 2.1 above. During the year an amount of 11,629 has been released from the accumulated liabillites in this regard on a prudent basis and adjusted against related contractual dues.

14. 14.1 Sales-others [Note 23.2(g) on Schedule 'O'] include Service Income 161,467 (Previous Year 119,272).

14.2 Excise Duty is net of 15,185 (Previous Year 31,488) on account of accrued duty benefit for the year pertaining to Export/Deemed Exports.

		Year Ended 31.03.2009	Year Ended 31.03.2008
15.	Purchases for the year includes :		
	a) Marine Insurance Charges	2,292	1,544
	b) Raw materials purchased	1,570,552	1,453,799
	Excludes :		
	Items being recoverable other than through Sales	89,695	108,507

16.	16.1	Miscellaneous expenses include, expenses/charge on account :		
		a) Discounting Charges	5,593	-
		b) Loss/(Gain) on Foreign Exchange (net) (Other than Raw Material Purchases)	36,635	(15,204)
	16.2	Professional fees include :		
		Amount paid /payable to Auditors as Auditors		
		Audit Fees	1,250	1,000
		Tax Audit Fees	300	275
		Limited Reviews	750	600
		Fees for Certificates etc.	325	457
		Expenses reimbursed *	30	53
		* Excluding Service Tax 125 (Previous Year 269)		

17. As indicated in Note 2.5 above, the Company on a prudent basis has changed its policy of amortising Loose Tools with effect from 1st September,2008. Had the Company followed the earlier policy of amortising Loose Tools over a period of 5 years, the profit before tax for the year would have been higher by 8,189.

(All Figures in Rs. '000)

'O' Notes (Contd.)

		As at 31.03.2009	As at 31.03.2008
18.	Year-end Deferred Tax balance comprises the following :		
	Timing Difference resulting in liabilities / (assets) on account of :		
	Difference between net book value of depreciable Capital Asset as per books vis-à-vis written down value as per Income Tax.	47,615	50,028
	Expenses deferred in the books but fully charged under the tax laws	-	91
	Disallowances allowable for tax purpose on payment	(16,669)*	(16,669)*
	Deferred Tax Liabilitiy (Net)	30,946	33,450

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

19. Employee Benefits

19.1 The Company has recognised, in the Profit and Loss Account for the year ended 31st March, 2009 an amount of 8,729 (Previous year 7,593) as expenses under defined contribution plans as detailed below:

Benefit (Contribution to)	For the year	
	2008-09	2007-08
Employees Pension Scheme	8,147	6,969
Employees State Insurance	582	624
Total	**8,729**	**7,593**

19.2 Provident Fund

In terms of the Guidance on implementing Accounting Standard(AS) 15 on Employee Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, a provident fund set up by the Company is treated as a defined benefit plan since the Company is obligated to meet interest shortfall, if any. However, at the year end, no shortfall remains unprovided for. The Actuary has expressed his inability to provide an actuarial valuation of the provident fund liability as at the year end in the absence of any guidance from the Actuarial Society of India. Accordingly, complete information required to be considered as per AS 15 in this regard are not available and the same could not be disclosed. During the year, the Company has contributed 15,334 (Previous year 10,873) to the Provident Funds.

19.3 Defined Benefit Plans

a) Superannuation Fund :

The Company makes periodic contributions to the Tractors India Limited Superannuation Funds Scheme, a funded defined benefit-plan for qualifying employees.

Under the Company's Superannuation Scheme, a pre determined percentage of salary is paid as pension on retirement. The quantum of pension depends on the average basic salary of the employee during the last thirty six months before retirement. The benefit vests to employees with twelve years of continuous service and attainment of forty eight years, on retirement / death / termination.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation of Superannuation Fund were carried out as at 31st March, 2009.

With effect from 1st April,2009 the Company proposes to alter the Superannuation Scheme as follows :

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

ii) Members who have not attained 45 years of age as on 1st April,2009 will come under the purview of 'Defined Contribution' Scheme in respect of services to be rendered with effect from 1st April,2009. The benefit of services rendered till 31st March,2009 under the 'Defined Benefit' Scheme based on pensionable salary as on 31st March,2009 will be frozen. Thus for this category of employees, the benefit on cessation of service will be (a) Amount accumulated by annual contribution at 15% of basic salary and (b) amount frozen as on 31st March, 2009.

b) Gratuity Fund :

The Company makes periodic contributions to the Tractors India Limited Staff Gratuity Fund, a funded defined benefit-plan for qualifying employees.

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Company's plan (based on last drawn salary and year of service) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death / retirement / termination and the benefit vests after 5 year of continuous service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2009.

(All Figures in Rs. '000)

'O' Notes (Contd.)

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

	Superannuation Fund (Funded)		Gratuity Fund (Funded)	
	2008-09	2007-08	2008-09	2007-08
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	141,204	121,103	54,762	55,674
b. Current Service Cost	7,417	14,386	4,025	4,711
c. Interest Cost	11,546	9,507	4,333	4,247
d. Curtailment Cost/(Credit)	(17,109)	-	-	-
e. Actuarial (gain)/loss	56,646	3,678	(1,594)	(3,006)
f. Benefits Paid	(10,728)	(7,470)	(7,581)	(6,864)
g. Present Value of Obligation at the end of the Year	188,976	141,204	53,945	54,762
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	125,015	103,326	53,793	50,167
b. Adjustment to (a) above, on restatement by new Actuary	-	(8,026)	-	(2,000)
c. Expected return on Plan Assets	11,382	7,600	4,565	3,983
d. Actuarial gain/(loss)	(7)	-	(407)	-
e. Contributions by the Employer	28,500	29,585	7,400	8,507
f. Benefits paid	(10,728)	(7,470)	(7,581)	(6,864)
g. Fair value of Plan Assets at the end of the Year	154,162	125,015	57,770	53,793
3. Reconciliation of the Present Value of Obligation and Fair Value of Plan Assets :				
a. Fair value of Plan Assets at the end of the Year	154,162	125,015	57,770	53,793
b. Present Value of Obligation at the end of the Year	188,976	141,204	53,945	54,762
c. (Asset)/Liabilities recognised in the Balance Sheet	34,814	16,189	(3,825)	969
4. Expenses recognised during the year :				
a. Current Service cost	7,417	14,386	4,025	4,711
b. Interest cost	11,546	9,507	4,333	4,247
c. Expected return on Plan Assets	(11,382)	(7,600)	(4,565)	(3,983)
d. Curtailment Cost/(Credit)	(17,109)	-	-	-
d. Actuarial (Gain) / Loss	56,653	3,678	(1,187)	(3,006)
e. Expense recognised during the year	47,125	19,971	2,606	1,969

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

(All Figures in Rs. '000)

'O' Notes (Contd.)

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

Description	Superannuation Fund % Invested		Gratuity Fund % Invested	
5. Investment Details of Plan Assets as at	31.03.2009	31.03.2008	31.03.2009	31.03.2008
a. Govt of India Securities	17.87	15.29	15.05	13.29
b. Public Sector (PSU)Bonds	46.69	39.79	26.42	24.58
c. State / Central Govt Securities	11.82	17.62	17.32	17.18
d. Special Deposit Scheme	21.12	25.97	41.09	44.34
e. Other including Bank Balance	2.50	1.33	0.12	0.61
Total	**100.00**	**100.00**	**100.00**	**100.00**
6. Assumptions				
a. Discount rate per annum	8.00	8.50	8.00	8.50
b. Salary escalation rate per annum	3.00	3.00	3.00	5.00
c. Expected rate of return on Plan Assets per annum	8.50	8.10	8.50	8.13
d. Method used	Projected Unit Credit Method		Projected Unit Credit Method	
7. Actual Return on Plan Assets	7.38%	7.09%	7.20%	7.64%

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

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

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

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

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

  - Material Handling Solution (MHS)- engaged in manufacturing and marketing of various Material Handling Equipment namely Mobile Cranes, Port Equipment (Reach stacker, Level Luffing Cranes), Self Loading Truck Cranes etc. It also deals in spares for the above equipment and servicing the equipment.

  - Power Systems Solution (PSS) - engaged in assembly, supply, erection and commissioning of Diesel Generating Sets powered by Caterpillar engines. It also deals in spares and servicing the generating sets mainly in Eastern & Northern India.

  - Construction & Mining Solution (CMS) - engaged as a dealer for Caterpillar Inc. USA for their products like Excavators, Dumpers, Dozers, Motor Graders, Spares etc. in Eastern & Northern India and Bhutan. It also deals in spare and services for the above equipments sold in the above areas.

- Others represents all unallocated expenditure and includes expenses incurred on common services provided to the segments which are not directly identifiable to the individual segments as well as expenses incurred at the corporate level which relate to the Company as a whole.
- There has been no inter segment revenue during the year.
- The Company operates predominantly within the geographical limits of India, accordingly secondary segments have not been considered.

Schedules

forming part of the Accounts for the year ended 31st March, 2009

(All Figures in Rs. '000)

'O' Notes (Contd.)

[Note No. (20) Contd.]	MHS	CMS	PSS	OTHERS (Unallocated)	TOTAL
	Year Ended 31.03.2009				
Segment Revenue	**1,866,321**	**4,804,093**	**1,783,096**	**72,980**	**8,526,490**
	1,651,180	4,061,184	1,520,139	64,344	7,296,847
Segment Results	**348,616**	**340,976**	**228,936**	**-**	**918,528**
	288,613	346,137	164,693	-	799,443
Less : Unallocated expenses net of unallocated (income)				**208,946**	**208,946**
				130,567	130,567
Interest expenses				**203,878**	**203,878**
				166,343	166,343
Profit before tax					**505,704**
					502,533
Depreciation and Amortisation	**28,308**	**64,263**	**27,000**	**23,632**	**143,203**
	27,486	48,738	21,068	16,753	114,045
Segment Assets	**1,231,602**	**1,789,050**	**760,488**	**734,019**	**4,515,159**
	1,127,063	1,611,455	626,569	602,690	3,967,777
Segment Liabilities (excluding Shareholders' funds)	**258,148**	**597,854**	**196,489**	**1,876,607**	**2,929,098**
	256,233	844,564	234,268	1,320,874	2,655,939
Capital Expenditure	**42,392**	**229,313**	**49,590**	**13,383**	**334,678**
	101,289	188,878	66,469	21,160	377,796

Figures in bold type relate to the Current year.

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

a) List of Related Parties

Subsidiaries	Myanmar Tractors Limited
	Tractors Nepal Private Limited
	TIL Overseas Pte. Limited
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, 2009 :

Particulars	Year Ended 31.03.2009	Year Ended 31.03.2008
I) Subsidiary Companies		
a) Income from Technical and Other Fees		
TIL Overseas Pte. Limited	26,385	11,931
Myanmar Tractors Limited	41,753	23,724
b) Dividend Income		
Tractors Nepal Private Limited	1,150	1,159
Myanmar Tractors Limited	-	6,511
TIL Overseas Pte. Limited	-	8,738
c) Stock transfer		
Tractors Nepal Private Limited	206	178

(All Figures in Rs. '000)

'O' Notes (Contd.)

	Particulars	Year Ended 31.03.2009	Year Ended 31.03.2008
	d) Year-end Balances		
	i) Receivable		
	Myanmar Tractors Limited	19,349	15,808
	Tractors Nepal Private Limited	110	1,159
	TIL Overseas Pte. Limited	1,590	13,513
	ii) Corporate Guarantee		
	Myanmar Tractors Limited	Refer Note 7.2 above	Refer Note 7.2 above
	iii) Investments		
	Myanmar Tractors Limited	41,625	41,625
	Tractors Nepal Private Limited	2,300	2,300
	TIL Overseas Pte. Limited	30,222	30,222
	II) Key Management Personnel		
	a) Remuneration		
	Mr. A. Mazumdar	17,825	15,864
	Mr. S. Mazumder	17,380	15,699
	b) Year end Balance		
	i) Commission Payable		
	Mr. A. Mazumdar	10,804	8,991
	Mr. S. Mazumder	10,884	9,971

22. 22.1	**Managerial Remuneration**		
	a) Executive Directors		
	i) Salaries and Allowances	7,200	7,200
	ii) Contribution to Provident and Other Funds	2,863	1,501
	iii) Estimated value of benefits computed where necessary under Income Tax Rules.	3,454	3,000
	iv) Commission	21,688	19,862
	b) Non Executive Directors		
	i) Sitting Fees	540	480
	ii) Commission	2,400	1,207
		38,145	**33,250**
22.2	**Computation of Net Profits under Section 198 and 349 of the Companies Act, 1956**		
	Profit as per Profit & Loss Account	505,704	502,533
	Add : Directors' Remuneration :		
	Sitting Fees	540	480
	Salaries. Commission and estimated value of other benefits	37,605	32,770
		38,145	**33,250**
	Depreciation charged to Accounts	143,203	114,045
		687,052	**649,828**
	Deduct : Capital Profit on Sale of Fixed Assets	-	12,822
	Depreciation under Section 350 of the Companies Act, 1956.	69,972	66,887
	Adjusted Profit in accordance with Section 198 of the Companies Act, 1956.	**617,080**	**570,119**
	10% there of, being the maximum permissible limit under section 198 of the Companies Act,1956.	61,708	57,012
	Executive Directors Commission restricted (As per service agreement)	**21,688**	**19,862**
	1% there of, being the maximum permissible limit under section 198 of the Companies Act,1956.	6,171	5,701
	Other Directors' Commission restricted to	**2,400**	**1,207**

(All Figures in Rs. '000)

'O' Notes (Contd.)

		Particulars	Year Ended 31.03.2009	Year Ended 31.03.2008
23.	23.1	**Particulars of Goods Manufactured**		
		a) Diesel-Hydraulic / Electric Cranes / Carrier Units (Trucks)		
		Licensed Capacity	1,414 Nos	1,414 Nos
		Installed Capacity *	220 Nos	220 Nos
		Actual Production	137 Nos	106 Nos
		b) Diesel Generating Sets		
		Licensed Capacity	500 Nos	500 Nos
		Installed Capacity *	400 Nos	400 Nos
		Actual Production	282 Nos	328 Nos
		c) Extra Long Multi Axle Truck		
		Licensed Capacity	Not Applicable	Not Applicable
		Installed Capacity *	5 Nos	5 Nos
		Actual Production	NIL	NIL
		d) Self-Propelled Rubber Tyred Container Handling Mobile Crane --		
		Licensed Capacity	Not Applicable	Not Applicable
		Installed Capacity *	30 Nos	30 Nos
		Actual Production	16 Nos	18 Nos
		* As certified by the Management		

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

Class of Goods	Unit of Qty.	Opening Stock		Purchases		Sales (Gross)		Closing Stock	
		Qty.	Value Rs. '000	Qty.	Value Rs. '000	Qty.	Value Rs. '000	Qty.	Value Rs. '000
a) Diesel Hydraulic / Electric Cranes/ Carrier Units (Trucks)	Nos.	-	-	-	-	**135**	**1,372,660**	**2**	**21,320**
		-	-	-	-	106	1,194,686	-	-
b) Earthmoving Equipment, etc.	Nos.	**130**	**323,753**	**890**	**2,833,850**	**904** *	**3,014,435**	**116**	**344,409**
		26	79,537	895	2,281,324	791	2,481,733	130	323,753
c) Diesel Generating Set	Nos.	**1**	**2,892**	-	-	**283** **	**601,227**	-	-
		1	1,736	-	-	328	675,323	1	2,892
d) Packaged Diesel Generating Set	Nos.	**2**	**8,343**	**140**	**463,341**	**104**	**488,213**	**38**	**129,115**
		-	-	74	280,785	72	299,921	2	8,343
e) Self-Propelled Rubber Tyred	Nos.	**1**	**15,118**	-	-	**15**	**257,492**	**2**	**30,242**
Container Handling Mobile Crane		-	-	-	-	17	271,100	1	15,118
f) Goods, Components and Spares for Earthmoving and Construction / Material Handling Equipment			**360,894**		**1,516,785**		**2,431,989**		**435,181**
			307,956		1,881,198		2,133,254		360,894
g) Others (Note 14.1)			-		-		**161,467**		-
			-		-		119,272		-
Total			**711,000**		**4,813,976**		**8,327,483**		**960,267**
Previous year			389,229		4,443,307		7,175,289		711,000

Figures in bold type relate to the Current Year

*Includes 31 (Previous Year 43) Capitalised during the year (Refer Schedule 'M')

**Includes 9 (Previous Year 10) capitalised during the year (Refer Schedule 'M')

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

(All Figures in Rs. '000)

'O' Notes (Contd.)

