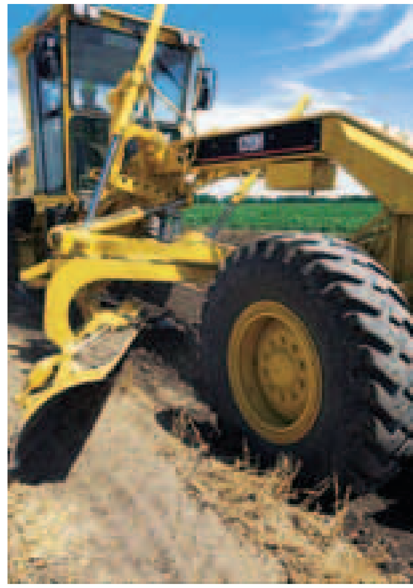
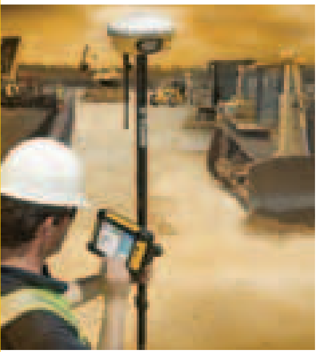
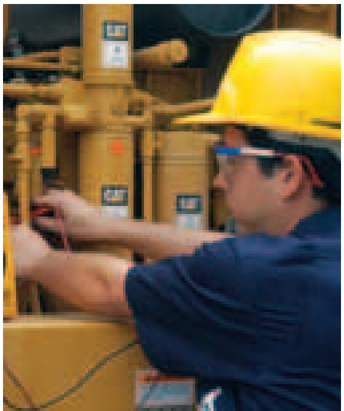
Tractors India



TIL Limited

Annual Report 2010 -11





Forward Looking Statement

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

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

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

Contents

Corporate information

BOARD OF DIRECTORS

Mr. A. Mazumdar
Chairman

Mr. Sumit Mazumder
Vice Chairman and Managing Director

Mr. S. K. Bhatnagar
Director and President

Mr. R. L. Gaggar
Solicitor and Advocate

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

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

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

Mr. K. B. Saha
Nominee of Life Insurance Corporation of India

COMPANY SECRETARY

Mr. Sekhar Bhattacharjee

AUDITORS

Price Waterhouse

BANKERS

Bank of India

Union Bank of India

ING Vysya Bank Ltd.

State Bank of Bikaner & Jaipur

State Bank of India

State Bank of Hyderabad

Axis Bank Ltd.

CITI Bank N.A.

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

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

TIL at a glance

Corporate Identity

TIL's corporate journey spanning over 67 years is woven with challenges, achievements, resilience, aspirations, and enterprise. Throughout this journey of corporate excellence, TIL has remained committed to India's infrastructure build by providing high technology products and total solutions for its customers creating a positive difference in the space it operates.

As a responsible, valued and respected organization, TIL attributes much of its success and growth to the quality and commitment of close to 1900 employees across 85 locations pan India.

Our Vision provides the direction and aspiration to move forward in our corporate journey; and bonded by our Values at work, Team TIL relentlessly demonstrates a passion for innovation and actions that are customer-driven. Spread across India and the subsidiaries, the goal of the Company is one - *to make customers more profitable.*

Business

TIL is in the business of serving the infrastructure progress of the nation with its end to end solutions, comprising a broad portfolio of products, technologies and world-class brand alliances along with a wide array of value added services.

TIL operates through its Material Handling Solutions division, Equipment & Project Solutions division and the wholly owned subsidiary - Tractors India Pvt. Ltd. (TIPL) for North and East of India and Bhutan, as well as overseas subsidiaries in Nepal (TNPL), Myanmar (MTL) and Singapore (TILO).

The Material Handling Solutions (MHS) division is engaged in design, manufacture and marketing of a comprehensive range of material handling, lifting, port and road building solutions with integrated customer support and after-sales service. The newly formed Equipment & Project Solutions (EPS) vertical focuses on providing 'single-window' solutions in crushing & screening, and offering innovative and eco-friendly asphalt mix technology for road construction. The EPS vertical also manufactures and supplies container handling equipment for Ports.

Manufacturing and technical collaborations are with Manitowoc Crane Group, USA, Grove Worldwide USA, Potain [a part of Manitowoc – USA], Astec Inc., Hyster [a part of NMHG – USA], Paceco Corp – USA [a part of Mitsui Engineering and Shipbuilding - Japan], FAMAK S.A – Poland and Mitsui Miike Machinery Co. Ltd. [a part of the Mitsui Group – Japan].

The Construction, Mining and Power Systems Solutions (CMS & PSS) divisions operate under the wholly owned subsidiary TIPL - as the exclusive dealer for Caterpillar range of products across North and East of India as well as Bhutan. TIPL has also entered into association with SEM for medium wheel loaders and SITECH for GPS based connected site solutions.

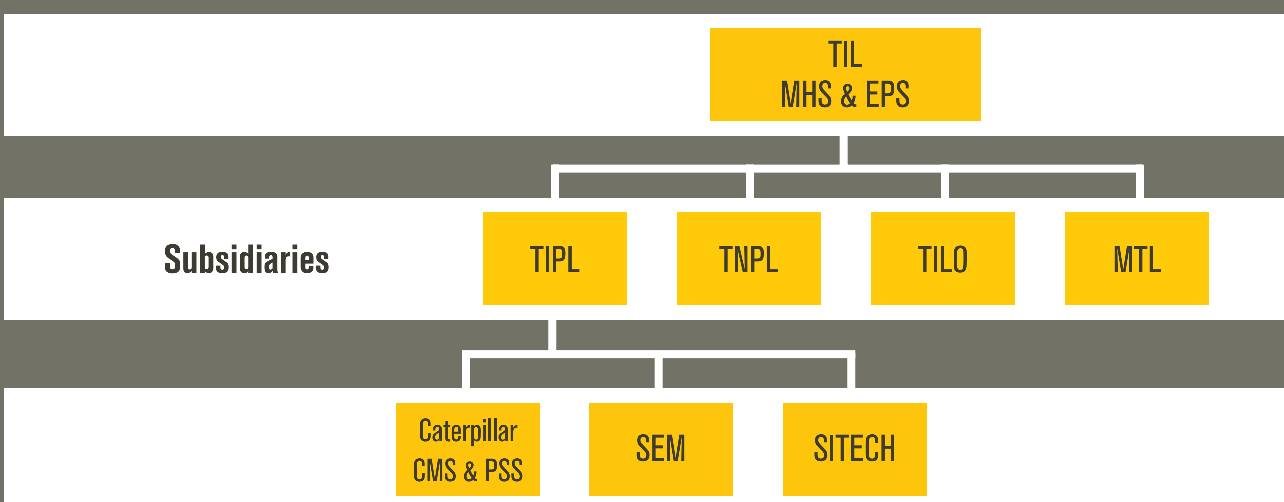
The Company brings the global concept of providing Equipment on Rent for construction, mining and power applications with one stop Rental Stores in Sahibabad, Bhubaneswar, Asansol, Lucknow, Udaipur, and Chandigarh. Also on offer is a wide variety of Used Equipment and Allied products rolled out from the Company's Rental fleet providing affordability coupled with unmatched product support.

The technologically superior products are complemented with services that provide customers with solutions to meet their business-critical needs, helping them to become more sustainable and profitable. The solutions offered by the Company increase productivity, improve operator comfort, meet environmental regulations, provide a longer life, and lower cost per unit of work done.

TIL recognizes the value of training and capability development and the impact it has on improving performance. The Company remains committed towards attuning talent and capabilities of its people through continuous training and development initiatives.

The various 6 Sigma initiatives adopted by TIL in order to improve business process have resulted in growth benefits, cost savings, effectiveness and quality improvements.

Corporate Social Responsibility continues to be an integral part of TIL's Vision. As an organization, TIL is committed in its responsibility towards society, community and environment. Whether it's caring for the safety of our fellow employees, improving the communities in which we live and work, or sustaining the environment we all share, TIL is relentlessly engaged in good corporate citizenship.



Products

Versatile products for every application and a range that delivers maximum performance and productivity

Material Handling Solutions (MHS)


Rough Terrain Cranes


Truck Cranes


Lorry Loaders


Truck Mounted Cranes


Crawler Cranes


Tower Cranes


All Terrain Cranes

Reach Stackers


Big Forklift Trucks


Container Handlers

Equipment & Project Solutions (EPS)


High Frequency Screens


Stationary Plants


Track Plants


Portable Plants


Hot Mix Double Barrel Asphalt Plants


RTG Cranes


Road Headers


ELL Cranes


Mechanical Drive Chain Trenchers


Horizontal Directional Drills

Construction & Mining Solutions (CMS)

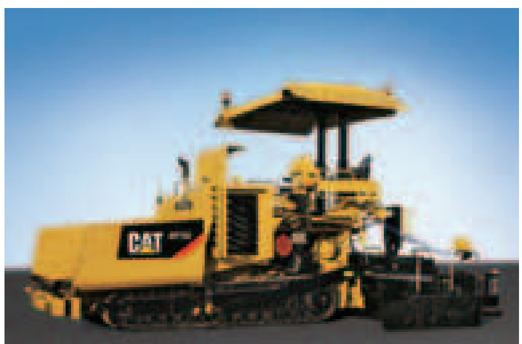
Hydraulic Excavators


Backhoe Loaders


Wheel Loaders


Off-Highway Trucks


Track-Type Tractors



Asphalt Pavers

Vibratory Soil Compactors

Asphalt Compactors

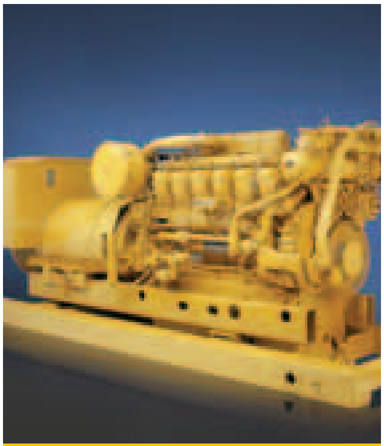

Motor Graders


Wheel Dozers

Power Systems Solutions (PSS)

C175 Diesel Generator Sets


C9 ACERT Engines


3512 B Engines

C32 ACERT Diesel Engines


G 3306 Gas Engines

Allied Associations


SITECH Technology Solutions


SEM Wheel Loaders


Allmand Lighting Towers

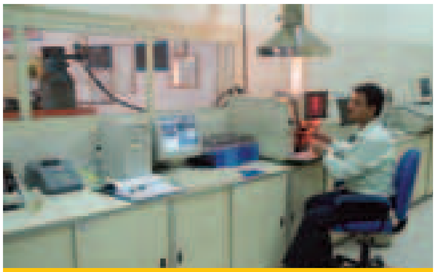
Total solutions

Product support and services provided by TIL add value and contribute to customers' business success

Pre–purchase Consultancy

Equipment Investment Analysis

24x7 Field Service Management



Scheduled Oil Sampling (S•O•S[SM]) Services

Component Repair & Complete Machine Rebuilds

Rental & Used Equipment Solutions

Customer Support Agreements (CSA) & Maintenance and Repair Contract (MARC)

Maintenance and Operator Training for Customers

Brands

Global alliances are with the most trusted names in the world

CATERPILLAR®

Manitowoc

GROVE by Manitowoc

POTAIN by Manitowoc

ASTEC

HYSTER

Trimble Authorized Dealer

SEM

Allmand™

PACECO® CORP.

Famak S.A

MITSUI MIIKE

User industries

Serving the entire gamut of infra space

General & Heavy Construction

Mining

Agro Industries

Power

Port & Airports

Railways

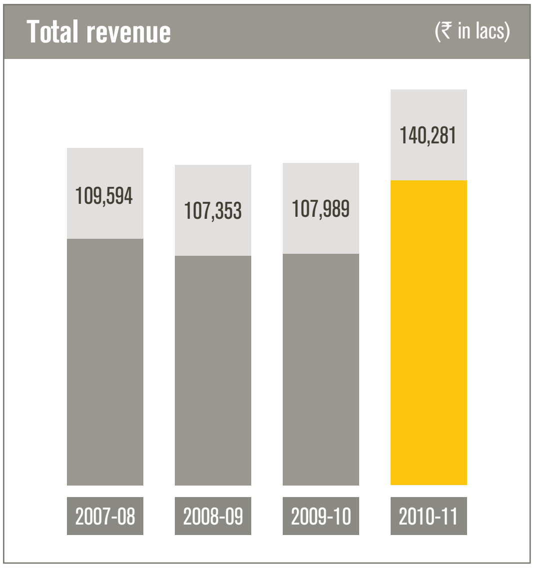
Oil & Petrochemicals

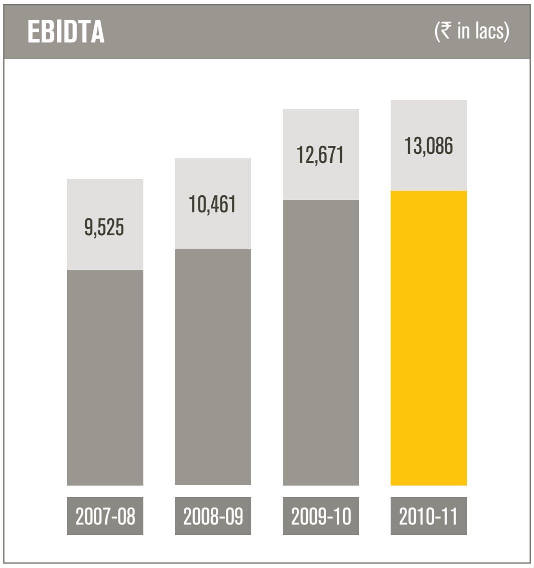
Defense

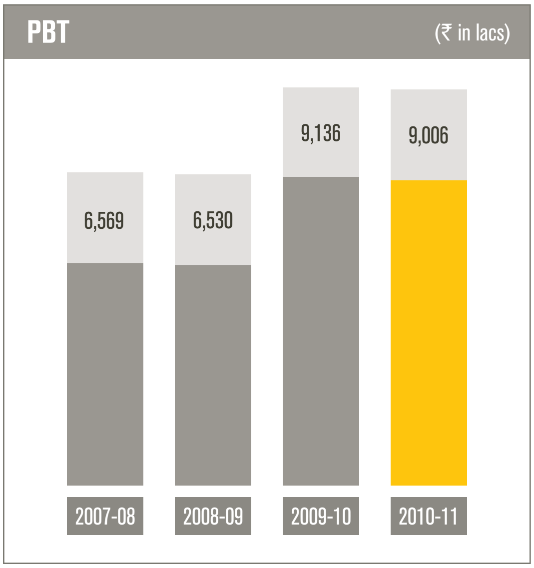
Retail & Hospitality

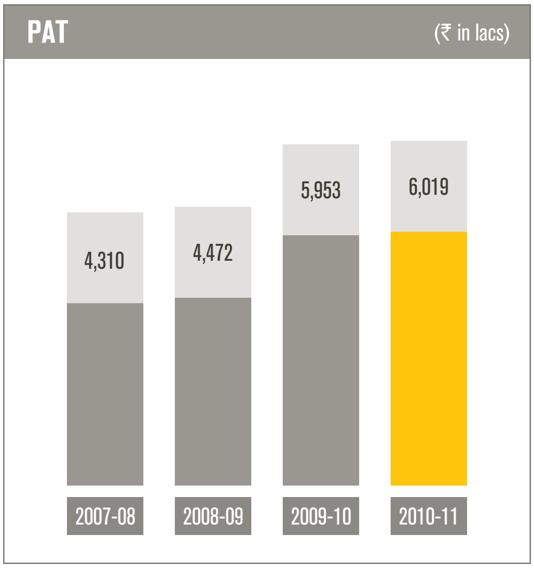
Health & Pharma

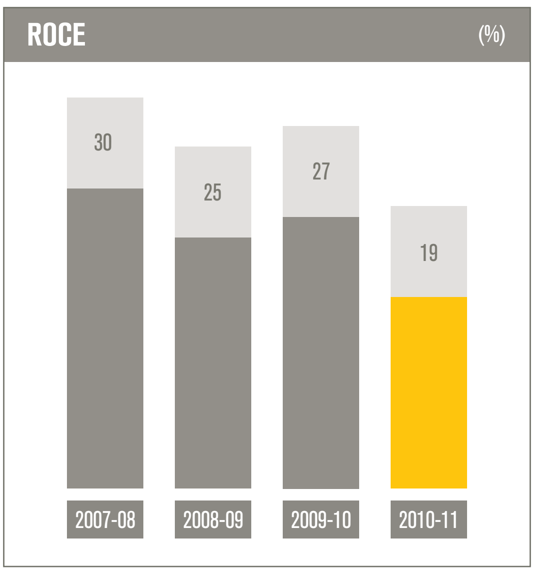
Our numbers

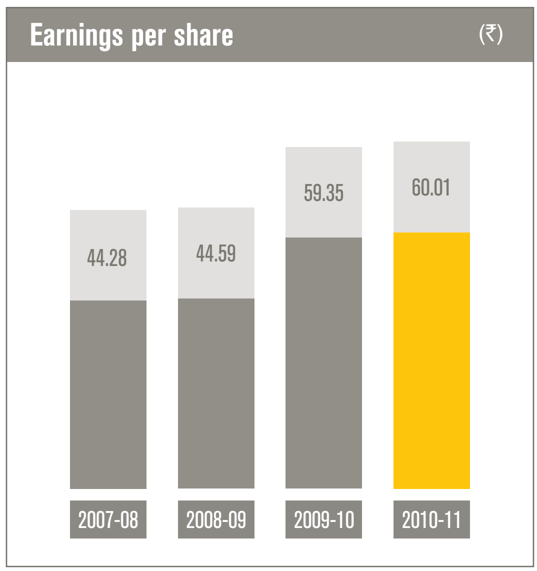

Total revenue
(₹ in lacs)
109,594
107,353
107,989
140,281
2007-08
2008-09
2009-10
2010-11

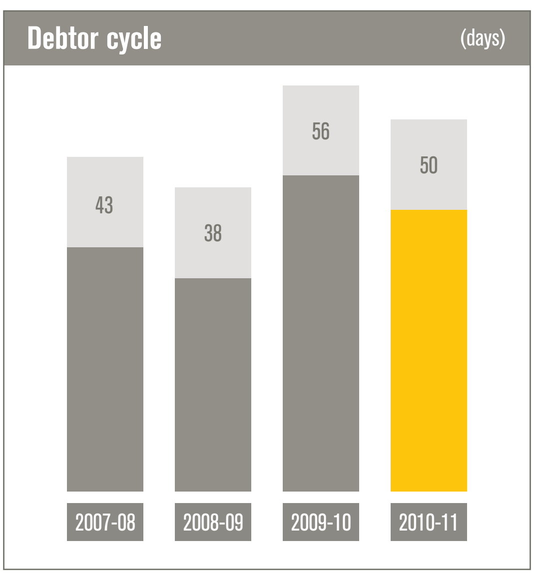

EBIDTA
(₹ in lacs)
9,525
10,461
12,671
13,086
2007-08
2008-09
2009-10
2010-11

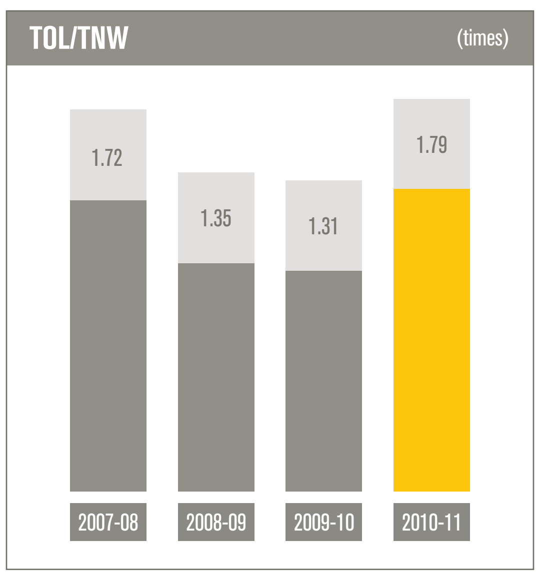

PBT
(₹ in lacs)
6,569
6,530
9,136
9,006
2007-08
2008-09
2009-10
2010-11


PAT
(₹ in lacs)
4,310
4,472
5,953
6,019
2007-08
2008-09
2009-10
2010-11


ROCE
(%)
30
25
27
19
2007-08
2008-09
2009-10
2010-11


Earnings per share
(₹)
44.28
44.59
59.35
60.01
2007-08
2008-09
2009-10
2010-11


Debtor cycle
(days)
43
38
56
50
2007-08
2008-09
2009-10
2010-11


TOL/TNW
(times)
1.72
1.35
1.31
1.79
2007-08
2008-09
2009-10
2010-11

Chairman's insight

Dear Shareholders,

It gives me great pleasure to present the annual report of your Company for the financial year 2010-11.

The Indian economy for the year under review has fallen short of the growth projections and the Five Year Plan outlay could not be achieved. The basics, however, are in place and the long-term outlook remains positive. Our country along with other rapidly growing economies will be a key player in the global revival, creating opportunities for investments, technologies and business alliances across all major sectors. The interest and confidence India continues to receive globally further confirms this.

The concern for your Company has been the inconsistent infrastructure development expenditure. Slow down in infrastructure development will be a major barrier to an inclusive socio-economic growth. There is no alternative to significant investments and sustained government focus. Considering the infrastructure building required, India will have to accelerate her efforts to effectively translate today's potential into tomorrow's reality.

The Government of India's thrust on the infrastructure segments should accelerate with domestic demands and rapid urbanization being the key growth drivers. This in turn will result in growth in the earthmoving, construction, mining equipment and other infrastructure sectors where TIL has a significant presence.

Technology, Innovation and Leadership continue to be the mainstay of your Company's growth imperatives in line with the changing business realities. Last year your Company took various strategic measures and initiatives to become a cohesive and customer-centric organization. There were new product introductions, capacity expansions, addition of new facilities and branches, people development, and innovation in our solution offerings. These were all done to take customer engagement to greater heights.

People development has become the single most important activity at TIL. Appropriately called 'People Priority', an HR initiative is fast changing our managerial capability and customer engagement levels. Your Company has also formulated a formidable knowledge resource development plan to create a leadership pipeline till 2015. The ongoing learning and training initiatives have been designed to drive organizational excellence and attain multi-fold growth in the short to medium term. Because of the expected rapid growth in our opportunities we have also created a 'bench strength' of technical and service personnel, who are further trained on the job till they have specific assignments.

> Since inception, TIL has always been a value-driven organization. Your Company's reputation is one of its greatest assets that is founded on the pillars of trust, transparency and talent. Your Company continues to be driven by values, ethics, integrity and customer-centricity.

Since inception, TIL has always been a value-driven organization. Your Company's reputation is one of its greatest assets that is founded on the pillars of trust, transparency and talent. Your Company continues to be driven by values, ethics, integrity and customer-centricity. These tenets inspire each and every member of the TIL family to make customers more profitable and enable your Company to elevate to the next level of growth. Your Company is also committed in its role as a socially responsible corporate and has initiated many steps to create value through economic, environmental and social integration.

Future readiness is the spirit at TIL. People in your Company are united in their passion for excellence and determination to strengthen brand TIL. Your Company remains committed to continue serving the nation as it has been doing for the last 67 years and grow market presence by being the Total Solutions Provider. Our commitment to greater customer engagement will help carve a larger portion of the expected growing opportunities.

This will further accelerate the pace of growth and strengthen our position as a significant player in the infrastructure space, thereby maximizing shareholder value.

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

A Mazumdar

Chairman

Vice Chairman & Managing Director's Message

The year under review was a challenging yet eventful year for TIL. Despite certain impediments to socio-economic progress, including deferment in infrastructure investments and projects, India is expected to grow at a robust pace in the coming years. Infrastructure clearly is the critical component for economic development and increasing India's global competitiveness. The macro-economic outlook for India poses great promise and today the world acknowledges that India is a country with high growth and vast opportunities.

> It has been a significant year for TIL in terms of the initiatives we took to accrue better benefits in the long-term and keeping in mind the good times ahead in our business space.

Brand India, under the Twelfth Five Year Plan will be driven by demographic advantage and investment in infrastructure, further strengthened by a young population. It is no longer a question of whether, but more of when! In the infrastructure space in which your Company operates, the growth drivers for 2011-12 will be the rising demand in domestic markets coupled with rapid urbanization. As India moves towards inclusive growth, we will also start seeing more and more infrastructure investments being made in rural India.

SETTING THE PACE

This year's emphasis has been on organizational realignment, to enhance strategic focus in our manufacturing business and to reinforce our commitment to service excellence. In addition, the focus on people development to evolve into a business model with the customer at its core remains our strategic imperative.

The transfer of the Caterpillar dealership of Construction, Mining and Power Systems Solutions to Tractors India Private Limited (TIPL) - the wholly owned subsidiary was done to enhance customer-centricity and widen coverage across existing as well as emerging markets. Along with the realignment, there have been other major investments for the future for better organizational preparedness and to leverage the ensuing boom time. The organizational realignment and other strategic investments both in terms of facilities and people impacted your Company's profitability.

On a consolidated basis, the total income (including other income) stood at ₹ 1,402.81 crores in 2010-11, compared to ₹ 1,079.89 crores in 2009-10 and profit before tax stood at ₹ 90.06 crores, compared to ₹ 91.36 crores in the previous year. Despite a positive top line growth of 30 per cent, your Company's profit was almost the same as last year primarily due to the investments and initiatives carried out to further optimize the market opportunities, and be ready for the large projects which should happen in the near future. The management priority of your Company is to prepare for the coming years, and for us these proactive actions are deemed 'Investment' rather than 'Cost'.

TODAY'S BUSINESS

It has been a significant year for TIL in terms of the initiatives we took to accrue better benefits in the long-term and keeping in mind the good times ahead in our business space. New product launch, new collaborations, focus on Rental & Used Equipment and enhancing our market coverage are some worth mentioning. Many new facilities were opened and some upgraded during this period. We laid special emphasis on investing in people both in terms of recruitment and capability development. We are cognizant of the fact that achieving visible and sustainable improvement in performance is a long-term goal. It is just a matter of time before your Company reaps higher return-on-'people-investment'. This will enable TIL to capitalize on new opportunities and become a more customer–driven organization.

MATERIAL HANDLING SOLUTIONS

For quite some time, diversification has been the overriding focus at TIL - diversification through strategic alliances and knowledge acquisition from globally acclaimed industry players. We have launched a series of products that include a 10 MT Truck Mounted Slew crane and indigenously designed and built 75 MT Truck Mounted crane. Our product range offers a superior alternative

> The opportunities for broadening the horizon of tomorrow are positive and we are building capacities to strengthen our sustainability.

to a wide cross-section of Indian customers. Besides continuously evolving, changing, and innovating to combat the ever increasing competition, we are also developing a strategy to counter the advent of used cranes coming into our country.

It has been our mantra to continuously upgrade, differentiate and offer the best value proposition and under the Accelerated Improvement Program (AIP), we have revamped our production system, re-engineered processes and invested in state-of-the-art machinery. These initiatives cumulatively helped us to reduce our manufacturing cost substantially without compromising on our quality standards. Furthermore, our indigenously designed and manufactured TMS 875 in a brief span of 90 days reflects our design and manufacturing prowess. Going forward, we will focus on extending our crane portfolio to cater to diverse customer requirements.

CONSTRUCTION & MINING SOLUTIONS

Major investments in terms of facilities, both new and up-gradation, were undertaken during the year under review. This was the year which perhaps had the largest recruitment of technicians in a single financial year. Technician training, being very comprehensive and intensive, takes many months before they start functioning independently. An investment, we believe, which besides giving rich dividends in future is also essential to our business.

Although there has been a slow down in the roads and highways sector, but we were able to finalize some orders for mining applications. One of the contracts is for a green field project in the private sector, amongst the few that has been finalized in recent times. We have also been successful in securing some prestigious Maintenance & Repair Contracts (MARC) which will add appreciable value in further strengthening customer loyalty.

POWER SYSTEMS SOLUTIONS

We have also re-classified Power Systems Solutions division into four verticals (EP Diesel, EP Gas, Petroleum, and Industrial & OEM). This will enhance our focus on the particular business segment and streamline operations considerably.

In the Power Systems business, the Petroleum product support team won 'Platinum' honor from Caterpillar, signifying unflagging zest of our people to aim high and achieve higher.

RENTAL & USED EQUIPMENT

Our Rental business for power performed satisfactorily, and during the year, TIPL was amongst the top in Caterpillar Asia Pacific Dealership. In comparison, machinery rental still poses challenges for us.

ENHANCING OUR KNOWLEDGE RESOURCES

Our training programs all center around technology and effective response. The emphasis is on knowledge and capability enhancement through various training programs and learning activities. We extensively use well tested modules of our Principals and Technology Partners. Many of the courses are held at their facilities and conducted by their faculty. Our own training instructors conduct courses in batches almost on a daily basis. We also use specialized institutions, based on their expertise and our requirements. This has added significant value in 2010-11 – helping us in augmenting our performance–driven approach and building lasting business partnerships.

Three of TIPL instructors were the first to be awarded the Accredited Instructors' Certificate in Asia Pacific under Caterpillar Instructor Accreditation Program (CIAP). This is a significant achievement for TIPL in strengthening its value stream. We also inaugurated our first Technician Development and Assessment Center in Asansol, West Bengal. These measures have helped us strengthen our capability in step with the global trend, extend our reach and quality, and reinforce TIL brand value across the wide infrastructure spectrum.

TOMORROW'S PROSPECTS

The opportunities for broadening the horizon of tomorrow are positive and we are building capacities to strengthen our sustainability. TIL's upcoming Kharagpur facility will manufacture a diverse range of products for construction and road building, which would include double barrel hot mix asphalt plant, aggregate crushers & screens. These will be manufactured in technical collaboration with Astec Inc. - a global leader of aggregate processing, asphalt road building and pipeline and utility trenching.

Our Equipment & Project Solutions (EPS) vertical started functioning in 2010 with a focus on creating a 'single-window' solution in crushing & screening, and providing innovative and unique asphalt mix technology for road construction. The Equipment & Project Solutions vertical is well poised to become a major player in a span of few years. The EPS vertical has also ventured into a dealership agreement with Mitsui Miike Machinery Company Limited (MMMCL) to market their Road Headers in India. This tie-up is aimed at expanding and synergizing our existing product portfolio, catering to the road tunneling and road construction segments.

Through our realigned organizational structure under TIPL, we will continue to enhance the efficiency of our business operations further and be closer to our customers with enhanced personalized focus, intensified coverage and quicker response time, spread across four territories in North and East of India. The strategic direction of TIL and TIPL will be to drive the business forward and further establish your Company as a Total Solutions Provider. Our aim is to offer end to end solutions to customers, 'whenever, wherever'.

In the domestic infrastructure sector, every day brings fresh opportunities to grow, think differently for better productivity and extend greater value to the customer. The objective is to forge enduring bonds with customers and to make their businesses more profitable.

PEOPLE AT THE CORE

TIL has emerged as a richly diversified and stronger organization, because of its people. We have commenced multiple training initiatives to upgrade the skills of our people across hierarchies in line with global standards and meet the expanded needs of our customers. Launch of Technical Training and Assessment Center aimed at developing our sales and service professionals to sell the right solution will enhance customer experience. Through our leadership development programs such as 'ASCENT' we ensure that our people are motivated for optimum performance levels and continue to be the corner stone of TIL's success.

CREATING STAKEHOLDER VALUE

TIL is all set to move ahead into new orbits of growth and create sustainable, long-term shareholder value over the coming years. The continued confidence of our valued shareholders, customers, principals, suppliers, bankers and other partners will help us to emerge as an agile, adapting and a stronger team in India's promising infrastructure sector.

Sumit Mazumder

Vice Chairman & Managing Director

Material Handling Solutions (MHS)

Revenues - ₹ 20,686 lacs

Order book - ₹ 4,540 lacs

Capital employed - ₹ 26,901 lacs

Figures pertaining to 2010-11

BRIEF OVERVIEW

The Material Handling Solutions division of TIL designs, manufactures and markets a comprehensive range of equipment for material handling, lifting, port and road building solutions with integrated customer support and after-sales service. Over the years, TIL has emerged as the foremost Material Handling Equipment manufacturer and cutting-edge service provider with over 60 per cent market share in mobile crane segment. Its equipment range is recognized as state-of-the-art, and sets the industry standard for quality, durability and value. The Company's fully-integrated plant at Kolkata is the only purpose-built mobile crane manufacturing facility in India that possesses modern and fully equipped machine shop with latest CNC - plasma cutting machines, fabrication and assembly shop, capable of building structures that can withstand a load up to 100 MT. The Research & Development center is equipped with the latest software, enabling the division to provide superior products at a competitive price. It is certified under ISO 9001: 2000, reinforcing the division's commitment to excellence.

During the year, the division formed a new vertical, Equipment & Project Solutions (EPS) to focus on providing crushing & screening solutions as well as modern, innovative and eco-friendly technology for mixing asphalt used in road construction.

Key highlights of 2010-11

- Designed, manufactured and launched TMS 875, a 75 MT Truck Mounted crane in India in a record period of 90 days
- Received an order for the 400 MT Manitowoc Crawler crane used in wind power generation, the first of its kind in India
- Secured the highest export order till date for cranes worth ₹ 15.39 crores from RITES, a Government of India Enterprise
- Received an export order from Mitsui, Japan for RTG components
- Received the first order of 40 MT Hyster Forklift from Jindal Steel Works
- Secured the first order of Potain Tower crane from Guwahati, thus opening up the Northeast Indian market for tower cranes

- Considerable improvement accrued through 6 Sigma initiatives and Accelerated Improvement Program (AIP)
- As a result of the training and development initiatives undertaken, and safety measures adopted at the facilities, there were no industrial disputes and critical accidents during the year
- Significant progress at the Kharagpur site. Plant expected to be commissioned in the middle of 2011-12
- Equipment & Project Solutions (EPS) conducted various customer awareness programs on the Hot Mix Plant and the use of Recycled Asphalt Pavement (RAP)
- Specific approval obtained from the National Highways Authority of India (NHAI) for use of Double Barrel Drum Mix which is a patented technology of Astec for NHAI Projects

Strengths

- Manufacturing and design excellence
- Strategic partnerships with global brands
- Integrated product and service support
- Experienced and technically qualified professionals
- Experience spanning 67 years
- Single largest manufacturer of slew cranes in India
- Associations with globally recognized brands, patented and innovative technology, differentiated customer support and pan-India network represent the divisions' key USPs

Strategies and Future Plans

- Optimally leverage the opportunities available in the defense construction, power, port and mining segments
- Improve market leadership of mobile cranes across all the industries
- Widen the Truck Mounted crane range
- Launched the 45 MT Rough Terrain crane and 12 MT Industrial crane
- Increase customer coverage
- Attain cost leadership through AIP
- Increase market share in Reach Stacker category by effective brand building of Hyster Reach Stacker
- Promote used/refurbished cranes
- Explore possibilities to enter Rental market
- Emerge as a major player in EPS vertical by offering innovative products, global brands and differentiated customer support

Construction & Mining Solutions (CMS)

Revenues - ₹ 65,451 lacs

Revenue share (in TIPL) - 72 %

Order book - ₹ 3,880 lacs

Capital employed - ₹ 20,156 lacs

Figures pertaining to 2010-11

BRIEF OVERVIEW

The Construction & Mining Solutions division operates under TIPL - a wholly owned subsidiary of TIL. The division is the exclusive dealer for Caterpillar products across North and East of India and Bhutan, providing a comprehensive range of Construction, Earthmoving and Mining Equipment, complete with product support and customized solutions. With a wide network of branches, the products and services delivered by the CMS division signify quality and long-term value.

Key Highlights of 2010-11

- Achieved record sales in Wheel Loaders and Motor Graders
- Secured order for 33 Nos. CAT 773D Rear Dumpers, with a 7 year Maintenance & Repair Contract (MARC) from BCCL
- Received order for 27 Nos. CAT 777D Rear Dumpers and 8 Nos. CAT D9R Track-Type Tractors, with a 10 year MARC from BCML, a part of Aditya Birla group
- Secured order from SAIL - RMD for supply of 7 Nos. CAT 777D Rear Dumpers, along with a contract for Spare Parts CAP for 4 years/16000 hours
- Training imparted to 1395 customer operators
- Continued people development and technical training initiatives like DPC, TCDP, CIAP and ABC
- Honored with the “Excellence in Customer Focus Award” for SEM

Strengths

- The brand strength of Caterpillar – the global market leader
- Rich credential and legacy for 67 years
- A product virtually for every application
- A one-stop-shop offering total solutions – new equipment, rental & used equipment, parts with excellent product support and service solutions. Innovative Solutions like equipment on Rent, and resources like Customer Support Agreements [CSA], Maintenance & Repair Contract [MARC], Component Rebuilds and Scheduled Oil Sampling [SOS] fluid analysis services add immense value to customers' operation and contribute to their success
- Enhanced penetration of the dealership business across four territories in India and wider geographical reach
- A satisfied customer base
- Focused training, development and empowerment initiatives for continuous development
- A state-of-the-art Component Rebuild Center (CRC) at Asansol, West Bengal to provide world-class rebuilding services
- Extended allied dealership solutions (SEM and SITECH) and technology solutions to meet customer product and price point requirements

Strategies and Future Plans

- Strive towards better customer service and profitable growth in market share, with the recent formation of four territorial dealerships
- Adopt new technologies, configurations and service arrangements to meet customer requirements
- Develop an efficient supply chain
- Enhance the product support capabilities
- Continuously invest in training and development initiatives
- Focus on the retail business
- Expand market reach and have maximum footprint in the industry
- Accelerate the customer response time
- Develop Rental & Used Equipment business in the fast maturing rental markets
- Further consolidate the allied dealerships of SEM and SITECH
- Provide customers with end to end solutions

Power Systems Solutions (PSS)

Revenues - ₹ 25,045 lacs

Revenue share (in TIPL) - 28 %

Order book - ₹ 8,400 lacs

Capital employed - ₹ 10,810 lacs

Figures pertaining to 2010-11

BRIEF OVERVIEW

The Power Systems Solutions division operating under TIPL is an exclusive dealer for Caterpillar range of engines and generator sets across North and East of India, as well as Bhutan. The Power Systems business has been classified into four verticals:

- EP Diesel
- EP Gas
- Petroleum
- Industrial & OEM

The products have world-class quality and low life-cycle cost and enjoy excellent customer acceptance, due to the hallmark of reliability and quality power. The division also provides single source of complete power solutions, application engineering, feasibility studies, supply chain management, on-site installation services and uninterrupted product availability through on-site support and maintenance.

Key Highlights of 2010-11

- Rated amongst the top three Caterpillar dealers in Asia Pacific for retail rental business
- Achieved multi-sectoral breakthroughs comprising Agriculture, Cement, Plantation, Real Estate and Automotives
- Supplied 29 Nos. DG sets of 2000 kVA and 8 Nos. DG sets of 1500 kVA
- Deployed 30 Nos. Engines of 320/500 kVA on a rental basis for a residential construction
- The Petroleum Product Support Team received the highest rating from the Global Petroleum Service Assessment (GPSA) launched by Caterpillar Global Petroleum

Strengths

- Range and product diversity - world-class Caterpillar products with low life-cycle cost
- Varied product applications across a wider bandwidth of sectors
- One single source with focused customer support and round-the-clock response to customers' needs
- A strong public sector customer base
- Flexibility to work with diesel engines, gas engines, mechanical as well as electrical drives
- Strong customer trust in the division's after-sales support

Strategies and Future Plans

- Improve market share across all the industries served
- Penetrate newer markets
- Continuously invest in training and development initiatives
- Invest in infrastructure by setting up new offices
- Consolidate the opportunities available in Power Systems
- Aggressively grow the OEM business and the rental business
- Focus on the CNG/CGD sectors, offering good growth opportunities

Finance Review

Highlights of the consolidated financial statement

- Total income increased from ₹ 107,989 lacs in 2009-10 to ₹ 140,281 lacs in 2010-11, registering an increase of 30 per cent
- EBIDTA grew from ₹ 12,671 lacs in 2009-10 to ₹ 13,086 lacs in 2010-11
- Profit Before Tax declined marginally from ₹ 9,136 lacs in 2009-10 to ₹ 9,006 lacs in 2010-11
- Profit After Tax increased marginally from ₹ 5,953 lacs in 2009-10 to ₹ 6,019 lacs in 2010-11
- Proposed Dividend is maintained at 60 per cent
- Earnings Per Share grew from ₹ 59.35 in 2009-10 to ₹ 60.01 in 2010-11

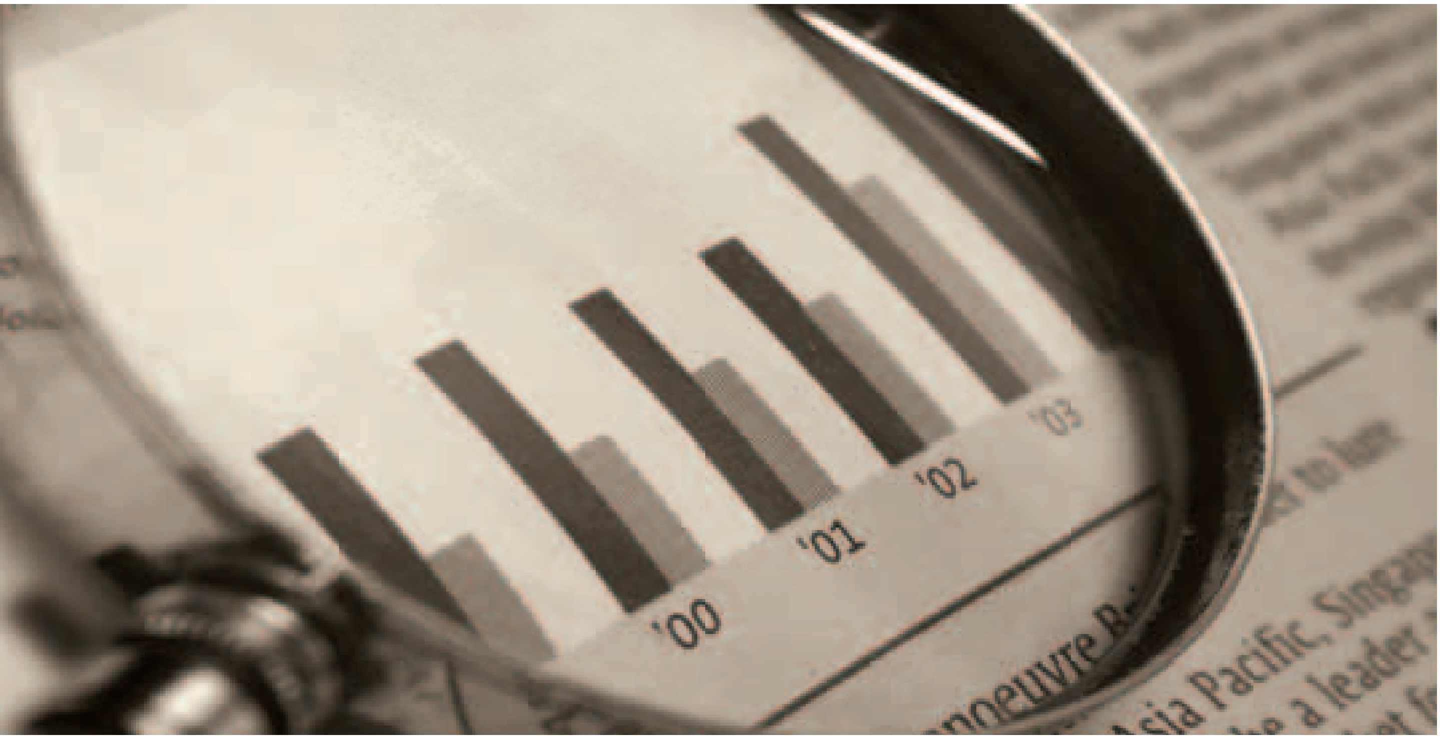
Revenue analysis

Revenue by business segments

The Company earned revenue from the following segments:

(₹ in lacs)

	2010-11	2009-10
SEGMENTS		
Material Handling Solutions (MHS)	20,686	16,991
Construction & Mining Solutions (CMS)	84,592	64,631
Power Systems Solutions (PSS)	32,780	24,705



Financial ratios

TIL has maintained the current ratio of 1.31 and a TOL/TNW of 1.79. The working capital has also been efficiently managed with debtors and inventory cover at 50 days and 117 days, respectively.

TIL's interest cover is 5.48 times.

Net worth

The Company's net worth grew from ₹ 28,197 lacs as on 31st March, 2010 to ₹ 33,487 lacs as on 31st March, 2011, registering a 19 per cent increase.

Capital expenditure

In 2010-11, the Company incurred a net capital expenditure of ₹ 5,569 lacs towards land for new production facility and rental assets. This is expected to increase the rental asset base resulting in future revenue growth and expansion of rental business.

Directors' Report

Your Directors have pleasure in presenting the Annual Report and Accounts for the year ended 31st March, 2011.

(₹/Crores)

		For the year ended 31.03.2011	For the year ended 31.03.2010
1.	**FINANCIAL RESULTS**		
	Profit for the year after meeting all expenses but before charging Depreciation and Interest.	48.56	108.38
	Less: Interest	2.39	16.00
	Depreciation	4.16	16.89
	Profit Before Tax	42.01	75.49
	Tax Provision		
	a) Current Tax	14.20	25.75
	b) Deferred Tax (Credit)/Charge	(3.39)	2.87
	Profit After Tax	31.20	46.87
	Balance Net Profit available for appropriation	31.20	46.87
	Appropriations		
	General Reserve	3.12	4.69
	Proposed Dividend:		
	Equity Shares	6.02	6.02
	Tax on Dividend	1.00	1.00
	Balance Carried Forward	21.06	35.16

2. RESTRUCTURING OF BUSINESS

With effect from 1st April, 2010 ('the Appointed Date'), the dealership business of Caterpillar comprising Construction and Mining Solutions and Power Systems Solutions carried out by the Company has been de-merged as a going concern and vested in the wholly owned subsidiary of the Company viz., Tractors India Private Limited ('TIPL') pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 under a Scheme of Arrangement ('the Scheme') sanctioned by the Hon'ble High Court at Calcutta vide Order dated 12th July, 2010. In accordance with the Scheme, TIPL has issued 44,89,430 Equity Shares of ₹ 10/- each at a premium of ₹ 203.48 on every share aggregating to ₹ 95,83,96,000/- (Rupees Ninety Five Crores Eighty Three Lacs Ninety Six Thousands only) to the Company as the Purchase Consideration.

In view of the above, the financial figures of the Company for the year under review vis-à-vis previous year are not comparable as the previous year's figure includes the Caterpillar business which has been de-merged from the Company and vested with TIPL with effect from (w.e.f.) 1st April, 2010.

3. PERFORMANCE

On a consolidated basis, your Company's Group turnover including Income from Operations and Other Income stood at ₹ 1402.81 Crores compared to ₹ 1079.89 Crores in the previous year and profit before tax is ₹ 90.06 Crores compared to ₹ 91.36 Crores in the previous year.

On standalone basis, Turnover including income from operations and Other Income for the year under review stood at ₹ 237.33 Crores vis-à-vis ₹ 887.94 Crores in the previous year. The profit before tax stood at ₹ 42.01 Crores vis-à-vis ₹ 75.49 Crores in the previous year.

Tractors India Private Ltd.

The newly formed Wholly Owned Subsidiary Company, Tractors India Pvt. Ltd., in India, achieved a turnover including income from operations and Other Income of ₹ 911.10 Crores and earned a profit before tax of ₹ 33.80 Crores.

Myanmar Tractors Ltd.

The Wholly Owned Subsidiary Company, Myanmar Tractors Ltd., in the Union of Myanmar, achieved a turnover including income from operations and Other Income of ₹ 35.19 Crores compared to ₹ 53.06 Crores in the previous year and a profit before tax of ₹ 3.93 Crores compared to ₹ 3.79 Crores in the previous year.

TIL Overseas Pte. Ltd.

The Wholly Owned Subsidiary Company, TIL Overseas Pte. Ltd., in Singapore, achieved a turnover including income from operations and Other Income of ₹ 237.61 Crores compared to ₹ 160.58 Crores in the previous year and achieved a profit before tax of ₹ 10.18 Crores compared to ₹ 10.92 Crores in the previous year. This activity is totally for and on behalf of Myanmar Tractors Limited.

Tractors Nepal Pvt. Ltd.

The Wholly Owned Subsidiary Company, Tractors Nepal Pvt. Ltd., in Nepal, achieved a turnover including income from operations and Other Income of ₹ 1.76 Crores compared to previous year of ₹ 2.51 Crores and earned a profit before tax of ₹ 0.32 Crores compared to ₹ 1.37 Crores in the previous year.

4. FINANCE

After providing ₹ 10.81 Crores as Provision for Taxation, ₹ 7.02 Crores (including Dividend Tax of ₹ 1 Crore) distributed as Equity Dividend, ₹ 21.06 Crores has been carried forward to Balance Sheet. The Reserve & Surplus (excluding Revaluation Reserves) of the Company increased from ₹ 181.22 Crores to ₹ 205.42 Crores and the Shareholders' Fund (excluding Revaluation Reserves) increased from ₹ 191.25 Crores to ₹ 215.45 Crores.

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

5. DIVIDEND

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

6. NEW BUSINESS-EQUIPMENT & PROJECT SOLUTIONS (EPS)

Your Company has already procured around 135 acres of land at Changual Industrial Park, Paschim Midnapore, West Bengal wherein construction and other work for setting up of the first phase of the manufacturing facility have already commenced. Production/ manufacturing at the said phase is expected to commence in July, 2011.

Your Company is also in the process of acquiring around 104 acres of land on long-term lease from WBIDC Ltd. at Vidyasagar Industrial Park, Paschim Midnapore, West Bengal. The second and third phase of the manufacturing facility for EPS business is proposed to be set up therein.

7. FIXED DEPOSIT

The Company has not accepted any deposits from the public during the year. Deposit outstanding as on 31st March, 2011 including unclaimed deposit was nil.

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 total number of employees of the Company as on 31st March, 2011 was 711.

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

10. SUBSIDIARY COMPANIES

The statement required under Section 212 of the Companies Act, 1956 in respect of Subsidiary Companies is appended herewith.

11. DIRECTORS

Mr. A. Mazumdar and Dr. T. Mukherjee retire by rotation and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

12. CORPORATE GOVERNANCE

In terms of Clause 49 of the Listing Agreement with 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 with 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

Good Corporate Citizenship and Corporate Social Responsibility are integral parts of Corporate Vision of your Company. It has always been the Company's endeavor to take an active role in minimizing harm to the natural resources we all share.

Your Company has a well managed Corporate Social Responsibility policy and is strongly committed towards fostering sustainable development of People, Communities and Society at large thereby attaining overall corporate growth and enhancing Shareholder Value.

As a Socially Responsible Corporate Citizen, your Company has carried out significant Community driven development initiatives in 2010-11 with several ongoing projects as mentioned below:

- Providing secondary level education to the underprivileged children through the Scholarship Schemes of TIL Welfare Trust.
- Vocational trainings for Youth in the project sites.
- Relief for the affected areas due to natural calamities.
- Partnerships with community organizations like SOS Village, Kolkata and Iswar Sankalp for extending support to the lesser-fortunate women and children of society through charitable contributions.
- Observing TIL Caring Day. Every year through a matching contribution scheme, your Company reaches out to the lesser-privileged sections of the society.
- Celebrating special occasions and festivals like Christmas with the deprived street children of our society.

- Providing medical facilities to underprivileged senior citizens of our society in partnership with Help Age through their Mobile Medical Units.

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

16. ENVIRONMENT

As an environmentally conscious corporate citizen, your Company has always been pursuing initiatives to respect, preserve and protect environment. For instance, Contamination Control and Effluent Treatment Plant in Component Rebuild Center at Asansol has had a reducing negative impact on environment. Besides, every year on the World Environment Day, your Company undertakes various initiatives to contribute to the environment ranging from:

- Sapling and tree plantation at different project sites, offices and surrounding communities.
- Celebrating World Environment Day with a view to create awareness on Environmental Concerns among children through various programs.
- Participating in partnership with a renowned NGO in the clean up drive of the polluted Rabindra Sarobar area by deployment of a CAT 424B Backhoe Loader to promote a garbage free cleaner City.

Your Company shall continue to follow a focused approach towards maintaining a sustainable development through its continuous endeavors of making the environment and the surrounding communities a better place for our future generations.

17. AUDITORS

Messrs. Price Waterhouse, Chartered Accountants, the retiring Auditors of the Company, have informed that they do not wish to seek re-appointment at the ensuing Annual General Meeting.

In view of the above, the Board hereby recommends the appointment of Messrs. Deloitte Haskins & Sells, Chartered Accountants, Kolkata as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of next Annual General Meeting.

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

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, 1956.

19. ACKNOWLEDGEMENTS

The Board of Directors take this opportunity to thank all its valued Customers, Principals, Shareholders, Banks, Financial Institutions, Government Authorities and Stock Exchanges for their continued co-operation and support to the Company. The Board also takes this opportunity to express its sincere appreciation for the excellent support and dedicated efforts put in by the employees for continued good performance.

For and on behalf of Board of Directors

Place : Kolkata
Date : 17th May, 2011.

A. Mazumdar
Chairman

Annexure to Directors' Report

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

FORM A

CONSERVATION OF ENERGY

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

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

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

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

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

	Year ended 31.03.2011*	Year ended 31.03.2010*
A. Power and fuel consumption		
a) Electricity		
Purchased Units	16,12,129	17,16,033
Total amount (₹ Lakhs)	106.11	105.70
Rate Per Unit (₹)	6.58	6.16
b) Own Generation		
Through Diesel Generator		
Units	24,518	1,60,307
Units per litre	4.72	4.06
Cost per unit (₹)	7.64	8.59

* The aforesaid figures are not comparable in view of transfer of Caterpillar business of the Company to its wholly-owned subsidiary, Tractors India Private Limited w.e.f. 1st April, 2010.

	Standard Unit	Year ended 31.03.2011	Year ended 31.03.2010
B. Consumption per unit of Production			
Product – Cranes Electricity (in '000)	Nos.	12.79*	4.49*

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

FORM B

TECHNOLOGY ABSORPTION

I. Research and Development

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

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

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

II. Technology Absorption, Adoption & Innovation

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

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Efforts:

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

2. Earnings and Outgo: ₹ in Lacs

i) Foreign Exchange Earnings:

Export sales (FOB), Commission, Dividend, Technical Fees, etc.	1672

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

a)	Raw Material	5003
b)	Machines (Trading items)	216
c)	Components & Spares	32
d)	Capital goods	-
e)	Travelling	10
f)	Technical Know-how Fees	241
g)	Royalty	115
h)	Dividend	116

Place : Kolkata
Date : 17th May, 2011.

A. Mazumdar
Chairman

Management Discussion & Analysis

INDUSTRY STRUCTURE & DEVELOPMENT

During the course of the Management Discussion & Analysis last year, your Company mentioned that as per the report by Management Consultant McKinsey, the revised amount proposed towards infrastructural development by Government of India is estimated at ₹ 37,500,000 lacs. Your Company also mentioned that major investments in the infrastructure sector were to happen and that these investments would be significant in 2011-12 which would also conclude the 11th Five Year Plan tenure.

The Indian economy for the year 2011-12 is looking forward to a positive growth and fiscal consolidation. The overall macro-economic environment for industry is also very supportive and the budget for 2011-12 indicates a sustainable economic growth. With the growth in 2010-11 now estimated at 8.6 per cent, the turnaround needs to be quick and sustainable, although some concerns still persist such as high inflation and temporary slowdown in the industry growth.

The growth rate in India has been far better than other emerging economies. The effect of the global economic slowdown has been largely contained due to proactive measures and also due to greater reliance on domestic demand. As per the report of Central Statistics Office (CSO), India's Gross Domestic Product (GDP) growth has been estimated at 8.6 per cent in fiscal 2010-11 and the drivers for the overall growth in 2010-11 have been the following:-

a. Growth in industrial sector

b. Growth in manufacturing sector

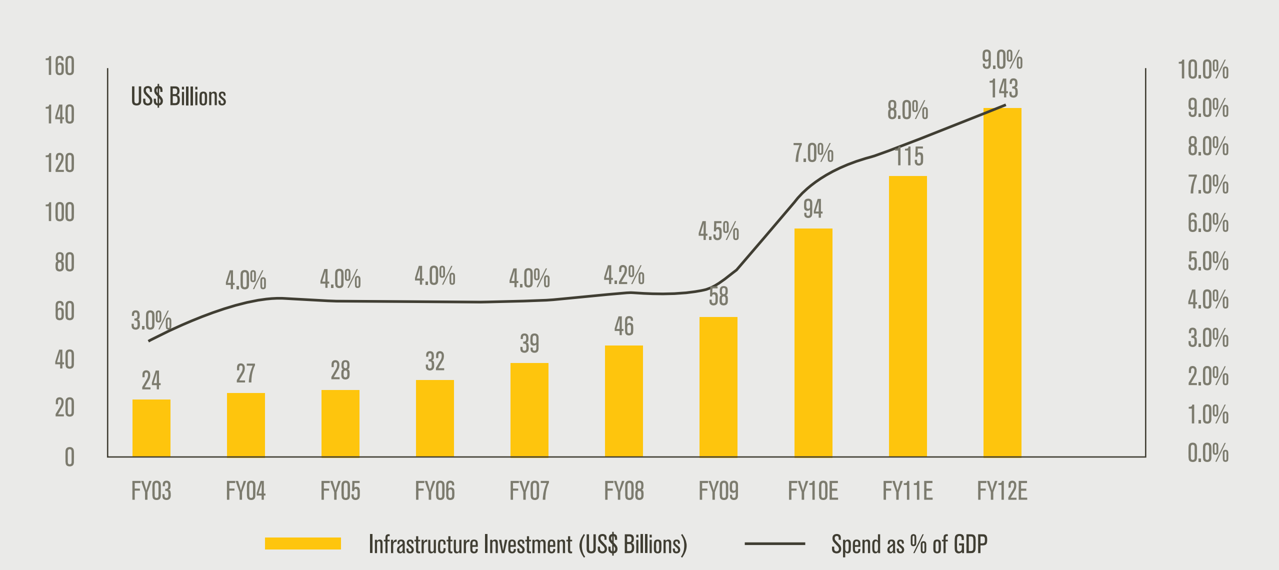
c. Growth in mining and quarry sector

d. Growth in service sector

In a recent report by Asian Development Bank (ADB), India and six other major economies in Asia will be driving the region's growth and could account for more than half the global Gross Domestic Product by 2050. The Indian economy is expected to grow to a level of USD 40.4 Trillion from USD 1.4 Trillion in 2010. This will be possible only through a faster rate of economic growth in the next 40 years and the young workforce population in India will act as a foundation to achieve the projected growth.