23.3 **Details of Raw Materials (Including Components) consumed:**

Particulars	Unit	Quantity	Value (Rs. '000)	Percentage
Indigenous :				
Iron and Steel	Tones	**416**	**23,834**	
		509	23780	
Valves (for Cranes)	Nos	**2,019**	**13,786**	
		1,615	9,666	
Engine	Nos	**354**	**293,726**	
		403	357,621	
Ballast/Tail Weight (for Cranes)	Nos	**297**	**17,334**	
		-	-	
Accoustic Enclosure (for D G Set)	Nos	**307**	**76,612**	
		315	71,206	
Tyres, Tubes and Flaps (for Cranes)	Set	**331**	**13,987**	
		358	15,107	
Chassis(for Cranes)	Nos	**29**	**45,030**	
		9	12,360	
Hydraulic Ram and Cylinder	Nos	**1,593**	**74,463**	
		1,379	57,779	
Alternator (for DG Sets)	Nos	**267**	**74,030**	
		310	74,096	
Miscellaneous *		**-**	**538,407**	
		-	310,865	
Sub Total	**A**		**1,171,209**	**68.85**
			932,480	66.65
Imported :				
Iron and Steel	Tones	**1,852**	**178,537**	
		1,859	141,118	
Transmission	Nos	**136**	**57,687**	
		133	54,805	
Axle	Nos	**143**	**101,422**	
		165	93,168	
Miscellaneous *		-	**192,278**	
		-	177,486	
Sub Total	**B**		**529,924**	**31.15**
			466,577	33.35
Total	**A+B**		**1,701,133**	**100.00**
			1,399,057	100.00

Figures in bold type relate to the Current year.

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

Schedules

forming part of the Accounts for the year ended 31st March, 2009

(All Figures in Rs. '000)

'O' Notes (Contd.)

	Particulars	Year Ended 31.03.2009 Value	%	Year Ended 31.03.2008 Value	%
23.4	**Value of Imported and Indigenous Consumption of Stores:**				
	Imported	12,125	32	9,111	29
	Indigenous	26,337	68	22,598	71
		38,462	**100**	**31,709**	**100**

		Year Ended 31.03.2009	Year Ended 31.03.2008
24.	**C.I.F. Value of Imports:**		
	(a) Raw Materials with Components	510,885	426,547
	(b) Spare Parts (excluding items in transit at year-end)	205,301	1,728
	(c) Capital Goods	7,491	824
	(d) Machines (Trading Items)	1,598,737	1,185,703
25.	**Expenditure in Foreign Currency: (on payment basis)**		
	Travelling	3,261	3,452
	Technical Know-How Fees (net of tax)	620	-
	Royalty (net of tax)	16,728	10,242
	Others	271	-
26.	**Earnings in Foreign Exchange (Remittance received) on account of**		
	(a) Export of goods calculated on FOB basis	78,721	5,581
	(b) Commission, others (including Dealer's profit)	234,013	108,551
	(c) Technical Fees	74,274	12,262
	(d) Dividend from Subsidiary Companies	-	15,249

27. 27.1 The Company had allotted on 28th December,2007,on a preferential basis, to the Indian Promoter Group and certain other companies / entities / persons (hereinafter referred to as Select Group), 2,993,842 Convertible Equity Warrants against receipt of 10% of the consideration of Rs. 326/- per Warrant determined in keeping with the related Securities and Exchange Board of India (SEBI) Guidelines. Each Warrant is convertible into one equity Share of nominal value of Rs. 10/- each at a price of Rs. 326/- per share in lots at the option of the warrant holders within eighteen months from the date of allotment in accordance with relevant SEBI Guidelines and the terms of the issue upon payment of balance consideration by the warrant holders; such shares would rank pari passu in all respect with the existing Equity Shares.

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

Tractors India

Balance Sheet Abstract

and Company's General Business Profile

i) Registration Details

Registration No.	21-041725	State Code	21
Balance Sheet Date	31.03.2009		

ii) Capital Raised during the Year

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

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

Total Liabilities (Including Owner's Fund)	4515159	Total Assets	4515159
Sources of Funds :			
Paid up Capital	100303	Reserves and Surplus	1444883
Secured Loans	685125	Unsecured Loans	449165
Applications of Funds :			
Net Fixed Assets (including Capital Work In Progress)	1108036	Investments	74866
Net Current Assets	1615335	Misc. Expenditures	NIL
Accumulated losses	NIL		

iv) Performance of Company

Turnover (Excluding Other Income 102,100)	8655816	Total Expenditure	8252212
Profit/(Loss) Before Tax	505704	Profit / (Loss) after Tax	322708
Earnings per share	32.17	Dividend Rate %	40.00

v) Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	8426
Product Description	CRANES
Item Code No. (ITC Code)	8502
Product Description	DGSETS
Item Code No. (ITC Code)	8427

A. Mazumdar	Sumit Mazumder	Debashis Nag
Chairman	Vice Chairman & Managing Director	Company Secretary

Cash Flow Statement

for the year ended 31st March, 2009

(All Figures in Rs. '000)

		Year Ended 31.03.2009		Year Ended 31.03.2008	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax		**505,704**		**502,533**
	Adjustments for :				
	Depreciation and Amortisation	143,203		114,045	
	Profit on Sale of Fixed Assets (Net)	(5,981)		(22,960)	
	Interest Expenses (Net)	201,244		166,137	
	Dividend Income	(1,183)		(16,421)	
	Unrealised Foreign Exchange Loss (Net)	500		500	
			337,783		**241,301**
	Operating Profit before Working Capital Changes		**843,487**		**743,834**
	Adjustments for :				
	Trade and Other Receivables	(73,913)		332,133	
	Inventories	(117,593)		(392,948)	
	Loans and Advances	(39,250)		(22,335)	
	Trade Payable	(233,632)		(170,158)	
			(464,388)		**(253,308)**
	Cash Generated from Operations		**379,099**		**490,526**
	Direct Taxes Paid		(146,470)		(185,491)
	Net Cash from Operating Activities		**232,629**		**305,035**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(364,600)		(332,892)	
	Proceeds from Sale of Fixed Assets	26,672		83,271	
	Interest Received	2,647		210	
	Dividend Received	1,183		15,262	
	Net Cash used in Investing Activities		**(334,098)**		**(234,149)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Interest Paid	(198,322)		(166,008)	
	Proceeds from issuance of Equity Shares upon conversion of Equity Warrants	-		97,845	
	Advance received on issue of Equity Warrants	-		87,815	
	Proceeds from Long Term borrowings	200,000		-	
	Repayment of Long Term borrowings	(63,925)		(60,885)	
	Increase in Cash Credit and other short term borrowings (Net)	211,240		2,013	
	Dividend Paid	(46,755)		(34,138)	
	Net Cash from / (used in) Financing Activities		**102,238**		**(73,358)**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**769**		**(2,472)**
	Cash and Cash Equivalents as at the beginning of the year (Schedule 'I')		2,185		4,657
	Cash and Cash Equivalents as at the close of the year (Schedule 'I')		**2,954**		**2,185**

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

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

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

S.K.Deb
Partner
Membership No. - 13390
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Place : Kolkata
Date : 11th May, 2009.

Consolidated & Subsidiary Financial Statements

Report of the Auditors
to the Board of Directors of TIL LIMITED

1. We have audited the attached Consolidated Balance Sheet of TIL Limited and its subsidiaries (the Group) as at 31st March, 2009, and also the Consolidated Profit and Loss Account for the year ended on that date and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, all of which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of TIL Limited's management (TIL management) and have been prepared by the TIL management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

3. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs.1,399,670 ('000) as at 31st March, 2009, the total revenue of Rs.2,181,131 ('000) and cash flows amounting to Rs.397,566 ('000) for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the TIL management in accordance with the requirements of Accounting Standard 21 on 'Consolidated Financial Statements'.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009;

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

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

S.K.Deb
Partner
Membership No. - 13390
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Place : Kolkata
Date : 11th May, 2009.

Consolidated Balance Sheet

TIL LIMITED and its subsidiaries as at 31st March, 2009

(Rs. in '000)

	Schedules	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	A	100,303	100,303
(b) Equity Warrants (Note 14.1 on Schedule 'O')		87,815	87,815
(c) Reserves and Surplus	B	2,141,060	1,613,213
		2,329,178	**1,801,331**
2. Loan Funds	C		
(a) Secured Loans		685,125	750,028
(b) Unsecured Loans		449,165	125,063
		1,134,290	**875,091**
3. Deferred Tax Liability (Net)		30,946	33,450
Total		**3,494,414**	**2,709,872**
APPLICATIONS OF FUNDS			
1. Fixed Assets	E		
(a) Gross Block		1,818,715	1,597,360
(b) Less : Depreciation		814,821	683,988
(c) Net Block		**1,003,894**	**913,372**
(d) Capital Work-in-Progress		187,595	105,977
		1,191,489	**1,019,349**
2. Investments	F	**719**	**719**
3. Current Assets, Loans and Advances			
(a) Inventories	G	1,841,881	2,333,665
(b) Sundry Debtors	H	1,127,487	1,455,786
(c) Cash and Bank Balances	I	459,803	61,468
(d) Other Current Assets	J	274,355	167,792
(e) Loans and Advances	K	659,634	552,084
		4,363,160	**4,570,795**
Less : Current Liabilities and Provisions	D		
(a) Liabilities		1,387,743	2,370,332
(b) Provisions		673,211	510,659
		2,060,954	**2,880,991**
Net Current Assets		2,302,206	1,689,804
Total		**3,494,414**	**2,709,872**
Notes	O		

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

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

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

S.K.Deb
Partner
Membership No. - 13390
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Place : Kolkata
Date : 11th May, 2009.

Consolidated Profit & Loss Account

TIL LIMITED and its subsidiaries for the year ended 31st March, 2009

(Rs. in '000)

	Schedules	Year Ended 31.03.2009	Year Ended 31.03.2008
INCOME			
Sales and Services (Gross)		10,243,329	10,552,589
Less : Excise Duty		231,426	258,037
Sales and Services (Net)		**10,011,903**	**10,294,552**
Selling Commission Earned		209,369	182,442
Rental from Machinery		152,371	101,795
Other Income	L	130,238	122,607
		10,503,881	**10,701,396**
EXPENDITURE			
Cost of Materials and Direct Manufacturing Expenses	M	7,955,362	8,558,827
Expenses	N	1,502,375	1,190,012
		9,457,737	**9,748,839**
Interest on :			
Fixed Loans		56,260	57,481
Others		171,345	110,656
		227,605	**168,137**
Depreciation		167,069	129,055
Less : Transfer from Revaluation Reserve		1,545	1,545
		165,524	**127,510**
PROFIT BEFORE TAXATION		**653,015**	**656,910**
Less : Provision for Taxation :			
Current Tax		199,284	201,618
Deferred Tax Charged/(Credit)		(2,504)	16,950
Fringe Benefit Tax		9,000	7,300
		205,780	**225,868**
PROFIT AFTER TAXATION		**447,235**	**431,042**
Add : Balance of Profit and Loss Account			
brought forward from previous year		944,809	625,194
BALANCE AVAILABLE FOR APPROPRIATIONS		**1,392,044**	**1,056,236**
APPROPRIATIONS			
General Reserve		32,271	64,487
Proposed Dividend :			
Equity Shares		40,121	40,121
Tax on Dividend		6,819	6,819
Balance Carried Forward		1,312,833	944,809
		1,392,044	**1,056,236**
Earnings Per Share - (Note 6 on Schedule 'O')			
Basic (Rs)		44.59	44.28
Diluted (Rs)		44.59	43.15
Notes	O		

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

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

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

S.K.Deb
Partner
Membership No. - 13390
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Place : Kolkata
Date : 11th May, 2009.

Schedules

forming part of the Consolidated Balance Sheet

	As at 31.03.2009	As at 31.03.2008
		(Rs. in '000)
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised		
20,000,000 Equity Shares of Rs 10/- each	200,000	200,000
	200,000	**200,000**
Issued, Subscribed and Paid up		
10,030,265 Equity Shares of Rs 10/- each fully paid up (Note below)	100,303	100,303
Total	**100,303**	**100,303**

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

	As per last Account	Additions	Deductions	As at 31.03.2009
SCHEDULE 'B'				
RESERVES AND SURPLUS				
Capital Reserve	19	-	-	19
Foreign Currency Translation Reserve(Net)	24,676	129,097	-	153,773
Revaluation Reserve	73,535	-	1,545	71,990
Share Premium Account	193,377	-	-	193,377
Amalgamation Reserve	2,045	-	-	2,045
Development Rebate Reserve	84	-	-	84
General Reserve	334,663	32,271	-	366,934
Capital Redemption Reserve	40,005	-	-	40,005
	668,404	**161,368**	**1,545**	**828,227**
Profit and Loss Account	944,809			1,312,833
Total	**1,613,213**			**2,141,060**

	As at 31.03.2009	As at 31.03.2008
		(Rs. in '000)
SCHEDULE 'C'		
LOAN FUNDS		
(a) Secured Loans		
Cash Credit / Working Capital Demand Loans		
From Banks	341,396	541,788
Interest accrued and due	243	830
Term Loans		
From Banks (Due within one year 63,796)	343,486	207,410
Total	**685,125**	**750,028**
(b) Unsecured Loans		
From Banks (Due within one year 449,065)	449,165	125,063
Total	**449,165**	**125,063**

Schedules

forming part of the Consolidated Balance Sheet

		(Rs. in '000)
	As at 31.03.2009	As at 31.03.2008
SCHEDULE 'D'		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities :		
Sundry Creditors	914,091	1,608,677
Advance from Customers and others	147,114	359,205
Investor Education and Protection Fund (the Fund) shall be credited by the following amount :		
Unclaimed/Unpaid Dividends @	849	664
Unclaimed/Unpaid Matured Deposits @	30	40
Security Deposit from Customers	18,140	16,799
Other Liabilities	301,153	384,724
Interest accrued but not due on Loans	6,366	223
	1,387,743	**2,370,332**
Provisions for :		
Accrued Leave Encashment Benefit for employees	22,393	22,414
Provision for Taxation [Includes Fringe Benefit Tax 31,950 (Previous year 22,950)]	603,878	441,305
Proposed Dividend :		
On Equity Shares	40,121	40,121
Tax on Dividend	6,819	6,819
	673,211	**510,659**
Total	**2,060,954**	**2,880,991**

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

Schedules

forming part of the Consolidated Balance Sheet

(Rs. in '000)