India being one of the fastest growing economies in the world, the need for infrastructural facilities is ever increasing across sectors. The development of adequate infrastructure has been identified as the most critical pre-requisite for continuing the current growth momentum of the economy. The Indian economy for 2011-12 is expected to grow at 9 per cent plus and according to UNCTAD's World Investment Prospect Survey 2009-11, India is the second most attractive destination for

FDI (after China) in the world. The Government of India plans to step up its infrastructure expenditure as a percentage of the national GDP from 6.5 per cent in 2009-10 to around 9 per cent in 2012. The Government of India has also announced that the investments in infrastructure is expected to total USD 1 Trillion in the 12th Five Year Plan i.e. 2012-17 compared to USD 514 Billion in the 11th Five Year Plan.



[Source - Goldman Sachs]

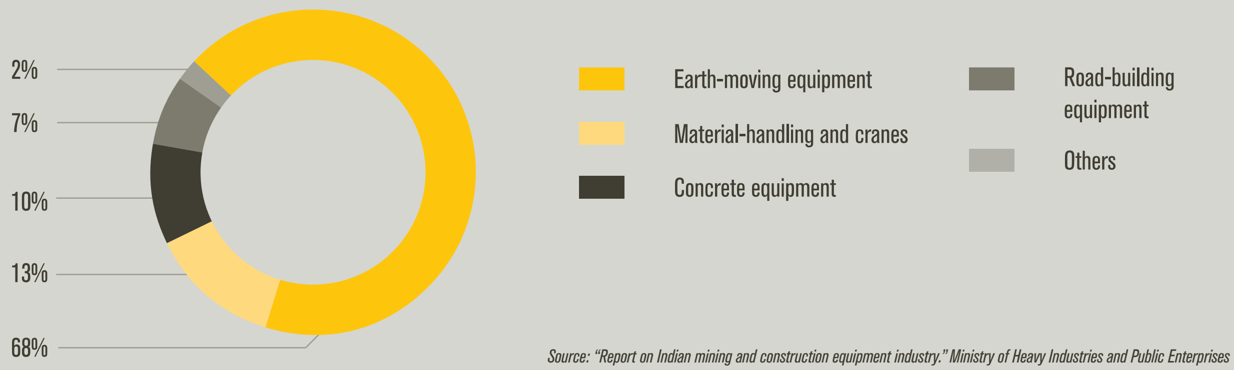
As also mentioned during the Management Discussion & Analysis of 2009-10, many key projects were deferred that were expected to be finalized during 2010-11 and 2011-12. Other construction projects which were also stalled are now showing signs of revival and it is expected that in 2011-12, the investments will happen in these sectors.

Given the Government's planned expenditure for infrastructure sector constituting around 48.50 per cent of total plan outlay for FY12 – a growth of 23.03 per cent over the Union Budget 2010-11, it indicates an increased focus on the sector.

In order to ensure development in infrastructure, the Government of India is also making radical changes in policy matters to promote the Public Private Partnership (PPP) module and facilitate private investments and attract FDIs. As per RBI Bulletin, India targets to achieve annual FDI worth USD 50 Billion by 2012 and plans to double the inflows by 2017.

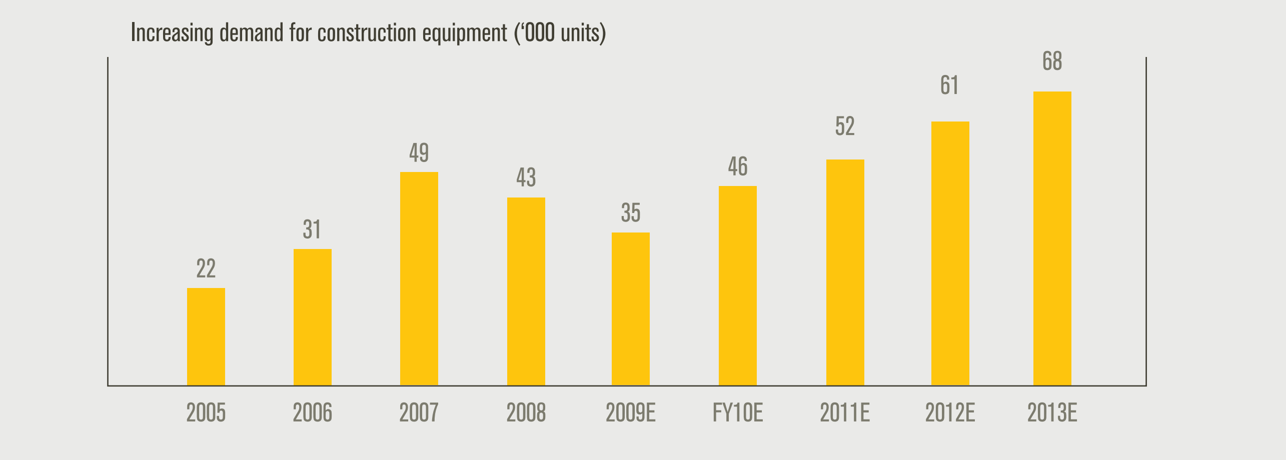
The Government of India's thrust on the infrastructure segment will continue which will also result in exponential growth in the Construction Equipment Sector. According to the latest study conducted by leading Management Consultant McKinsey, Indian Earthmoving & Construction Equipment (ECE) has the potential to grow 5-fold from its current size to USD 13 Billion by 2015 growing at a CAGR of 24 per cent.

Demand Generator (Percentage)



Source: "Report on Indian mining and construction equipment industry." Ministry of Heavy Industries and Public Enterprises

Construction equipment volume is expected to increase at a CAGR of 18.1 per cent over by 2013 vis-à-vis 12.3 per cent CAGR clocked over the 2005-09 period.



Source: Off-Highway Research

The **Roads & Highway**s will remain a key growth driver for Indian Infrastructure growth. The National Highways Authority of India (NHAI) has been assigned the task of awarding contracts for around 100 projects, covering 11,151 kms, over the financial year starting w.e.f. April 1, 2011. With the Government of India permitting 100 per cent FDI in the roads sector, most foreign investors in the Indian roads sector have formed consortiums with Indian companies to participate in the development of road projects in the country. As a result, construction companies are now being rewarded with large order books and portfolios of BOT projects. The Government plans to construct 35,000 kms of highways by 2014 under the NHDP with an investment of USD 60 Billion.

The Government of India's expenditure in the Indian **Shipping & Port Sectors** will continue. The 'Maritime Agent 2020' recently launched, envisages investments worth over USD 33 Billion in the maritime sector. This aims to create a port capacity of around 3200 MT from 617 MT as on 31.03.2010 which will be able to handle the expected growth in traffic of about 2500 MT by 2020. Majority of these projects are to be implemented through the PPP route. With the increase in container traffic, there is a need to develop container terminals and make available container handling equipment at Ports. Containerization and container traffic at major ports grew at a CAGR of 13 per cent between 2005-06 and 2009-10. This will create opportunities for the requirement of container handling equipment in India.

In the **Railways Sector**, the Government of India has proposed investments to the tune of ₹ 57, 630 crores for the year 2011-12 with the objective of modernizing and developing India's Railway infrastructure. The Indian Railways have allowed private sector entities to operate container trains and till date agreements with 16 companies have been entered into for supply of container services. The Indian Railways also plan to add 25000 kms of new lines by 2020 with a major increase in the PPP.

The demand for the **Power Sector** continues to be robust as the shortfall in power generation continues to be 13 per cent at peak demand and per capita usage is also 10 per cent of the global average. There is going to be aggressive demand for power generator sets from industries like textile, IT, railways, auto ancillaries, petroleum, etc. As per the analysis done by Frost & Sullivan, the Indian diesel generator set market estimates to reach a revenue of USD 2444 Million by 2015.

The Government of India's focus on infrastructure development has significantly boosted the construction equipment industry and expenditure in this sector is expected to be nearly USD 253.9 Billion by 2012–13.

With increased competition, your Company has initiated various steps which include offering a wider gamut of products and services, increased coverage, enhanced focus on people capabilities, investments in infrastructure, R&D and design excellence which will enable your Company to seize the opportunities when they materialize.

BUSINESS PERFORMANCE

For the year under review, your Company will highlight the business performance in the following manner:

a) Under TIL Ltd., Material Handling Solutions and Equipment & Project Solutions will be discussed.

b) Under Tractors India Private Limited (TIPL), Construction & Mining Solutions and Power Systems Solutions will be discussed.

Material Handling Solutions

Material Handling Solutions accounted for 19 per cent of the Group Sales during the year 2010-11. The overall sales were 20 per cent higher compared to the previous year. MHS registered a turnover of ₹ 219.5 crores in 2010-11 vis-à-vis ₹ 182.4 crores in 2009-10.

The division retained its leadership position in Mobile Slew cranes market with market share of 58 per cent. Special focus was given to Truck cranes and the division increased its sales of Truck cranes by 15 per cent in spite of severe competition from Chinese manufacturers. TIL has demonstrated market leadership in this segment also with over 38 per cent market share.

The order book as on 31st March, 2011 was ₹ 45 crores.

The Mining segment continued to have confidence in our cranes – cranes valued ₹ 20 crores were supplied to mining companies. The prospects for 2011-12 are also bright.

The Group supplied eleven Rough Terrain cranes valued ₹ 15.4 crores to RITES for their projects in Myanmar.

The MHS division has successfully completed supply of Material Handling Equipment required for the first phase of Project Akash and further orders are in the pipeline for this Project. Continuing their trust in Material Handling Equipment, further orders are also expected for Pinaka Project. Your Company is working on other applications of Material Handling Equipment required by the Indian Defense sector which has good potential in the future.

With the objective of improving planned throughput and cost, the MHS division of your Company is continuing with the Accelerated Improvement Program (AIP) which involves all sections of employees with particular focus on participation from the shop floor workmen.

During the year, your Company also launched the 75 MT capacity Truck Mounted crane. Indigenously built, the crane reinforces the design excellence of the Company's in-house team and strengthens the fuel-efficient, rugged and reliable product portfolio in the TMS range. This high performance product offering comes with impressive features like 5 axles including 3 steering axles, GVW of 49te, 4 section Trapezoidal full power boom, all of which form part of the designing process developed in-house. In addition, this entire project starting from Design to Dispatch of the machine was completed within an incredible time frame of 90 days.

In the port equipment range, your Company introduced a new model of Reach Stacker built with the technical collaboration of NMHG – Hyster with features comparable to the best in the world.

Equipment & Project Solutions (EPS) - the vertical formed last year under MHS catering to ports, road construction sectors with products such as RTG cranes, Crushers & Screens, Hot Mix Asphalt Plants, has witnessed a year of major developments. The progress at the Kharagpur site has been significant. Construction of the factory shed is in progress and your Company expects that the Plant can be commissioned in the middle of 2011-12. Simultaneously, procurement of Plant & Machinery has been on track with most of them arriving at site for installation during June 2011.

In the market place, the seeding plan for Crushers & Screens has been smooth with products being sold to aggregate and mining segments. This will facilitate the sale of products offered by your Company in volumes when the manufacturing commences at the new plant. Similarly, various awareness/ education programs have been conducted on the Hot Mix Plant and the use of Recycled Asphalt Pavement (RAP) which is a USP of these plants. The National Highways Authority of India (NHAI) has given specific approval for use of Double Barrel Drum Mix which is a patented technology of Astec for NHAI Projects. In its approval order dated 3rd March, 2010, NHAI has commented that the entire process of such Drum Mix plants gives a very homogenous mix, also observing that such Double Barrel Drum Mix plants are suitable for use of Recycled Asphalt Pavement, are cost and energy efficient and are environment friendly due to low emission of carbon gases. This is testimony to the fact that your Company has always delivered the best, not only in terms of technology but also in terms of energy conservation and environmental protection.

The Company's participation in various tenders for Rubber Tyred Gantry cranes has been quite high and this should help in finalization of orders during 2011-12.

Being a new vertical, building the organization with the right skills and quality of people is of paramount importance and EPS has been able to induct solid professionals for running the business in the years to come. Overall, EPS is poised to make a successful launch in 2011-12.

Tractors India Private Limited (TIPL)

The 100 per cent subsidiary of TIL formed in 2010 is engaged as a Dealer for Caterpillar Inc. for their construction, mining and power systems solutions and new associations with SEM and SITECH. **Construction & Mining Solutions under TIPL** accounted for 72 per cent of TIPL's revenue. The industry and economic conditions were generally on the recovery path during the latter part of the year. In terms of unit sales, 1181 units were sold. Despite the fact that the overall industry looked towards turning around, there were certain segments with high Government planned investments, which continued to suffer from their own inherent issues. The mining segment and the roads & highways sectors in particular were affected and as a consequence, projects were delayed with cost and time overruns.

The division under TIPL has still been able to achieve some prestigious orders with major companies in the mining and roads & highways segment. There was a record sale for Wheel Loaders and Motor Graders and also two new Maintenance & Repair Contracts (MARC) were signed with two prominent mining Customers. Furthermore, two important MARC agreements were renewed. The strategic initiative of segmenting the customers into Government/State owned enterprises, Large Corporations, emerging national players and Global customers has helped the business in offering customized and focused solutions, thus providing superior deliverables to the business.

In the roads & highways segment the division made some breakthrough for a full equipment line-up of 19 machines valued at ₹ 35 crores for a prime customer. With a view to strengthen the relationship with customers, a special initiative to train the operators was undertaken and received favorably by them. Orders for work on the NH4 with some renowned subcontractors were also secured. With the Government and NHAI clearly focusing on accelerating the approval and execution process, your Company shall witness more of such business opportunities fructifying in the future. The order book as on 31st March, 2011 stood at ₹ 39 crores.

Power Systems Solutions under TIPL accounted for 28 per cent of TIPL's revenue and in terms of units 611 Engines were sold during the year including those sold in the petroleum segment. The business made some major breakthrough and the segments such as Agriculture, Plantation, Cement, Real Estate, Automotives and Construction helped us to achieve some landmark orders.

- 5 Units of 1,500 kVA sets for a Power project at Orissa amongst other prestigious orders
- 3 Units of 1,010 kVA sets were sold to a Hatchery in Ranchi

Another significant achievement was the deployment of 30 Engines of 320/500 kVA for a major construction house project on a rental basis. With useful business emanating from Integrated Power Projects, Roads, Oil and Gas, the Rental business has grown 34 per cent in revenues over last year.

In the Oil and Gas segment, we see some major changes happening with an upswing in City Gas Distribution – which would mean heightened activity in Gas Compression. It has also been noticed that the majors in the industry are going in more for hiring of Rigs instead of buying of Rigs and this could be an opportunity for your Company in the future. The order book as on 31st March, 2011 stood at ₹ 84 crores.

Rentals & Used Equipment

Although still nascent, TIPL continues its emphasis on the Rental and Used Equipment business due to its future growth potential. Investments in setting up six Rental Stores supported by rental selling outlets have been made in Bhubaneswar, Asansol, Chandigarh, Lucknow, Sahibabad and Udaipur offering customers to rent or buy used equipment as also Allied Products like Mobile Lighting Towers etc. Some breakthrough business of deploying a fleet of Backhoe Loaders at the Tea gardens in North Bengal has yielded good results. Customized Rental Solutions to the Sikkim Airport Construction was also a new business initiative. Focus was on sale of used machines and a growth in profits over last year was recorded.

The Rental division under TIPL has made significant investments in Rental Assets, Infrastructural facilities, people and training and has established itself as a preferred Rental Service Provider in the Industry. Rental continues to be a major focus area and TIPL is fully ready and can cater to customer demands for a wide range of reliable Cat machines, Cat DG Sets and Allied Products like Mobile Lighting Towers from the six Rental Stores. In addition, the Company has also introduced Allied Products and has created a new milestone with the launch of Mobile Lighting Towers and has plans to introduce other Allied Product Solutions progressively based on industry needs.

In order to have a more cohesive and customer-centric organization, your Company has taken initiatives in areas of people development including technical and operator trainings, focused on enhancing coverage through an increase of branches and facilities across the four territories formed under TIPL, commissioning of Component Rebuild Center (CRC) for offering value added services to customers with the eventual aim of attaining customer loyalty and market leadership.

OPPORTUNITIES & THREATS

During the financial year 2010-11, investments made by the Government of India in the infrastructure sector had not happened as per expectation. There had been deferment in investments in certain projects which should get started in the financial year 2011-12. During the financial year 2011-12, investments in the infrastructure sector will materialize and increase significantly with the finalization of the key projects including construction of expressways, flyovers, metro rail projects, SEZs, investments in major ports, privatization of mining and up gradation of major airports. The key sectors that will lead to increased investment in infrastructure space are likely to be –

- Roads (USD 8 Billion cumulative demand)
- Irrigation (USD 8 Billion cumulative demand)
- Urban & Residential Construction (USD 5 Billion cumulative demand)
- Mining (USD 5 Billion cumulative demand)

The Company is geared to avail the emerging opportunities and thereby strengthen the Company's position. The Company continues to initiate various strategies through focus on products and range expansion, enhance manufacturing capacity, focused organization structure, market penetration, operational excellence, IT & Systems Development and human resource development.

In addition to the aforesaid, various technical collaboration agreements with world leaders in the Material Handling space will enable the Company to enhance its business opportunities. The Company continues to remain 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.

There is significant dependence on imports arising out of imported material requirement for the manufacturing plant as well as imported capital goods. Adverse foreign exchange fluctuations will have an impact in the business process. In addition to this, economic slowdown in terms of further deferment of Government of India's expenditure in the infrastructure sector and further hike in steel prices will also have an impact on the business.

Your Company has been facing competition both locally and internationally which could pose a threat in the growth of the business.

RISKS & CONCERNS

The vital risk as perceived by the Management of your Company is the industry slowdown which could significantly affect the Company's future performance. Any increase of prices will affect the cost of production thereby affecting the Company's performance. With the opening up of the economy, there is always the risk of increased competition from international players. Your Company also has a major concentration risk as a significant portion of the revenues are generated by a cluster of customers which could have a material impact in the event of their attrition. Finally, the business also runs the risk of people attrition which leads to loss of knowledge and experience. However, your Company has analyzed the various types of risks and has framed a Risk Management policy which includes mitigation of such risks. The Board of Directors review these risks periodically. This review is done with the intention of mitigating the same in a structured manner with strategic interventions at the appropriate time.

OUTLOOK

The Finance Ministry in its budget for 2011-12 mentioned about allocating USD 49 Billion for infrastructure investments which is an increase of 23 per cent over 2010-11. The Planning Commission had already projected an investment of USD 459 Billion for the 11th Plan which was more than twice the investment during the 10th Plan. These figures clearly indicate the Government of India's intention and emphasis on infrastructure development in India. India is all set to become the world's fastest growing economy by 2013-15 according to a Report by Morgan Stanley. The GDP growth has been estimated at 9-9.5 per cent in 2013-15. The major initiative in 2011-12 budget is the proposal to create a Special Purpose Vehicle to attract foreign funds for infrastructure. Under this scenario, your Company remains optimistic about its long-term growth plan which will further depend on the timing and speed at which the aggressive investments by Government takes place in the infrastructure space.

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, earthmoving, material handling, coal handling, port, road construction and power systems.

The business opportunities in the next few years look very attractive and your Company is committed through adequate human resources at the appropriate levels to capture every opportunity arising in this space.

KNOWLEDGE RESOURCE

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

In congruence with the goals and objectives of your Company, the focus for the year under review was on career progression and succession planning. Along with this, leadership development and enhancement of capability and skill levels for all employees remained a key objective. With a view to enrich the knowledge resource base of the organization, your Company initiated the Leadership Development Program titled 'ASCENT' focusing on enhancing essential managerial and leadership linked competencies.

With the same vision, "Compensation Indexing" was conducted coupled with position evaluation based on comparator basket in order to utilize the same for career development of employees through a series of career planning workshops. Employee Opinion Survey was conducted for the year 2010-11 and your Company also held various quality activities towards enhancing employee engagement and motivation for creating an ideal work environment. As on 31st March, 2011, the employee strength of TIL and TIPL stood at 1898.

INTERNAL CONTROLS & THEIR ADEQUACY

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Total income of TIL and TIPL for the year stands at ₹ 1148.44 crores vis-à-vis ₹ 887.94 crores in 2009-10. PBT for the year stands at ₹ 75.81 crores compared to ₹ 75.48 crores in the previous year. EBIDTA for the year is ₹ 114.21 crores (i.e. an increase of 5 per cent) vis-à-vis ₹ 108.38 crores in 2009-10.

On an activity basis, TIL and TIPL transacted ₹ 1287.5 crores in 2010-11 vis-à-vis ₹ 1050.40 crores in 2009-10 registering an increase of 23 per cent.

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, and pace of country's infrastructure development, Government of India's Regulations and taxation, natural calamity, etc. over which the Company does not have any control.

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company adopts and adheres to the best recognized Corporate Governance Policies for 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.

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

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

The Company is in full compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement entered into with the Stock Exchanges and in this regard, submits a report on the matters mentioned in the said clause. The Corporate Governance practices followed by the Company are as stated below:

1. **Composition of the Board of Directors**

   a) The Board consists of eight (8) Members out of which three (3) are Whole-time Directors and five (5) are Non-Executive Independent Directors including a Director nominated by Life Insurance Corporation of India (LIC).

Composition, Category, Directorships and Committee Memberships in other Companies as on 31st March, 2011.

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 & Managing Director	Executive	1	-	-
Mr. S. K. Bhatnagar - Director - MHS*	Executive	3	-	-
Mr. R. L. Gaggar – Director	Non-Executive Independent	10	-	8
Mr. U. V. Rao – Director	Non-Executive Independent	2	1	1
Mr. K. B. Saha – Director (Nominee of LIC){+}	Non-Executive Independent	-	-	-
Mr. G. Swarup - Director	Non-Executive Independent	7	-	1
Dr. T. Mukherjee – Director	Non-Executive Independent	4	-	-

Only Audit Committee and Shareholders' Grievance Committee have been considered for this purpose.
{+} LIC being an Equity Investor.

* Appointed as Director with effect (w.e.f.) from 1st April, 2010

b) During the year ended 31st March, 2011, six (6) meetings of the Board of Directors were held. The Company has held at least one Board Meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the Board Meetings are as under :

Sl. No	Date	Board Strength	No. of Directors Present
1.	11th May 2010	8	7
2.	29th July 2010	8	7
3.	26th October 2010	8	7
4.	28th December 2010	8	7
5.	25th January 2011	8	7
6.	29th March 2011	8	5

Attendance of Directors at the Board Meetings and Annual General Meeting (AGM) during the year ended 31st March, 2011 :

Name of Director	No. of Board Meetings		Attendance at the last AGM Held on 29th July, 2010
	Held	Attended	
Mr. A. Mazumdar	6	3	Yes
Mr. Sumit Mazumder	6	6	Yes
Mr. S. K. Bhatnagar	6	5	Yes
Mr. R. L. Gaggar	6	6	Yes
Mr. U. V. Rao	6	5	Yes
Mr. K. B. Saha	6	4	No
Mr. G. Swarup	6	6	Yes
Dr. T. Mukherjee	6	5	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 49 IV (G) of the Listing Agreement, are given in the Notice calling the Annual General Meeting.

2. **Audit Committee**

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

b) The Audit Committee as at 31st March, 2011 comprises five Directors, all being Non-Executive Independent Directors namely, Mr. U. V. Rao, Mr. R. L. Gaggar, Mr. K. B. Saha, Mr. G. Swarup and Dr. T. Mukherjee. The Vice Chairman & Managing Director, the Chief Financial Officer, the President (Material Handling Solutions Business Segment), the Statutory Auditors and the Internal Auditors are invitees. The Company Secretary, Mr. Sekhar Bhattacharjee, is the Secretary to the Audit Committee.

c) The Members of the Audit Committee are eminent persons in the Industry and have expertise in finance and accounting.

d) Mr. U. V. Rao, Chairman of the Audit Committee attended the AGM held on 29th July, 2010.

i. During the year ended 31st March, 2011 Audit Committee Meetings were held on 11th May 2010, 29th July 2010, 26th October 2010 and 25th January, 2011.

ii. The Annual Financial Statements for the financial year 2009-10 were reviewed by the Audit Committee at its meeting held on 11th May, 2010 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.

e) **Attendance of the members at the Audit Committee Meetings held during the year ended 31st March, 2011 :**

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

3. **Remuneration and Compensation Committee**

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

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

The Remuneration Committee as at 31st March, 2011 comprises three Independent Non-Executive Directors namely, Mr. R. L. Gaggar (Chairman), Mr. U. V. Rao and Dr. T. Mukherjee (Members). Remuneration of Whole-time Directors of the Company largely consists of base remuneration, perquisites and special pay/incentives/commission. The components of the total remuneration vary for different cadres and are governed by industry patterns, qualifications and experience of the incumbent, responsibilities handled, individual performance, etc.

During the year ended 31st March, 2011, no meeting of the Remuneration & Compensation Committee was held.

Remuneration of Directors for the Year Ended 31st March, 2011:

(₹ in '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	6,600	4,400	702	7,728	-	-
Mr. Sumit Mazumder**	-	-	-	-	-	-
Mr. S. K. Bhatnagar	2,826	3,766	408	5,767	-	-
Mr. R. L. Gaggar	-	-	-	800	90	60
Mr. U.V. Rao	-	-	-	800	75	60
Mr. K. B. Saha	-	-	-	800	60	30
Mr. G. Swarup	-	-	-	800	90	60
Dr. T. Mukherjee	-	-	-	800	75	60

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

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

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

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

4.A. Shareholders' / Investors' Grievance Committee

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

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

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

c) During the year ended 31st March, 2011 no meeting of Shareholders'/Investors' Grievance Committee was held as no grievances have been received from any of the shareholders.

d) During the year ended 31st March, 2011 no complaint was received from the Shareholders'/Investors' and the Registrar of the Company, M/s. C. B. Management Services Pvt. Ltd., Kolkata, has certified the same.

4.B. Share Transfer and Certificate Committee

The Board has delegated the powers of approving transfer of shares to Share Transfer and Certificate Committee. The Committee met eleven (11) times during the year ended 31st March, 2011 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
2007-2008	29.07.2008	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024
2008-2009	28.07.2009	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024
2009-2010	29.07.2010	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024

b) Special Resolutions passed at the last three AGMs

Financial Year	Item
2007-2008	Nil
2008-2009	Re-appointment of Mr. A. Mazumdar, Chairman and Wholetime Director for a period of five years w.e.f. 1st June, 2009 to 31st May, 2014.
2009-2010	Nil

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

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

d) Special Resolutions passed at the last EGM

Financial Year		Item
2007-2008	i)	Alteration of Capital Clause of the Memorandum of Association and Article of Association of the Company.
	ii)	To offer, issue and allot in one or more trenches, 29, 93,842 warrants of ₹ 10/- each at a premium of ₹ 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 ₹ 10/- each at the ratio of 1 Equity share for every warrant held.

e) Court convened Meeting of Shareholders

Pursuant to Section 391 read with 393 of the Companies Act, 1956, and in terms of the Order dated 15th March, 2010 of the Hon'ble High Court at Calcutta, a Meeting of Shareholders was held on 12th April, 2010, to consider and approve the Scheme of Arrangement with its wholly owned subsidiary M/s. Tractors India Private Limited. Mr. Deb Mukherjee, Advocate was appointed as the Chairman of the said Meeting. The Scheme of Arrangement was approved and passed by shareholders by poll at the said Meeting.

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, which is applied to major activities and processes of the business and communicated throughout the organization.

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

7. Subsidiary Companies

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

8. Means of Communication

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

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

9. General Shareholder Information

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

Forthcoming Annual General Meeting will be held on Tuesday, 26th July, 2011 at 10.00 AM at the Company's Registered Office at 1, Taratolla Road, Garden Reach, Kolkata 700024.

Financial Calendar (Tentative)

Financial Reporting for the year ended 31st March, 2011	May, 2011
Mailing of Annual Reports for 2010-2011	June, 2011
Financial Reporting for the quarter ending 30th June, 2011	July, 2011
Limited Review Report for the quarter ending 30th June, 2011	July, 2011
Financial Reporting for the quarter /half year ending 30th September, 2011.	October, 2011
Limited Review Report for the half year ending 30th September, 2011	October, 2011
Financial Reporting for the quarter ending 31st December, 2011	January, 2012
Limited Review Report for quarter ending 31st December, 2011	January, 2012
Financial Reporting for the year ending 31st March, 2012	May, 2012

b) **Date of Book closure**

The Share Transfer Books and Register of Members will remain closed from 19th July, 2011 to 26th July, 2011, both days inclusive.

c) **Dividend Payment date -** On or about 2nd August, 2011.

d) **Listing on Stock Exchanges**

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

Listing fees for the year 2011-12 have been paid to the Stock Exchanges.

The International Security Identification Number (ISIN) is INE806C01018.

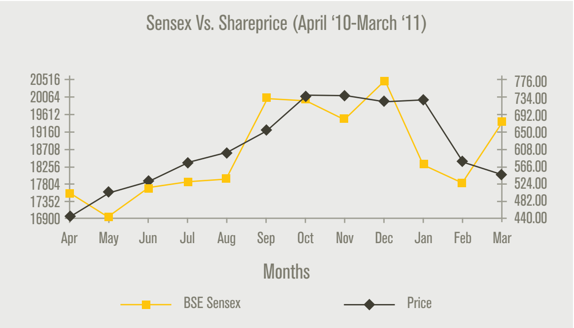
e) Market Price Data

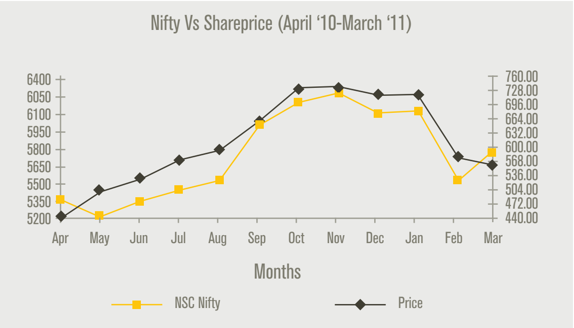
(₹)

Months	National Stock Exchange*		Bombay Stock Exchange*	
	High	Low	High	Low
April 2010	445.00	333.10	445.00	330.00
May 2010	506.90	375.00	507.80	392.00
June 2010	534.40	455.00	534.00	458.00
July 2010	579.90	502.50	579.90	491.00
August 2010	604.00	530.10	604.80	532.00
September 2010	675.00	555.00	663.80	553.50
October 2010	748.00	565.00	748.90	565.00
November 2010	754.00	610.00	750.05	606.00
December 2010	734.00	625.00	735.00	625.10
January 2011	735.00	540.00	737.90	544.95
February 2011	586.80	491.15	584.00	500.00
March 2011	564.80	475.00	565.25	473.00

* Where Equity Shares of the Company are regularly traded.

Stock Performance of TIL Limited vs BSE and NSE Indices :





f) Registrar and Share Transfer Agents

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

C.B. Management Services (P) Ltd.,

P-22, Bondel Road, Kolkata 700 019

Telephone Numbers: 40116700, 40116711, 40116718, 40116723

Fax Number: 033 2247 0263

E-Mail: rta@cbmsl.com

g) Share Transfer System

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

h) Shareholding Pattern as on 31st March, 2011

Category of Shareholder	Number of Shareholders	Total Number of Shares Held	% Percentage
Shareholding of Promoter and Promoter Group	23	5184603	51.69
Mutual Funds/UTI	13	593767	5.92
Financial Institutions/Banks	11	7553	0.07
Insurance Companies	4	1638853	16.34
Foreign Institutional Investors	4	164030	1.64
Bodies Corporate	261	555118	5.53
Non Resident Individuals	213	74038	0.74
General Public	7213	1798747	17.94
Trust	5	3130	0.03
Clearing Member	51	10426	0.10
Total	**7798**	**10030265**	**100.00**

i) Distribution of shareholding as on 31st March, 2011

Range / Category (Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares to total shares
1-500	7048	90.38	672264	6.70
501-1000	370	4.74	287110	2.86
1001-2000	174	2.23	262157	2.61
2001-3000	76	0.98	190588	1.90
3001-4000	32	0.41	114820	1.15
4001-5000	14	0.18	66980	0.67
5001-10000	29	0.37	225120	2.24
10001 & above	55	0.71	8211226	81.87
Total	**7798**	**100.00**	**10030265**	**100.00**

j) Dematerialisation of shares and liquidity

The Company has entered into agreements with NSDL and CDSL whereby shareholders have an option to dematerialize the shares with either of the Depositories.

Status as on 31st March, 2011 :

Particulars	No. of shares	No. of shareholders	% of Capital
NSDL	6942726	4414	69.22
CDSL	498747	1861	4.97
Physical	2588792	1523	25.81
Total	**10030265**	**7798**	**100.00**

k) Plant Locations

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

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

l) Address for correspondence

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

10. Code of Conduct

A Code of Conduct for the Board of Directors and Senior Managers has been formulated and adopted by the Board of Directors in the Meeting held on 15th March, 2005. The Code of Conduct, as approved by the Board, is also posted on the Website of the Company. A declaration by the Vice Chairman & Managing Director (CEO) stating that all Board Members and Senior Management Personnel have complied with the Code of Conduct for the Financial Year ended 31st March, 2011 forms part of the Annual Report.

11. Risk Mitigation Plan

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

12. CEO and CFO Certification

As per Clause 49(V) of the Listing Agreement, a certificate duly signed by the Vice Chairman & Managing Director and the CFO, in respect of the financial year ended 31st March, 2011 has been placed before the Board in the Meeting held on 17th May, 2011.

13. Non-Mandatory Requirements

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

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

b) Remuneration and Compensation Committee

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

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

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

d) Audit Qualifications

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

e) Training of Board Members

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

f) Mechanism for evaluating Non-Executive Board Members

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

g) Whistle Blower Policy

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

Pursuant to Clause 49 of the Listing Agreement with the 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 Board of Directors

Place : Kolkata
Date : 17th May, 2011.

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, 2011. The same has also been noted by the Board in its Meeting held on 17th May, 2011.

TIL LIMITED

S. MAZUMDER
VICE CHAIRMAN & MANAGING DIRECTOR

Place: Kolkata
Date: 17th May, 2011

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, 2011, 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 of the financial statements of the Company.

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

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

For **Price Waterhouse**
Firm Registration Number - 301112E
Chartered Accountants

P. Law
Partner
Membership Number – 51790

Place: Kolkata
Date: 17th May, 2011

Ten Years Financial Highlights

(₹ in '000)

		2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
1	Share Capital	100,303	100,303	100,303	100,303	97,301	122,211	137,306	137,306	97,301	97,236	97,236
2	Share Warrant	-	-	87,815	87,815	-	-	-	-	-	-	-
3	Reserves & Surplus	2,123,137	1,882,668	1,397,943	1,123,720	754,929	629,501	547,768	500,270	518,876	517,350	514,493
4	**Net Worth**	**2,223,440 ***	**1,982,971 ***	**1,586,061 ***	**1,311,838 ***	**852,230 ***	**751,712 ***	**685,074 ***	**637,576 ***	**616,177 ***	**614,586 ***	**611,729**
5	Borrowings	440,925	1,093,818	1,134,290	787,561	846,020	1,241,288	1,165,053	1,038,908	1,044,076	1,093,858	959,202
6	Funds Employed	2,664,365	3,076,789	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
7	Gross Block	1,438,828	1,912,860	1,609,642	1,411,669	1,233,473	1,244,038	1,150,192	818,842	799,248	691,938	657,260
8	Depreciation	519,342	822,817	688,940	578,655	502,996	459,573	383,040	303,200	299,582	234,771	205,365
9	Net Block	919,486	1,090,043	920,702	833,014	730,477	784,465	767,152	515,642	499,666	457,167	451,895
10	Investments	1,038,567	74,972	74,866	74,866	74,866	44,906	54,042	54,042	54,042	54,042	51,481
11	**Sales**	**2,161,442**	**8,245,861**	**8,327,483**	**7,175,289**	**5,686,866**	**4,544,037**	**3,214,343**	**2,739,745**	**2,682,644**	**2,473,134**	**2,324,783**
12	Other Income	211,895	633,481	430,433	379,595	283,862	270,569	291,298	248,268	106,630	79,883	76,477
13	Expenses	558,193	1,523,996	1,513,501	1,083,886	919,126	798,157	757,221	733,812	695,686	554,153	549,372
14	Depreciation	41,608	168,928	143,203	114,045	112,181	119,626	81,237	49,773	23,702	21,461	18,220
15	**Profit Before Tax**	**420,078**	**754,860**	**505,704**	**502,533**	**286,313**	**188,480**	**100,372**	**83,872**	**20,349**	**40,384**	**22,056**
16	Taxation											
	- Current Tax	142,009	257,500	176,500	155,850	104,000	67,500	29,500	15,780	1,384	5,000	1,803
	- Deferred Tax	(33,890)	28,728	(2,504)	16,950	(7,383)	(7,183)	3,100	12,320	3,411	10,160	-
	- Fringe Benefit Tax			9,000	7,300	6,000	9,650	-	-	-	-	-
17	**Profit After Tax**	**311,959**	**468,632**	**322,708**	**322,433**	**183,696**	**118,513**	**67,772**	**55,772**	**15,554**	**25,224**	**20,253**
18	Dividend	60,182	60,182	40,121	40,121	29,277	21,909	15,163	8,967	-	-	9,724

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

Auditors' Report to the Members of TIL Limited

1. We have audited the attached Balance Sheet of TIL Limited (the 'Company')as at 31st March, 2011, and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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

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

   c) The Balance Sheet, 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, 2011, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 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, 2011;

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

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

For **Price Waterhouse**
Firm Registration Number - 301112E
Chartered Accountants

P. Law
Partner
Membership Number – 51790

Place: Kolkata
Date: 17th May, 2011

Annexure To Auditors' Report

Referred to in Paragraph 3 of the Auditors' Report of even date to the Members of TIL Limited on the Financial Statements for the year ended 31st March, 2011.

1. (a) The Company has maintained proper records showing 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 portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

   (c) During the year, the Company has transferred a substantial part of its fixed assets forming part of the undertaking pertaining to the dealership business of caterpillar pursuant to a Scheme of Arrangement as indcated in Note 13 on Schedule 'O' to the accounts. On the basis of our examination of the books and records of the Company, and according to the explanations given to us, in our opinion, the transfer of the said fixed assets has not affected the going concern status of the Company.

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 the 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 were not material.

3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

   (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination

of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.

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

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

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

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

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess as at 31st March, 2011 as applicable, which have not been deposited on account of a dispute, are as follows :

Name of the Statute	Nature of Dues	Amount (₹ in lacs) [net of payments]	Forum where dispute is pending
The Central Sales Tax Act, 1956	Sales Tax dues for the Period 1996-98	1.65	The Commercial Taxes Tribunal , Ghaziabad
The Central Sales Tax Act, 1956	Sales Tax dues for the Period 2007-08	73.93	The Additional Commissioner (Appeals) Commercial Taxes, Kolkata
The West Bengal Value Added Tax Act, 2003	Sales Tax dues for the Period 2007-08	278.34	The Additional Commissioner (Appeals) Commercial Taxes, Kolkata
The Uttar Pradesh Trade Tax Act, 1948	Entry Tax dues for the year 2004-05	6.48	The Commercial Taxes Tribunal , Ghaziabad
The Uttar Pradesh Trade Tax Act, 1948	Sales Tax dues for the year 2007-08	2.58	The Additional 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	1.35	Commissioner of Income-tax (Appeals)
The Income tax Act, 1961	Income tax dues for the assessment year 2007-08	6.74	Commissioner of Income-tax (Appeals)
The Income tax Act, 1961	Income tax dues for the assessment year 2008-09	109.81	Commissioner of Income-tax (Appeals)
The Central Excise Act, 1944	Dispute regarding Duty Exemption Certificate produced by Ministry of Defence for the year 2007-08	19.46	Commissioner of Central Excise (Appeals)
The Central Excise Act, 1944	Dispute Regarding eligibility of exemption benefit for the year 2010-11	23.69	Commissioner of Central Excise (Appeals)
Finance Act, 1944	Dispute regarding applicability of Service Tax on payment of Royalty and Technical Know how fees for the period 2005-08	69.28	Commissioner of Central Excise (Appeals)
Finance Act, 1994	Dispute regarding service tax on commission received for the year 2007-08	23.56	Commissioner of Central Excise (Appeals)

10. The Company has no accumulated losses as at 31st March, 2011, 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, on an overall basis, 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 raised any money by public issue during the year.

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

22. The other clauses, (iii)(b), (iii)(c), (iii)(d), (iii)(f), (iii)(g) and (v)(b) of paragraph 4 of the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

For **Price Waterhouse**
Firm Registration Number - 301112E
Chartered Accountants

P. Law
Partner
Membership Number – 51790

Place : Kolkata
Date : 17th May, 2011

Balance Sheet as at 31st March, 2011

(₹ in '000)

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	A	100,303	100,303
(b) Reserves and Surplus	B	2,123,137	1,882,668
		2,223,440	**1,982,971**
2. Loan Funds	C		
(a) Secured Loans		440,925	499,000
(b) Unsecured Loans		-	594,818
		440,925	**1,093,818**
3. Deferred Tax Liability (Net) (Note 17 of Schedule 'O')		**25,784**	**59,674**
Total		**2,690,149**	**3,136,463**
APPLICATIONS OF FUNDS			
1. Fixed Assets	E		
(a) Gross Block		1,438,828	1,912,860
(b) Less : Depreciation		519,342	822,817
(c) Net Block		919,486	1,090,043
(d) Capital Work-in-Progress		86,447	195,364
		1,005,933	**1,285,407**
2. Investments	F	**1,038,567**	**74,972**
3. Current Assets,Loans and Advances			
(a) Inventories	G	599,007	1,465,139
(b) Sundry Debtors	H	463,854	1,533,793
(c) Cash and Bank Balances	I	2,426	1,826
(d) Other Current Assets	J	61,388	121,425
(e) Loans and Advances	K	1,049,968	934,048
		2,176,643	**4,056,231**
Less : Current Liabilities and Provisions	D		
(a) Liabilities		458,398	1,344,089
(b) Provisions		1,072,596	936,058
		1,530,994	**2,280,147**
Net Current Assets		**645,649**	**1,776,084**
Total		**2,690,149**	**3,136,463**
Notes	O		

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

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

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

P.Law
Partner
Membership Number 51790

Kolkata
17th May, 2011

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Profit & Loss Account for the year ended 31st March, 2011

(₹ in '000)

	Schedule	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME			
Sales and Services (Gross) (Note 14.1 on Schedule 'O')		2,161,442	8,245,861
Less : Excise Duty (Note 14.2 on Schedule 'O')		127,886	138,359
Sales and Services (Net)		2,033,556	8,107,502
Selling Commission Earned		23,260	219,589
Rental from Machinery		-	188,735
Other Income	L	188,635	225,157
		2,245,451	**8,740,983**
EXPENDITURE			
Cost of Materials and Direct Manufacturing Expenses	M	1,225,572	6,293,199
Expenses	N	534,274	1,364,046
		1,759,846	**7,657,245**
Interest on :			
Fixed Loans		2,026	32,390
Others		21,893	127,560
		23,919	**159,950**
Depreciation and Amortisation		43,153	170,473
Less : Transfer from Revaluation Reserve		1,545	1,545
(Note 3 on Schedule 'O')		**41,608**	**168,928**
Total Profit Before Taxation		**420,078**	**754,860**
Profit from continuing operations before tax		**420,078**	**420,602**
Less : Provision for Taxation :			
Current Tax		142,009	143,485
Deferred Tax Charge/(Credit)		(33,890)	15,993
		108,119	**159,478**
Profit from continuing operations after tax		**311,959**	**261,124**
Profit from discontinuing operations before tax		-	**334,258**
Less : Provision for Taxation :			
Current Tax		-	114,015
Deferred Tax Charge/(Credit)		-	12,735
		-	**126,750**
Profit from discontinuing operations after tax		-	**207,508**
Total Profit After Taxation		**311,959**	**468,632**
Add : Balance of Profit and Loss Account			
brought forward from previous year		1,275,078	923,486
Balance Available For Appropriations		**1,587,037**	**1,392,118**
APPROPRIATIONS			
General Reserve		31,196	46,863
Proposed Dividend :			
Equity Shares		60,182	60,182
Tax on Dividend		9,763	9,995
Balance Carried Forward		1,485,896	1,275,078
		1,587,037	**1,392,118**
Earnings Per Share - (Note 5 on Schedule 'O')			
Basic (₹)		31.10	46.72
Diluted (₹)		31.10	46.72
Notes	O		

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

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

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

P.Law
Partner
Membership Number 51790

Kolkata
17th May, 2011

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Schedule forming part of the Balance Sheet

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'A'		
Share Capital		
Authorised		
20,000,000 Equity Shares of ₹ 10/- each	200,000	200,000
	200,000	**200,000**
Issued, Subscribed and Paid up		
10,030,265 Equity Shares of ₹ 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.

(₹ in '000)

	As at 31.03.2010	Additions	Deductions	As at 31.03.2011
SCHEDULE 'B'				
Reserves and Surplus				
Capital Reserve	87,834	-	-	87,834
Capital Redemption Reserve	40,005	-	-	40,005
Securities Premium Account	193,377	-	-	193,377
Revaluation Reserve	70,445	-	1,545	68,900
(Note 3 on Schedule 'O')				
Amalgamation Reserve	2,045	-	-	2,045
Development Rebate Reserve	84	-	-	84
General Reserve	213,800	31,196	-	244,996
	607,590	**31,196**	**1,545**	**637,241**
Profit and Loss Account	1,275,078	210,818	-	1,485,896
Total	1,882,668	242,014	1,545	2,123,137

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'C'		
Loan Funds		
(a) Secured Loans		
Cash Credit/ Working Capital Demand Loans		
From Banks	387,850	214,856
[Secured by a first pari passu charge on all the current assets of the Company (namely Stocks, Bills Receivable and Book Debts) and a second pari passu charge on all movables (excluding such movables as may be agreed by Consortium Bankers from time to time) fixed assets of the Company, both present and future and on certain immovable properties of the Company under a joint deed of hypothecation between the Company and its Consortium Bankers.]		
Interest accrued and due	217	2,086
Term Loans		
From Banks		
In Indian Rupee (Repayable within one year ₹ 10,000 thousand)	45,000	59,560

Schedule forming part of the Balance Sheet

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'C' (CONTD.)		
In Foreign Currency	-	221,117
[Term Loans are secured by equitable mortgage on certain immovable properties of the Company and by first pari passu charge on all movable properties of the Company, both present and future, and second pari passu charge on the current assets of the Company, both present and future.]		
Interest accrued and due on term loans	470	1,381
Vehicle Loans		
From Non Banking Financial Company	7,388	-
(Repayable within one year ₹ 3,270 thousand) [Vehicle loans are secured by hypothecation of the vehicles financed.]		
Total	440,925	499,000
(b) **Unsecured Loans (Short Term)**		
From Banks		
In Indian Rupee	-	200,000
In Foreign Currency	-	394,718
From Others	-	100
Total	-	594,818

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'D'		
Current Liabilities and Provisions		
Current Liabilities :		
Sundry Creditors (Note 11 on Schedule 'O')	335,077	941,675
Advance from Customers and others	35,402	166,458
Investor Education and Protection Fund (the Fund) shall be credited by the following amount :		
Unclaimed/Unpaid Dividends @	1,709	1,216
Unclaimed/Unpaid Matured Deposits @	10	10
Security Deposit from Customers	77	23,611
Other Liabilities	86,060	208,449
Interest accrued but not due on Loans	63	2,670
	458,398	**1,344,089**
Provisions for :		
Accrued Leave Encashment Benefit for employees	24,482	29,721
Provision for Taxation	978,169	836,160
Proposed Dividend :		
On Equity Shares	60,182	60,182
Tax on Dividend	9,763	9,995
	1,072,596	**936,058**
Total	**1,530,994**	**2,280,147**

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

Schedule forming part of the Balance Sheet

(₹ in '000)

SCHEDULE 'E'

Fixed Assets	Gross Block					Depreciation					Net Block	
	Cost / Valuation as at 31.03.2010	Transferred to TIPL vide Scheme of of Arrangement (Note 13 on Schedule 'O')	Additions/ Adjustment during the year	Sales/ Adjustment during the year	Cost / Valuation as at 31.03.2011	As at 31.03.2010	Transferred to TIPL vide Scheme of Arrangement (Note 13 on Schedule 'O')	For the year	On Sales/ Adjustment during the year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangible Assets												
Freehold Land	39,543	-	152,219	-	191,762	-	-	-	-	-	191,762	39,543
Leasehold Land	45,112	2,503	288,200	-	330,809	6,049	356	1,599	-	7,292	323,517	39,063
Buildings :												
Leasehold	132,010	76,163	2,048	-	57,895	22,950	2,835	1,057	-	21,172	36,723	109,060
Freehold	106,379	-	96,375	-	202,754	44,217	-	2,045	-	46,262	156,492	62,162
Plant and Machinery	1,315,382	891,946	8,030	5,469	425,997	577,668	317,155	25,160	5,474	280,199	145,798	737,714
Furniture and Equipment	128,723	36,103	5,553	4,749	93,424	63,405	8,590	8,429	4,726	58,518	34,906	65,318
Motor Vehicles and Motor Cycle	41,742	22,585	10,357	677	28,837	15,174	7,012	1,840	480	9,522	19,315	26,568
Sub Total	**1,808,891**	**1,029,300**	**562,782**	**10,895**	**1,331,478**	**729,463**	**335,948**	**40,130**	**10,680**	**422,965**	**908,513**	**1,079,428**
Intangible Assets (acquired items)												
Technical Know-how [Note 12 on Schedule 'O']	93,506	-	3,844	-	97,350	83,354	-	3,023	-	86,377	10,973	10,152
Software	10,463	-	-	463	10,000	10,000	-	-	-	10,000	-	463
Sub Total	**103,969**	**-**	**3,844**	**463**	**107,350**	**93,354**	**-**	**3,023**	**-**	**96,377**	**10,973**	**10,615**
Total	**1,912,860**	**1,029,300**	**566,626**	**11,358**	**1,438,828**	**822,817**	**335,948**	**43,153**	**10,680**	**519,342**	**919,486**	**1,090,043**
Capital Work-in-Progress		**31,025**									**86,447***	**195,364****
Grand Total	**1,912,860**	**1,060,325**	**566,626**	**11,358**	**1,438,828**	**822,817**	**335,948**	**43,153**	**10,680**	**519,342**	**1,005,933**	**1,285,407**
Previous year	**1,609,642**	**-**	**387,622**	**84,404**	**1,912,860**	**688,940**	**-**	**170,473**	**36,596**	**822,817**		

* Represents expenditure on New Project

** Includes ₹ 163,664 thousand on New Project

Refer Note 3 on Schedule 'O'

Schedule forming part of the Balance Sheet

(₹ in '000)

		As at 31.03.2011		As at 31.03.2010	
		Number	Value	Number	Value
SCHEDULE 'F'					
Investments - Long Term - At Cost					
Trade - Unquoted :					
Subsidiary :					
Myanmar Tractors Limited	Shares of Kyats 1000/- each fully paid (equivalent to US$ 168.55 each)	19,714	41,625	19,714	41,625
Tractors Nepal Private Limited	Shares of Nepalese Rupees 100/- each fully paid (83,200 Shares subscribed during the year)	120,000	7,500	36,800	2,300
TIL Overseas Pte Limited	Shares of Singapore $10 each fully paid	107,577	30,222	107,577	30,222
Tractors India Private Ltd.	Shares of ₹ 10/- each fully paid [4,489,430 Shares acquired during the year pursuant to Scheme of Arrangement (Note 13 on Schedule 'O')]	4,500,000	958,501	10,570	106
Other than Trade :					
Quoted :					
Eveready Industries India Limited	Shares of ₹ 5/- each fully paid	1,266	180	1,266	180
Mcleod Russel India Limited	Shares of ₹ 5/- each fully paid	1,266	181	1,266	181
Bank of India	Shares of ₹ 10/- each fully paid	7,900	356	7,900	356
Unquoted :					
Woodlands Multispeciality Hospital Limited	1/2 % Debentures of ₹ 100/- each fully paid	20	2	20	2
Gulshan Villa Premises Co-operative Society Limited	Shares of ₹ 50/- each fully paid (₹ 500/-)	10		10	
Total			**1,038,567**		**74,972**
Aggregate book value of investments					
Quoted			717		717
Unquoted			1,037,850		74,255
Total			**1,038,567**		**74,972**
Aggregate market value of quoted investments			3,332		3,106

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'G'		
Inventories (Note 2.5 On Schedule 'O')		
Stores	6,414	5,335
Loose tools	-	11,808
Raw Materials [including in Transit ₹ 10,233 thousand (Previous year ₹ 5,109 thousand)]	327,050	250,402
Stock-in-Trade	149,479	1,038,693
Work-in-Progress	116,064	158,901
Total	599,007	1,465,139

Schedule forming part of the Balance Sheet

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'H'		
Sundry Debtors (Unsecured-Considered Good)		
Debts outstanding for more than Six Months	60,540	94,356
Other Debts	403,314	1,439,437
Total	463,854	1,533,793

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'I'		
Cash and Bank Balances		
Cash in hand	188	316
Balance with Scheduled Banks		
On Current Accounts	519	284
On Dividend Accounts	1,709	1,216
On Fixed Deposit	10	10
Total	2,426	1,826

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'J'		
Other Current Assets (Unsecured-Considered Good)		
Claims Receivable	29,119	78,065
[including ₹ 6,477 thousand (Previous year ₹ 1,073 thousand) with Custom, Excise, Port Trust Authorities]		
Accrued duty benefits pertaining to Exports/ Deemed Exports	11,577	6,934
Deposits	20,692	36,426
[including ₹ 251 thousand (Previous year ₹ 390 thousand) with Custom, Excise, Port Trust Authorities]		
Total	61,388	121,425

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'K'		
Loans and Advances (Unsecured-Considered Good)		
Advances recoverable in cash or in kind or for value to be received	78,508	81,575
[Includes ₹ 1,875 thousand (Previous year ₹ 1,461 thousand) receivable from Subsidiary Company]		
Advance Income Tax (Including Tax deducted at source)	971,460	852,473
Total	1,049,968	934,048

Schedule forming Part of the Profit and Loss Account

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'L'		
Other Income		
Technical and Other Fees from Subsidiary Companies	162,982	164,013
Sale of Scraps	8,304	8,119
Income from Long Term Investments - Dividends :		
- From subsidiary companies (Trade Investments)	1,875	1,150
- Others	61	66
Profit/(Loss) on Sale of Fixed Assets (Net)	(19)	10,471
Interest :		
- On Income Tax Refunds	2,337	-
- On deposit with Banks and Others	268	439
Bad Debts Recovery	-	3,261
Liabilities no longer required written back	2,500	25,076
Discounts	73	4,759
Miscellaneous Income	10,254	7,803
Total	**188,635**	**225,157**

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'M'		
Cost of Materials and Direct Manufacturing Expenses		
Opening Stock		
Raw Materials -		
in Hand	245,293	367,208
in Transit	5,109	7,785
Stock in Trade	1,038,693	960,267
	1,289,095	**1,335,260**
Less : Transferred vide Scheme of Arrangement (Note 13 on Schedule 'O')		
Raw Materials -		
in Hand	14,015	-
in Transit	-	-
Stock in Trade	977,884	-
Add : Purchases [Note 15 on Schedule 'O']	1,315,999*	6,245,333*
	1,613,195	**7,580,593**
Less : Closing Stock		
Raw Materials -		
in Hand	323,231	245,293
in Transit	10,233	5,109
Stock in Trade	149,479	1,038,693
	482,943	**1,289,095**
	1,130,252	**6,291,498**
Add : Opening Work-in-Progress	158,901	99,348
Less : Transferred vide Scheme of Arrangement (Note 13 on Schedule 'O')	43,888	-

Schedule forming Part of the Profit and Loss Account

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'M' (CONTD.)		
Less : Closing Work-in-Progress	116,064	158,901
	1,129,201	**6,231,945**
Less : Capitalised	-	24,347
	1,129,201	**6,207,598**
Direct Wages	15,558	13,656
Incentive Payments	15,311	11,380
Consumption of Stores	42,346	34,924
Carriage Inward	23,156	25,641
Total	**1,225,572**	**6,293,199**

* Purchases are net of ₹ 1,210 thousand (Previous year Nil) on account of accrued duty benefit pertaining to Exports/ Deemed Exports.