	Cost / Valuation as at 31.03.2008	Additions/ Adjustment during the year	Sales/ Adjustment etc during the year	Total Cost / Valuation as at 31.03.2009	Depreciation Provided up to 31.03.2008	Depreciation Provided during the year	Depreciation on Sales/ Adjustment etc during the year	Depreciation Provided up to 31.03.2009	Net Value of Assets as at 31.03.2009	Net Value of Assets as at 31.03.2008
SCHEDULE 'E'										
FIXED ASSETS										
Tangible Assets										
Freehold Land	39,543	-	-	39,543	-	-	-	-	39,543	39,543
Leasehold Land	45,112	-	-	45,112	4,233	908	-	5,141	39,971	40,879
Buildings :										
Leasehold	91,988	12,028	-	104,016	29,271	4,692	-	33,963	70,053	62,717
Freehold	102,010	903	-	102,913	39,413	2,624	-	42,037	60,876	62,597
Plant and Machinery [Note 12 on Schedule 'O']	1,031,683	260,701	70,010	1,222,374	413,119	136,492	34,330	515,281	707,093	618,564
Tubewell	672	-	-	672	329	9	-	338	334	343
Furniture and Equipment	127,502	12,241	129	139,614	73,121	11,266	181	84,206	55,408	54,381
Cycle and Motor Vehicles	60,770	8,185	2,656	66,299	34,621	6,058	1,703	38,976	27,323	26,149
Sub total	1,499,280	294,058	72,795	1,720,543	594,107	162,049	36,214	719,942	1,000,601	905,173
Intangible Assets (acquired items)										
Technical Know-how [Note 10 on Schedule 'O']	84,194	118	-	84,312	81,067	3,353	3,401	81,019	3,293	3,127
Software	13,886	-	26	13,860	8,814	1,667	(3,379)	13,860	-	5,072
Sub total	98,080	118	26	98,172	89,881	5,020	22	94,879	3,293	8,199
Total	**1,597,360**	**294,176**	**72,821**	**1,818,715**	**683,988**	**167,069**	**36,236**	**814,821**	**1,003,894**	**913,372**
Previous year	1,344,726	329,027	76,393	1,597,360	588,440	129,055	33,507	683,988		
Capital Work-in-Progress									187,595*	105,977*
Grand total									**1,191,489**	**1,019,349**

* Includes expenditure on New Project in the Parent Company 110,243 (Previous year 90,007)

(Rs. in '000)

		As at 31.03.2009		As at 31.03.2008	
SCHEDULE 'F'					
Name	**Particulars**	**Numbers**	**Value**	**Numbers**	**Value**
INVESTMENTS - LONG TERM - AT COST					
Other than Trade :					
Quoted :					
Eveready Industries India Limited	Shares of Rs 5/- each fully paid	1,266	180	1,266	180
Mcleod Russel India Limited	Shares of Rs 5/- each fully paid	1,266	181	1,266	181
Bank of India	Shares of Rs 10/- each fully paid	7,900	356	7,900	356
Unquoted :					
Woodlands Nursing Home and Research Centre Limited	1/2 % Debentures of Rs 100/- each fully paid	20	2	20	2
Gulshan Villa Premises Co-operative Society Limited	Shares of Rs 50/- each fully paid (Rs 500/-)	10		10	
Total			**719**		**719**
Aggregate book value of investments					
Quoted			717		717
Unquoted			2		2
Total			**719**		**719**
Aggregate market value of quoted investments			1,841		2,131

(Rs. in '000)

	As at 31.03.2009	As at 31.03.2008
SCHEDULE 'G'		
INVENTORIES		
Stores - at or under cost	8,559	7,307
Loose tools - at or under cost	37,312	34,151
Raw Materials -at lower of cost and net realisable value [including in Transit 7,785 (Previous year 106,001)]	374,993	505,574
Stock-in-Trade-at lower of cost and net realisable value	1,318,564	1,687,843
Work-in-Progress-at lower of cost and net realisable value	102,453	98,790
Total	**1,841,881**	**2,333,665**
SCHEDULE 'H'		
SUNDRY DEBTORS (Unsecured - Considered Good)		
Debts outstanding for more than six months	128,878	82,082
Other Debts	998,609	1,373,704
Total	**1,127,487**	**1,455,786**
SCHEDULE 'I'		
CASH AND BANK BALANCES		
Cash in hand	24,385	8,316
Balance with Banks		
On Current Accounts	68,201	49,143
On Dividend Accounts	849	664
On Fixed Deposit (Margin Money against Letters of Credit / Bank Guarantees)	366,232	3,300
Remittance-in-Transit	136	45
Total	**459,803**	**61,468**

Schedules

forming part of the Consolidated Balance Sheet

		(Rs. in '000)
	As at 31.03.2009	As at 31.03.2008
SCHEDULE 'J'		
OTHER CURRENT ASSETS (Unsecured-Considered Good)		
Interest accrued on Fixed Deposits	-	45
Claims Receivable [including 843 (Previous year 11,216) with Custom, Excise, Port Trust Authorities]	222,629	100,018
Accrued duty benefits pertaining to Exports / Deemed Exports	21,515	32,375
Deposits [including 977 (Previous year 779) with Custom,Excise,Port Trust Authorities]	30,211	35,354
Total	**274,355**	**167,792**
SCHEDULE 'K'		
LOANS AND ADVANCES (Unsecured-Considered Good)		
Advances recoverable in cash or in kind or for value to be received	85,398	123,481
Advance Income Tax (Including Tax deducted at source) [Includes Fringe Benefit Tax 31,119 (Previous year 22,567)]	574,236	428,603
Total	**659,634**	**552,084**

Schedules

forming part of the Consolidated Profit and Loss Account

(Rs. in '000)

	Year Ended 31.03.2009	Year Ended 31.03.2008
SCHEDULE 'L'		
OTHER INCOME		
Sale of Scraps	10,653	9,961
Income from Long Term Investments - Dividends		
Other Investments	33	13
Profit on Sale of Assets (Net)	6,785	27,787
Interest	29,455	23,177
Bad Debts Recovery	5,162	5,585
Discounts	3,575	10,258
Miscellaneous Income	74,575	45,826
Total	**130,238**	**122,607**
SCHEDULE 'M'		
COST OF MATERIALS AND DIRECT MANUFACTURING EXPENSES		
Opening Stock		
Raw Materials -		
- in Hand	399,573	379,001
- in Transit	106,001	71,831
Stock in Trade	1,687,843	979,659
	2,193,417	**1,430,491**
Add : Purchases *	7,307,548**	9,168,854**
	9,500,965	**10,599,345**
Less :		
Closing Stock		
Raw Materials -		
- in Hand	367,208	399,573
- in Transit	7,785	106,001
Stock in Trade	1,318,564	1,687,843
	1,693,557	**2,193,417**
	7,807,408	**8,405,928**
Add : Work-in-Progress on 01.04.2008	98,790	87,217
	7,906,198	**8,493,145**
Less : Work-in-Progress on 31.03.2009	102,453	98,790
	7,803,745	**8,394,355**
Less : Capitalised	13,953	19,209
	7,789,792	**8,375,146**
Direct Wages	13,590	14,271
Incentive Payments	16,131	21,505
Consumption of Stores	38,462	31,709
Contribution to Employees' State Insurance	210	545
Carriage Inward	97,177	115,651
Total	**7,955,362**	**8,558,827**

*Including (Gain)/Loss on foreign exchange (net) (4,267) [Previous year (4,810)]

**Purchases are net of 2,700 (Previous year 4,600) on account of accrued duty benefit pertaining to Exports/ Deemed Exports.

Schedules

forming part of the Consolidated Profit And Loss Account

	Year Ended 31.03.2009	(Rs. in '000) Year Ended 31.03.2008
SCHEDULE 'N'		
EXPENSES		
Salaries, Wages, Bonus etc	569,123	424,307
Contribution to Provident and other Funds	74,812	40,944
Staff Welfare Expenses	23,057	18,698
Rent (Net)	32,717	22,885
Rates and Taxes	26,204	20,648
Bank Charges	44,241	36,300
Insurance	21,064	17,493
Repairs and Maintenance :		
Buildings	17,570	14,648
Plant and Machinery	33,431	25,160
Other Assets	10,130	10,967
	61,131	**50,775**
Travelling Expenses	130,585	116,309
Stationery and Printing	11,731	10,523
Postage,Telephone and other Communication Expenses	24,123	20,568
Advertisement	8,318	12,765
Gas and Electricity	25,873	22,502
Commission	43,366	26,024
Miscellaneous Expenses	226,578	192,810
Forwarding Charges (Net)	24,606	19,122
Royalties	18,300	18,606
Medical Expenses	13,612	9,345
Professional Fees	21,027	28,195
Motor Car and Van Expenses	15,945	14,275
Service Support Expenses	53,082	31,337
Debts/Advances/Claims written off	32,880	35,581
Total	**1,502,375**	**1,190,012**

(All Figures in Rs. '000)

SCHEDULE 'O'

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2009

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

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

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

- The Financial Statements of the Parent Company and its subsidiaries (indicated above) have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra- group transactions resulting in unrealised profits or losses.
- The Consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, except as indicated in Note 4 below, in the same manner as the Parent Company's separate Financial Statements.
- The translation of the functional currencies into Indian Rupees (reporting currency) is performed for equity in the foreign subsidiary, assets and liabilities using the closing exchange rates at the Balance Sheet date, and for income and expenses using average exchange rates 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.

4. Accounting policies for the group are same as followed by the Parent Company (TIL Limited) as indicated in Note 2 on Schedule 'O' of TIL Limited's accounts for the year ended 31st March, 2009, except as follows :

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

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

Depreciation for the year and year-end Accumulated Depreciation includes 22,212 (previous year 13,386) and 125,431 (previous year 104,989) respectively computed by certain subsidiaries applying different depreciation method/rates. Had the depreciation method/ rates of the Parent Company been followed by such subsidiaries, the impact thereof on depreciation charge for the year and year-end accumulated depreciation is not ascertainable at this stage.

- Employee Benefits

None of the subsidiaries have any Defined Benefit Schemes for its employees. Refer Note 19 of Schedule 'O' of the Parent Company's accounts for disclosure regarding Accounting Standard 15 on Employee Benefits.

The Group recognised in the Profit and Loss Account for the year ended 31st March,2009 an amount of 8,996 (Previous year 8,846) as expenses under defined contribution plans.

(All Figures in Rs. '000)

'O' Notes (Contd.)

5. One ownership flat (cost 3,937) belonging to the Parent Company in a co-operative housing society, is registered in the name of the Managing Director of the erstwhile Spundish Engineering Limited.

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

			Year Ended 31.03.2009	Year Ended 31.03.2008
	Profit after Tax attributable to the Equity Shareholder	**A**	**447,235**	**431,042**
6.1.	**Basic**			
	i. Number of Equity Shares at the beginning of the year		10,030,265	9,730,130
	ii. Number of Equity Shares issued during the year		-	300,135
	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	9,735,064
	v. Nominal Value of Equity Shares		Rs. 10/-	Rs. 10/-
	Basic Earnings per Share (Rs.)	**A/B**	**44.59**	**44.28**
6.2	**Diluted**			
	i. Number of Potential Equity Shares at the beginning of the year		2,693,707	-
	ii. Number of Potential Equity Shares issued during the year		-	2,993,842
	iii. Number of Potential Equity Shares converted during the year		-	300,135
	iv. Number of Potential Equity Shares at the end of the year		2,693,707	2,693,707
	v. Dilutive potential equity shares at the end of the year determined after taking into consideration the fair value and the issue price per share		*	253,606
	vi. Weighted average number of Diluted Potential Equity Shares outstanding during the year		*	253,606
	vii. Weighted average number of Equity Shares considered for computation of Diluted Earnings per share [6.1(iv) + 6.2(vi)]	**C**	*	9,988,670
	Diluted Earnings per Share (Rs.)	**A/C**	*****	**43.15**

*In view of the average market price of Equity Shares of the parent company being less than the applicable conversion price, the conversion option embedded in the 26,93,707 Convertible Equity Warrants allotted to the Promoter Group and certain other companies / entities / persons on 28th December, 2007 is considered as anti-diliutive and accordingly not considered for computation of diluted earnings per share as per Accounting Standard 20 "Earnings Per Share".Diluted Earnings per Share has been considered as equal to Basic Earnings per Share ie, Rs.44.59.

		Year Ended 31.03.2009	Year Ended 31.03.2008
7.	Contingent Liabilities in respect of -		
7.1	Sales Tax Matters under dispute (Net of 300 paid)	4,046	2,467
7.2	Income Tax matters under dispute * Excludes disputed Income Tax matters, in view of favourable Tribunal decision in similar case	2,028*	1,000*
7.3	Excise Duty matters under dispute (Net of 11,455 paid)	20,563	9,461
7.4	Others	575	3,324
8.	Bank Guarantees outstanding	368,609	412,469
9.	Capital Commitment	57,960	2,303

(All Figures in Rs. '000)

'O' Notes (Contd.)

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

11. The Parent Company has entered into certain long-term composite maintenance contracts with a party which entails, inter alia, supply of spare parts. The billing / payment schedule is time phased. Pending supply of spare parts, related amount of 9,519 (Previous Year 58,231) billed during the year as per the payment schedule of the aforesaid contract, has been considered as liability and the related sales will be recognised on supply of spares, as and when required,under the said contracts in future, in keeping with the accounting policies set out in Note 2.1 of Parent Company. During the year an amount of 11,629 has been released from the accumulated liabillites in this regard on a prudent basis and adjusted against related contractual dues.

12. The Group has given various Plant and Machinery (namely Diesel Generating Sets, Cranes, Machines etc.) under cancellable operating leases. Leases range for periods between 6 months to 3 years. Terms of lease include terms for renewal, cancellation etc. Initial Direct costs (commissioning, installation etc.) for such assets are borne by the lessee, other than transportation cost, which is borne by the company and charged off to revenue. Lease rentals recognised as income during the year 152,371 (Previous Year 101,795). Other details for such Plant and Machinery are as below.

Gross value		Accumulated Depreciation		Depreciation	
As at 31.03.2009	As at 31.03.2008	As at 31.03.2009	As at 31.03.2008	Year Ended 31.03.2009	Year Ended 31.03.2008
568,207	446,776	158,582	114,122	69,179	49,589

13. The group has taken various residential / commercial premises under cancellable operating lease. Leases range for periods between 3 to 5 years. Terms of the lease include operating term for renewal, increase in rent for future periods, terms of cancellation etc. The operating lease payments for the year amount to 21,842 (previous year 19,597).

14. 14.1 The Parent Company had allotted on 28th December, 2007,on a preferential basis, to the Indian Promoter Group and certain other companies / entities / persons (hereinafter referred to as Select Group), 2,993,842 Convertible Equity Warrants against receipt of 10% of the consideration of Rs. 326/- per Warrant, determined in keeping with the related Securities and Exchange Board of India (SEBI) Guidelines. Each Warrant is convertible into one equity Share of nominal value of Rs. 10/- each at a price of Rs. 326/- per share in lots at the option of the warrant holders within eighteen months from the date of allotment in accordance with relevant SEBI Guidelines and the terms of the issue upon payment of balance consideration by the warrant holders; such shares would rank pari passu in all respect with the existing Equity Shares.

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

14.2 Balance of Proceeds received upon allotment of Equity Share Warrants and Equity Shares during previous year have been utilised during the year, as given below :

Capital Expenditure on expansion projects :-	
Balance lying in the Cash Credit Account as on 01.04.2008	95,652
Utilised in the current year	95,652
Balance lying in the Cash Credit Account to be utilised in 2009-10	-

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

- The Group's business segments are organised on product lines as follows:
  - Material Handling Solution (MHS)- engaged in manufacturing and marketing of various Material Handling Equipment namely Mobile Cranes, Port Equipment (Reach stacker, Level Luffing Cranes), Self Loading Truck Cranes etc. It also deals in spares for the above equipment and servicing the equipment.
  - Power System Solutions (PSS) - engaged in assembly, supply, erection and commissioning of Diesel Generating Sets based on Caterpillar Inc. engines. It also deals in spares and servicing the generating sets mainly in Eastern & Northern India.
  - Construction Mining Solutions (CMS) - engaged as a dealer for Caterpillar Inc. USA for their products like Excavators, Dumpers, Dozers, Motor Graders etc. mainly in Eastern & Northern India, Bhutan, Nepal and Myanmar. It also deals in spares and services for the above equipment sold in the above areas.
- Others represents all unallocated expenditure and includes expenses incurred on common services provided to the segments which are not directly identifiable to the individual segments as well as expenses incurred at the corporate level which relate to the company as a whole.