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'N'		
Expenses		
Salaries , Wages , Bonus etc *	228,326	653,593
Contribution to Provident and other Funds *	27,737	92,788
Staff Welfare Expenses *	7,738	20,535
Rent	13,617	28,186
Rates and Taxes	3,142	7,621
Bank Charges	17,288	31,785
Insurance	8,722	18,750
Repairs and Maintenance :		
Buildings	12,957	12,634
Plant and Machinery	10,961	30,349
Others	7,482	24,447
	31,400	**67,430**
Travelling Expenses	41,474	106,524
Stationery and Printing	7,456	9,789
Postage, Telephone and other Communication Expenses	11,529	18,855
Advertising	4,964	3,714
Gas and Electricity	20,682	21,181
Commission	13,693	22,808
Miscellaneous Expenses (Note 16.1 on Schedule 'O')	43,539	113,340
Forwarding Charges	92	39,345
Royalties	17,155	15,000
Medical Expenses *	4,959	12,791
Professional Fees (Note 16.2 on Schedule 'O')	20,136	20,403
Motor Car and Van Expenses	2,546	8,861
Service Support Expenses	-	43,124
Debts/Advances/Claims written off	8,079	7,623
Total	**534,274**	**1,364,046**

* Net off reimbursements [Also refer Note 20 (B) (I) (f) of Schedule 'O']

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O'

Notes

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

2. **Significant Accounting Policies**

2.1 Sales

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

2.2 Fixed Assets

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

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

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

2.3 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 given under operating leases which are depreciated over a period of 3 to 6 years, being the useful life as estimated by the management.

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

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

2.4 Investments

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

2.5 Inventories

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

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

2.6 Taxation

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

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

2.7 Employee Benefits

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

2.7.2 Contributions towards provident funds are recognised as expense. Provident fund contributions in respect of employees are made to common trust-'Tractors India Employees Provident Fund' (being administered by the trustees of the said fund for the benefit of employees of the company and its subsidary company i.e. Tractors India Private Limited) and such Trust invest funds following a pattern of investment prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act,1952 and shortfall, if any, on account of interest, is made good by the Company. (Also refer note 18.2 below)

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

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

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

2.7.5 In respect of certain eligible employees who have attained 45 years of age as on 1st April 2009, provision for Superannuation under defined benefit plan is made on the basis of year end actuarial valuation (Note 18.3 below) using Projected unit credit method.

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

- under defined contribution scheme in respect of services rendered with effect from 1st April 2009.
- under defined benefit scheme in respect of services rendered up to 31st March 2009, based on frozen pensionable salary as on 31st March 2009 (refer Note 18.3 below) using Projected unit credit method.

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

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

2.8 Foreign Currency Transactions

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

2.9 Borrowing Cost

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

2.10 Leases

For assets acquired under Operating Lease, rentals payable are charged to Profit and Loss Account. Assets acquired under Finance Lease are capitalised at lower of the Fair Value and Present Value of Minimum Lease Payments. Assets leased out under operating leases are capitalised. Rental income is recognised on accrual basis over the lease term.

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

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 thousand, arising from the aforesaid revaluation, were transferred to Revaluation Reserve as reflected in the Company's annual accounts for 1992-93.

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

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

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

			Year Ended 31.03.2011	Year Ended 31.03.2010
	Profit after Tax attributable to the Equity Shareholders (₹ '000)	A	311,959	468,632
5.1	**Basic**			
i.	Number of Equity Shares at the beginning of the year		10,030,265	10,030,265
ii.	Number of Equity Shares issued during the year		-	-
iii.	Number of Equity Shares at the end of the year		10,030,265	10,030,265
iv.	Weighted average number of Equity Shares outstanding during the year	B	10,030,265	10,030,265
v.	Nominal Value of each Equity Share (₹)		10/-	10/-
	Basic Earnings per Share (₹)	A/B	**31.10**	**46.72**
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		-	-
iii.	Number of Potential Equity Shares Converted/Forfeited during the year		-	(2,693,707)
iv.	Number of Potential Equity Shares at the end of the year		-	-
	Diluted Earnings per Share (₹)		**31.10**	**46.72**

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

(₹ in '000)

		As at 31.03.2011	As at 31.03.2010
6.1	Sales Tax Matters under dispute [Net of payments ₹ 645 thousand (Previous year ₹ 3,243 thousand)]	36,298	6,546
6.2	Income Tax Matters under dispute [Excludes disputed Income Tax matters, in view of favourable Tribunal decision in similar case.]	12,790	1,809
6.3	Service Tax matters under dispute [Net of payments ₹ 1,463 thousand (Previous year ₹ 20,208 thousand)]	9,284	96,261
6.4	Excise Duty matters under dispute [Net of payments ₹ 2,918 thousand (Previous year ₹ 1,648 thousand)]	4,315	5,329

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

(₹ in '000)

		As at 31.03.2011	As at 31.03.2010
7.	**Guarantees**		
7.1	Bank Guarantees outstanding	243,103	337,816
7.2	Corporate Guarantee given on behalf of Subsidiaries :		
	- Limit		
	Tractors India Private Limited	4,000,600	Nil
	Myanmar Tractors Limited	89,740	90,600
	TIL Overseas Pte. Ltd.	67,305	67,950
	- Amount outstanding at year-end		
	Tractors India Private Limited	2,200,400	Nil
	Myanmar Tractors Limited	Nil	Nil
	TIL Overseas Pte. Ltd.	Nil	Nil
8.	Capital Commitment [Net of advance ₹ 30,381 thousand (Previous year ₹ 22,237 thousand)]	566,071	18,566

9.1 Based on legal proceedings initiated by the Employees' Union/ Association and the interim order of the Hon'ble Calcutta High Court dated 22nd December,2006 and 18th April,2007 restraining the Company from making any contribution/ deduction towards Employees' State Insurance in respect of its Kamarhatty (with effect from October,2006) and Taratolla (with effect from March, 2007) units, in respect of employees whose monthly salaries (i.e.basic,dearness allowance and overtime) are between ₹ 7,501 and ₹ 10,000, no contributions/ deductions have been made and deposited with the appropriate authorities. The related amounts involved as on 31st March, 2011 being (Employer's) ₹ 679 thousand (Previous Year ₹ 669 thousand) and (Employees') ₹ 250 thousand (Previous Year ₹ 246 thousand).

9.2 Consequent to enhancement of Employees' State Insurance benefit ceiling for 'Employee Wages' from ₹ 10,000 to ₹ 15,000 per month with effect from 1st May 2010, legal proceedings have been initiated by the Employees' Union/ Association of the Company and an interim order dated 13th August, 2010 has been issued by the Hon'ble Calcutta High Court in this regard, restraining the Company from making contribution/ deduction towards Employees' State Insurance in respect of employees whose monthly salaries (i.e. basic, dearness allowance and overtime) are between ₹ 10,001 and ₹ 15,000. In view of the said Order, the Company has neither deducted from the certain concerned employees nor contributed its own share to the Employees State Insurance Scheme with effect from 1st August, 2010, the related amounts involved as on 31st March, 2011 being (Employer's) ₹ 87 thousand (Previous Year NIL) and (Employees') ₹ 32 thousand (Previous Year NIL).

10. The Company has various residential/ commercial premises taken under cancellable operating lease. Leases range for periods between 3 to 5 years. Terms of the lease include operating term for renewal, increase in rent for future periods, terms of cancellation etc. The operating lease payments for the year amount to ₹ 10,773 thousand (Previous Year ₹ 18,572 thousand).

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 acquired pursuant to various agreements conferring the right to manufacture and usage only.

13. Pusuant to the Scheme of Arrangement (the 'Scheme') under Section 391 to 394 of the Companies Act between the Company i.e. TIL Limited (the transferor Company) and its wholly owned subsidiary Tractors India Private Limited (TIPL) (the transferee company), as sanctioned by the Hon'ble High Court at Calcutta vide order dated 12th July, 2010, the undertaking of the Company pertaining to dealership business of Caterpillar (comprising Construction and Mining Solutions and Power Systems Solutions) has been transferred to and vested in TIPL on a going concern basis with effect from the appointed date of 1st April, 2010, in consideration of 4489430 number of Equity Shares of TIPL at ₹ 10/- each at a premium of ₹ 203.48 per share fully paid up, amounting to ₹ 958,396 thousand, on a slump sale basis.

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

The said Scheme has been given effect to in these accounts in accordance with the said High Court order.

In pursuance of the Scheme the following assets and liabilities pertaining to the aforesaid undertaking were transferred to and vested in TIPL with effect from 1st April, 2010 at their respective book values:-

	(₹ in '000)
Net Fixed Assets	724,377
Current Assets, Loans and Advances	2,319,691
Total Assets	3,044,068
Less: Current Liabilities and Provisions and Borrowings	2,085,672
Net Assets	958,396

The undertaking of the Company pertaining to delearship business of Caterpillar (comprising Construction and Mining Solutions and Power Systems Solutions) was treated as a discontinuing business for the year 2009-2010 with following disclosure :

(₹ in '000)

			Year Ended 31.03.2010
a)	Revenue and Expenses in respect of the ordinary activities attributable to the Discontinuing Operations (after allocation of interest on borrowings and corporate expenses as estimated by management)	Total Revenue :	6,848,882
		Total Expenses :	6,514,624
b)	Pre-Tax profit/(loss) attributable to the Discontinuing Operations and Income Tax expense related thereto	Pre tax Profit :	334,258
		Income tax Expense :	126,750
c)	Amount of cash flows attributable to Operating, Investing and Financial activities of the Discontinuing Operations	Cash flows attributable to :	
		Operating Activities :	331,763
		Investing Activities :	(260,502)
		Financing Activities :	(72,594)

14.1 Sales-others [Note 22.2(i) below] represents Service Income ₹ 25,080 thousand (Previous Year ₹ 236,933 thousand).

14.2 Excise Duty is net of ₹ 4,506 thousand (Previous Year - Nil) on account of accrued duty benefit for the year pertaining to Export/Deemed Exports.

(₹ in '000)

		Year Ended 31.03.2011	Year Ended 31.03.2010
15.	**Purchases include :**		
	a) Marine Insurance Charges	961	3,243
	b) Raw materials purchased	1,082,185	1,115,669
	Exclude : Items being recoverable by way of reimbursement other than through Sales	-	93,735
16.1.	**Miscellaneous expenses include, charge/(credit) on account of :**		
	a) Discounting Charges	-	1,133
	b) Loss/(Gain) on Foreign Exchange (net)	(9,796)	(2,747)
16.2.	**Professional fees include :**		
	Amount paid /payable to Auditors*		
	As Auditors		
	- Audit Fees	625	1,250
	- Tax Audit Fees	150	300
	- Limited Reviews	750	750
	- Others (Certificates, etc.)	550	600
	- Expenses reimbursed	49	26
	* Excluding Service Tax ₹ 202 thousand (Previous Year ₹ 301 thousand)		

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

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

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
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.	44,510	78,400
Disallowances allowable for tax purpose on payments	(18,726)	(18,726)
Deferred Tax Liability (Net)	25,784	59,674

18. Employee Benefits

18.1 The Company has recognised, in the Profit and Loss Account for the year ended 31st March, 2011 an amount of ₹ 8,454 thousand (Previous year ₹ 16,250 thousand) as expenses under defined contribution plans as detailed below:

(₹ in '000)

	For the year	
Benefit (Contribution to)	2010-11	2009-10
Employees Pension Scheme	4,318	8,490
Employees State Insurance	444	445
Superannuation Fund	3,692	7,315
Total	**8,454**	**16,250**

18.2 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 ₹ 11,798 thousand (Previous year ₹ 17,974 thousand) to the Provident Funds.

18.3 A) Superannuation Fund :-

(i) Certain eligible employees of the Company who had attained at least 45 years of age as on 1st April, 2009 are entitled to Superannuation benefit under the Superannuation scheme (a funded Defined Benefit Plan under a common Trust- 'Tractors India Limited Superannuatiion Fund Scheme', being administered by the trustees of the said fund for the benefit of employees of the Company and its subsidiary company i.e. Tractors India Private Limited). Under the aforesaid benefit scheme the Company makes periodic contribution to the Superannuation Fund Scheme and a predetermined percentage of salary is paid as pension on retirement. The quantum of pension depends on the average basic salary of eligible employee during the last 36 months before retirement. The benefit vests to employees with 12 years of continious service and attainment of 48 years of age on retirement/death/termination. The most recent actuarial valuation of Plan Assets and Present Value of the Defined Benefit Obligation of Superannuation Fund was carried out as on 31st March,2011.

(ii) Employees who did not attain 45 years of age as on 1st April,2009 are under the purview of 'Defined Contribution Scheme' in respect of service rendered from 1st April, 2009. The benefit of services rendered by these employees upto 31st March, 2009 come under the purview of 'Defined Benefit Scheme' as indicated in Note 18.3 (i) above, which is frozen as on 31st March, 2009. Hence for this category of employees, the benefit of cessation of service will be:

a) amount accumulated by annual contribution of 15% of Basic Salary and

b) amount frozen as on 31st March, 2009.

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

B) Gratuity Fund :-

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

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Company's plan (based on average salary of last 36 months and number of years of service, restricted to a maxmimum of 40 years) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death/ retirement/ termination and the benefit vests after 5 year of continuous service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31st March, 2011.

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

(₹ in '000)

		Superannuation Fund (Funded)					Gratuity Fund (Funded)				
		2010-11	2009-10	2008-09	2007-08	2006-07	2010-11	2009-10	2008-09	2007-08	2006-07
1.	**Reconciliation of the Opening and Closing balances of the Present Value of Obligation**										
a.	Present Value of Obligation at the Beginning of the Year	190,516	188,976	141,204	121,103	111,543	64,187	53,945	54,762	55,674	50,111
b.	Present Value of Obligation transferred to Tractors India Private Limited pursuant to Scheme of Arrangement (Note 13 above)	(73,957)	-	-	-	-	(20,451)	-	-	-	-
c.	Current Service Cost	5,031	7,560	7,417	14,386	6,321	2,694	4,323	4,025	4,711	3,264
d.	Interest Cost	8,676	12,957	11,546	9,507	8,276	3,281	4,026	4,333	4,247	3,669
e.	Curtailment Cost/(Credit)	-	-	(17,109)	-	-	-	-	-	-	-
f.	Actuarial (gain)/loss	9,670	35,039	56,646	3,678	3,086	14,576	9,139	(1,594)	(3,006)	3,554
g.	Benefits paid	(24,058)	(54,016)	(10,728)	(7,470)	(8,123)	(8,406)	(7,246)	(7,581)	(6,864)	(4,924)
h.	Present Value of Obligation at the end of the Year	115,878	190,516	188,976	141,204	121,103	55,881	64,187	53,945	54,762	55,674
2.	**Reconciliation of the Opening and Closing balances of the Fair Value of Plan Assets :**										
a.	Fair value of Plan Assets at the Beginning of the Year	190,624	154,162	125,015	103,326	86,900	56,355	57,770	53,793	50,167	43,916
b.	Fair value of Plan Assets transferred to Tractors India Private Limited pursuant to Scheme of Arrangement (Note 13 above)	(73,999)	-	-	-	-	(17,956)	-	-	-	-
c.	Adjustment to (a) above,on restatement by new actuary	-	-	-	(8,026)	-	-	-	-	(2,000)	-
d.	Expected return on Plan Assets	9,200	13,182	11,382	7,600	6,752	3,587	4,579	4,565	3,983	3,675
e.	Actuarial gain/(loss)	308	2,058	(7)	-	-	(474)	(4,920)	(407)	-	-
f.	Contributions by the Employer	12,499	75,238	28,500	29,585	17,797	18,046	6,172	7,400	8,507	7,500
g.	Benefits paid	(24,058)	(54,016)	(10,728)	(7,470)	(8,123)	(8,406)	(7,246)	(7,581)	(6,864)	(4,924)
h.	Fair value of Plan Assets at the end of the Year	114,574	190,624	154,162	125,015	103,326	51,152	56,355	57,770	53,793	50,167

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

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

(₹ in '000)

		Superannuation Fund (Funded)					Gratuity Fund (Funded)				
		2010-11	2009-10	2008-09	2007-08	2006-07	2010-11	2009-10	2008-09	2007-08	2006-07
3.	**Reconciliation of the Present Value of Obligation and Fair Value of the Plan Assets :**										
a.	Fair value of Plan Assets at the end of the Year	114,574	190,624	154,162	125,015	103,326	51,152	56,355	57,770	53,793	50,167
b.	Present Value of Obligation at the end of the Year	115,878	190,516	188,976	141,204	121,103	55,881	64,187	53,945	54,762	55,674
c.	(Asset)/Liabilities recognised in the Balance Sheet	1,304	(108)	34,814	16,189	17,777	4,729	7,832	(3,825)	969	5,507
4.	**Expenses recognised during the year :**										
a.	Current Service cost	5,031	7,560	7,417	14,386	6,321	2,694	4,323	4,025	4,711	3,264
b.	Interest cost	8,676	12,957	11,546	9,507	8,276	3,281	4,026	4,333	4,247	3,669
c.	Expected return on Plan Assets	(9,200)	(13,182)	(11,382)	(7,600)	(6,752)	(3,587)	(4,579)	(4,565)	(3,983)	(3,675)
d.	Curtailment Cost/(Credit)	-	-	(17,109)	-	-	-	-	-	-	-
e.	Actuarial (Gain)/ Loss	9,362	32,981	56,653	3,678	3,086	15,050	14,059	(1,187)	(3,006)	3,554
f.	Expense recognised during the year	13,869	40,316	47,125	19,971	10,931	17,438	17,829	2,606	1,969	6,812
5.	**Experience Adjustments on Plan Obligation and Assets**										
a.	Experience Adjustments on Plan Obligation [(Gain)/Loss]	10,690	25,583	51,488	12,306	25,220	15,111	6,974	4,169	(1,682)	6,174
b.	Experience Adjustments on Plan Assets [(Gain)/Loss]	308	2,058	(7)	-	-	(474)	(4,920)	(407)	-	-

The expense for the Defined Benefits (referred to in para 18.2 and 18.3 above) are included in the line item under 'Contribution to Provident and other Funds' on Schedule 'N'.

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

Description		Superannuation Fund % Invested					Gratuity Fund % Invested				
		31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
6.	**Investment Details of Plan Assets as at**										
a.	Govt of India Securities	20.53	19.63	17.87	15.29	12.45	20.79	14.97	15.05	13.29	12.31
b.	Public Sector (PSU) Bonds	47.16	42.47	46.69	39.79	46.68	30.54	27.18	26.42	24.58	28.85
c.	State/ Central Govt Securities	16.82	17.30	11.82	17.62	3.95	18.70	16.58	17.32	17.18	7.27
d.	Special Deposit Scheme	14.99	16.30	21.12	25.97	33.24	29.81	40.87	41.09	44.34	48.18
e.	Other including Bank Balance	0.50	4.30	2.50	1.33	3.68	0.16	0.40	0.12	0.61	3.39
	Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
7.	**Assumptions**										
a.	Discount rate per annum	8.50	8.30	8.00	8.50	8.10	8.50	8.30	8.00	8.50	8.13
b.	Salary escalation rate per annum	4.00	4.00	3.00	3.00	3.00	4.00	4.00	3.00	5.00	3.00
c.	Expected rate of return on Plan Assets per annum	8.00	8.00	8.50	8.10	7.15	8.00	8.00	8.50	8.13	8.13
d.	Method used	Projected Unit Credit Method					Projected Unit Credit Method				
8.	**Actual Return on Plan Assets**	7.64%	7.61%	7.38%	7.09%	7.36%	6.53%	7.89%	7.20%	7.64%	7.70%

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

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

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

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

18.7 In respect of the Company's Defined Benefit plans pertaining to Gratuity and Superannuation benefit schemes for employees transferred to TIPL in terms of the Scheme of Arrangement, as indicated in Note 13 above, the present value of obligation as on 1st April, 2010 have been worked out by an independent actuary based on relevant information related to each such employees.

The fair value of plan assets pertaining to the Company as on 1st April, 2010 in respect of Gratuity and Superannuation benefit scheme funds, being maintained by Tractors India Limited Staff Gratuity Fund and Tractors India Limited Superannuation Fund respectively have been bifurcated by the Trustees of the related funds in proportion to the present value of the obligation as determined by the independent actuary as referred above.

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

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

A) List of Related Parties

Subsidiaries	Myanmar Tractors Limited
	Tractors Nepal Private Limited
	TIL Overseas Pte. Limited
	Tractors India Private Limited
Key Management Personnel	Mr. A. Mazumdar(Chairman and Whole time Director)
	Mr. S. Mazumder(Vice Chairman & Managing Director)
	Mr. S K Bhatnagar(Whole time Director - Appointed w.e.f. 1st April, 2010)

B) Particulars of transactions during the year ended 31st March, 2011 :

(₹ in '000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
I) Subsidiary Companies		
a) Income from Technical and Other Fees		
TIL Overseas Pte. Limited	98,932	125,821
Myanmar Tractors Limited	64,050	38,192
b) Income from Asset Usage		
Tractors India Private Limited	9,339	-
c) Dividend Income		
Tractors Nepal Private Limited	1,875	1,150
d) Stock transfer		
Tractors Nepal Private Limited	-	201
e) Investment		
Tractors India Private Limited (Note 13 above)	958,396	106
Tractors Nepal Private Limited	5,200	-
f) Reimbursement of Expenses from		
Tractors India Private Limited	102,357	-

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

B) Particulars of transactions during the year ended 31st March, 2011 (Contd.):

(₹ in '000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
g) Year-end Balances		
i) Receivables		
Tractors Nepal Private Limited	1,875	1,461
TIL Overseas Pte. Limited	22,759	2,759
ii) Corporate Guarantee	Refer Note 7.2 above	Refer Note 7.2 above
iii) Investments		
Myanmar Tractors Limited	41,625	41,625
Tractors Nepal Private Limited	7,500	2,300
TIL Overseas Pte. Limited	30,222	30,222
Tractors India Private Limited	958,501	106
iv) Payables		
Tractors India Private Limited	-	48
II) Key Management Personnel		
a) Remuneration		
Mr. A. Mazumdar	19,430	23,554
Mr. S. Mazumder	-	23,631
Mr. S K Bhatnagar	12,767	-
b) Year end Balance		
Commission Payable		
Mr. A. Mazumdar	7,728	16,344
Mr. S. Mazumder	-	16,356
Mr. S K Bhatnagar	5,767	-

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
21.1 Managerial Remuneration		
a) Executive Directors		
i) Salaries and Allowances	9,426	7,600
ii) Contribution to Funds :		
Provident Fund	922	550
Superannuation Fund	-	1,295
Gratuity Fund	188	107
	1,110	**1,952**
iii) Estimated value of benefits computed where necessary under Income Tax Rules.	8,166	4,933
iv) Commission	13,495	32,700
b) Non Executive Directors		
i) Sitting Fees	660	705
ii) Commission	4,000	3,860
	36,857	**51,750**

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

21.2 Computation of Net Profits under Sections 198 and 349 of the Companies Act, 1956

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Profit before Taxation as per Profit & Loss Account	420,078	754,860
Add : Directors' Remuneration :		
Sitting Fees	660	705
Salaries. Commission and estimated value of other benefits	36,197	51,045
	36,857	**51,750**
Depreciation and Amortization charged to Accounts	41,608	168,928
	498,543	**975,538**
Deduct : Depreciation under Section 350 of the Companies Act, 1956.	37,127	82,542
Adjusted Profit in accordance with Section 198 of the Companies Act, 1956.	461,416	892,996
10% there of, being the maximum permissible limit under section 198 of the Companies Act,1956.	46,142	89,300
Executive Directors Commission restricted (As per service agreement) to;	13,495	32,700
1% thereof, being the maximum permissible limit under section 198 of the Companies Act,1956.	4,614	8,930
Other Directors' Commission restricted to	4,000	3,860

22.1 Particulars of Goods Manufactured

	Year Ended 31.03.2011		Year Ended 31.03.2010	
a) Diesel-Hydraulic/ Electric Cranes / Carrier Units (Trucks) --				
Licensed Capacity	1,414	Nos	1,414	Nos
Installed Capacity *	220	Nos	220	Nos
Actual Production	111	Nos	84	Nos
b) Diesel Generating Sets --				
Licensed Capacity	500	Nos	500	Nos
Installed Capacity *	400	Nos	400	Nos
Actual Production	-	Nos	325	Nos
c) Self-Propelled Rubber Tyred Container Handling Mobile Crane --				
Licensed Capacity	Not Applicable		Not Applicable	
Installed Capacity *	30	Nos	30	Nos
Actual Production	17	Nos	9	Nos

* As certified by the Management

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

22.2 Particulars of Cranes and other classes of Goods Dealt in Stock, Purchases (Trading) and Sales

Class of Goods	Unit of Qty.	Opening Stock		Transferred to TIPL***		Purchases		Sales(Gross)		Closing Stock	
		Qty.	Value ₹ '000	Qty.	Value ₹ '000	Qty.	Value ₹ '000	Qty.	Value ₹ '000	Qty.	Value ₹ '000
a) Diesel Hydraulic/ Electric Cranes/ Tower Cranes/ Carrier Units (Trucks)	**Nos.**	**-**	**-**	**-**	**-**	**1**	**5,766**	**106***	**1,314,761**	**8**	**73,248**
		2	21,320	-	-	-	-	88	1,143,972	-	-
b) Construction Equipment, etc.	**Nos.**	**-**	**-**	**-**	**-**	**3**	**21,560**	**3**	**22,622**	**-**	**-**
		-	-	-	-	-	-	-	-	-	-
c) Earthmoving Equipment, etc.	**Nos.**	**52**	**139,321**	**52**	**139,321**	**-**	**-**	**-**	**-**	**-**	**-**
		116	344,409	-	-	800	2,519,380	864	2,673,544	52	139,321
d) Diesel Generating Set	**Nos.**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		-	-	-	-	-	-	325	602,563	-	-
e) Packaged Diesel Generating Set	**Nos.**	**14**	**371,121**	**14**	**371,121**	**-**	**-**	**-**	**-**	**-**	**-**
		38	129,115	-	-	132	686,024	156	701,795	14	371,121
f) Self-Propelled Rubber Tyred Container Handling Mobile Crane	**Nos.**	**-**	**-**	**-**	**-**	**-**	**-**	**18****	**300,668**	**-**	**-**
		2	30,242	-	-	-	-	11	193,184	-	-
g) Forklift etc.	**Nos.**	**-**	**-**	**-**	**-**	**3**	**8,856**	**3**	**10,704**	**-**	**-**
		-	-	-	-	-	-	-	-	-	-
h) Goods, Components and Spares for Earthmoving and Construction / Material Handling Equipment			**528,251**		**467,442**		**197,632**		**487,607**		**76,231**
			435,181		-		1,899,913		2,693,870		528,251
i) Others (Note 14.1)			**-**		**-**		**-**		**25,080**		**-**
			-		-		-		236,933		-
Total			**1,038,693**		**977,884**		**233,814**		**2,161,442**		**149,479**
Previous year			960,267		-		5,105,317		8,245,861		1,038,693

Figures in bold type relate to the Current Year

* includes nil (Previous Year 2) despatches made from sales return of earlier year.

** includes 1 (Previous Year nil) despatches made from sales return of earlier year.

*** Stock transfer to TIPL as on 1st April,2010 vide Scheme of Arrangement (Refer Note 13 above).

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

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

22.3 Details of Raw Materials (Including Components) consumed:

Particulars	Unit	Quantity	Value (₹ in' 000)	Percentage
Indigenous :				
Iron and Steel	Tonnes	**599**	**30,842**	
		415	19,355	
Valves (for Cranes)	Nos	**1,790**	**14,499**	
		1,078	8,985	
Engine	Nos	**69**	**28,660**	
		358	303,379	
Ballast/Tail Weight (for Cranes)	Nos	**299**	**17,767**	
		273	15,872	
Acoustic Enclosure (for D G Set)	Nos	-	-	
		301	63,343	
Tyres,Tubes and Flaps (for Cranes)	Set	**600**	**19,292**	
		264	10,061	
Chassis(for Cranes)	Nos	**42**	**64,716**	
		33	49,279	
Hydraulic Ram and Cylinder	Nos	**1,740**	**83,272**	
		1,334	62,535	
Alternator (for DG Sets)	Nos	-	-	
		299	61,712	
Miscellaneous *		-	**225,543**	
		-	197,827	
	A		**484,591**	**49.19**
			792,348	63.89
Imported :				
Iron and Steel	Tonnes	**1,753**	**119,960**	
		1,352	107,844	
Transmission	Nos	**118**	**61,774**	
		93	47,736	
Axle	Nos	**137**	**99,233**	
		106	83,684	
Miscellaneous *		-	**219,550**	
		-	208,648	
	B		**500,517**	**50.81**
			447,912	36.11
Total	A+B		985,108	100.00
			1,240,260	100.00

* As none of the Miscellaneous items exceeded individually 10% of the total value of consumption quantitative information has not been provided for.
Figures in bold type relate to the Current year.

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

(₹ in '000)

	Year Ended 31.03.2011		Year Ended 31.03.2010	
22.4 Value of Imported and Indigenous Consumption of Stores				
	Value	%	Value	%
Imported	6,529	15	8,251	24
Indigenous	35,817	85	26,673	76
	42,346	**100**	**34,924**	**100**
23. C.I.F. Value of Imports :				
(a) Raw Materials with Components	500,264		364,698	
(b) Spare Parts (excluding items in transit at year-end)	3,156		1,182,561	
(c) Machines (Trading Items)	21,560		1,330,411	
24. Expenditure in Foreign Currency :				
(on payment basis)				
Travelling	995		2,390	
Technical Know-How Fees(net of tax)	24,099		2,245	
Royalty (net of tax)	11,525		12,768	
25. Earnings in Foreign Exchange :				
(Remittance received) on account of				
(a) Export of goods calculated on FOB basis	16,153		62,756	
(b) Selling Commission (including Dealer's profit)	8,044		340,756	
(c) Technical Fees	142,981		173,964	

26. Remittance in Foreign Currency on account of Dividend to Non-Resident Shareholders

	Year Ended 31.03.2011	Year Ended 31.03.2010
On Equity Shares :-		
(a) Amount Remitted (₹ in '000)	11,640	7,760
(b) Number of Non - Resident Shareholders (Nos.)	2	2
(c) Number of Shares held by them (Nos.)	1,939,931	1,939,931
(d) Dividend for the year	2009-10	2008-09

27. The figures for the current year are not comparable with those of the previous year (which have been rearranged/regrouped wherever necessary),as the figures for the previous year include transactions relating to the transferred undertaking pertaining to dealership business of Caterpillar, as referred to in Note 13.