Schedules

forming part of the Consolidated Accounts

(All Figures in Rs. '000)

'O' Notes (Contd.)

i. Information about primary segments - Business segments

	Year Ended 31.03.2009				
	MHS	CMS	PSS	OTHERS (Unallocated)	TOTAL
Segment Revenue	**1,866,321**	**6,575,449**	**2,056,668**	**5,443**	**10,503,881**
	1,651,180	7,079,997	1,957,939	12,280	10,701,396
Segment Results	**348,616**	**548,066**	**260,422**	**-**	**1,157,104**
	288,613	536,203	183,067	-	1,007,883
Less : Unallocated expenses net of unallocated (income)				**276,484**	**276,484**
				182,836	182,836
Interest expenses				**227,605**	**227,605**
				168,137	168,137
Profit before tax					**653,015**
					656,910
Depreciation and Amortisation	**28,308**	**80,227**	**33,357**	**23,632**	**165,524**
	27,486	57,936	25,335	16,753	127,510
Segment Assets	**1,231,602**	**2,710,511**	**974,322**	**638,933**	**5,555,368**
	1,127,063	3,183,116	782,621	498,063	5,590,863
Segment Liabilities (excluding Shareholders' funds)	**258,148**	**828,222**	**263,213**	**1,876,607**	**3,226,190**
	256,233	1,797,641	327,254	1,408,404	3,789,532
Capital Expenditure	**42,392**	**259,065**	**60,954**	**13,383**	**375,794**
	101,289	226,511	79,619	21,160	428,579

Figures in bold type relate to the Current year.

ii. Information about secondary segments - Geographical segments

	Year Ended 31.03.2009	Year Ended 31.03.2008
Revenue		
India	8,375,013	7,210,838
Outside India	2,123,425	3,478,278
	10,498,438	**10,689,116**
Assets		
India	3,781,140	3,365,087
Outside India	1,135,295	1,727,713
	4,916,435	**5,092,800**
Capital Expenditure		
India	321,295	356,636
Outside India	41,116	50,783
	362,411	**407,419**

(All Figures in Rs. '000)

'O' Notes (Contd.)

16. As indicated in Note 17 on Schedule 'O' of TIL Limited's accounts for the year ended 31st March, 2009, the Parent Company on a prudent basis has changed its policy of amortising Loose Tools with effect from 1st September, 2008. Had the Parent Company followed the earlier policy of amortising Loose Tools over a period of 5 years, the profit before tax for the year would have been higher by 8,189. Refer Note 2.5 on Schedule 'O' of TIL Limited.

17. In March 2009, the Board of Directors of the Parent Company, approved in principle a proposal to restructure the 'Caterpillar' business (primarily comprising of the Construction and Mining Solutions and Power Systems Solutions Segments referred to in Note 20 on Schedule 'O' of TIL Limited) by transferring it to a wholly owned subsidiary. A detailed formal plan in this regard is yet to be worked out.

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

a) **List of Related Parties**

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

b) **Particulars of transactions during the year ended 31st March, 2009**

Particulars	Year Ended 31.03.2009	Year Ended 31.03.2008
Key Management Personnel		
a) Remuneration		
Mr. A. Mazumdar	17,825	15,864
Mr. S. Mazumder	17,380	15,699
b) Year end Balance		
Commission Payable		
Mr. A. Mazumdar	10,804	8,991
Mr. S. Mazumder	10,884	9,971

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

Signatures to Schedules 'A' to 'O'

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

Tractors India

AND ITS SUBSIDIARIES

Consolidated Cash Flow Statement

of TIL LIMITED and its Subsidiaries for the year ended 31st March, 2009.

(Rs. in '000)

		Year Ended 31.03.2009		Year Ended 31.03.2008	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax		**653,015**		**656,910**
	Adjustments for :				
	Depreciation and Amortisation	165,524		127,510	
	Profit on Sale of Fixed Assets (Net)	(6,785)		(27,787)	
	Interest Expenses (Net)	198,150		144,960	
	Dividend Income	(33)		(13)	
	Unrealised Foreign Exchange Loss (Net)	500		500	
			357,356		**245,170**
	Operating Profit before Working Capital Changes		**1,010,371**		**902,080**
	Adjustments for :				
	Trade and Other Receivables	328,299		204,360	
	Inventories	491,784		(781,770)	
	Loans and Advances	(68,524)		8,508	
	Trade Payable	(959,516)		201,509	
			(207,957)		**(367,393)**
	Cash Generated from Operations		**802,414**		**534,687**
	Direct Taxes Paid		(191,344)		(207,459)
	Net Cash from Operating Activities		**611,070**		**327,228**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(405,716)		(383,674)	
	Proceeds from Sale of Fixed Assets	43,370		70,664	
	Interest Received	29,500		23,162	
	Dividend Received	33		13	
	Net Cash used in Investing Activities		**(332,813)**		**(289,835)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Interest Paid	(222,049)		(167,853)	
	Proceeds from issuance of Equity Shares upon conversion of Equity Warrants	-		97,845	
	Advance received on issue of Equity Warrants	-		87,815	
	Proceeds from Long Term borrowings	200,000		-	
	Repayment of Long Term borrowings	(63,925)		(60,885)	
	Increase in Cash Credit and other short term borrowings (Net)	123,710		49,174	
	Dividend Paid	(46,755)		(34,138)	
	Net Cash used in Financing Activities		**(9,019)**		**(28,042)**
D	**EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS**	**129,097**			**16,694**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**398,335**			**26,045**
	Cash And Cash Equivalents as at the beginning of the year (Schedule 'I')	61,468			35,423
	Cash and Cash Equivalents as at the close of the year (Schedule 'I')	**459,803**			**61,468**

Notes :

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

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

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

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

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

S.K.Deb
Partner
Membership No. - 13390
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Place : Kolkata
Date : 11th May, 2009.

Statement Regarding Subsidiary Companies

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

Name of the Company	Myanmar Tractors Ltd. (MTL)	Tractors Nepal Pvt. Ltd. (TNPL)	TIL Overseas PTE Ltd. (TILO)
	31st March	15th July	31st March
FINANCIAL YEAR ENDING OF THE SUBSIDIARY			
The Company's Interest in the subsidiary as on 31st March 2009.			
a) No. of Equity Shares	19714	36800	107577
b) Face Value	Kyats 1000	NPR 100	S$ 10
c) Extent of Holding	81%	100%	100%
Net Aggregate Profit/(Loss) of the subsidiary Company so far as it concerns the Members of the Company :-			
A) For the financial year ended on 31st March, 2009 :			
i) Not dealt with in the Books of Accounts of the Company.	US$ 391202 (100% of the PAT)	NPR $15052475 (100% of the PAT	US$ $ 1574112 (100% of the PAT)
ii) Dealt with in the Books of Accounts of the Company.	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.	US$ 5550648 (100% of the PAT)	NPR$11108684 (100% of the PAT)	US$ $ 5646571 (100% of the PAT)
ii) Dealt with in the Books of Accounts of the Company.	Nil	Nil	Nil

Notes:

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

Place : Kolkata
Date : 11th May, 2009.

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Debashis Nag
Company Secretary

Myanmar Tractors Ltd. (MTL)

(Incorporated in the Union of Myanmar)

A Subsidiary Company of TIL Limited

14TH ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS

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

GENERAL MANAGER

Mr. Heinz Ludi

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

MANDALAY BRANCH

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

PHARKANT BRANCH

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

NAYPYI TAW OFFICE

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

Directors' Report

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2009.

The Directors have pleasure in submitting their report and the audited financial statements for the year ended 31st March, 2009.

REVIEW OF OPERATIONS

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

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

Myanmar market showed a huge upward shift last year, with Private Customers and Contractors buying large number of Machines and Parts for various projects. However, economic embargoes were imposed/strengthened by various Countries on Myanmar during the year under review. This has affected our business this year and your Directors are apprehensive that this will continue to affect our business substantially till these Embargoes last.

Due to all the above, your company has achieved a turnover of US$ 8,993,768 (last year US$12,412,361) and a profit before tax of US$ 526,202 (last year US$ 1,079,726).

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

DIVIDEND

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

DIRECTORS

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

Presently the Board consists of the following persons:-

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

AUDITORS

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

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

A. Mazumdar
Chairman

Place : Yangon, Myanmar
Date : 27th April, 2009.

Independent Auditors' Report

To the Members of Myanmar Tractors Limited

We have audited the accompanying financial statements of the Company, which comprise the balance sheet as at March 31, 2009 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

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

(b) selecting and applying appropriate accounting policies; and

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion,

(i) the financial statements are properly drawn up in accordance with the provisions of the Act and International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and the results, changes in equity and cash flows of the Company for the year ended on that date; and

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

U Tin Win Group
Certified Public Accountants

Place : Myanmar
Date : 28th April, 2009.

Balance Sheet

as at 31st March, 2009

	Note	2008-2009 US$	2008-2009 RS	2007-2008 US$	2007-2008 RS
FIXED ASSETS	6	2,312,176	107,400,575	2,176,775	87,353,981
CURRENT ASSETS					
Inventory	7	4,341,298	201,653,292	4,584,023	183,956,843
Trade Debtors	8	893,880	41,520,726	2,748,284	110,288,637
Deposit & Advances	9	5,521,637	256,480,039	6,964,235	279,474,751
Cash & Bank Balance	10	1,270,585	59,018,673	1,047,464	42,034,730
		12,027,400	**558,672,730**	**15,344,006**	**615,754,961**
CURRENT LIABILITIES					
Trade Creditors	11	4,058,290	188,507,571	7,564,766	303,574,060
Other Creditors	12	2,200	102,190	2,188	87,804
Provision For Taxation	13	175,000	8,128,750	303,179	12,166,573
		4,235,490	196,738,511	7,870,133	315,828,437
NET CURRENT ASSETS		**7,791,910**	**361,934,220**	**7,473,873**	**299,926,523**
		10,104,086	**469,334,795**	**9,650,648**	**387,280,504**
CAPITAL & ACCUMULATED PROFIT					
Share Capital	14	4,100,000	190,445,000	4,100,000	164,533,000
Accumulated Profit		6,004,086	278,889,795	5,550,648	222,747,504
		10,104,086	**469,334,795**	**9,650,648**	**387,280,504**

The accompanying notes to the accounts form an integral part of the accounts.

Trading, Profit & Loss Account

For the year ended 31st March, 2009

	Note	2008-2009 US$	2008-2009 RS	2007-2008 US$	2007-2008 RS
Sale of Goods	4	6,894,111	320,231,456	11,121,879	446,321,004
Sale of Service/Rental					
Income		1,853,703	86,104,504	1,036,966	41,613,446
Other Income	5	245,954	11,424,563	253,516	10,173,597
Total Income		**8,993,768**	**417,760,524**	**12,412,361**	**498,108,047**
Cost of Sales		3,996,941	185,657,909	6,859,919	275,288,549
Operating Profit		**4,996,827**	**232,102,614**	**5,552,442**	**222,819,497**
Adminstrative Expenses					
General & Adminstrative Expn		(3,885,306)	(180,472,464)	(4,036,631)	(161,990,002)
Depreciation/Ammortisation	6	(585,319)	(27,188,068)	(436,085)	(17,500,091)
Profit Before Taxation		**526,202**	**24,442,083**	**1,079,726**	**43,329,404**
Provision for Taxation		(135,000)	(6,270,750)	(250,000)	(10,032,500)
Profit After Taxation		**391,202**	**18,171,333**	**829,726**	**33,296,904**
Statement of Revenue Reserves					
Bal at Begn of Year		5,550,648	257,827,600	4,954,471	198,822,921
Capitalised by Issue of Bonus Shares					
Tax Adjustment		62,236	2,890,862	(28,549)	(1,145,671)
Diviend Paid		-	-	(205,000)	(8,226,650)
Profit/Loss for the Year		391,202	18,171,333	829,726	33,296,904
Balance at end of Year		**6,004,086**	**278,889,795**	**5,550,648**	**222,747,504**

The accompanying notes to the accounts form an integral part of the accounts.

Notes
to the accounts 31st March, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accounts of the Company are expressed in United States Dollar, prepared under the historical cost convention.

B. Sale of Goods

Sale of Goods comprise the invoiced value of goods sold. All Rental Income and Income from Services rendered are shown separately.

C. 1) Depreciation of Fixed Assets

Depreciation of fixed assets is calculated on the straight-line method to write-off the cost of assets at the end of their operational lives.

The estimated useful lives of the assets are as follows:

Motor vehicles & motor cycles	5 years	Computer Softwares	4 years
Office equipment	5 years	Tools	4 years
Office Furniture & Fittings	5 years	Rental Machines	5 years

2) Amortisation of Development of Leased Assets Depreciation of leased Assets were amortised over five Years.

D. Taxation

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

E. Foreign Currency Conversion

Myanmar Kyats transactions have been converted into United States Dollars at the rates of exchange ruling at the date of the transactions. Exchange differences are accounted in the Profit and Loss Account.

2. PRINCIPAL ACTIVITIES

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

3. REGISTERED ADDRESS

The registered address of the holding company which is also its ultimate holding Company is as follows:-
TIL LTD, 1, Taratolla Road, Garden Reach, Kolkata -700024, India.

4 SECTOR ANALYSIS

	2007-2008-US$	2007-2008-RS
A. Prime Products	1,493,507	69,373,400
B. Spare Parts & Accessories	5,400,604	250,858,056
	6,894,111	**320,231,456**

5 OTHER INCOME

	2008-2009-US$	2008-2009-RS	2007-2008-US$	2007-2008-RS
Miscellaneous Income	229,384	10,654,887	133,391	5,352,981
Profit on Disposal of Assets	16,570	769,677	120,125	4,820,616
	245,954	**11,424,563**	**253,516**	**10,173,597**

6 FIXED ASSETS

		Leasehold Building	Motor Vehicles & Cycles	Office Furniture & Equipment	Computer Software & Tools	Rental Equipment	Total
Cost							
At begining of Year	US$	567,281	727,069	756,119	1,135,754	2,037,213	5,223,436
	RS	26,350,202	33,772,355	35,121,728	52,755,773	94,628,544	242,628,602
Additions	US$	-	33,276	646	226,512	787,525	1,047,959
	RS	-	1,545,670	30,007	10,521,482	36,580,536	48,677,696
Disposal	US$	-	-	(367)	-	(352,363)	(352,730)
	RS	-	-	(17,047)	-	(16,367,261)	(16,384,309)
Writeoff	US$			(2,230)	(7,095)		(9,325)
	RS	-	-	(103,584)	(329,563)	-	(433,146)
At end of Year	US$	**567,281**	**760,345**	**754,168**	**1,355,171**	**2,472,375**	**5,909,340**
	RS	**26,350,202**	**35,318,025**	**35,031,104**	**62,947,693**	**114,841,819**	**274,488,843**
WIP Construction	US$						6,556
	RS						304,526
At end of Year Total	US$	**567,281**	**760,345**	**754,168**	**1,355,171**	**2,472,375**	**5,915,896**
	RS	**26,350,202**	**35,318,025**	**35,031,104**	**62,947,693**	**114,841,819**	**274,793,369**
Accumulated Depreciation/Amortisation							
At begining of Year	US$	214,985	524,563	711,109	866,553	734,324	3,051,534
	RS	9,986,053	24,365,951	33,031,013	40,251,387	34,109,350	141,743,754
Disposal	US$	-	-	(361)	-	(23,527)	(23,888)
	RS	-	-	(16,768)	-	(1,092,829)	(1,109,598)
Write-off	US$	-	-	(2,172)	(7,073)	-	(9,245)
	RS	-	-	(100,889)	(328,541)	-	(429,430)

Notes

to the accounts 31st March, 2009

		Leasehold Building	Motor Vehicles & Cycles	Office Furniture & Equipments	Computer Software & Tools	Rental Equipment	Total
Charge for year	US$	70,459	68,963	14,799	133,839	297,259	585,319
	RS	3,272,821	3,203,331	687,414	6,216,822	13,807,681	27,188,068
At end of Year	US$	**285,444**	**593,526**	**723,375**	**993,319**	**1,008,056**	**3,603,720**
	RS	**13,258,874**	**27,569,283**	**33,600,769**	**46,139,668**	**46,824,201**	**167,392,794**
Net Book Value	US$	**281,837**	**166,819**	**30,793**	**361,852**	**1,464,319**	**2,312,176**
At End of Year	RS	**13,091,329**	**7,748,743**	**1,430,335**	**16,808,025**	**68,017,618**	**107,400,575**