Signatures to Schedules 'A' to 'O'

For and on behalf of Board of Directors

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

P.Law
Partner
Membership Number 51790

Kolkata
17th May, 2011

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Cash Flow Statement for the year ended 31st March, 2011

(₹ in '000)

		Year ended 31.03.2011		Year ended 31.03.2010	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax		**420,078**		**754,860**
	Adjustments for :				
	Depreciation and Amortisation	41,608		168,928	
	Bad Debts/Advances etc Written off	8,079		7,623	
	(Profit)/Loss on Sale of Fixed Assets (Net)	19		(10,471)	
	Interest Expenses (Net)	21,314		159,511	
	Dividend Income	(1,936)		(1,216)	
	Unrealised Foreign Exchange (Gain)/Loss (Net)	(2,050)		(7,323)	
			67,034		317,052
	Operating Profit before Working Capital Changes		**487,112**		**1,071,912**
	Adjustments for :				
	Trade and Other Receivables	(119,204)		(469,964)	
	Inventories	(181,464)		(2,967)	
	Loans and Advances and Other Current Assets	(27,927)		25,123	
	Trade Payables	248,491		246,358	
			(80,104)		(201,450)
	Cash Generated from Operations		407,008		870,462
	Direct Taxes Paid		(118,987)		(285,072)
	Net Cash (Used in)/from Operating Activities		**288,021**		**585,390**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(488,733)		(395,652)	
	Proceeds from Sale of Fixed Assets	659		58,276	
	Investment in a Subsidiary Company	(5,200)		(106)	
	Interest Received	2,605		439	
	Dividend Received	1,936		1,216	
	Net Cash (Used in)/from Investing Activities		**(488,733)**		**(335,827)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Interest Paid	(29,306)		(160,422)	
	Proceeds from Long Term Borrowings	38,619		-	
	Repayment of Long Term borrowings	(11,311)		(63,534)	
	Increase in Cash Credit and other short term borrowings (Net)	272,994		19,838	
	Dividend Paid	(69,684)		(46,573)	
	Net Cash (Used in)/from Financing Activities		**201,312**		**(250,691)**
	Net Increase/ (Decrease) In Cash and Cash Equivalents (A+B+C)		**600**		**(1,128)**
	Cash and Cash Equivalents as at the beginning of the year (Schedule 'I')		**1,826**		**2,954**
	Cash and Cash Equivalents as at the close of the year (Schedule 'I')		**2,426**		**1,826**

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 above Cash Flow Statement does not reflect transfer of Assets and Liabilities amounting to ₹ 3,044,068 thousand and ₹ 2,085,672 thousand respectively to Tractors India Pvt Ltd (TIPL) pursuant to the Scheme of Arrangement indicated in Note 13 on Schedule 'O' being non cash in nature.
3) The Schedules referred to above forms an integral part of the Cash Flow Statement .
4) The figures for the current year are not comparable with those of the previous year (which have been rearranged/regrouped wherever necessary), as the figures for the previous year include transactions relating to the transferred undertaking pertaining to dealership business of Caterpillar, referred to in Note 13 on Schedule 'O'.

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

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

P.Law
Partner
Membership Number 51790

Kolkata
17th May, 2011

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	21-041725	State Code	21
Balance Sheet Date	31.03.2011		

II. Capital Raised during the Year (All Figures in ₹ '000)

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement	-

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

Total Liabilities (Including Owner's Fund)	4221143	Total Assets	4221143
Sources of Funds			
Paid-up Capital	100303	Reserves & Surplus	2122903
Secured Loans	440925	Unsecured Loans	-
Application of Funds			
Net Fixed Assets (Including Capital Work In Progress)	1005933	Investments	1038567
Net Current Assets	645649	Misc Expenditure	-
Accumulated Losses	-		

IV. Performance of Company (All Figures in ₹ '000)

Turnover (excluding Other Income 188,635)	2184702	Total Expenditure (Incld. Excise Duty)	1953259
Profit/(Loss) Before Tax	420078	Profit/(Loss) after Tax	311959
Earnings Per Share (Figure in ₹)	31.10	Dividend Rate %	60

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

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

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Kolkata
17th May, 2011

Auditors Report On the Consolidated Financial Statements of TIL Limited

To The Board of Directors of TIL LIMITED

1. We have audited the attached Consolidated Balance Sheet of TIL Limited (the 'Company') and its subsidiaries, hereinafter referred to as the 'Group' (refer Note 2 on Schedule 'O' to the attached Consolidated Financial Statements) as at 31st March, 2011, the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

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

3. We did not audit the financial statements of three subsidiaries included in the Consolidated Financial Statements, which constitute total assets of ₹ (in '000) 1,458,792 and net assets of ₹ (in '000) 970,205 as at 31st March, 2011, total revenue of ₹ (in '000) 2,717,940, net profit of ₹ (in '000) 267,392 and net cash flows amounting to ₹ (in '000) 122,241 for the year then ended.These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the Consolidated Financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, notified under sub-section 3C of Section 211 of the Companies Act, 1956.

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

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;

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

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

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

P. Law
Partner
Membership Number 51790

Place: Kolkata
Date: 17th May, 2011

Consolidated Balance Sheet as at 31st March, 2011

(₹ in '000)

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	A	100,303	100,303
(b) Reserves and Surplus	B	3,179,918	2,659,754
		3,280,221	**2,760,057**
2. Loan Funds	C		
(a) Secured Loans		1,784,903	499,000
(b) Unsecured Loans		560,480	594,833
		2,345,383	**1,093,833**
3. Deferred Tax Liability (Net) [Note 9 on Schedule 'O']		**68,440**	**59,674**
Total		**5,694,044**	**3,913,564**
APPLICATIONS OF FUNDS			
1. Fixed Assets	E		
(a) Gross Block		2,868,215	2,109,029
(b) Less : Depreciation		1,069,439	951,745
(c) Net Block		1,798,776	1,157,284
(d) Capital Work-in-Progress		114,457	199,006
		1,913,233	**1,356,290**
2. Investments	F	**719**	**719**
3. Current Assets,Loans and Advances			
(a) Inventories	G	3,384,176	1,930,359
(b) Sundry Debtors	H	1,923,428	1,678,441
(c) Cash and Bank Balances	I	554,227	430,772
(d) Other Current Assets	J	321,994	183,255
(e) Loans and Advances	K	1,244,856	956,636
		7,428,681	**5,179,463**
Less : Current Liabilities and Provisions	D		
(a) Liabilities		2,423,821	1,655,636
(b) Provisions		1,224,768	967,272
		3,648,589	**2,622,908**
Net Current Assets		**3,780,092**	**2,556,555**
Total		**5,694,044**	**3,913,564**
Notes	O		

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

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

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

P. Law
Partner
Membership Number 51790

Kolkata
17th May, 2011

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Consolidated Profit & Loss Account for the year ended 31st March, 2011

(₹ in '000)

	Schedule	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME			
Sales and Services (Gross)		13,490,565	10,212,562
Less : Excise Duty		189,274	138,359
Sales and Services (Net)		13,301,291	10,074,203
Selling Commission Earned		229,910	231,066
Rental from Machinery		220,086	240,356
Other Income	L	87,471	114,900
		13,838,758	**10,660,525**
EXPENDITURE			
Cost of Materials and Direct Manufacturing Expenses	M	10,600,971	7,848,644
Expenses	N	1,929,192	1,544,778
		12,530,163	**9,393,422**
Interest on :			
Fixed Loans		16,888	32,390
Others		184,184	127,618
		201,072	**160,008**
Depreciation and Amortisation		208,487	195,061
Less : Transfer from Revaluation Reserve		1,545	1,545
		206,942	**193,516**
Profit Before Taxation		**900,581**	**913,579**
Less : Provision for Taxation :			
Current Tax		289,867	289,590
Deferred Tax Charged		8,766	28,728
		298,633	**318,318**
Profit After Taxation		**601,948**	**595,261**
Add : Balance of Profit and Loss Account brought forward from previous year		1,791,054	1,312,833
Balance Available For Appropriations		2,393,002	1,908,094
APPROPRIATIONS			
General Reserve		31,196	46,863
Proposed Dividend :			
Equity Shares		60,182	60,182
Tax on Dividend		9,763	9,995
Balance Carried Forward		2,291,861	1,791,054
		2,393,002	**1,908,094**
Earnings Per Share (₹) [Note 8 on Schedule 'O']			
Basic (₹)		60.01	59.35
Diluted (₹)		60.01	59.35
Notes	O		

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

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

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

P. Law
Partner
Membership Number 51790

Kolkata
17th May, 2011

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Schedule forming part of the Consolidated Balance Sheet

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'A'		
Share Capital		
Authorised		
20,000,000 Equity Shares of ₹ 10/- each	200,000	200,000
	200,000	**200,000**
Issued,Subscribed and Paid up		
10,030,265 Equity Shares of ₹ 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.

(₹ in '000)

	As per last Account	Additions	Deductions	As at 31.03.2011
SCHEDULE 'B'				
Reserves and Surplus				
Capital Reserve	87,834	-	-	87,834
Foreign Currency Translation Reserve(Net)	61,113	-	10,294	50,819
Revaluation Reserve	70,445	-	1,545	68,900
Securities Premium Account	193,377	-	-	193,377
Amalgamation Reserve	2,045	-	-	2,045
Development Rebate Reserve	84	-	-	84
General Reserve	413,797	31,196	-	444,993
Capital Redemption Reserve	40,005	-	-	40,005
	868,700	**31,196**	**11,839**	**888,057**
Profit and Loss Account	1,791,054	500,807	-	2,291,861
Total	**2,659,754**	**532,003**	**11,839**	**3,179,918**

Schedule forming part of the Consolidated Balance Sheet

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'C'		
Loan Funds		
(a) Secured Loans		
Cash Credit / Working Capital Demand Loans		
From Banks	1,555,478	214,856
[Secured by a first pari passu charge on all the current assets of the Parent Company and its subsidiary-TIPL(namely Stocks, Bills Receivable and Book Debts) and a second pari passu charge on all movables(excluding such movables as may be agreed by Consortium Bankers from time to time),fixed assets of the Parent Company and its subsidiary-TIPL, both present and future and certain immovable properties of the Parent Company, under a joint deed of hypothecation between the Parent Company and its Consortium Bankers. Further the Parent Company has provided a Corporate Guarantee for the credit/loan facilities availed of by its subsidiary-TIPL.]		
Interest accrued and due	6,598	2,086
Term Loans		
From Banks		
In Indian Rupee	205,298	59,560
(Repayable within one year ₹ 64,000 thousand)		
In Foreign Currency	-	221,117
[Term Loans are secured by equitable mortgage on certain immovable properties of the Parent Company and by first pari passu charge on all movable properties of the Parent Company and its subsidiary TIPL both present and future and second pari passu charge on the current assets of the Parent Company and its subsidiary-TIPL, both present and future. Further the Parent Company has provided a Corporate Guarantee for the credit/loan facilities availed of by its subsidiary-TIPL.]		
Interest accrued and due on term loans	2,144	1,381
Vehicle Loans		
From Banks	7,997	-
From Non Banking Financial Company	7,388	-
(Repayable within one year ₹ 6,971 thousand)		
[Vehicle loans are secured by hypothecation of the vehicles financed.]		
Total	**1,784,903**	**499,000**
(b) Unsecured Loans (Short Term)		
From Banks		
In Indian Rupee	560,480	200,015
In Foreign Currency	-	394,718
From Others	-	100
Total	**560,480**	**594,833**

Schedule forming part of the Consolidated Balance Sheet

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'D'		
Current Liabilities and Provisions		
Current Liabilities :		
Acceptances	58,803	-
Sundry Creditors	1,714,552	1,160,310
Advance from Customers and others	387,798	189,628
Investor Education and Protection Fund (the Fund) shall be credited by the following amount :		
Unclaimed/Unpaid Dividends @	1,709	1,216
Unclaimed/Unpaid Matured Deposits @	10	10
Security Deposit from Customers	19,285	23,611
Other Liabilities	235,935	278,191
Interest accrued but not due on Loans	5,729	2,670
	2,423,821	**1,655,636**
Provisions for :		
Accrued Leave Encashment Benefit for employees	42,178	29,721
Provision for Taxation	1,112,645	867,374
Proposed Dividend :		
On Equity Shares	60,182	60,182
Tax on Dividend	9,763	9,995
	1,224,768	**967,272**
Total	**3,648,589**	**2,622,908**

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

Schedule forming part of the Consolidated Balance Sheet

(₹ in '000)

SCHEDULE 'E'

Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/ Valuation as at 31.03.2010	Additions/ Adjustment during the year	Sales/ Adjustment etc during the year	Cost / Valuation as at 31.03.2011	As At 31.03.2010	For the year	Sales/ Adjustment etc during the year	As At 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangible Assets										
Freehold Land	39,543	152,219	-	191,762	-	-	-	-	191,762	39,543
Leasehold Land	45,112	288,200	-	333,312	6,049	1,637	-	7,686	325,626	39,063
Buildings :										
Leasehold	159,991	19,159	-	179,150	37,845	4,624	-	42,469	136,681	122,146
Freehold	103,123	96,375	-	199,498	43,119	2,045	-	45,164	154,334	60,004
Plant and Machinery	1,415,399	296,019	145,217	1,566,201	628,413	175,893	84,620	719,686	846,515	786,986
Furniture and Equipment	163,473	22,972	5,059	181,386	95,287	13,314	4,994	103,607	77,779	68,186
Cycle and Motor Vehicles	74,651	32,716	1,502	105,865	43,900	7,951	1,048	50,803	55,062	30,751
Sub Total	**2,001,292**	**907,660**	**151,778**	**2,757,174**	**854,613**	**205,464**	**90,662**	**969,415**	**1,787,759**	**1,146,679**
Intangible Assets (acquired items)										
Technical Know-how	93,624	3,844	-	97,468	83,329	3,023	-	86,352	11,116	10,295
Goodwill arising on consolidation	35	-	-	35	-	-	-	-	35	35
Software	14,078	54	594	13,538	13,803	-	131	13,672	(134)	275
Sub Total	107,737	3,898	594	111,041	97,132	3,023	131	100,024	11,017	10,605
Total	**2,109,029**	**911,558**	**152,372**	**2,868,215**	**951,745**	**208,487**	**90,793**	**1,069,439**	**1,798,776**	**1,157,284**
Capital Work-in-Progress									**114,457***	**199,006***
Grand Total	**2,109,029**	**911,558**	**152,372**	**2,868,215**	**951,745**	**208,487**	**90,793**	**1,069,439**	**1,913,233**	**1,356,290**
Previous year	1,818,715	397,830	107,516	2,109,029	814,821	195,061	58,137	951,745		

* Includes expenditure on New Project of the Parent Company ₹ 86,447 thousand (Previous Year ₹ 163,664 thousand).

Refer Note 5 on Schedule 'O'

Schedule forming part of the Consolidated Balance Sheet

(₹ in '000)

		As at 31.03.2011		As at 31.03.2010	
		Number	Value	Number	Value
SCHEDULE 'F'					
Investments - Long Term - At Cost					
Other than Trade					
Quoted :					
Eveready Industries India Limited	Shares of ₹ 5/- each fully paid	1,266	180	1,266	180
Mcleod Russel India Limited	Shares of ₹ 5/- each fully paid	1,266	181	1,266	181
Bank of India	Shares of ₹ 10/- each fully paid	7,900	356	7,900	356
Unquoted :					
Woodlands Multispeciality Hospital Limited	1/2 % Debentures of ₹ 100/- each fully paid	20	2	20	2
Gulshan Villa Premises Co-operative Society Limited	Shares of ₹ 50/- each fully paid (₹ 500/-)	10		10	
Total			**719**		**719**
Aggregate book value of investments					
Quoted			717		717
Unquoted			2		2
Total			**719**		**719**
Aggregate market value of quoted investments			3,332		3,106

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'G'		
Inventories		
Stores - at or under cost	6,414	5,335
Loose tools - at or under cost	21,484	22,504
Raw Materials -at lower of cost and net realisable value	491,784	250,402
[including in Transit ₹ 10,233 thousand (Previous year ₹ 5,109 thousand)]		
Stock-in-Trade-at lower of cost and net realisable value	2,688,844	1,478,705
Work-in-Progress-at lower of cost and net realisable value	175,650	173,413
Total	**3,384,176**	**1,930,359**

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'H'		
Sundry Debtors (Unsecured -Considered Good)		
Debts outstanding for more than six months	155,495	95,750
Other Debts	1,767,933	1,582,691
Total	**1,923,428**	**1,678,441**

Schedule forming part of the Consolidated Balance Sheet

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'I'		
Cash and Bank Balances		
Cash in hand	22,371	19,072
Balance with Banks		
On Current Accounts	351,977	107,922
On Dividend Accounts	1,709	1,216
On Fixed Deposit	178,170	302,562
Total	**554,227**	**430,772**

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'J'		
Other Current Assets (Unsecured-Considered Good)		
Interest accrued on Fixed Deposits	430	3,441
Claims Receivable	248,584	114,843
Accrued duty benefits pertaining to Exports/Deemed Exports	13,368	6,934
Deposits	59,612	58,037
Total	**321,994**	**183,255**

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'K'		
Loans and Advances (Unsecured-Considered Good)		
Advances recoverable in cash or in kind or for value to be received	139,626	97,017
Advance Income Tax (Including Tax deducted at source)	1,105,230	859,619
Total	**1,244,856**	**956,636**

Schedule forming part of the Consolidated Profit and Loss Account

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'L'		
Other Income		
Sale of Scraps	9,697	8,119
Income from Long Term Investments - Dividend	61	66
Profit on Sale of Fixed Assets (Net)	20,388	19,523
Interest :		
- On Income Tax Refunds	2,337	-
- On deposit with Banks and Others	30,604	17,611
Bad Debts Recovery	-	3,261
Liabilites no longer required written back	6,230	25,076
Discounts	767	4,759
Miscellaneous Income	17,387	36,485
Total	**87,471**	**114,900**

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'M'		
Cost of Materials and Direct Manufacturing Expenses		
Opening Stock		
Raw Materials -		
in Hand	245,293	367,208
in Transit	5,109	7,785
Stock in Trade	1,478,705	1,318,564
	1,729,107	**1,693,557**
Add : Purchases	11,862,042*	7,765,351*
	13,591,149	**9,458,908**
Less : Closing Stock		
Raw Materials -		
in Hand	487,965	245,293
in Transit	10,233	5,109
Stock in Trade	2,688,844	1,478,705
	3,187,042	**1,729,107**
	10,404,107	**7,729,801**
Add : Opening Work-in-Progress	173,413	102,453
	10,577,520	**7,832,254**
Less : Closing Work-in-Progress	175,650	173,413
	10,401,870	**7,658,841**
Less : Capitalised	16,881	24,347
	10,384,989	**7,634,494**
Direct Wages	15,590	13,656
Incentive Payments	15,311	11,540
Consumption of Stores	42,346	34,924
Carriage Inward	142,735	154,030
Total	**10,600,971**	**7,848,644**

* Purchases are net of ₹ 1,210 thousand (Previous year Nil) on account of accrued duty benefit pertaining to Exports/ Deemed Exports.

Schedule forming part of the Consolidated Profit and Loss Account

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'N'		
Expenses		
Salaries , Wages , Bonus etc.	864,732	753,495
Contribution to Provident and other Funds	97,090	93,668
Staff Welfare Expenses	31,323	26,660
Rent	43,753	37,934
Rates and Taxes	18,853	22,669
Bank Charges	44,141	35,616
Insurance	25,673	21,747
Repairs and Maintenance :		
Buildings	27,989	16,557
Plant and Machinery	43,348	39,492
Others	15,096	25,623
	86,433	**81,672**
Travelling Expenses	207,681	123,363
Stationery and Printing	15,494	10,770
Postage,Telephones and other Communication Expenses	34,713	23,669
Advertising	14,318	7,760
Gas and Electricity	32,890	26,083
Commission	40,345	20,827
Miscellaneous Expenses	143,457	127,404
Forwarding Charges (Net)	40,509	39,345
Royalties	17,155	15,000
Medical Expenses	19,465	14,912
Professional Fees	48,318	8,540
Motor Car and Van Expenses	22,442	16,229
Service Support Expenses	50,893	27,522
Debts/Advances/Claims written off	29,514	9,893
Total	**1,929,192**	**1,544,778**

Schedule forming part of the Consolidated Financial Statements for the year ended 31st March, 2011

SCHEDULE 'O'

Notes

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

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

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

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

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

4. Accounting policies for the Group are same as followed by the Parent Company (TIL Limited) as indicated in Note 2 on Schedule 'O' of TIL Limited's Accounts for the year ended 31st March, 2011, except as follows :

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

Category of Assets	Useful lives (in years)
Buildings	5
Motor Vehicles and Motor Cycles	5
Office Equipment	5
Furniture and Fittings	5
Computer Hardware	4-6
Computer Software	5
Machineries	5
Rental Machines	5

Schedule forming part of the Consolidated Financial Statements for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

Depreciation charge for the year and year-end Accumulated Depreciation includes ₹ 23,460 thousand (previous year ₹ 24,488 thousand) and ₹ 137,407 thousand (previous year ₹ 128,378 thousand) respectively computed by certain subsidiaries applying different depreciation method/ rates. Had the depreciation method/rates of the Parent Company been followed by such subsidiaries, the impact thereof on depreciation charge for the year and year-end accumulated depreciation is not readily ascertainable.

- Retirement Benefits

(i) TIL Limited and its subsidiary ie TIPL have the following retirement benefit schemes for its employees:

(a) Contributions towards provident funds are recognised as expense. Provident fund contributions in respect of employees are made to common trust- 'Tractors India Employees Provident Fund' (being administered by the trustees of the said fund for the benefit of employees of TIL Limited and TIPL) and such Trust invest funds following a pattern of investment prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act,1952 and shortfall, if any, on account of interest, is made good by the respective Companies.

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

(b) TIL Limited and TIPL also contributes to the Central Government administered Employees' State Insurance Scheme for its eligible employees, which is a defined contribution plan.

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

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

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

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

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

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

(ii) The foreign subsidiaries MTL, TILO and TNPL do not have any Defined Benefit Retirement Schemes for its employees.

5. Based on the valuation report submitted by the valuers appointed for the purpose, certain items of the Parent company's fixed assets (viz. Freehold and Leasehold Land, Freehold and Leasehold Buildings and Plant and 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 thousand, arising from the aforesaid revaluation, were transferred to Revaluation Reserve as reflected in the Parent Company's annual accounts for 1992-93.

Depreciation on these revalued assets other than land (calculated on their respective revalued amounts at rates considered applicable by the valuers on the straight line method) includes an additional charge of ₹ 1,545 thousand (Previous Year ₹ 1,545 thousand) and an amount equivalent to the additional charge has been transferred to the Profit and Loss Account from Revaluation Reserve; such transfer, according to an authoritative professional view being acceptable for the purpose of the Parent company's annual accounts. In consequence, the effective depreciation rates (other than leasehold land) are as per Schedule XIV to the Companies Act, 1956.

Schedule forming part of the Consolidated Financial Statements for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

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

(₹ in '000)

Description	Superannuation Fund (Funded)					Gratuity Fund (Funded)				
	2010-11	2009-10	2008-09	2007-08	2006-07	2010-11	2009-10	2008-09	2007-08	2006-07
1. Reconciliation of the Opening and Closing balances of the Present Value of Obligation										
a. Present Value of Obligation at the Beginning of the Year	190,516	188,976	141,204	121,103	111,543	64,187	53,945	54,762	55,674	50,111
b. Current Service Cost	8,288	7,560	7,417	14,386	6,321	5,327	4,323	4,025	4,711	3,264
c. Interest Cost	14,622	12,957	11,546	9,507	8,276	4,875	4,026	4,333	4,247	3,669
d. Curtailment Cost/(Credit)	-	-	(17,109)	-	-	-	-	-	-	-
e. Actuarial (gain)/loss	14,785	35,039	56,646	3,678	3,086	22,458	9,139	(1,594)	(3,006)	3,554
f. Benefits paid	(28,694)	(54,016)	(10,728)	(7,470)	(8,123)	(10,912)	(7,246)	(7,581)	(6,864)	(4,924)
g. Present Value of Obligation at the end of the Year	199,517	190,516	188,976	141,204	121,103	85,935	64,187	53,945	54,762	55,674
2. Reconciliation of the Opening and Closing balances of the Fair Value of Plan Assets :										
a. Fair value of Plan Assets at the Beginning of the Year	190,624	154,162	125,015	103,326	86,900	56,355	57,770	53,793	50,167	43,916
b. Adjustment to (a) above,on restatement by new actuary	-	-	-	(8,026)	-	-	-	-	(2,000)	-
c. Expected return on Plan Assets	15,524	13,182	11,382	7,600	6,752	5,376	4,579	4,565	3,983	3,675
d. Actuarial gain/(loss)	519	2,058	(7)	-	-	(710)	(4,920)	(407)	-	-
e. Contributions by the Employer	21,520	75,238	28,500	29,585	17,797	27,752	6,172	7,400	8,507	7,500
f. Benefits paid	(28,694)	(54,016)	(10,728)	(7,470)	(8,123)	(10,912)	(7,246)	(7,581)	(6,864)	(4,924)
g. Fair value of Plan Assets at the end of the Year	199,493	190,624	154,162	125,015	103,326	77,861	56,355	57,770	53,793	50,167
3. Reconciliation of the Present Value of Obligation and Fair Value of the Plan Assets :										
a. Fair value of Plan Assets at the end of the Year	199,493	190,624	154,162	125,015	103,326	77,861	56,355	57,770	53,793	50,167
b. Present Value of Obligation at the end of the Year	199,517	190,516	188,976	141,204	121,103	85,935	64,187	53,945	54,762	55,674
c. (Asset)/Liabilities recognised in the Balance Sheet	24	(108)	34,814	16,189	17,777	8,074	7,832	(3,825)	969	5,507
4. Expenses recognised during the year :										
a. Current Service cost	8,288	7,560	7,417	14,386	6,321	5,327	4,323	4,025	4,711	3,264
b. Interest cost	14,622	12,957	11,546	9,507	8,276	4,875	4,026	4,333	4,247	3,669
c. Expected return on Plan Assets	(15,524)	(13,182)	(11,382)	(7,600)	(6,752)	(5,376)	(4,579)	(4,565)	(3,983)	(3,675)
d. Curtailment Cost/(Credit)	-	-	(17,109)	-	-	-	-	-	-	-
e. Actuarial (Gain) / Loss	14,266	32,981	56,653	3,678	3,086	23,168	14,059	(1,187)	(3,006)	3,554
f. Expense recognised during the year	21,652	40,316	47,125	19,971	10,931	27,994	17,829	2,606	1,969	6,812
5. Experience Adjustments on Plan Obligation and Assets										
a. Experience Adjustments on Plan Obligation [(Gain)/Loss]	16,837	25,583	51,488	12,306	25,220	23,483	6,974	4,169	(1,682)	6,174
b. Experience Adjustments on Plan Assets [(Gain)/Loss]	519	2058	(7)	-	-	(710)	(4920)	(407)	-	-

Description	Superannuation Fund % Invested					Gratuity Fund % Invested				
	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
6. Investment Details of Plan Assets as at										
a. Govt of India Securities	20.53	19.63	17.87	15.29	12.45	20.79	14.97	15.05	13.29	12.31
b. Public Sector (PSU)Bonds	47.16	42.47	46.69	39.79	46.68	30.54	27.18	26.42	24.58	28.85
c. State / Central Govt Securities	16.82	17.30	11.82	17.62	3.95	18.70	16.58	17.32	17.18	7.27
d. Special Deposit Scheme	14.99	16.30	21.12	25.97	33.24	29.81	40.87	41.09	44.34	48.18
e. Other including Bank Balance	0.50	4.30	2.50	1.33	3.68	0.16	0.40	0.12	0.61	3.39
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
7. Assumptions										
a. Discount rate per annum	8.50	8.30	8.00	8.50	8.10	8.50	8.30	8.00	8.50	8.13
b. Salary escalation rate per annum	4.00	4.00	3.00	3.00	3.00	4.00	4.00	3.00	5.00	3.00
c. Expected rate of return on Plan Assets per annum	8.00	8.00	8.50	8.10	7.15	8.00	8.00	8.50	8.13	8.13
d. Method used	Projected Unit Credit Method					Projected Unit Credit Method				
8. Actual Return on Plan Assets	7.64%	7.61%	7.38%	7.09%	7.36%	6.53%	7.89%	7.20%	7.64%	7.70%

Schedule forming part of the Consolidated Financial Statements for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

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

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

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

6.1 (d) 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 Parent Company and its subsidiary i.e. TIPL is treated as a defined benefit plan since the Companies are 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 said companies have contributed ₹ 25,421 thousand (Previous year ₹ 17,974 thousand) to the Provident Funds.