7 INVENTORY

	2008-2009-US$	2008-2009-RS	2007-2008-US$	2007-2008-RS
Machine	297,392	13,813,858	122,413	4,912,434
Engine Component	1,623	75,388	445,947	17,895,853
Spare Parts	4,008,898	186,213,312	3,468,425	139,187,895
Spare Parts-In Transit	33,385	1,550,733	451,596	18,122,547
Engine-In Transit	-	-	95,642	3,838,113
	4,341,298	**201,653,292**	**4,584,023**	**183,956,843**

8 TRADE DEBTORS

Service Fees/Commission Due From	129,338	6,007,750	113,281	4,545,967
Suppliers				
Debtors For Prime Products	-	-	8,364	388,508
Spare Parts And Rental	764,542	35,512,976	2,626,639	105,407,023
	893,880	**41,520,726**	**2,748,284**	110,341,497

9 DEPOSITS & ADVANCES

Deposits	1,168	54,254	28,112	1,128,135
Import Deposit	-	-	1,058,039	42,459,105
Prepayments & Trade				
Advances	5,406,747	251,143,398	5,700,706	228,769,332
Advance Tax				
(Pending Assessment)	113,722	5,282,387	177,378	7,118,179
	5,521,637	**256,480,039**	**6,964,235**	**279,474,751**

10 CASH & BANK BALANCE

Cash At Bank				
On Current Accounts(Us$)	327,258	15,201,134	652,377	26,179,889
On Current Accounts(Euro)	2,130	98,939	2,221	89,129
On Current Account				
On Current Account (Singapore Dollars)	18,863	876,186	19,240	772,101
On Current Accounts(Kyats)	451,457	20,970,178	174,982	7,022,028
Cash In Hand				
Kyats	85,890	3,989,591	40,604	1,629,439
Fec	42,772	1,986,759	21,334	856,133
US$	342,215	15,895,887	136,706	5,486,012
	1,270,585	**59,018,673**	**1,047,464**	**42,034,730**

11 TRADE CREDITORS

For Goods Purchased				
And Expenses	3,925,412	182,335,387	7,341,761	294,624,869
Advance From				
Customers	132,878	6,172,183	223,005	8,949,191
	4,058,290	**188,507,571**	**7,564,766**	**303,574,060**

12 OTHER CREDITORS

Auditors' Remuneration				
	2,200	102,190	2,188	87,804
	2,200	**102,190**	**2,188**	**87,804**

13 PROVISION FOR TAXATION

Capital Gain Tax for Finacial Year				
2003-04, 2004-05 & 2006-07	-	-	53,179	2,134,073
Corporate Tax	135,000	6,270,750	250,000	10,032,500
Commercial Tax	40,000	1,858,000	-	-
	175,000	**8,128,750**	**303,179**	**12,166,573**

14 SHARE CAPITAL

	2008-2009 KYATS	2008-2009 US$	2008-2009 RS	2007-2008 KYATS	2007-2008 US$	2007-2008 RS
Authorised 50000 Ordinary Shares of K-1000 Each (Equivalent to US$166.67 per share)	**50,000,000**	**8,333,333**	**387,083,318**	**50,000,000**	**8,333,333**	**334,416,653**
Issued & Fully Paid 24325 Ordinary Shares of K-1000 Each (Equivalent To US$168.55 Per Share)	**24,325,000**	**4,100,000**	**190,445,000**	**24,325,000**	**4,100,000**	**164,533,000**

Cash Flow Statement

for the year ended 31st March, 2009

	2009 USD	2009 RS	2008 USD	2009 RS
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009				
Profit From operation	391,202	18,171,333	829,726	33,296,904
Adjustments for				
Depreciation	585,319	27,188,068	436,085	17,500,091
Write off	80	3,716	446	17,898
Profit on Disposal of Fixed Assets	(16,570)	(769,677)	(120,125)	(4,820,616)
Tax Adjustment	62,236	2,890,862	(28,549)	(1,145,671)
Operating profit before working capital	**1,022,267**	**47,484,302**	**1,117,583**	**44,848,606**
(Increase)/Decrease in Debtors	3,297,002	153,145,743	(2,076,777)	(83,341,061)
(Increase)/Decrease in Inventory	242,725	11,274,576	(858,403)	(34,447,712)
(Increase)/Decrease in Creditors	(3,634,643)	(168,829,167)	4,197,994	168,465,499
Cash flow from operating activities	**927,351**	**43,075,454**	**2,380,397**	**95,525,332**
Cash Flows From Investing Acitivities				
Purchase of Fixed assets	(1,049,642)	(48,755,871)	(1,764,206)	(70,797,587)
Proceeds from disposal of fixed assets	345,412	16,044,387	160,975	6,459,927
Net Cash used in Investing activities	(704,230)	(32,711,484)	(1,603,231)	(64,337,660)
Dividend Paid	**-**	**-**	**(205,000)**	**(8,226,650)**
Net Cash from financing activities	-	-	(205,000)	(8,226,650)
Net(decrease)/increase in cash & bank	223,121	10,363,970	572,166	22,961,022
Cash and Bank at the beginning of the year	1,047,464	48,654,703	475,298	19,073,709
Cash and Bank at the end of the year	**1,270,585**	**59,018,673**	**1,047,464**	**42,034,730**

(All Figures in Rs. '000)

'O' Notes (Contd.)

27.2 Balance of proceeds received upon allotment of Equity Share Warrants and Equity Shares during previous year have been utilised during the year, as given below :

Capital Expenditure on expansion projects :	
Balance lying in the Cash Credit Account as on 01.04.2008	95,652
Utilised in the current Year	95,652
Balance lying in the Cash Credit Account to be utilised in 2009-10	-

28. In March 2009, the Board of Directors of the Company, approved in principle a proposal to restructure the 'Caterpillar' business (primarily comprising of the Construction and Mining Solutions and Power Systems Solutions Segments referred to in Note 20 above) by transferring it to a wholly owned subsidiary. A detailed formal plan in this regard is yet to be worked out.

29. Remittance in Foreign Currency on account of Dividend to Non-Resident Shareholders	Year Ended 31.03.2009	Year Ended 31.03.2008
(i) On Equity Shares :		
(a) Amount Remitted	7,760	5,820
(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	2007-08	2006-07
(ii) On Preference Shares :-		
(a) Amount Remitted	-	87
(b) Number of Non - Resident Shareholders	-	1
(c) Number of Shares held by them	-	2,490,952
(d) Dividend for the year	-	2006-07

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

Signatures to Schedules 'A' to 'O'

A. Mazumdar	Sumit Mazumder	Debashis Nag
Chairman	Vice Chairman & Managing Director	Company Secretary

8TH ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

Nepal Grindlays Bank
New Baneswor Branch
Kathmandu
Nepal

REGISTERED OFFICE

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

Directors' Report

Your Directors have pleasure in presenting to you the Eighth Annual Report and Accounts for the period ended 31st March, 2009.

BUSINESS SCENARIO

Despite slow market progress with recession prevalent globally, your Company has been successfully providing services and support to its various customers at a competitive price. The profit before taxation for 2008-09 increased by about 86% over last year from Nepalese Rupees 10,387,401 (Indian Rupees 64,60,459) in March, 2008 to Nepalese Rupees 19,289,751 (Indian Rupees 1,20,56,094) in March, 2009. It is expected that performance of the Company will continue to improve further.

PRINCIPAL ACTIVITIES

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

FINANCE

During the year under review the Company has registered a gross turnover including income from operations revenue of Nepalese Rupees 31,534,224 (Indian Rupees 19,708,890) and earned profit after tax of Nepalese Rupees 15,052,475 (Indian Rupees 9,407,797).

DIVIDEND

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

DIRECTORS

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

AUDITORS

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Aloke Banerjee	**Subir Bhattacharyya**
Director	Director

Place : Lalitpur, Nepal
Dated : 25th April, 2009.

Auditor's Report

to the Shareholders of Tractors Nepal Private Limited

1. We have audited the accompanying Standard Consolidated Forms (SCF) of Tractors Nepal Private Limited expressed in Nepalese Rupee as of 31 March, 2009 and for the year then ended. These Standard Forms are the responsibility of TIL Limited's management. Our responsibility is to express an opinion on these Standard Forms based on our audit.
2. We conducted our audit in accordance with International Standards on Auditing generally accepted in India and with your 'TIL Limited Group Audit Instructions for the year ending 31st March, 2009.' Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether SCF are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in SCF. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall presentation of information in SCF. We believe that our audit provides a reasonable basis for our opinion.
3. On the basis of our examinations carried out as aforesaid and according to the information and explanations obtained, in our opinion:
   a. The accompanying SCF have been properly prepared to give the information required for the purpose of presentation of Consolidated Financial Statements of the Parent Company i.e. TIL Limited; and
   b. Present a true and fair view of the financial position of Tractors Nepal Private Limited as at 31st March, 2009, and its profit/loss and cash flows for the year then ended in conformity with the accounting principles generally accepted in India.
4. This report is intended solely for the use of Price Waterhouse, Kolkata in connection with the audit of the CFS of TIL Limited and should not be used for any other purpose.

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

Date: 25 April, 2009.

Tractors Nepal

Balance Sheet

as at 31st March, 2009

	Schedule	As at 31.03.2009 (NRS)		As at 31.03.2009 (Rs.)		As at 31.03.2008 (NRS)	As at 31.03.2008 (Rs.)
SOURCES OF FUNDS							
1. Shareholders' Funds							
(a) Capital	A		3,680,000		2,300,000	3,680,000	2,300,000
(b) Reserves and Surplus	B		24,321,159		15,200,724	11,108,684	6,942,928
2. Loan Funds	C						
(a) Secured Loans			-			-	
(b) Unsecured Loans			-			-	
Total			**28,001,159**		**17,500,724**	**14,788,684**	**9,242,928**
APPLICATIONS OF FUNDS							
1. Fixed Assets	E						
(a) Gross Block			1,586,925		991,828	1,177,723	736,077
(b) Less : Depreciation			719,326		449,579	547,712	342,320
(c) Net Block			867,599		542,249	630,011	393,757
(d) Capital Work-in-Progress			-			-	
2. Investments	F		-			-	
3. Current Assets, Loans and Advances							
(a) Inventories	G	4,467,094		2,791,934		1,377,666	861,041
(b) Sundry Debtors	H	7,607,943		4,754,964		6,131,036	3,831,898
(c) Cash and Bank Balances	I	15,026,450		9,391,531		10,808,236	6,755,148
(d) Other Current Assets	J	3,069,450		1,918,406		149,966	93,729
(e) Loans and Advances	K	2,317,282		1,448,301		1,061,885	663,678
			32,488,219		20,305,137	19,528,789	12,205,493
Less : Current Liabilities and Provisions	D						
(a) Liabilities		790,002		493,751		282,776	176,735
(b) Provisions		4,564,657		2,852,911		5,087,340	3,179,588
			5,354,659		3,346,662	5,370,116	3,356,323
Net Current Assets			27,133,560		16,958,475	14,158,673	8,849,171
4. Miscellaneous Expenditure	L		-		-	-	-
(To the extent not written off or adjusted)							
Total			**28,001,159**		**17,500,724**	**14,788,684**	**9,242,928**
Notes	P						

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

As Per Our Report of Even Date

Sanjib Ganguly
Manager

Aloke Banerjee
Director

S. K. Bhattacharya
Director

Jagdish Agrawal, FCA
Partner

This is the Balance Sheet referred to in our report of even date.
Place : Lalitpur
Date : 25th April, 2009.

For and on behalf of
JBRH and Company,
Chartered Accountants

Profit & Loss Account

for the year ended 31st March, 2009

		(NRS)		(Rs.)		(NRS)	(Rs.)
	Schedule	Year to 31.03.2009		Year to 31.03.2009		Year to 31.03.2008	Year to 31.03.2008
INCOME							
Sales		13,006,070		8,128,794		10,063,158	6,289,474
Other Income	M	18,528,154		11,580,096		8,953,897	5,596,186
			31,534,224		19,708,890	19,017,055	11,885,659
EXPENDITURE							
Cost of Materials and Direct							
Manufacturing Expenses	N	7,328,123		4,580,077		5,322,179	3,326,362
Expenses	O	4,744,736		2965460		3,180,660	1,987,913
			12,072,859		7,545,537	8,502,839	5,314,274
Profit Before Interest, Depreciation and Taxation			19,461,365		12,163,353	10,514,216	6,571,385
Interest on :							
Fixed Loans		0				0	
Others (Net)		0				0	0
			0			0	0
Depreciation		171,614		107,259		126,815	79,259
Less : Transfer from Revaluation Reserve		0				0	
			171,614		107,259	126,815	79,259
Profit Before Taxation			19,289,751		12,056,094	10,387,401	6,492,126
Less : Provision for Taxation			4,237,276		2,648,298	2,752,661	1,720,413
Profit After Taxation			15,052,475		9,407,797	7,634,740	4,771,713
Add : Balance of Profit and Loss Account brought forward from previous year			11,108,684		6,942,928	5,313,944	3,321,215
Balance Available for Appropriation			26,161,159		16,350,724	12,948,684	8,092,928
APPROPRIATIONS							
General Reserve			-			-	
Interium Dividend			1,840,000		1,150,000	1,840,000	
Tax on Dividend			-	-	-	-	-
Balance Carried Forward			24,321,159		15,200,724	11,108,684	8,092,927
			26,161,159		**16,350,724**	**12,948,684**	**8,092,927**
Notes	P						

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

As Per Our Report of Even Date

Sanjib Ganguly
Manager

Aloke Banerjee
Director

S. K. Bhattacharya
Director

Jagdish Agrawal, FCA
Partner

This is the Profit and Loss Account referred to in our report of even date.
Place : Lalitpur
Date : 25th April, 2009.