6.2 The Group recognised in the Profit and Loss account for the year ended 31st March, 2011 an amount of ₹ 21,468 thousand (Previous year ₹ 16,492 thousand) as charge under defined contribution plans and ₹ 75,067 thousand (Previous year ₹ 76,119 thousand) as charged under defined plans, which is included in the line item under 'Contribution to Provident and Other Funds' on Schedule 'N'

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

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

		Year Ended 31.03.2011	Year Ended 31.03.2010
Profit after Tax attributable to the Equity Shareholders (₹ '000)	**A**	**601,948**	**595,261**
8.1. Basic			
i. Number of Equity Shares at the beginning of the year		10,030,265	10,030,265
ii. Number of Equity Shares issued during the year		-	-
iii. Number of Equity Shares at the end of the year		10,030,265	10,030,265
iv. Weighted average number of Equity Shares outstanding during the year	B	10,030,265	10,030,265
Nominal Value of each Equity Share (₹)		10	10
Basic Earnings per Share (₹)	**A/B**	**60.01**	**59.35**
8.2. 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		-	-
iii. Number of Potential Equity Shares converted/forfeited during the year		-	(2,693,707)
iv. Number of Potential Equity Shares at the end of the year		-	-
Diluted Earnings per Share (₹)		**60.01**	**59.35**

(₹ in '000)

		Year Ended 31.03.2011	Year Ended 31.03.2010
9 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.		87,166	78,400
Disallowances allowable for tax purpose on payments		(18,726)	(18,726)
Deferred Tax Liability (Net)		68,440	59,674

Schedule forming part of the Consolidated Financial Statements for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

(₹ in '000)

			Year Ended 31.03.2011	Year Ended 31.03.2010
10.	**Contingent Liabilities in respect of -**			
10.1	Sales Tax Matters under dispute [Net of payments ₹ 1,145 thousand (Previous year ₹ 3,243 thousand)]		37,274	6,546
10.2	Income Tax matters under dispute [Excludes disputed Income Tax matters, in view of favourable Tribunal decision in similar case]		12,790	1,809
10.3	Service Tax matters under dispute [Net of payments ₹ 21,671 thousand (Previous year ₹ 20,208 thousand)]		109,692	96,261
10.4	Excise Duty matters under dispute [Net of payments ₹ 3,918 thousand (Previous year ₹ 1,648 thousand)]		6,172	5,329
10.5	Others		2,672	575
11.	**Guarantees:-**			
11.1	Bank Guarantees outstanding		479,554	346,593
11.2	Corporate Guarantee given by Parent Company on behalf of Subsidiaries :			
	- Limit			
	Tractors India Private Limited		4,000,600	Nil
	Myanmar Tractors Limited		89,740	90,600
	TIL Overseas Pte. Ltd.		67,305	67,950
	- Amount outstanding at year-end			
	Tractors India Private Limited		2,200,400	Nil
	Myanmar Tractors Limited		Nil	Nil
	TIL Overseas Pte. Ltd.		Nil	Nil
12.	**Capital Commitment** [Net of advance ₹ 30,712 thousand (Previous year ₹ 22,237 thousand)]		567,722	18,566

Schedule forming part of the Consolidated Financial Statements for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

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

14. During the year TIPL's long term composite maintenance contract with a customer, which entailed, inter-alia, supply of parts, was completed. The liability accumulated in respect of earlier years amounting to ₹ 145,394 thousand [arising from payments received in advance as per the billing/payment schedule, which was time phased] has been appropriately adjusted, as in earlier years, against supply of parts in the current year.

15. The Group has various Plant and Machinery (namely Diesel Generating Sets, Machines etc.) given under cancellable operating leases. Leases range for periods between 6 months to 3 years. Terms of lease include terms for renewal, cancellation etc. Initial Direct costs (commissioning, installation etc.) for such assets are borne by the lessee, other than transportation cost, which is borne by the lessor and charged off to revenue. Lease rentals recognised as income during the year ₹ 220,086 thousand (Previous Year ₹ 240,356 thousand). Other details for such Plant and Machinery are as below.

(₹ in '000)

Gross Block		Accumulated Depreciation		Depreciation	
As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010	Year Ended 31.03.2011	Year Ended 31.03.2010
741,090	647,032	261,937	199,182	100,345	93,788

16. The Group has various residential / commercial premises taken under cancellable operating lease. Leases range for periods between 3 to 5 years. Terms of the lease include operating term for renewal, increase in rent for future periods, terms of cancellation etc. The operating lease payments for the year amount to ₹ 40,909 thousand (Previous Year ₹ 28,320 thousand)

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

- The Group's business segments are organised on product lines as follows:
  - Material Handling Solutions (MHS)- engaged in manufacturing and marketing of various Material Handling Equipments namely Mobile Cranes, Port Equipment (Reach stacker , Level Luffing Cranes), Self Loading Truck Cranes etc. and dealing in spares and providing services to related equipments.
  - Construction & Mining Solutions (CMS) - engaged as a dealer for Caterpillar Inc. USA for their earthmoving, construction mining equipments, spares etc. and providing related services in Eastern and Northern India, Bhutan,Nepal and Myamnar.
  - Power Systems Solutions (PSS) - engaged in assembly, supply, erection and commissioning of Generating Sets powered by Caterpillar engines and dealing in spares and providing related services in Eastern and Northern India, Bhutan,Nepal and Myamnar.
- Others represent all unallocated expenditure and include 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.

Schedule forming part of the Consolidated Financial Statements for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

I) Information about primary segments - Business Segments

(₹ in '000)

	Year Ended 31.03.2011				
	MHS	CMS	PSS	OTHERS (Unallocated)	TOTAL
Segment Revenue*	2,068,588	8,459,151	3,278,017	33,002	13,838,758
	(1,699,138)	(6,463,111)	(2,470,476)	(27,800)	(10,660,525)
Segment Results	264,016	512,272	292,363	-	1,068,651
	(383,825)	(695,053)	(285,706)	-	(1,364,584)
Add(+)/(Less)(-): Unallocated income				+ 33,002	+ 33,002
net off unallocated expense(+)/ [Unallocated expense net					
off unallocated income(-)]				- (290,997)	- (290,997)
Interest expenses				201,072	201,072
				(160,008)	(160,008)
Profit before tax					900,581
					(913,579)
Depreciation and Amortisation	27,736	100,932	64,402	13,872	206,942
	(26,378)	(106,635)	(42,750)	(17,753)	(193,516)
Non Cash Expenses other than					
Depreciation and Amortisation	8,079	14,314	7,121	-	29,514
	(3,910)	(2,722)	(3,261)	-	(9,893)
Segment Assets	2,186,518	3,751,512	2,298,075	1,106,528	9,342,633
	(1,224,435)	(2,944,516)	(1,457,643)	(909,878)	(6,536,472)
Segment Liabilities	482,882	1,035,670	941,784	3,602,076	6,062,412
(excluding Shareholders' Funds)	(299,580)	(922,015)	(403,381)	(2,151,439)	(3,776,415)
Capital Expenditure	469,618	183,695	155,162	18,534	827,009
	(82,592)	(183,907)	(137,169)	(5,538)	(409,206)

* There is no inter segment revenue.

Previous year's figures in bracket.

II) Information about secondary segments - Geographical Segments

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Revenue		
India	11,075,407	8,489,520
Outside India	2,730,349	2,143,205
	13,805,756	**10,632,725**
Assets		
India	6,802,964	4,428,311
Outside India	1,433,141	1,198,283
	8,236,105	**5,626,594**
Capital Expenditure		
India	795,213	390,114
Outside India	13,262	13,554
	808,475	**403,668**

Schedule forming part of the Consolidated Financial Statements for the year ended 31st March, 2011

SCHEDULE 'O' (Contd.)

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)
Mr. S K Bhatnagar(Whole time Director - TIL Limited)

B) Particulars of transactions during the year ended 31st March, 2011

(₹ in '000)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Key Management Personnel		
a) Remuneration		
Mr. A. Mazumdar	19,430	23,554
Mr. S. Mazumder	19,021	23,631
Mr. S K Bhatnagar	12,767	-
b) Year end Balance		
Commission Payable		
Mr. A. Mazumdar	7,728	16,344
Mr. S. Mazumder	7,862	16,356
Mr. S K Bhatnagar	5,767	-

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

Signatures to Schedules 'A' to 'O'

For and on behalf of Board of Directors

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

P. Law
Partner
Membership Number 51790

Kolkata
17th May, 2011

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Consolidated Cash Flow Statement of TIL Limited and its subsidiaries

for the year ended 31st March, 2011.

(₹ in '000)

		Year ended 31.03.2011		Year ended 31.03.2010	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax		**900,581**		**913,579**
	Adjustments for :				
	Depreciation and Amortisation	206,942		193,516	
	Bad Debts/Advances etc Written off	29,514		9,893	
	Profit on Sale of Fixed Assets (Net)	(20,388)		(19,523)	
	Interest Expenses (Net)	168,131		142,397	
	Dividend Income	(61)		(66)	
	Unrealised Foreign Exchange Loss (Net)	(12,266)		(7,323)	
			371,872		**318,894**
	Operating Profit before Working Capital Changes		**1,272,453**		**1,232,473**
	Adjustments for :				
	Trade and Other Receivables	(274,501)		(560,847)	
	Inventories	(1,453,817)		(88,478)	
	Loans and Advances and Other Current Assets	(184,359)		82,929	
	Trade Payable	789,356		285,872	
			(1,123,321)		**(280,524)**
	Cash Generated from Operations		149,132		951,949
	Direct Taxes Paid		(290,207)		(311,480)
	Net Cash (Used in)/from Operating Activities		**(141,075)**		**640,469**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(827,009)		(409,241)	
	Proceeds from Sale of Fixed Assets	81,979		68,899	
	Interest Received	35,952		14,170	
	Dividend Received	61		66	
	Net Cash (Used in)/from Investing Activities		**(709,017)**		**(326,106)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Interest Paid	(192,738)		(160,480)	
	Proceeds from Long Term borrowings	48,658		-	
	Repayment of Long Term borrowings	(108,752)		(63,534)	
	Increase in Cash Credit and other short term borrowings (Net)	1,306,357		19,841	
	Dividend Paid	(69,684)		(46,573)	
	Net Cash (Used in)/from Financing Activities		**983,841**		**(250,746)**

Consolidated Cash Flow Statement of TIL Limited and its subsidiaries

for the year ended 31st March, 2011. (Contd.)

(₹ in '000)

		Year ended 31.03.2011		Year ended 31.03.2010	
D.	**EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS**		**(10,294)**		**(92,660)**
	Net Increase/(Decrease) In Cash and Cash Equivalents (A+B+C+D)		**123,455**		**(29,043)**
	Cash and Cash Equivalents as at the beginning of the year (Schedule 'I')	430,772		459,803	
	Add: Taken over consequent upon acquisition of Subsidiary Company	-		12	
			430,772		**459,815**
	Cash and Cash Equivalents as at the close of the year (Schedule 'I')		**554,227**		**430,772**

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 'Consolidated Cash Flow Statement'.

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

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

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

P. Law
Partner
Membership Number 51790

Kolkata
17th May, 2011

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Statement Regarding Subsidiary Companies

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

Name of the Company			Tractors India Private Limited (TIPL)	Myanmar Tractors Ltd. (MTL)	Tractors Nepal Pvt. Ltd. (TNPL)	TIL Overseas PTE Ltd. (TILO)
FINANCIAL YEAR ENDING OF THE SUBSIDIARY			31st March	31st March	15th July	31st March
The Company's Interest in the subsidiary as on 31st March 2011.						
a)	No. of Equity Shares		45,00,000	19,714	120,000	107,577
b)	Face Value		₹ 10	Kyats 1000	NPR 100	S$ 10
c)	Extent of Holding		100%	81%*	100%	100%
	Net Aggregate Profit/(Loss) of the Subsidiary Company so far as it concerns the Members of the Company :-					
A)	For the financial year ended on 31st March, 2011 :					
	i)	Not dealt with in the Books of Accounts of the Company.	₹ ('000) 190,571 (100% of the PAT)	US$ 603,303 (100% of the PAT)	NPR 3,888,166 (100% of the PAT)	US$ 1,867,770 (100% of the PAT)
	ii)	Dealt with in the Books of Accounts of the Company.	Nil	Nil	Nil	Nil
B)	For the Subsidiary Company's previous financial years since it became a subsidiary:					
	i)	Not dealt with in the Books of Accounts of the Company.	₹ ('000) (51) (100% of the PAT)	US$ 6,208,343 (100% of the PAT)	NPR 39,425,257 (100% of the PAT)	US$ $ 8,741,912 (100% of the PAT)
	ii)	Dealt with in the Books of Accounts of the Company.	Nil	Nil	Nil	Nil

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

NOTES:

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

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Kolkata
17th May, 2011.

Tractors India Private Limited

BOARD OF DIRECTORS

Mr. Sumit Mazumder
Chairman and Managing Director

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

Mr. Aloke Banerjee
Director - Finance

Dr. T. Mukherjee
Non-Executive Independent Director

AUDITORS

Price Waterhouse

Bankers

Bank of India
Union Bank of India
ING Vysya Bank Ltd.
State Bank of Bikaner & Jaipur
State Bank of India
State Bank of Hyderabad
Axis Bank Ltd.
CITI Bank N.A.

REGISTERED OFFICE

1, Taratolla Road
Garden Reach
Kolkata 700 024
Telephone: (033) 2469 3732 - 36 (5 Lines)
(033) 6633 2000 / 2845

Directors' Report

Your Directors have pleasure in presenting the Annual Report and Accounts for the year ended 31st March, 2011.

(₹/Crores)

		For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
1.	**FINANCIAL RESULTS**		
	Profit for the year after meeting all expenses but before charging Depreciation and Interest.	65.64	-
	Less: Interest	17.70	-
	Depreciation	14.14	-
	Profit/(Loss) Before Tax	33.80	-
	Tax Provision		
	a) Current Tax	10.48	-
	b) Deferred Tax(Credit)/Charge	4.26	-
	Profit/(Loss) After Tax	19.06	-
	Balance Carried Forward	19.06	

2. RESTRUCTURING OF BUSINESS

With effect from 1st April, 2010 ('the Appointed Date'), the dealership business of Caterpillar comprising Construction and Mining Solutions and Power Systems Solutions carried out by TIL Limited, the holding Company has been de-merged as a going concern and vested in the Company pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 under a Scheme of Arrangement ('the Scheme') sanctioned by the Hon'ble High Court at Calcutta vide Order dated 12th July, 2010. In accordance with the Scheme, the Company has issued 44,89,430 Equity Shares of ₹ 10/- each to TIL Limited at a premium of ₹ 203.48 on every share, aggregating to ₹ 95,83,96,000/- (Rupees Ninety Five Crores Eighty Three Lacs Ninety Six Thousand only).

3. PERFORMANCE

The Company started its commercial operation with effect from 1st April, 2010. Turnover including income from operations and Other Income for the year under review is ₹ 911.10 Crores. The profit before tax is ₹ 33.80 Crores.

4. FINANCE

The Reserve & Surplus of the Company is ₹ 110.40 Crores and the Shareholders' Fund is ₹ 114.90 Crores.

5. **DEPOSIT**

The Company has not accepted any deposits from the public during the year.

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

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

7. **PARTICULARS OF EMPLOYEES**

The total number of employees of the Company as on 31st March, 2011 was 1187.

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

8. **DIRECTORS**

Dr. T. Mukherjee retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

9. **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

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

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

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

9. **AUDITORS**

Messrs. PriceWaterhouse, 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.

10. **AUDITORS' REPORT**

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

11. **SECRETARIAL AUDIT REPORT**

Pursuant to Section 383A of the Companies Act, 1956, your Company has appointed Mr. Tarun Chatterjee of M/s. T. Chatterjee & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the financial year ended March 31, 2011. The Secretarial Audit Report addressed to the Board of Directors of the Company is attached hereto as part of this report. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, and all other Laws as applicable to the Company.

12. **ACKNOWLEDGEMENTS**

The Board of Directors takes this opportunity to thank all its valued Customers, Principals, TIL Limited, Bankers, and the Government Authorities for their co-operation and support to the Company. The Board also takes this opportunity to express its sincere appreciation for the excellent support and dedicated efforts put in by the each and every employee of the Company.

For and on behalf of Board of Directors

Place : Kolkata
Date : 17th May, 2011.

S. Mazumder
Chairman & Managing Director

Annexure to Directors' Report

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

FORM A

CONSERVATION OF ENERGY

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

1. **Measures taken:**

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

2. **Improvements:**

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

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

4. **Total Energy Consumption And Energy Consumption Per Unit Of Production:**

	Year ended 31.03.2011	Year ended 31.03.2010
A. Power and fuel consumption		
a) Electricity		
Purchased Units	346536	-
Total amount (₹ Lakhs)	21.68	-
Rate Per Unit (₹)	6.26	-
b) Own Generation		-
Through Diesel Generator		
Units	61012	-
Units per litre	2.77	-
Cost per unit (₹)	13.68	-

	Standard Unit	Year ended 31.03.2011	Year ended 31.03.2010
B. Consumption per unit of Production			
Product – DG Sets Electricity (in '000)	Nos.	1.06	-

FORM B

TECHNOLOGY ABSORPTION

Not Applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

1. **Efforts:**

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

2. **Earnings and Outgo:**

		₹ in Lacs
i)	Foreign Exchange Earnings - export sales (FOB), Commission, Dividend, etc.	1,908
ii)	Foreign Exchange outgo (includes raw material, capital goods, components & spares, and other expenditure in foreign currency, including dividends) :	
	a) Raw Material	Nil
	b) Machines (Trading items)	21,980
	c) Components & Spares	11,610
	d) Capital goods	Nil
	e) Travelling	47
	f) Technical Know-how Fees	Nil
	g) Commission	Nil
	h) Royalty	Nil
	i) Dividend	Nil

For and on behalf of Board of Directors

Place : Kolkata
Date : 17th May, 2011.

S. Mazumder
Chairman & Managing Director

Auditors' Report

To the members of Tractors India Private Limited

1. We have audited the attached Balance Sheet of Tractors India Private Limited (the 'Company') as at 31st March, 2011, and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

4. Further to our comments in the Annexere referred to in paragraph 3 above, we report that:
   a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) The Balance Sheet, 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, 2011, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 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, 2011;
      ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
      iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

P. Law
Partner
Membership Number – 51790

Place : Kolkata
Date : 16th May, 2011

Annexure to Auditors' Report

Referred to in Paragraph 3 of the Auditors' Report of Even Date to the Members of Tractors India Private Limited on the Financial Statements for the year ended 31st March, 2011.

1. (a) The Company has maintained proper records showing 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 portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

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

2. (a) The inventory of the Company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

   (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and 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 were not material.

3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

   (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contractrs or arrangements does not arise.

6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.

7. As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year does not exceed Rupees Fifty Lacs or the average annual turnover for the period of three consecutive financial years immediately preceeding the financial year did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable for the year.

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, the particulars of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess as at 31st March, 2011 as applicable, which have not been deposited on account of a dispute, are as follows :

Name of the Statute	Nature of Dues	Amount (₹ in lacs) [net of payments]	Forum where dispute is pending
The Central Sales Tax Act, 1956	Sales Tax dues for the year 2001-02	4.85	The High Court of Jharkhand at Ranchi
The Delhi Sales Tax Act	Sales Tax dues for the year 2002-03	4.91	The High Court of Delhi
The Central Excise Act, 1944	Excise valuation disputes for the year 2002-03	18.57	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax dues for the period August 2004 to July 2007	94.98	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.
Finance Act, 1994	Service Tax dues for the period January 2004 to August 2007	861.03	Customs, Excise and Service Tax Appellate Tribunal , Kolkata
Finance Act, 1994	Service Tax dues for the period 2004 to 2009	41.47	The Commisioner of Central Excise, Kolkata

10. The Company has no accumulated losses as at 31st March, 2011, and it has not incurred any cash loss in the financial year ended on that date. The Company had incurred cash loss of ₹ 0.07 lacs 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 Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

16. In our opinion, and according to the information and explanations given to us on an overall basis, 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 raised any money by public issue during the year.

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

22. The other clauses, (iii)(b), (iii)(c), (iii)(d), (iii)(f), (iii)(g) and (v)(b) of paragraph 4 of the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

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

P. Law
Partner
Membership Number – 51790

Place : Kolkata
Date : 16th May, 2011

Balance Sheet as at 31st March, 2011

(₹ in '000)

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	A	45,000	106
(b) Reserves and Surplus	B	1,104,021	-
		1,149,021	**106**
2. Loan Funds	C		
(a) Secured Loans		1,343,978	-
(b) Unsecured Loans		560,480	-
		1,904,458	**-**
3. Deferred Tax Liability (Note 14 on schedule 'N')		**42,656**	**-**
Total		**3,096,135**	**106**
APPLICATIONS OF FUNDS			
1. Fixed Assets	E		
(a) Gross Block		1,235,987	-
(b) Less : Depreciation		411,678	-
(c) Net Block		824,309	-
(d) Capital Work-in-Progress		7,850	-
		832,159	**-**
2. Current Assets, Loans and Advances			
(a) Inventories	F	2,335,072	-
(b) Sundry Debtors	G	1,329,865	-
(c) Cash and Bank Balances	H	625	11
(d) Other Current Assets	I	101,829	-
(e) Loans and Advances	J	125,594	48
		3,892,985	**59**
Less : Current Liabilities and Provisions	D		
(a) Liabilities		1,506,625	4
(b) Provisions		122,384	-
		1,629,009	**4**
Net Current Assets		**2,263,976**	**55**
3. Profit and Loss Account		**-**	**51**
Total		**3,096,135**	**106**
Notes	N		

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

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

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

P. Law
Partner
Membership No.51790

Kolkata
16th May, 2011.

For and on behalf of Board of Directors

Sumit Mazumder
Chairman & Managing Director

G.V.R. Murthy
Joint Managing Director

Aloke Banerjee
Director Finance

Profit & Loss Account for the year ended 31st March, 2011

(₹ in '000)

	Schedule	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME			
Sales and Services (Gross)		8,696,715	-
Less : Excise Duty		61,388	-
Sales and Services (Net)		8,635,327	-
Selling Commission Earned		198,420	-
Rental from Machinery		186,398	-
Other Income	K	29,419	-
		9,049,564	**-**
EXPENDITURE			
Cost of Materials and Direct Manufacturing Expenses	L	7,249,607	-
Expenses	M	1,143,557	15
		8,393,164	**15**
Interest on :			
Fixed Loans		14,862	-
Others		162,171	-
		177,033	**-**
Depreciation and Amortisation		141,390	-
Profit/(Loss) Before Taxation		**337,977**	**(15)**
Less : Provision for Taxation :			
Current Tax		104,750	-
Deferred Tax Charge		42,656	-
		147,406	**-**
Profit/(Loss) After Taxation		**190,571**	**(15)**
Add : Balance of Profit and Loss Account			
brought forward from previous year		(51)	(36)
Balance Carried Forward		190,520	(51)
Earnings/(Loss) Per Share - (Note 4 on Schedule 'N')			
Basic (₹)		42.35	(1.42)
Diluted (₹)		42.35	(1.42)
Notes	N		

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

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

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

P. Law
Partner
Membership No.51790

Kolkata
16th May, 2011.

For and on behalf of Board of Directors

Sumit Mazumder
Chairman & Managing Director

G.V.R. Murthy
Joint Managing Director

Aloke Banerjee
Director Finance

Schedule forming part of the Balance Sheet

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'A'		
Share Capital		
Authorised		
7,000,000 Equity Shares of ₹ 10/- each	70,000	70,000
	70,000	70,000
Issued, Subscribed and Paid up		
4,500,000 (Previous year 10,570) Equity Shares of ₹ 10/- each fully paid up (Notes 1 & 2 below)	45,000	106
Total	**45,000**	**106**

Notes :

1. Above Shares are held by TIL Limited, the Holding Company.

2. Of the above Shares, 44,89,430 equity shares of ₹ 10 each at a premium of ₹ 203.48 per Share were allotted as fully paid up pursuant to a Scheme of Arrangement during the year without payment being received in Cash (Note 3 on Schedule 'N')

(₹ in '000)

	As at 31.03.2010	Additions	Deductions	As at 31.03.2011
SCHEDULE 'B'				
Reserves and Surplus				
Securities Premium Account	-	913,501	-	913,501
(Note 3 on Schedule 'N')				
	-	**913,501**	-	**913,501**
Profit and Loss Account	(51)	190,571	-	190,520
Total	**(51)**	**1,104,072**	**-**	**1,104,021**

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'C'		
Loan Funds		
(a) Secured Loans		
Cash Credit/ Working Capital Demand Loans		
From Banks	1,167,628	-
[Cash Credit/Working Capital facilities from Consortium Bankers are secured by first pari-passu charge by way of hypothecation on all the Current Assets of the Company (namely Stocks, Bills Receivables and Book Debts etc.) both present and future, excluding such movables as may be permissible by the said bankers from time to time and a second pari passu charge on Fixed Assets of the Company both movable and immovable, present and future, ranking after the mortgage and/or charge created and/or to be created by the Company over such Fixed Assets in favour of its term lenders/ prior charge holders for securing their respective Term Loan/Credit facilities and also secured by a second pari-passu charge on all moveable and certain immoveable properties of the Company's holding company-TIL Limited. Further for these facilities a Corporate Guarantee has been provided to the Consortium Bankers by TIL Limited]		
Interest accrued and due	6,381	-

Schedule forming part of the Balance Sheet

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'C' (Contd.)		
Term Loans		
From Banks		
In Indian Rupee (Repayable within one year ₹ 54,000 thousand)	160,298	-
Interest accrued and due on term loans	1,674	-
[Term Loans are secured by first pari-passu charge on the movable fixed assets of the Company and its holding Company-TIL Limited, both present and future and by way of mortgage of certain immovable properties of TIL Limited and second pari-passu charge on the current assets of the Company, both present and future. Further for these facilities a Corporate Guarantee has been provided to the Consortium Bankers by TIL Limited]		
Vehicle Loans		
From Banks	7,997	-
(Repayable within one year ₹ 3,701 thousand)		
[Vehicle loans are secured by hypothecation of the vehicles financed.]		
Total	**1,343,978**	**-**
(b) Unsecured Loans		
From Banks (Short Term) In Foreign Currency	560,480	-
Total	**560,480**	**-**

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'D'		
Current Liabilities And Provisions		
Current Liabilities :		
Acceptances	58,803	-
Sundry Creditors (Note 9 on Schedule 'N')	1,162,963	-
Advance from Customers and others	149,804	-
Security Deposit from Customers	19,208	-
Other Liabilities	110,181	4
Interest accrued but not due on Loans	5,666	-
	1,506,625	4
Provisions for :		
Accrued Leave Encashment Benefit for Employees	17,634	-
Provision for Taxation	104,750	-
	122,384	-
Total	**1,629,009**	**4**

Schedule forming part of the Balance Sheet

(₹ in '000)

SCHEDULE 'E'

Fixed Assets	Gross Block					Depreciation					Net Block	
	Cost as at 31.03.2010	Acquired vide Scheme of Arrangement (Note 3 on Schedule 'N')	Additions/ Adjustment during the year	Sales/ Adjustment during the year	Cost as at 31.03.2011	As at 31.03.2010	Acquired vide Scheme of Arrangement (Note 3 on Schedule 'N')	For the year	On Sales/ Adjustment during the year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangible Assets												
Leasehold Land	-	2,503	-	-	2,503	-	356	38	-	394	2,109	-
Buildings :												
Leasehold	-	76,163	17,111	-	93,274	-	2,835	2,415	-	5,250	88,024	-
Plant and Machinery (Note 8.2 on Schedule 'N')	-	891,946	283,198	122,457	1,052,687	-	317,155	132,211	65,384	383,982	668,705	-
Furniture and Equipment	-	36,103	14,310	-	50,413	-	8,590	3,833	-	12,423	37,990	-
Motor Vehicles and Motor Cycle	-	22,585	15,035	510	37,110	-	7,012	2,893	276	9,629	27,481	-
Total	-	1,029,300	329,654	122,967	1,235,987	-	335,948	141,390	65,660	411,678	824,309	-
Capital Work-in-Progress		31,025									7,850	-
Grand Total	-	1,060,325	329,654	122,967	1,235,987	-	335,948	141,390	65,660	411,678	832,159	-
Previous year	-	-	-	-	-	-	-	-	-	-		

Schedule forming part of the Balance Sheet

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'F'		
Inventories (Note 2.4 on Schedule 'N')		
Loose Tools	8,932	-
Raw Materials	164,735	-
Stock-in-Trade	2,102,074	-
Work-in-Progress	59,331	-
Total	**2,335,072**	**-**

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'G'		
Sundry Debtors (Unsecured -Considered Good)		
Debts outstanding for more than six months	94,531	-
Other Debts	1,235,334	-
Total	**1,329,865**	**-**

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'H'		
Cash and Bank Balances		
Cash in hand	207	-
Balance with Scheduled Banks - On Current Accounts	418	11
Total	**625**	**11**

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'I'		
Other Current Assets (Unsecured-Considered Good)		
Claims Receivable	64,299	-
Balance with Excise and Customs Authorities	18,247	-
Accrued duty benefits pertaining to Exports/ Deemed Exports	1,791	-
Deposits	17,492	-
Total	**101,829**	**-**

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 'J'		
Loans and Advances (Unsecured-Considered Good)		
Advances recoverable in cash or in kind or for value to be received	15,609	48
Advance Income Tax (Including Tax deducted at source)	109,985	-
Total	**125,594**	**48**

Schedule forming Part of the Profit and Loss Account

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'K'		
Other Income		
Sale of Scraps	1,393	-
Profit on Sale of Fixed Assets (Net)	16,876	-
Discounts	694	-
Liability no longer required Written Back	3,730	-
Miscellaneous Income	6,726	-
Total	**29,419**	**-**

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'L'		
Cost Of Materials And Direct Manufacturing Expenses		
Opening Stock		
Raw Materials	-	-
Stock in Trade	-	-
	-	-
Acquired vide Scheme of Arrangement (Note 3 on Schedule 'N')		
Raw Materials	14,016	-
Stock in Trade	977,884	-
	991,900	-
Add : Purchases (Note 12 on Schedule 'N')	8,542,087	-
	9,533,987	-
Less : Closing Stock		
Raw Materials	164,734	-
Stock in Trade	2,102,074	-
	2,266,808	-
	7,267,179	-
Add : Opening Work-in-Progress	-	-
Acquired vide Scheme of Arrangement (Note 3 on Schedule 'N')	43,888	-
	7,311,067	-
Less : Closing Work-in-Progress	59,331	-
	7,251,736	-
Less : Capitalised	16,881	-
	7,234,855	-
Carriage Inward	14,752	-
Total	**7,249,607**	**-**

Schedule forming Part of the Profit and Loss Account

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
SCHEDULE 'M'		
Expenses		
Salaries , Wages , Bonus etc. *	548,956	-
Contribution to Provident and other Funds *	68,236	-
Staff Welfare Expenses *	16,735	-
Rent	20,504	-
Rates and Taxes	15,513	-
Bank Charges	22,030	1
Insurance	13,665	-
Repairs and Maintenance :		
Buildings	11,221	-
Plant and Machinery	23,687	-
Other	4,247	-
	39,155	**-**
Travelling Expenses	145,161	-
Stationery and Printing	6,810	-
Postage, Telephone and other Communication Expenses	17,079	-
Advertising	4,066	-
Gas and Electricity	9,024	-
Commission	11,059	-
Miscellaneous Expenses (Note 13.1 on Schedule 'N')*	80,973	9
Forwarding Charges	40,417	-
Medical Expenses *	9,989	-
Professional Fees (Note 13.2 on Schedule 'N')	12,915	5
Motor Car and Van Expenses	9,451	-
Service Support Expenses	42,676	-
Debts/Advances/Claims written off	9,143	-
Total	1,143,557	15

* Includes reimbursements [also refer Note 18(B)(I)(b) on Schedule 'N')]

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'N'

Notes

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

2. **Significant Accounting Policies**

2.1 Sales

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

2.2 Fixed Assets

Fixed Assets are stated at their original cost/cost of acquisition (Note 3 below) less depreciation. Impairment loss, if any, is recognised wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount i.e. net selling price or value in use, whichever is higher.