For and on behalf of
JBRH and Company,
Chartered Accountants

Schedule

forming part of the Balance Sheet as on 31st March, 2009

		(NRS)	(Rs.)	(NRS)	(Rs.)
		As at 31.03.2009	As at 31.03.2009	As at 31.03.2008	As at 31.03.2008
SCHEDULE 'A'					
SHARE CAPITAL					
Authorised					
400,000 Shares of Rs 100/- each		40,000,000	25,000,000	40,000,000	25,000,000
Issued, Subscribed and Paid up					
36800 Equity Shares of Rs 100/- each fully called and paid up.		3,680,000	2,300,000	3,680,000	2,300,000
Less : Calls in Arrear - Other than Directors		0		0	
Total		**3,680,000**	**2,300,000**	**3,680,000**	**2,300,000**
		As per last Account	Additions	Deductions	As at 31.03.2009
SCHEDULE 'B'					
RESERVES AND SURPLUS					
Capital Reserve		0	-	-	0
Revaluation Reserve		0	-	-	0
Share Premium Account		0	-	-	0
Amalgamation Reserve		0	-	-	0
Development Rebate Reserve		0	-	-	0
General Reserve		0	0	-	0
Debenture Redemption Reserve		0	-	-	0
		0	0	0	0
Profit and Loss Account	NRS	11,108,684	15,052,475	1,840,000	24,321,159
	RS	6,942,928	9,407,797	1,150,000	15,200,724
Total	**NRS**	**11,108,684**			**24,321,159**
	RS	**6,942,928**			**15,200,724**
		As at 31.03.2009	As at 31.03.2009	As at 31.03.2008	As at 31.03.2008
SCHEDULE 'C'					
LOAN FUNDS					
Secured Loans					
Debentures			0		0
Cash Credit / Working Capital Demand Loan					
From Banks			0		0
Term Loan					
Financial Institutions			0		0
Total			**0**		**0**
Unsecured Loans					
Loans					
From Banks		-	-	-	-
From Financial Institution		-	-	-	-
Short Term Loans					
From TIL		-	-	-	-
Total		**-**	**-**	**-**	**-**

Schedules

forming part of the Balance Sheet as on 31st March, 2009

	(NRS) As at 31.03.2009		(Rs.) As at 31.03.2009		(NRS) As at 31.03.2008	(Rs.) As at 31.03.2008
SCHEDULE 'D'						
CURRENT LIABILITIES AND PROVISIONS						
Current Liabilities :						
Acceptances						
Sundry Creditors	520,883		325,552		275,530	172,206
Advance by Customers and others	144,195		90,122		-	-
Holding Company	-		-		-	-
Unclaimed/Unpaid Dividends	-		-		-	-
Other Liabilities	124,924		78,078		7,246	4,529
Interest accrued but not due on Loans	-		-			-
		790,002		**493,751**	**282,776**	**176,735**
Provisions for :						
Taxation (Net of Advance payment of Tax)		4,564,657		2,852,911	3,247,340	2,029,588
Proposed Dividend	-		-		1,840,000	1,150,000
Tax on Dividend	-					
Employees' benefit	-					
		-		-	-	
		4,564,657		**2,852,911**	**5,087,340**	**3,179,588**
		5,354,659		**3,346,662**	**5,370,116**	**3,356,323**

(Rs. in '000)

	Cost / Valuation as at 31.03.2008	Additions/ Adjustment during the year	Cost / Valuation of sales/ Adjustment etc during the year	Total Cost / Valuation as at 31.03.2009	Depreciation Provided up to 31.03.2008	Depreciation Provided during the year	Depreciation on Sales/ Adjustment etc during the year	Depre-ciation Provided up to 31.03.2009	Net Value of Assets as at 31.03.2009	Net Value of Assets as at 31.03.2008
SCHEDULE 'E'										
FIXED ASSETS										
Freehold Land	-	-	-	-	-	-	-	-	-	-
Leasehold Land (a)	-	-	-	-	-	-	-	-	-	-
Buildings :										
Leasehold	166,009	-	-	166,009	118,973	33,202	-	152,175	13,834	47,036
Freehold	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	109,824	25,693	-	135,517	31,903	6,209	-	38,113	97,404	77,921
Tubewell	-	-	-	-	-	-	-	-	-	-
Furnitures	293,486	11,563	-	305,048	88,080	17,014	-	105,094	199,954	205,406
Office Equipments	166,758	98,496	-	265,254	103,364	32,833	-	136,197	129,057	63,394
Cycle and Motor Vehicles	-	120,000	-	120,000	-	18,000	-	18,000	102,000	-
Total	**736,077**	**255,751**	**-**	**991828**	**342,320**	**107,259**	**-**	**449,579**	**542,249**	**393,757**
Previous year	**73,053**	**46,913**	**-**	**736,077**	**263,061**	**79,259**	**-**	**342,320**	**393,757**	**-**

Schedules

forming part of the Balance Sheet as on 31st March, 2009

Name	Particulars	As at 31.03.2009 Numbers	As at 31.03.2009 Value	As at 31.03.2008 Numbers	As at 31.03.2008 Value
SCHEDULE 'F'					
INVESTMENTS - LONG TERM AT COST					
Trade - Unquoted		-	-	-	-
Other than Trade :		-	-	-	-
Quoted :		-	-	-	-
Unquoted :		-	-	-	-
Less : Provision for diminution in value of Investment		-	-	-	-
Total		-	-	-	-
Aggregate book value of investments					
Quoted			-		-
Unquoted			-		-
Total			**-**		**-**
Aggregate market value of quoted investments			-		-

	(NRs) As at 31.03.2009	(Rs) As at 31.03.2009	(NRs) As at 31.03.2008	(Rs) As at 31.03.2008
SCHEDULE 'G'				
INVENTORIES				
Stores-at cost	-	-	-	-
Loose Tools	-	-	-	-
Raw Materials -at cost (spare parts)	-	-	-	-
Stock-in-Trade-at lower				
of cost / realisable value	4,467,094	2,791,934	1,377,666	861,041
Work-in-Progress-at lower				
of cost / realisable value	-	-	-	-
Total	**4,467,094**	**2,791,934**	**1,377,666**	**861,041**
SCHEDULE 'H'				
SUNDRY DEBTORS (Unsecured - Considered Good)				
Debts outstanding for more than	137,753	86,096	21,736	13,585
six months				
Other Debts	7,470,190	4,668,869	6,109,300	3,818,313
Total	**7,607,943**	**4,754,964**	**6,131,036**	**3,831,898**
SCHEDULE 'I'				
CASH AND BANK BALANCES				
Cash in hand	32,591	20,369	6,479	4,049
Balance with Scheduled Banks		-		-
On Current Accounts	14,993,859	9,371,162	6,801,757	4,251,098
On Dividend Accounts		-		-
On Fixed Deposit	-	-	4,000,000	2,500,000
Remittance-in-Transit	-	-	-	-
Total	**15,026,450**	**9,391,531**	**10,808,236**	**6,755,148**

Schedules

forming part of the Balance Sheet as on 31st March, 2009

	(NRs) As at 31.03.2009	(Rs) As at 31.03.2009	(NRs) As at 31.03.2008	(Rs) As at 31.03.2008
SCHEDULE 'J'				
OTHER CURRENT ASSETS				
Interest accrued on Fixed Deposits	-	-	50,667	31,667
Claims Receivable (Warranty Claim)	3,039,270	1,899,544	79,299	49,562
Accrued duty benefits pertaining to Exports / Deemed Exports	-	-	-	-
Deposits	30,180	18,863	20,000	12,500
Total	**3,069,450**	**1,918,406**	**149,966**	**93,729**
SCHEDULE 'K'				
LOANS AND ADVANCES (Unsecured-Considered Good)				
Advances recoverable in cash or in kind or for value to be received	443,037	276,898	73,067	45,667
Prepaid Expenses	28,325	17,703	6,106	3,816
Advance Income Tax (Including Tax deducted at source)	1,845,920	1,153,700	982,712	614,195
Total	**2,317,282**	**1,448,301**	**1,061,885**	**663,678**
SCHEDULE 'L'				
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
Technical Know-How Fees				
Preliminary Expenses	-	-	-	-
Preoperative Expenses	-	-	-	-
Office Decoration	-	-	-	-
Total	-	-	-	-

Schedules forming part of the Profit and Loss Account for the year ended 31st March, 2009

	(NRs) Year to 31.03.2009	(Rs) Year to 31.03.2009	(NRs) Year to 31.03.2008	(Rs) Year to 31.03.2008
SCHEDULE 'M'				
OTHER INCOME				
Selling Commission Earned	18,501,489	11,563,431	8,903,230	5,564,519
Technical Fees	-	-	-	-
Rental from Machinery	-	-	-	-
Sale of Scraps	-	-	-	-
Interest	26,665	16,666	50,667	31,667
Dividend on (Other than Trade) Investments	-	-	-	-
Provision for diminution in value of investments no longer required, written back	-	-	-	-
Miscellaneous Income	-	-	-	-
Total	**18,528,154**	**11,580,096**	**8,953,897**	**5,596,186**

Schedules forming part of the Profit and Loss Account for the year ended 31st March, 2009

		(NRs) Year to 31.03.2009	(Rs) Year to 31.03.2009	(NRs) Year to 31.03.2008	(Rs) Year to 31.03.2008
SCHEDULE 'N'					
COST OF MATERIALS & DIRECT MANUFACTURING EXPENSES					
Opening Stock					
Raw Materials -					
in Hand	-				
in Transit	-				
Stock in Trade	1,377,666				
		1,377,666	861,041	1,181,443	738,402
Add : Purchases		10,413,641	6,508,526	5,495,961	3,434,976
		-		-	
		11,791,307	7,369,567	6,677,404	4,173,378
Less :					
Closing Stock					
Raw Materials -					
in Hand	-				
in Transit	-				
Stock in Trade	4,467,094				
		4,467,094	2,791,934	1,377,666	861,041
		7,324,213	4,577,633	5,299,738	3,312,336
Add : Work-in-Progress on 31.03.2008		-	-	-	-
		7,324,213	4,577,633	5,299,738	3,312,336
Less : Work-in-Progress on 31.03.2009		-		-	
		7,324,213	**4,577,633**	**5,299,738**	**3,312,336**
		-	-	-	-
Less : Capitalised		-		-	
		7,324,213	4,577,633	5,299,738	3,312,336
Consumption of Stores					
Direct Wages		3,910	2,444	22,441	14,026
Incentive Payments		-		-	
Contribution to Employees State Insurance		-	-	-	-
Excise Duty		-		-	
Total		**7,328,123**	**4,580,077**	**5,322,179**	**3,326,362**

Schedules forming part of the Profit and Loss Account for the year ended 31st March, 2009

		(NRs) Year to 31.03.2009	(Rs) Year to 31.03.2009		(NRs) Year to 31.03.2008	(Rs) Year to 31.03.2008
SCHEDULE '0'						
EXPENSES						
Salaries, Wages and Bonus		2,088,162	1,305,101		1,206,563	754,102
Contribution to Provident and other Funds		49,614	31,009		57,090	35,681
Staff Welfare Expenses		9,940	6,213		10,243	6,402
Rent (Net)		641,406	400,879		473,211	295,757
Rates and Taxes		29,764	18,603		173,291	108,307
Bank Charges		42,863	26,789		29,337	18,336
Insurance		18,530	11,581		44,176	27,610
Repairs and Maintenance :						
Buildings	-			8,938		
Other Assets	21,655			20,495		
		21,655	13,534		29,433	18,396
Travelling Expenses		623,351	389,594		305,432	190,895
Stationery and Printing		36,457	22,786		26,790	16,744
Postage,Telegrams,Telephones		299,825	187,391		138,825	86,766
Advertising		2,655	1,659		3,000	1,875
Gas and Electricity		30,574	19,109		24,684	15,428
Gratuity provision		79,808	49,880		-	-
Staff Medical		77,205	48,253		60,125	37,578
Motor Vechile expenses		181,360	113,350		223,645	139,778
Professional Fees		315,579	197,237		117,755	73,597
Miscellaneous Expenses		195,988	122,493		69,091	43,182
Debts/Advances/Claims written off		-	-		187,969	117,481
Total		**4,744,736**	**2,965,460**		**3,180,660**	**1,987,913**

SCHEDULE 'P'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1. Accounting Policies

A. Accounting Convention:

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

B. Fixed Assets:

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

C. Depreciation:

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

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

D. Sales and other income

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

C. Expenses during Trial Run:

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

D. Deferred Revenue Expenses:

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

E. Inventories:

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

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

F. Tax Provision

Income tax provision is made as per Nepal Income Tax Act 2002 as amended @ 26.5% for initial 3.5 months and 25% for rest 8.5 month on the book Profit.

G. Foreign Currency Transactions

Transactions in foreign currency are reflected at the rates applicable at the year end date and any difference at the time of realization is shown as Exchange Gain/Loss.

NOTES TO THE ACCOUNTS

A. Contingent liabilities

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

B. Commission income

Commission income amounting to Nrs. 4,262,167.00 as accrued based on the difference between customer invoice and dealer invoice has been booked after deducting estimated 20% relevant expenses which is subject to confirmation and settlement with CAT Singapore.

Cash Flow Statement

for the year ended 31st March, 2009

	(NRs) Year ended 31st March 2009		(Rs) Year ended 31st March 2009		(NRs) Year ended 31st March 2008		(Rs) Year ended 31st March 2008	
A. CASH FLOW FROM OPERATING ACTIVITIES								
Net Profit Before Tax and Extra-ordinary Items		19,289,751		12,056,094		10,387,401		6,492,126
Adjustments for :								
Depreciation	171,614		107,259		126,815		79,259	
Provision for dimunition in value of Investment written back	-				-			
Loss on Sale of Fixed Assets	-		-		-		-	
Loss on Sale of Investment	-				-			
Provision for Employee Benefits	-				-			
Interest Expenses	-				-			
Interest / Dividend Income	(26,665)		(16,666)		-			
Miscellaneous Expenditure Written off	-		-		-		-	
		144,949		90,593		126,815		79,259
Operating Profit before Working Capital Changes		19,434,700		12,146,688		10,514,216		6,571,385
Adjustments for :								
Trade and Other Receivables	(1,476,907)		(923,067)		(4,505,902)		(2,816,189)	
Inventories	(3,089,428)		(1,930,893)		(196,223)		(122,639)	
Loans and Advances	(3,311,673)		(2,069,796)		241,342		150,839	
Trade Payable	507,226		317,016		(123,519)		(77,199)	
		(7,370,782)		(4,606,739)		(4,584,302)		(2,865,189)
Cash Generated from Operations		12,063,918		7,539,949		5,929,914		3,706,196
Direct Taxes Paid		(3,783,167)		(2,364,479)		(1,282,712)		(801,695)
Cash Flow before Extraordinary Items		8,280,751		5,175,469		4,647,202		2,904,501
Extraordinary Items		-				-		
Net Cash from Operating Activities		8,280,751		5,175,469		4,647,202		2,904,501
B. CASH FLOW FROM INVESTING ACTIVITIES								
Purchase of Fixed Assets	(409,202)		(255751)		(18,198)		(11,374)	
Proceeds from Sale of Fixed Assets	-		-		-		0	
Proceeds from Sale of Investments	-				-			
Interest Received	26,665		16,666		-			
Dividend Received	-				-			
Miscellaneous Expenditure (write back) (Technical Know how Fees / Deferred Revenue Expenditure)								
Net Cash Used in Investing Activities		(382,537)		(239,086)		(18,198)		(11,374)

Cash Flow Statement

for the year ended 31st March, 2009

	(NRs) Year ended 31st March 2009		(Rs) Year ended 31st March 2009		(NRs) Year ended 31st March 2008		(Rs) Year ended 31st March 2008	
C. CASH FLOW FROM FINANCING ACTIVITIES								
Issue of Share Capital	-		-		-			
Receipt/(Repayment) of Loans								
Increase/(Decrease) in Cash Credit	-		-		-			
Dividend Paid	(3,680,000)		(2,300,000)		-			
Tax on Dividend								
Net Cash Used in Financing Activities		(3,680,000)		(2,300,000)		-		-
Net Increase In Cash and Cash Equivalents (A+B+C)		4,218,214		2,636,384		4,629,004		2,893,128
Cash and Cash Equivalents as at the beginning of the year		10,808,236		6,755,148		6,179,232		3,862,020
Cash and Cash Equivalents as at the close of the year		15,026,450		9,391,531		10,808,236		6,755,148

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

2) Cash and Cash Equivalents	31/03/2009	31/03/2008	**31/03/2007**
	NRS	NRS	NRS
Cash and Cheques in hand	32,591	6,479	**691**
Balance with Scheduled Banks			
On Current Accounts	14,993,859	6,801,757	6,178,541
On Dividend Accounts	-	-	-
On Fixed Deposit	-	-	-
Remittance -in-Transit	-	4,000,000	-
	15,026,450	10,808,236	6,179,232

2) Cash and Cash Equivalents	31/03/2009	31/03/2008	31/03/2007
	Rs	Rs	Rs
Cash and Cheques in hand	20,369	4,049	432
Balance with Scheduled Banks			
On Current Accounts	9,371,162	4,251,098	3,861,588
On Dividend Accounts	-	-	-
On Fixed Deposit	-	-	-
Remittance -in-Transit	-	2,500,000	-
	9,391,531	**6,755,148**	**3,862,020**

Raju Kumar Sibakoti, FCA
Partner,
For and on behalf of
JBRH and Company
Chartered Accountants

Place : Lalitpur
Date : 25th April, 2009.

8TH ANNUAL REPORT 2008-2009

General Information

BOARD OF DIRECTORS

Avijit Mazumdar

Sumit Mazumder

Shyamal Bandopadhyay

Arangannal s/o Kathamuthu

COMPANY SECRETARY

Cheng Lian Siang

REGISTERED OFFICE

3, Phillip Street,

18-00 Commerce Point,

Singapore 048693

CORPORATE OFFICE AND WAREHOUSE

11, Tractors Road,

Jurong, Singapore 627972

Tel : 65-62618068, 65-91737240

E-mail: tilo11@singnet.com.sg

AUDITORS

Shanker Iyer & Co.

Directors' Report

The directors present their report to the member together with the audited financial statements of the company for the financial year ended 31st March, 2009.

DIRECTORS

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

Avijit Mazumdar
Sumit Mazumder
Shyamal Bandopadhyay
Arangannal s/o Kathamuthu

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

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

	Holdings registered in name of director	
	As at 1.4.2008	As at 31.3.2009
Immediate and Ultimate Holding Company		
Ordinary shares of 10 Rupees each fully paid		
Avijit Mazumdar and Sumit Mazumder	446,701	588,301
Avijit Mazumdar	2,543	-
Sumit Mazumder	-	24,360
Shyamal Bandopadhyay	-	500

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

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the company.

There were no unissued shares of the company under option at the end of the financial year.

INDEPENDENT AUDITORS

The independent auditors, Messrs Shanker Iyer & Co., Certified Public Accountants, Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board

Sumit Mazumder

Director

Shyamal Bandopadhyay

Director

Date : 28th April, 2009.

Statement By Directors

In the opinion of the directors of TIL OVERSEAS PTE LTD,

(a) the accompanying balance sheet, income statement, statement of changes in equity and cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31st March, 2009 and of its results, changes in equity and cash flows for the financial year ended 31st March, 2009; and

(b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors authorised these financial statements for issue on 28, April, 2009.

On behalf of the Board

Sumit Mazumder

Director

Shyamal Bandopadhyay

Director

Date : 28th April, 2009.

Independent Auditors' Report

To the member of TIL OVERSEAS PTE LTD

(Incorporated in Singapore)

We have audited the accompanying financial statements of TIL OVERSEAS PTE LTD as set out on pages 7 to 31, which comprise the balance sheet as at 31st March, 2009 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

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

(b) selecting and applying appropriate accounting policies; and

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

Opinion

In our opinion,

(a) the financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31st March, 2009 and of its results, changes in equity and cash flows for the financial year ended on that date; and

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

Shanker Iyer & Co.

Public Accountants and Certified Public Accountants

Place : Singapore

Date : 28th April, 2009.

Balance Sheet

as at 31st March, 2009

	Note	USD 2009	Rs. 2009	USD 2008	Rs. 2008
NON CURRENT ASSETS					
Plant & Equipment	4	61,777	2,869,542	6,856	275,131
Investment	5	1,919,777	89,173,642	1,881,124	75,489,506
Total non current assets		**1,981,554**	**92,043,183**	**1,887,980**	**75,764,637**
CURRENT ASSETS					
Cash and cash equivalents	6	7,528,181	349,684,007	271,956	10,913,594
Trade Receivables	7	895,460	41,594,117	9,750,652	391,293,665
Other Receivables	8	126,916	5,895,248	302,585	12,142,736
Inventories	9	2,712,406	125,991,259	20,034,940	804,002,142
		11,262,963	**523,164,631**	**30,360,133**	**1,218,352,137**
CURRENT LIABILITIES					
Bank Overdraft	6	-	-	2,184,436	87,661,417
Trade Payables	10	1,151,803	53,501,249	13,866,785	556,474,082
Other Payables	11	3,826,895	177,759,273	9,023,553	362,115,182
Provision For Taxation		298,471	13,863,978	818,756	32,856,678
		5,277,169	**245,124,500**	**25,893,530**	**10,39,107,359**
Net Current (Liablitles) /assets		5,985,794	278,040,131	4,466,603	179,244,778
Net Assets		7,967,348	370,083,315	6,354,583	255,009,416
Sharehlder's Equlty					
Share Capital	12	708,012	32,887,157	708,012	28,412,522
Reserves	13	7,259,336	337,196,157	5,646,571	226,596,894
		7,967,348	**370,083,315**	**6,354,583**	**255,009,416**

Income Statement

For the year ended 31st March, 2009

	Note	USD 2009	Rs. 2009	USD 2008	Rs. 2008
REVENUE					
Sale Of Goods		35,599,369	1,653,590,690	72,271,273	2,900,246,185
Interest Income		827,751	38,449,034	571,617	22,938,990
Dividend Income		-	-	38,950	1,563,064
Exchange Gain		-	-	963	38,645
Reversal of over Provision of Interest Expenses		274,648	12,757,400	-	-
		1,736	80,637	-	-
Total Revenue		**36,703,504**	**1,704,877,761**	**72,882,803**	**2,924,786,884**
COSTS AND EXPENSES					
Purchases Consumed	14	31,846,471	1,479,268,578	65,177,861	2,615,587,562
Warranty Expenses		1,797,995	83,516,868	2,011,073	80,704,359
Depreciation	4	9,668	449,079	1,827	73,318
Operating Expenses	15	636,603	29,570,209	532,635	21,374,643
Staff cost		63,928	2,969,456	38,071	1,527,789
Finance cost		476,256	22,122,091	613,505	24,619,956
Total Costs and Expenses		**34,830,921**	**1,617,896,280**	**68,374,972**	**2,743,887,626**
Profit Before Taxation		1,872,583	86,981,480	4,507,831	180,899,258
Taxation	17	(298,471)	(13,863,978)	(818,756)	(32,856,678)
Profit for the year		**1,574,112**	**73,117,502**	**3,689,075**	**148,042,580**

Statement of changes in shareholder's equity
for the year ended 31st March, 2009

		Share Capital	Fair value reserve	Currency translation reserve	Retained profits	Total
2009						
Balance as at 1st April 2008	US$	708,012	410,012	(3,457)	5,240,016	6,354,583
	RS	32,887,157	19,045,057	(160,578)	243,398,743	295,170,380
Profit for the year	US$				1,574,112	1,574,112
	RS				73,117,502	73,117,502
Issuance of Ordinary shares	US$	-				-
	RS	-				-
Fair value gains on available for sale	US$		38,653			38,653
financial assets (Note 16)	RS		1,795,432			1,795,432
Dividend Paid	US$				-	-
	RS				-	-
Balance as at 31st March 2009	US$	**708,012**	**448,665**	**(3,457)**	**6,814,128**	**7,967,348**
	RS	**32,887,157**	**20,840,489**	**(160,578)**	**316,516,246**	**370,083,315**
2008						
Balance as at 1st April 2007	US$	708,012	249,237	(3,457)	1,766,894	2,720,686
	RS	28,412,522	10,001,881	(138,729)	70,905,456	109,181,129
Profit for the year	US$				3,689,075	3,689,075
	RS				148,042,580	148,042,580
Issuance of Ordinary shares	US$	-				-
	RS	-				-
Fair value gains on available for sale	US$		160,775			160,775
financial assets (Note 16)	RS		6,451,901			6,451,901
Dividend Paid	US$				(215,953)	(215,953)
	RS				(8,666,194)	(8,666,194)
Balance as at 31st March 2008	US$	**708,012**	**410,012**	**(3,457)**	**5,240,016**	**6,354,583**
	RS	**28,412,522**	**16,453,782**	**(138,729)**	**210,281,842**	**255,009,416**

Cash Flow Statement

for the year ended 31st March, 2009

	USD 2009	Rs. 2009	USD 2008	Rs. 2008
Cash Flows From Operating Activities				
Profit before taxation	1,872,583	86,981,480	4,507,831	180,899,258
Adjustments for				
Depreciation on Plant & Equipment	9,668	449,079	1,827	73,318
Bad Debt	183,502	8,523,668	-	-
Dividend Income	-	-	(38,950)	(1,563,064)
Interset Income	(827,751)	(38,449,034)	(571,617)	(22,938,990)
Interset Expenses	**476,256**	**22,122,091**	**613,505**	**24,619,956**
Cash flows generated from operations before changes in working capital	1,714,258	79,627,284	4,512,596	181,090,477
Working capital changes excluding cash				
Trade receivables	8,671,691	402,800,047	(4,227,057)	(169,631,797)
Other receivables	175,669	8,159,825	177,179	7,110,193
Inventories, at cost	17,322,534	804,631,704	(10,216,758)	(409,998,499)
Trade payables	(12,714,982)	(590,610,914)	4,470,197	179,389,006
Other Payables	**(3,491,967)**	**(162,201,867)**	**2,576,168**	**103,381,622**
Cash generated from operating activities	11,677,203	542,406,079	(2,707,675)	(108,658,998)
Interset received	827,751	38,449,034	571,617	22,938,990
Interset paid	(476,256)	(22,122,091)	(613,505)	(24,619,956)
Income Tax paid	(818,756)	(38,031,216)	(261,521)	(10,494,838)
Net Cash generated from operating activities	**11,209,942**	**520,701,806**	**(3,011,084)**	**(120,834,801)**
Cash Flows From Investing Acitivities				
Dividend Paid	-	-	(177,003)	(7,103,130)
Purchase of Plant & Equipments	(64,589)	(3,000,159)	(3,559)	(142,823)
Placement of Fixed Deposits	(7,200,000)	(334,440,000)	-	-
Net Cash Absorbed by Investing activities	**(7,264,589)**	**(337,440,159)**	**(180,562)**	**(7,245,953)**
Cash Flows From Financing Activity				
(Repayment)/advances to related companies	(1,704,692)	(79,182,943)	2,061,975	82,747,057
Net Cash Absorbed by Financing activities	(1,704,692)	(79,182,943)	2,061,975	82,747,057
Net(decrease)/increase in cash & cash Equivalents	2,240,661	104,078,703	(1,129,671)	(45,333,697)
Cash and Cash Equivalents at the beginning of the year	(1,912,480)	(88,834,696)	(782,809)	(31,414,125)
Cash and Cash Equivalents at the end of the year	**328,181**	**15,244,007**	**(1,912,480)**	**(76,747,822)**

1. CORPORATE INFORMATION

TIL Overseas Pte Ltd (Company Registration No. 200104404H) is domiciled in Singapore. The company's principal place of business is at 11 Tractor Road, Singapore 627972.

The principal activities of the company are to carry on the business of importers and exporters of equipment and machinery parts in relation to the construction industry.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements of TIL Overseas Pte Ltd as at 31st March, 2009 and for the year then ended were authorised and approved by the board of directors for issuance on 28th April, 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act.

The financial statements expressed in United States dollars are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies.

In the current financial year, the company has adopted all the new and revised FRS and interpretations of FRS ("INT FRS") that are mandatory for application from that date. The adoption of these new and revised FRS and INT FRS have no material effect on the financial statements.

At the date of authorisation of these financial statements, the company has not applied those FRS and INT FRS that has been issued but are effective only in the next financial year. The company expects that the adoption of these standards do not have any financial impact on the company's financial statements in the period of initial application.

b) Foreign currency translation

The financial statements of the company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in United States dollars, which is the functional currency of the company.

In preparing the financial statements of the company, monetary assets and liabilities in foreign currencies are translated into United States dollars at rates of exchange closely approximate to those ruling at the balance sheet date and transactions in foreign currencies during the financial year are translated at rates ruling on transaction dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in income statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

c) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the income statement. When plant and equipment are sold or retired, their cost and accumulated depreciation and impairment losses, if any, are removed from the financial statements and any gain or loss resulting from their disposal is included in the income statement.

d) Depreciation of plant and equipment

Depreciation is calculated to write off the cost of plant and equipment by the straight line method over their estimated useful lives. The annual rates used are as follows:

Computers	25%
Furniture and fittings	20%
Office equipment	25%

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use. The residual values and useful lives of plant and equipment are reviewed and adjusted as appropriate, at each balance sheet date.

e) Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

f) Available-for-sale financial assets

Unrealised gains and losses arising from the change in the value of the investment is recognised in the fair value adjustment reserve within equity. When the investment is sold, the accumulated fair value adjustments in the fair value reserve within equity are included in the income statement.

The company assesses at each balance sheet date whether there is objective evidence that financial assets is impaired. A significant or prolonged decline in the fair value of the asset below its cost is considered in determining whether the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss is removed from the fair value reserve within equity and recognised in income statement.

g) Cash and cash equivalents

Cash and cash equivalents represent cash at bank and fixed deposits.

h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and present value of estimated future cash flows, discounted at original effective interest rate. The amount of the allowance is recognised in the income statement.

i) Inventories

Inventories, which represent finished goods, are stated at the lower of cost and net realisable value. In general, cost is determined on a first-in-first-out basis. Cost includes all costs of purchases and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation.

j) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method.

k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Revenue from the sale of goods is recognised upon passage of title to the customer, which generally coincides with their delivery and acceptance.

(ii) Interest income is recognised on a time apportioned basis.

l) Income tax

Income tax expense is calculated on the basis of tax effect accounting, using the liability method and is applied to all significant temporary differences.

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unabsorbed capital allowances and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilised.

At each balance sheet date, the company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

m) Impairment of assets

(i) Non-financial assets

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(ii) Financial assets

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the income statement.

The allowance for impairment loss account is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured.

n) Operating lease

Lease of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to income statement on a straight line basis over the term of the relevant lease.

o) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation.

The company recognises the estimated liability for warranty to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on historical experience of the level of repairs and replacements and as a percentage of sales.

p) Share capital

Share capital issued by the company are classified as equity and recorded at the proceeds received, net of direct issue costs.

q) Employee benefits

Defined contribution plan

As required by law, the company makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as an expense in the income statement in the same period as the employment that gives rise to the contributions.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made of the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The presentation of financial statements in conforming with FRS requires the use of certain critical accounting estimates and judgements in applying the accounting policies. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The following are the significant accounting estimates and judgements for preparation of financial statements:

(a) Plant and equipment

Management determines the estimated useful lives and residual values for the company's plant and equipment. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or non-strategy assets that have been abandoned or sold.

(b) Income taxes

The company has exposure to income taxes in country where it operates. Significant judgement is involved in determining the company's provision for income taxes. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. At 31st March, 2009, the carrying amounts of the company's current income tax payable are disclosed in the balance sheet.

		Computers	Furniture & Fittings	Office Equipment	Total
4. PLANT & EQUIPMENT					
2009					
Cost					
At 1st April, 2008	US$	9,437	987	395	10,819
	RS	438,349	45,846	18,348	4,495
Additions	US$	2,533	36,649	25,407	64,589
	RS	117,658	1,702,346	1,180,155	3,000,159
At 31st March, 2009	US$	**11,970**	**37,636**	**25,802**	**75,408**
	RS	**556,007**	**1,748,192**	**1,198,503**	**3,502,702**
Accumulated Depreciation					
At 1st April, 2008	US$	3,496	292	175	3,963
	RS	162,389	13,563	8,129	184,081
Charge for the year	US$	2,488	6,304	876	9,668
	RS	115,568	292,821	40,690	449,079
At 31st March, 2009	US$	**5,984**	**6,596**	**1,051**	**13,631**
	RS	**277,957**	**306,384**	**48,819**	**633,160**
Net Book value					
At 31st March, 2009	US$	**5,986**	**31,040**	**24,751**	**61,777**
	RS	**278,050**	**1,441,808**	**1,149,684**	**2,869,542**
2008					
Cost					
At 1st April, 2007	US$	6,197	668	395	7,260
	RS	248,686	26,807	15,851	4,495
Additions	US$	3,240	319	-	3,559
	RS	130,021	12,801	-	142,823
At 31st March, 2008	US$	**9,437**	**987**	**395**	**10,819**
	RS	**378,707**	**39,608**	**15,851**	**434,166**
Accumulated Depreciation					
At 1st April, 2007	US$	1,942	110	84	2,136
	RS	77,932	4,414	3,371	85,718
Charge for the year	US$	1,554	182	91	1,827
	RS	62,362	7,304	3,652	73,318
At 31st March, 2008	US$	**3,496**	**292**	**175**	**3,963**
	RS	**140,294**	**11,718**	**7,023**	**159,035**
Net Book value					
At 31st March, 2008	US$	**5,941**	**695**	**220**	**6,856**
	RS	**238,412**	**27,890**	**8,829**	**275,131**

	USD 2009	Rs. 2009	USD 2008	Rs. 2008
5. INVESTMENT				
Unquoted equity investments				
At the beginning of the year	1,881,124	87,378,210	1,720,349	69,037,605
Addition during the year	38,653	1,795,432	160,775	6,451,901
	1,919,777	**89,173,642**	**1,881,124**	**75,489,506**

The above available-for-sale financial assets represent 19% beneficial interest in Myanmar Tractors Limited, a related company incorporated under the laws of Myanmar.

The carrying amounts of available-for-sale financial assets approximate their fair value and are denominated in United States dollars.

6. CASH AND CASH EQUIVALENTS				
Cash at banks	328,181	15,244,007	271,956	10,913,594
Fixed deposits	7,200,000	320,544,000	-	-
	7,528,181	**335,788,007**	**271,956**	**10,913,594**

The carrying amounts of cash and cash equivalents approximate their fair value. Fixed deposits had a maturity of 1 year at weighted average effective interest rate of 4.6%

For the pupose of cash flow statement, the year end cash and cash equivalents comprise the following;

Cash at Banks	7,528,181	349,684,007	271,956	10,913,594
Bank Overdrafts(secured)	-	-	(2,184,436)	(87,661,417)
Placement of Fixed Deposits	(7,200,000)	(334,440,000)	-	-
	328,181	**15,244,007**	**(1,912,480)**	**(76,747,822)**
Less: Pledged fixed deposit	-		-	-
Cash and cash equivalents per cash flow statement	**328,181**	**15,244,007**	**(1,912,480)**	**(76,747,822)**

The bank overdraft as at 31st March, 2008 was secured as disclosed in Note 19. Interest on the bank overdraft was charged at average interest rate of 9.0% per annum.

The company's cash and cash equivalents are denominated in the following currencies:

United States dollar	7,456,877	346,371,937	71,502	2,869,375
Singapore dollar	71,304	3,312,071	200,454	8,044,219
	7,528,181	**349,684,007**	**271,956**	**10,913,594**
7. TRADE RECEIVABLES				
Trade debtors	780,400	36,249,580	9,533,494	382,579,114
GST receivable	115,060	5,344,537	217,158	8,714,551
	895,460	**41,594,117**	**9,750,652**	**391,293,665**

Trade receivables are non-interest bearing and credit terms are in accordance with the contracts or agreements with the customers.

Trade receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition. The trade receivables are considered to be of short duration and are not discounted.

The carrying amount of trade receivables approximate their fair values and are denominated in the following currencies:

Euro	214,507	9,963,850	-	-
United States dollar	565,893	26,285,730	9,533,494	382,579,114
Singapore dollar	115,060	5,344,537	217,158	8,714,551
	895,460	**41,594,117**	**9,750,652**	**391,293,665**

	USD	Rs.	USD	Rs.
	2009	2009	2008	2008
8. OTHER RECEIVABLES				
Interest Receivable	61,166	2,841,161	-	-
Prepayment	25,022	1,162,272	51,947	2,084,633
Other Debtors	40,728	1,891,816	2,117	84,955
Advance to Suppliers	-	-	248,521	9,973,148
	126,916	**5,895,248**	**302,585**	**12,142,736**

The carrying amount of other receivables approximate their fair value.
The company's other receivables are denominated in the following urrencies:

United States dollar	121,318	5,635,221	2,117	84,955
British pound	3,251	151,009	7,789	312,573
Singapore dollar	2,347	109,018	292,679	11,745,208
	126,916	**5,895,248**	**302,585**	**12,142,736**
9. INVENTORIES				
Machines	1,691,574	78,573,612	18,178,322	729,496,062
Spare parts	725,153	33,683,357	1,343,714	53,923,243
Total inventories at cost	**2,416,727**	**1,12,256,969**	**19,522,036**	**783,419,305**
Stocks in transit	575,054	26,711,258	512,904	20,582,838
Less: Allowance for slow moving inventories	(279,375)	(12,976,969)		-
	2,712,406	**1,25,991,259**	**20,034,940**	**804,002,142**
10. TRADE PAYABLES				
Third Parties	1,123,776	52,199,395	13,827,120	554,882,326
Related Parties	28,027	1,301,854	39,665	1,591,756
	1,151,803	**53,501,249**	**13,866,785**	**556,474,082**

The amounts owing to holding company are unsecured, interest free and are repayable within the next twelve months.
The carrying amounts of trade payables approximate their fair values and are denominated in the following currencies:

United States Dollar	1,151,803	53,501,249	13,688,249	549,309,432
Singapore Dollar	-	-	178,536	7,164,650
	1,151,803	**53,501,249**	**13,866,785**	**556,474,082**
11. OTHER PAYABLES				
Accruals for Operating Expenses	11,000	510,950	39,873	1,600,103
Advance from customers	46,038	2,138,465	2,634,213	105,710,968
Other creditors	427,019	19,835,033	1,529,701	61,386,901
Amount owing to related company	3,342,838	155,274,825	4,819,766	193,417,210
	3,826,895	**177,759,273**	**9,023,553**	**362,115,182**

Amount owing to related company is non-trade in nature, bearing interest at 8.5% (2008: 17%) per annum, unsecured and repayable within the next twelve months.
Other creditors mainly represent interest payable to related company and provision of management fees.
The carrying amounts of other payables approximate their fair value and are denominated in the following currencies:

United States Dollar	3,825,593	177,698,795	8,986,616	360,632,900
Singapore Dollar	1,302	60,478	36,937	1,482,282
	3,826,895	**177,759,273**	**9,023,553**	**362,115,182**
12. SHARE CAPITAL				
Issued and fully paid				
107,577 ordinary shares	708,012	32,887,157	708,012	28,412,522

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.
The holder of ordinary shares is entitled to receive dividend as declared from time to time and entitled to one vote per share at meeting of the company. All shares rank equally with regard to the company's residual assets.

Notes to the Financial Statement
for the financial year ended 31st March, 2009

	USD 2009	Rs. 2009	USD 2008	Rs. 2008
13. RESERVES				
Currency translation reserve				
Balance at beginning of the year	(3,457)	(160,578)	(3,457)	(138,729)
Movement duing the year				
Balance at end of the year	(3,457)	(160,578)	(3,457)	(138,729)
Fair value reserve				
Balance at beginning of the year	410,012	19,045,057	249,237	10,001,881
Fair value gains on available for sale financial assets (Note 5)	38,653	1,795,432	160,775	6,451,901
Balance at end of the year	448,665	20,840,489	410,012	16,453,782
Retained Profits				
Balance at begning of the year	5,240,016	243,398,743	1,766,894	70,905,456
Profit for the year	1,574,112	73,117,502	3,689,075	148,042,580
Dividend paid	-	-	(215,953)	(8,666,194)
Balance at end of the year	6,814,128	316,516,246	5,240,016	210,281,842
Total reserves	**7,259,336**	**337,196,157**	**5,646,571**	**226,596,894**
14. PURCHASE CONSUMED				
Opening Inventories	20,034,940	930,622,963	9,818,182	394,003,644
Purchase	14,244,562	661,659,905	75,394,619	3,025,586,060
Inventories written off	279,375	12,976,969	-	-
Closing Inventories	(2,712,406)	(125,991,259)	(20,034,940)	(804,002,142)
	31,846,471	**1,479,268,578**	**65,177,861**	**2,615,587,562**
15. OPERATING EXPENSES				
Bank Charges	57,910	2,689,920	82,958	3,329,105
Bad Debts	183,502	8,523,668	-	-
Management Fees	300,000	13,935,000	300,000	12,039,000
Office Rental_operating lease	37,007	1,718,975	35,497	1,424,495
Professional Fees	15,749	731,541	19,111	766,924
Advertisement	46	2,137	54,542	2,188,770
Others	42,389	1,968,969	40,527	1,626,349
	636,603	**29,570,209**	**532,635**	**21,374,643**
16. PROFIT BEFORE TAXATION				
Profit before taxation is arrived at after charging:				
CPF Contribution	5,072	235,594	2,567	103,014
17. TAXATION				
Current year's provision	298,471	13,863,978	791,470	31,761,691
Under provision for prior period	-	-	27,286	1,094,987
	298,471	**13,863,978**	**818,756**	**32,856,678**

The current year income tax expense varied from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2008 : 18%) to the profit before income tax as a result of the following differences:

Accounting profit	**1,872,583**	**86,981,480**	**4,507,831**	**180,899,258**
Tax calculated at the applicable tax rate	318,339	14,786,847	811,410	32,561,883
Deferred tax asset not recognised	-	-	(312)	(12,521)
Exempt Income	(18,384)	(853,937)	(19,628)	(787,672)
Under provision of prior year	-	-	27,286	1,094,987
Others	(1,484)	(68,932)	-	-
	298,471	**13,863,978**	**818,756**	**32,856,678**

	USD 2009	Rs. 2009	USD 2008	Rs. 2008
18. DIVIDEND				
Dividend paid				
One-tier tax exempt dividend of NIL per share (2008 : US$1.64 per share net of tax at 20%)	-	-	177,003	7,103,130
One-tier tax exempt interim dividend of NIL (2008 : US$0.36 per share)	-	-	38,950	1,563,064
	-	**-**	**215,953**	**8,666,194**

19. BANKING FACILITY

The Company's banking facilities and letter of credit from financial institution as at 31st March, 2009 were secured by the following:

a) Charge on all monies of the company with the bank;

b) Corporate guarantee provided by the holding company; and

c) General letter of charge on all assets of the company.

20. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company's immediate and ultimate holding company is TIL Limited, a company incorporated in the Republic of India.

21. RELATED PARTY TRANSACTIONS

An entity or individual is considered a related party of the company for the purpose of the financial statements if:

(i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the financial and operating decisions of the company or vice versa; or

(ii) it is subject to common control or common significant influence.

During the financial year, the company had significant related party transactions as detailed below on terms agreed between them:

Warranty expenses paid to related company	1,797,995	83,516,868	2,011,073	80,704,359
Sales to related Company	1,188,287	55,195,931	1,319,144	52,937,249
Purchase from related company	38,108	1,770,117	-	-
Interest expenses paid/payable to holding company	227,764	10,579,638	549,296	22,043,248
Management Fees paid/payable to releated company	300,000	13,935,000	300,000	12,039,000
Parts commission paid/payable to releated company	36,416	1,691,523	-	-
	3,588,570	**166,689,077**	**4,179,513**	**167,723,857**

22. COMMITMENTS AND CONTINGENT LIABILITIES

(a) As at 31st March, 2009, the company had obtained bank guarantees amounting to US$ 127,499 and EUR 7,886 (2008: US$ 93954 and EUR 26,500).

(b) As at 31st March, 2009, the company has no letter of credit. (2008: US$ 207,378).

23. OPERATING LEASE COMMITMENTS

At the balance sheet date,the company's commitments in respect of operating leases were as follows;

Due within one year	16,705	775,947	14,512	582,367
	16,705	**775,947**	**14,512**	**582,367**

24. FINANCIAL AND CAPITAL RISK MANAGEMENT

(a) Liquidity Risk

The company manages its liquidity risk through funds generated from its day to day operations. Further the directors have also reviewed the projected cash flows and business outlook of the company. They believe that the company will have sufficient liquidity from its operations and funding from related company to meet its financial obligations when they fall due.

(b) Foreign Currency Risk

Certain transactions of the company are denominated in Singapore dollars and British pounds. Therefore, the company is exposed to a certain degree of foreign exchange risk. However, the company does not use any hedging instruments to protect against the volatility associated with foreign currency transactions, other assets and liabilities created in the normal course of business.

	USD 2009	Rs. 2009	USD 2008	Rs. 2008

The Company's significant current exposure is to Singapore Dollars, which is as follows:

	USD 2009	Rs. 2009	USD 2008	Rs. 2008
Financial Assets				
Cash & Cash equivalents	71,304	3,312,071	200,454	8,044,219
Trade Receivables	115,060	5,344,537	217,158	8,714,551
Other Receivables	2,347	109,018	292,679	11,745,208
	188,711	**8,765,626**	**710,291**	**28,503,978**
Financial Liabilities				
Trade Payables	-	-	(178,536)	(7,164,650)
Other Payables	(1,302)	(60,478)	(36,937)	(1,482,282)
	(1,302)	**(60,478)**	**(215,473)**	**(8,646,931)**
Currency Exposure	187,409	8,705,148	494,818	19,857,046

At 31 March 2009, if an estimated 5% (2008: 5%) currency fluctuation in Singapore dollars against United States dollars with all other variables including tax rate being held constant, the company's profit after tax for the financial year would have been higher/lower by approximately US$9,400 (2008: US$24,800) as a result of currency translation gains/losses on the remaining Singapore dollars denominated financial assets and liabilities.

(c) Credit Risk

The carrying amounts of trade and other receivables represent the company's maximum exposure to credit risk. The company has no significant concentrations of credit risk with any single debtor.

The credit risk for trade receivables is as follows:

	USD 2009	Rs. 2009	USD 2008	Rs. 2008
By Geographical Area				
India	36,147	1,679,028	141,575	5,681,405
Myanmar	859,313	39,915,089	9,609,077	385,612,260
	895,460	**41,594,117**	**9,750,652**	**391,293,665**

The ageing analysis for the trade receivables of the company as at year end is as follows:

	USD 2009	Rs. 2009	USD 2008	Rs. 2008
Due less than 30 days	750,266	34,849,856	386,948	15,528,223
Due from 30 days to 90 days	129,322	6,007,007	7,171,407	287,788,563
Due more than 90 days	15,872	737,254	2,192,297	87,976,879
	895,460	**41,594,117**	**9,750,652**	**391,293,665**

(d) Capital Risk

The objectives when managing capital are: to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk. The management sets the amount of capital in proportion to risk. The management manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The board of director's monitors its capital based on net debt and total capital. Net debt is calculated as trade payables, other payables and loan less cash and bank balances. Total capital is calculated as equity plus net debt.

	USD 2009	Rs. 2009	USD 2008	Rs. 2008
Net Debt	2,549,483	118,423,485	(24,802,818)	(995,337,086)
Total Equity	7,967,348	370,083,315	6,354,583	255,009,416
Total Capital	**10,516,831**	**488,506,800**	**(18,448,235)**	**(740,327,671)**

The company is not subject to externally imposed capital requirements.

(e) Interest Rate Risk

The company is exposed to interest rate risk arising from fixed deposits and fixed interest rate borrowings from related company as disclosed in Note 6 and Note 11.

(f) Fair Values

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their fair values due to their short-term nature.

Schedule of staff and related costs and operating expenses for the year ended 31st March, 2009

	USD	Rs.	USD	Rs.
	2009	2009	2008	2008
STAFF AND RELATED COSTS				
Salaries	48,760	2,264,902	30,041	1,205,545
Bonus	2,578	119,748	2,303	92,419
CPF Contribution	5,072	235,594	2,567	103,014
Incentive	7,518	349,211	3,160	126,811
	63,928	**2,969,456**	**38,071**	**1,527,789**
OPERATING EXPENSES				
Auditors' Remuneration	11,000	510,950	15,000	601,950
Advertisement	46	2,137	54,542	2,188,770
Bank Charges	57910	2,689,920	82,958	3,329,105
Bad Debts	183502	8,523,668	-	-
Exchange Loss	14532	675,011	-	-
Insurance	2158	100,239	3,008	120,711
General Expenses	251	11,659	5,869	235,523
Management Fees	300,000	13,935,000	300,000	12,039,000
Office Rent- operating lease	37,007	1,718,975	35,497	1,424,495
Printing & Stationery	1,088	50,538	843	33,830
Professional Fees	15,749	731,541	19,111	766,924
Repairs and maintainance	13,66	63,451	1,196	47,995
Telephone/Fax/email	7,824	363,425	11,368	456,198
Travel	4,170	193,697	3,243	130,142
	636,603	**29,570,209**	**532,635**	**21,374,643**

Notes

Notes

“We make our customers more profitable.”

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