2.3 Depreciation

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

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

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

2.4 Inventories

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

2.5 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.

2.6 Employee Benefits

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

2.6.2 Contributions towards provident funds are recognised as expense. Provident fund contributions in respect of employees are made to common trust - 'Tractors India Employees Provident Fund' (being administered by the trustees of the said fund for the benefit of employees of the Company and its Holding Company i.e. TIL Limited) and such Trust invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trust is not lower than the rate of interest declared annually by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act,1952 and shortfall, if any, on account of interest is made good by the Company. (Also refer note 15.2 below) Contributions under Employees' Pension Scheme is made as per statutory requirements and charged as expenses for the year.

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

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

2.6.5 In respect of certain eligible employees transferred from Parent Company (TIL Ltd) who have attained 45 years of age as on 1st April 2009, provision for Superannuation under defined benefit plan is made on the basis of year end actuarial valuation (Note 15.3 below) using projected unit credit method.

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'N' (Condt.)

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

- under defined contribution scheme in respect of services rendered with effect from 1st April 2009.
- under defined benefit scheme in respect of services rendered up to 31st March 2009, based on frozen pensionable salary as on 31st March 2009 (Note 15.3 below) using projected unit credit method.

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

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

2.7 Foreign Currency Transactions

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the year end are translated at year end rates or at contract rates, covered by forward exchange contracts. The difference in transactions of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the 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.

2.8 Borrowing Cost

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

2.9 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. Pursuant to the Scheme of Arrangement (the 'Scheme') under Section 391 to 394 of the Companies Act, between the Company i.e. TIPL (the Transferee Company) and its Holding Company-TIL Limited (the Transferor Company) as sanctioned by the Hon'ble High Court at Calcutta vide order dated 12th July,2010, the undertaking of the Holding Company pertaining to dealership business of Caterpillar (comprising Construction and Mining Solutions and Power Systems Solutions) has been transferred to and vested in TIPL on a going concern basis with effect from the appointed date of 1st April,2010, on a slump sale basis, in consideration of 4,489,430 number of Equity Shares of TIPL at ₹ 10/- each at a premium of ₹ 203.48 per share fully paid up, aggregating ₹ 958,396 thousand, issued to TIL Limited.

The said Scheme has been given effect to in these accounts in accordance with the said High Court order.

In pursuance of the Scheme the following assets and liabilities were acquired by the Company with effect from 1st April, 2010 at their respective book values:-

	(₹ in '000)
Net Fixed Assets	724,377
Current Assets, Loans and Advances	2,319,691
Total Assets	**3,044,068**
Less: Current Liabilities, Provisions and	
Borrowings	2,085,672
Net Assets	**958,396**

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'N' (Condt.)

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

		Year Ended 31.03.2011	Year Ended 31.03.2010
Profit/(Loss) after Tax attributable to the Equity Shareholders (₹ in '000)	**A**	**190,571**	**(15)**
Basic and Diluted :			
i. Number of Equity Shares at the beginning of the year		10,570	10,570
ii. Number of Equity Shares issued during the year		4,489,430	-
iii. Number of Equity Shares at the end of the year		4,500,000	10,570
iv. Weighted average number of Equity Shares outstanding during the year	B	4,500,000	10,570
v. Nominal Value of each Equity Share (₹)		10/-	10/-
Basic and Diluted Earnings/(Loss) Per Share (₹)	**A/B**	**42.35**	**(1.42)**

(₹ in '000)

		As at 31.03.2011	As at 31.03.2010
5.	**Contingent Liabilities in respect of -**		
5.1	Sales Tax Matters under dispute [Net of payments ₹ 500 thousand (Previous year - Nil)]	976	-
5.2	Service Tax matters under dispute [Net of payments ₹ 20,208 thousand (Previous year - Nil)]	100,408	-
5.3	Excise Duty matters under dispute [Net of payments ₹ 1,000 thousand (Previous year - Nil)]	1,857	-
6.	Bank Guarantees outstanding	186,466	-
7.	Capital Commitment [Net of advance ₹ 331 thousand(Previous year - Nil)]	1,651	-

8.1 Pursuant to the Scheme of Arrangement (Note 3 above), the Company has taken over from TIL Limited various residential/ commercial premises which are 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 ₹ 20,504 thousand (Previous Year - Nil)

8.2 Pursuant to the Scheme of Arrangement (Note 3 above), the Company has taken over from TIL Limited various Plant and Machinery (namely Diesel Generating Sets, Machines etc.) which are rented to customers under cancellable operating leases. Leases range for periods between 6 months to 3 years. Terms of lease include terms for renewal, cancellation etc. Initial Direct costs (commissioning, installation etc.) for such assets are borne by the lessee, other than transportation cost, which is borne by the Company and charged off to revenue. Lease rentals recognised as income during the year ₹ 186,398 thousand (Previous Year Nil). Other details for such Plant and Machinery are as below.

(₹ in '000)

Gross Block		Accumulated Depreciation		Depreciation	
As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010	Year Ended 31.03.2011	Year Ended 31.03.2010
660,925	Nil	213,043	Nil	83,283	Nil

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'N' (Condt.)

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

10. During the year Company's long term composite maintenance contract with a customer, which entailed, inter-alia, supply of parts, was completed. The liability accumulated in respect earlier years amounting to ₹ 145,394 thousand [arising from payments received in advance as per the billing/payment schedule, which was time phased] has been appropriately adjusted, as in earlier years, against supply of parts in the current year.

11. Sales-others [Note 16.2 (e) below]represent, Service Income ₹ 227,478 thousand (Previous year - Nil).

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
12. Purchases includes :		
a) Marine Insurance Charges	2,322	-
b) Raw materials purchased	735,787	-
Excludes :		
Items being recoverable by way of reimbursement i.e. other than through Sales	109,293	-

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
13.1. Miscellaneous expenses include, charge/(credit) on account of :		
a) Discounting Charges	1,320	-
b) Loss/(Gain) on Foreign Exchange (net)	(14,946)	-
13.2. Professional fees include :		
Amount paid /payable to Auditors		
As Auditors*		
- Audit Fees	1,175	2
- Tax Audit Fees	200	-
- Others (Certificates, etc.)	450	-

* Excluding Service Tax ₹ 188 thousand (Previous Year ₹ 0.21 thousand)

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

(₹ in '000)

	As at 31.03.2011	As at 31.03.2010
Timing Difference resulting in liabilities /(assets) mainly on account of :		
Difference between net book value of depreciable Capital Asset as per books vis-à-vis written down value as per Income Tax.	42,656	-
Deferred Tax Liability	42,656	-

15. Employee Benefits

15.1 (a) In accordance with the Scheme of Arrangement (Note 3 above) employees of TIL Limited (hereinafter referred to as transferred employees) who were engaged in the transferred undertaking are employed by the Company (TIPL) on and from 1st April 2010. All liabilities as on 1st April, 2010 and arising thereafter relating to the transferred employees shall be borne and paid by TIPL. Further for the purpose of payment of any retirement benefits, past service of such transferred employees in TIL Limited shall be taken into account and the methodology for computation of retirement benefits shall remain same as that followed by TIL Limited.

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'N' (Condt.)

15.1 (b) The Company has recognised, in the Profit and Loss Account for the year ended 31st March, 2011 an amount of ₹ 11,897 thousand (Previous year - Nil) as expenses under defined contribution plans as detailed below:

(₹ in '000)

	For the year 2010-11	For the year 2009-10
Benefit (Contribution to)		
Employees Pension Scheme	4,945	-
Employees State Insurance	1,424	-
Superannuation Fund	5,528	-
Total	11,897	-

15.2 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 ₹ 13,623 thousand (Previous year - Nil) to the Provident Funds.

15.3 A) Superannuation Fund :-

i. Certain eligible employees of the Company who had attained at least 45 years of age as on 1st April,2009 are entitled to superannuation benefit under the Superannuation Scheme (a funded Defined Benefit Plan under a common Trust- 'Tractors India Limited Superannuation Fund Scheme', being administered by the trustees of the said fund for the benefit of employees of the Company and its Holding Company i.e. TIL Limited). Under the aforesaid benefit scheme the Company makes periodic contribution to the Superannuation Fund Scheme and a predetermined percentage of salary is paid as pension on retirement. The quantum of pension depends on the average basic salary of eligible employee during the last 36 months before retirement. The benefit vests to employees with 12 years of continuous service and attainment of 48 years of age on retirement/death/termination. The most recent actuarial valuation of Plan Assets and Present Value of the Defined Benefit Obligation of Superannuation Fund was carried out as on 31st March,2011.

ii. Employees who did not attain 45 years of age as on 1st April,2009 are under the purview of 'Defined Contribution Scheme' in respect of service rendered from 1st April,2009. The benefit of services rendered by these employees up to 31st March,2009 come under the purview of 'Defined Benefit Scheme' as indicated in Note 15.3(i) above, which is frozen as on 31st March,2009. Thus for this category of employees, the benefit of cessation of service will be : a) amount accumulated by annual contribution of 15% of Basic Salary 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 administered under a common Trust, by the trustees of the said fund for the benefit of employees of the Company and its Holding Company i.e. TIL Limited.

Under the Gratuity plan, every employee is entitled to gratuity, being higher of the amount, calculated under the Company's plan (based on average salary of last 36 months and number of years of service, restricted to a maximum of 40 years) or calculations as laid down under the Payment of Gratuity Act, 1972. Gratuity is payable on death/ retirement/ termination and the benefit vests after 5 years of continuous service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31st March, 2011.

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'N' (Condt.)

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

(₹ in '000)

		Superannuation Fund (Funded)		Gratuity Fund (Funded)	
		2010-11	2009-10 @	2010-11	2009-10 @
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	-		-	
b.	Present Value of Obligation transferred from Holding Company (Note 3 Above)	73,957		20,451	
c.	Current Service Cost	3,257		2,633	
d.	Interest Cost	5,946		1,593	
e.	Actuarial (gain)/loss	5,115		7,883	
f.	Benefits paid	(4,636)		(2,506)	
g.	Present Value of Obligation at the end of the Year	83,639		30,054	
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	-		-	
b.	Fair value of Plan Assets transferred from Holding Company (Note 3 Above)	73,999		17,956	
c.	Expected return on Plan Assets	6,324		1,789	
d.	Actuarial gain/(loss)	211		(236)	
e.	Contributions by the Employer	9,021		9,706	
f.	Benefits paid	(4,636)		(2,506)	
g.	Fair value of Plan Assets at the end of the Year	84,919		26,709	
3.	**Reconciliation of the Present Value of Obligation and Fair Value of the Plan Assets :**				
a.	Fair value of Plan Assets at the end of the Year	84,919		26,709	
b.	Present Value of Obligation at the end of the Year	83,639		30,054	
c.	(Asset)/Liabilities recognised in the Balance Sheet	(1,280)		3,345	
4.	**Expenses recognised during the year :**				
a.	Current Service cost	3,257		2,633	
b.	Interest cost	5,946		1,593	
c.	Expected return on Plan Assets	(6,324)		(1,789)	
d.	Actuarial (Gain)/ Loss	4,904		8,119	
e.	Expense recognised during the year	7,783		10,556	
5.	**Experience Adjustments on Plan Obligation and Assets**				
a.	Experience Adjustments on Plan Obligation [(Gain)/Loss]	6,147		8,372	
b.	Experience Adjustments on Plan Assets [(Gain)/Loss]	211		(236)	

The expense for the defined benefits (referred to in para 15.2 and 15.3 above) are included in the line item under 'Contribution to Provident and other Funds' on Schedule 'M'.

@ - Not Applicable

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'N' (Condt.)

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

Description		Superannuation Fund % Invested		Gratuity Fund % Invested	
		31.03.2011	31.03.2010 '@	31.03.2011	31.03.2010 '@
6.	**Investment Details of Plan Assets as at**				
a.	Govt of India Securities	20.53		20.79	
b.	Public Sector (PSU)Bonds	47.16		30.54	
c.	State/Central Govt Securities	16.82		18.70	
d.	Special Deposit Scheme	14.99		29.81	
e.	Other including Bank Balance	0.50		0.16	
Total		**100.00**		**100.00**	
7.	**Assumptions**				
a.	Discount rate per annum	8.50		8.50	
b.	Salary escalation rate per annum	4.00		4.00	
c.	Expected rate of return on Plan Assets per annum	8.00		8.00	
d.	Method used	Projected Unit Credit Method		Projected Unit Credit Method	
8.	**Actual Return on Plan Assets**	7.64%		6.53%	
	@ - Not Applicable				

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

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

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

15.7 In respect of the Company's Defined Benefit Plans pertaining to Gratuity and Superannuation benefit schemes for employees taken over in terms of the Scheme of Arrangement, as indicated in Note 3 above, the present value of obligation as on 1st April, 2010 have been worked out by an independent actuary based on relevant information related to each such employees. The fair value of plan assets pertaining to the Company as on 01.04.10 in respect of Gratuity and Superannuation benefit scheme funds, being maintained by Tractors India Limited Staff Gratuity Fund and Tractors India Limited Superannuation Fund respectively have been bifurcated by the Trustees of the related funds in proportion to the present value of the obligation determined by the independent actuary as referred above.

16.1 Particulars of Goods Manufactured

	Year Ended 31.03.2011	Year Ended 31.03.2010
Diesel Generating Sets -		
Licensed Capacity	500 Nos	-
Installed Capacity *	400 Nos	-
Actual Production	383 Nos	-
* As certified by the Management		

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'N' (Condt.)

16.2 Particulars of Construction, Mining Equipment and Diesel Generating Sets and other classes of Goods Dealt in Stock, Purchases (Trading) and Sales

	Class of Goods	Unit of Qty.	Opening Stock Qty.	Opening Stock Value ₹ '000	Stock Transfer * Qty.	Stock Transfer * Value ₹ '000	Purchases Qty.	Purchases Value ₹ '000	Sales (Gross) Qty.	Sales (Gross) Value ₹ '000	Closing Stock Qty.	Closing Stock Value ₹ '000
a)	Construction & Mining Equipment, etc.	Nos.	-	-	52	139,321	1,263	3,963,536	1,139 **	4,135,972	176	745,076
			(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
b)	Diesel Generating Set	Nos.	-	-	-	-	-	-	371 ***	822,628	12	16,738
			(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
c)	Packaged Diesel Generating Set	Nos.	-	-	14	371,121	244	1,041,979	185	805,007	73	649,420
			(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
d)	Goods, Components and Parts for Mining Equipments & Diesel Generating Set					467,442		2,783,904		2,705,630		690,840
						(-)		(-)		(-)		(-)
e)	Others (Refer Note 11)					-		-		227,478		-
										(-)		
	Total			-		977,884		7,789,419		8,696,715		2,102,074
	Previous year			(-)		(-)		(-)		(-)		(-)
	[Previous year's figures indicated in bracket]											

* Stock transfer from Holding Company as on 1st April,2010 vide Scheme of Arrangement. (Note 3 above.)

** Includes 17 Capitalised during the year.

*** Includes 12 capitalised during the year. (Refer Schedule 'L')

With the exception of Construction, Mining Equipment and Diesel Generating Sets 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 .

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'N' (Condt.)

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

Particulars	Unit	Quantity	Value ₹ '000	Percentage
Engine	Nos	371	350,402	
		(-)	(-)	
Acoustic Enclosure (for D G Set)	Nos	387	89,667	
		(-)	(-)	
Alternator (for DG Sets)	Nos	364	82,951	
		(-)	(-)	
Miscellaneous *		(-)	62,049	
		(-)	(-)	
Total			**585,069**	**100.00**
			(-)	

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

[Previous year's figures indicated in bracket]

17. Segment Reporting in accordance with Accounting Standards 17 :

On transfer of the undertaking from TIL Limited (Holding Company) to the Company with effect from 1st April 2010 pursuant to the Scheme of arrangement (Note 3 above) the Company's business segments are as follows:-

- Construction & Mining Solutions (CMS) - engaged as a dealer for Caterpillar Inc. USA for their earthmoving, construction mining equipments, spares etc. and providing related services in Eastern and Northern India and Bhutan.
- Power Systems Solutions (PSS) - engaged in assembly, supply, erection and commissioning of Generating Sets powered by Caterpillar engines and dealing in spares etc and providing related services in Eastern and Northern India and Bhutan.
- Other represents all unallocated expenditure and includes expenses incurred on common services provided to the segments which are not directly identifiable to the individual segments as well as expenses incurred at the corporate level which relate to the Company as a whole.
- There has been no inter segment transactions during the year.
- The Company operates predominantly within the geographical limits of India, accordingly secondary segments have not been considered.

(₹ in '000)

	Year Ended 31.03.2011			
	CMS	PSS	OTHERS (Unallocated)	Total
Segment Revenue *	6,545,080	2,504,484	-	9,049,564
Segment Results	326,469	188,541	-	515,010
Less : Unallocated expenses net of				
Unallocated (income)			-	-
Interest expenses			177,033	177,033
Profit/(Loss) before tax				337,977
Depreciation and Amortisation	88,717	52,673	-	141,390
Non Cash Expenses other than Depreciation and Amortisation	6,665	2,478	-	9,143
Segment Assets	2,854,559	1,760,600	109,985	4,725,144
Segment Liabilities (excluding Shareholders' funds)	838,955	679,638	2,057,530	3,576,123
Capital Expenditure	191,096	146,408	-	337,504

* There is no inter segment revenue.

Note : Segment information in respect of previous year 2009-10 is not applicable

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'N' (Condt.)

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

A) List of Related Parties

Holding Company	TIL Limited
Key Management Personnel	Mr. S. Mazumder(Chairman & Managing Director) *
	Mr. G V R. Murthy (Joint Managing Director) *
	Mr. A. Banerjee (Director Finance) **
	Mr. Soumen Das ***

* Appointed wef 1st April,2010.

** Director up to 31st March,2010 and appointed as Director Finance w.e.f 1st April, 2010

*** Ceased to be Director w.e.f 1st April, 2010

B) Particulars of transactions during the year ended 31st March, 2011 :

(₹ in '000)

	Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
I)	**Holding Company**		
	a) Asset Usage Charges Paid	9,339	-
	b) Reimbursement of Expenses	102,357	-
	c) Issue of 4,489,430 number of equity shares of ₹ 10 each at a Premium of ₹ 203.48 per share pursuant to Scheme of Arrangement (Note 3 above)	958,396	-
	d) Year-end Balances		
	i) Share Capital	45,000	-
	ii) Share Premium	913,501	-
	iii) Advance recoverable	-	48
II)	**Key Management Personnel**		
	a) Remuneration (Note 19 below)		
	Mr. S. Mazumder	19,021	-
	Mr. GVR Murthy	12,481	-
	Mr. A. Banerjee	9,611	-
	b) Year end Balance		
	Commission Payable		
	Mr. S. Mazumder	7,862	-
	Mr. GVR Murthy	4,681	-
	Mr. A. Banerjee	3,511	-

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'N' (Condt.)

(₹ in '000)

				Year Ended 31.03.2011	Year Ended 31.03.2010
19.1	**Managerial Remuneration**				
	a)	Executive Directors			
		i)	Salaries and Allowances	11,098	-
		ii)	Contribution to Funds :		
			Provident Fund	1,152	-
			Superannuation Fund	596	-
			Gratuity Fund	224	-
				1,972	**-**
		iii)	Estimated value of benefits computed where necessary under Income Tax Rules.	11,989	-
		iv)	Commission	16,054	-
	b)	Non Executive Directors			
		i)	Sitting Fees	60	-
		ii)	Commission	800	-
				41,973	**-**

(₹ in '000)

		Year Ended 31.03.2011	Year Ended 31.03.2010
19.2	**Computation of Net Profits under Sections 198 and 349 of the Companies Act, 1956**		
	Profit before taxation as per Profit & Loss Account	337,977	-
	Add : Directors' Remuneration :		
	Sitting Fees	60	-
	Salaries, Commission and estimated value of other benefits	41,913	-
		41,973	**-**
	Depreciation and Amortization charged to Accounts	141,390	-
		521,340	**-**
	Deduct : Depreciation under Section 350 of the Companies Act, 1956.	53,185	-
	The excess of expenditure over income computed as per Sec-349 in respect of earlier years	51	
	Adjusted Profit in accordance with Section 198 of the Companies Act, 1956.	**468,104**	**-**
	10% there of, being the maximum permissible limit under section 198 of the Companies Act,1956.	46,810	-
	Executive Directors Commission restricted (As per service agreement)	16,054	-
	1% there of, being the maximum permissible limit under section 198 of the Companies Act,1956.	4,681	-
	Other Directors' Commission restricted to	800	-

Schedule forming part of the Accounts for the year ended 31st March, 2011

SCHEDULE 'N' (Condt.)

(₹ in '000)

	Year Ended 31.03.2011	Year Ended 31.03.2010
20. C.I.F. Value of Imports :		
(a) Parts and Components	1,160,969	-
(b) Machines (Trading Items)	2,198,023	-
21. Expenditure in Foreign Currency :		
(on payment basis)		
Travelling	4,711	-
22. Earnings in Foreign Exchange :		
(Remittance received) on account of		
(a) Export of goods calculated on FOB basis	15,085	-
(b) Selling Commission (including Dealer's profit)	175,682	-

23. The figures for the current year are not comparable with those of the previous year (which have been rearranged/regrouped wherever necessary) as the figures for current year include transactions arising from transfer of undertaking of TIL Limited pertaining to dealership business of Caterpillar to the Company with effect from 1st April,2010 as referred to in Note 3 above.

Signatures to Schedules 'A' to 'N'

For and on behalf of Board of Directors

For Price Waterhouse
Firm Registration No. 301112E
Chartered Accountants

P.Law
Partner
Membership No.51790

Kolkata
16th May, 2011.

Sumit Mazumder
Chairman & Managing Director

G.V.R. Murthy
Joint Managing Director

Aloke Banerjee
Director Finance

Cash Flow Statement for the year ended 31st March, 2011

(₹ in '000)

		Year ended 31.03.2011		Year ended 31.03.2010	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/(Loss) Before Tax		337,977		(15)
	Adjustments for :				
	Depreciation and Amortisation	141,390		-	
	Bad Debts,Advances etc Written off	9,143		-	
	(Profit)/Loss on Sale of Fixed Assets (Net)	(16,876)		-	
	Interest Expenses (Net)	177,033		-	
	Preliminary Expenses Written off	-		8	
	Unrealised Foreign Exchange (Gain)/Loss (Net)	(10,216)		-	
			300,474		**8**
	Operating Profit/(Loss) before Working Capital Changes		**638,451**		**(7)**
	Adjustments for :				
	Trade and Other Receivables	(157,944)		-	
	Inventories	(1,287,476)		-	
	Loans and Advances and Other Current Assets	(26,359)		20	
	Trade Payable	393,548		2	
			(1,078,231)		**22**
	Cash Generated from Operations		**(439,780)**		**15**
	Direct Taxes Paid		(109,985)		-
	Net Cash (Used in)/from Operating Activities		**(549,765)**		**15**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	(306,479)		-	
	Proceeds from Sale of Fixed Assets	74,182		-	
	Net Cash (Used in)/from Investing Activities		**(232,297)**		-

Cash Flow Statement for the year ended 31st March, 2011 (Contd.)

(₹ in '000)

	Year ended 31.03.2011		Year ended 31.03.2010	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(163,312)			
Proceeds from Long Term borrowings	10,039			
Repayment of Long Term borrowings	(492,059)			
Increase in Cash Credit and other short term borrowings (Net)	1,428,008		(15)	
Net Cash (Used in) from Financing Activities		**782,676**		**(15)**
Net Increase/ (Decrease) In Cash And Cash Equivalents (A+B+C)		**614**		**-**
Cash and Cash Equivalents as at the beginning of the year (Schedule 'H')		**11**		**11**
Cash and Cash Equivalents as at the close of the year (Schedule 'H')		**625**		**11**

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 above Cash Flow Statement does not reflect transfer of Assets and Liabilities amounting to ₹ 3,044,068 thousand and ₹ 2,085,672 thousand respectively from TIL Ltd pursuant to the Scheme of Arrangement indicated in Note 3 on Schedule 'N', being non cash in nature.

3) The Schedules referred to above forms an integral part of the Cash Flow Statement .

4) The figures for the current year are not comparable with those of the previous year as the figures for current year include transactions arising from transfer of undertaking of TIL Limited pertaining to dealership business of Caterpillar to the Company with effect from 1st April, 2010, referred to in Note 3 on Schedule 'N' .

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

For PRICE WATERHOUSE
Firm Registration No. 301112E
Chartered Accountants

P. Law
Partner
Membership No.51790

Kolkata
16th May, 2011.

For and on behalf of Board of Directors

Sumit Mazumder
Chairman & Managing Director

G.V.R. Murthy
Joint Managing Director

Aloke Banerjee
Director Finance

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	72501	State Code	21
Balance Sheet Date	31.03.2011		

II. Capital Raised during the Year (All Figures in ₹ '000)

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement	44894

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

Total Liabilities (Including Owner's Fund)	4725144	Total Assets	4725144
Sources of Funds			
Paid-up Capital	45000	Reserves and Surplus	1104021
Secured Loans	1343978	Unsecured Loans	560480
Application of Funds			
Net Fixed Assets (Including Capital Work In Progress)	832159	Investments	-
Net Current Assets	2263976	Misc Expenditure	-

IV. Performance of Company (All Figures in ₹ '000)

Turnover(excluding Other Income 29,419)	9081533	Total Expenditure	8631585
Profit/(Loss) Before Tax	337977	Profit/(Loss) after Tax	190571
Earnings Per Share (Figure in ₹)	42.35	Dividend Rate %	-

V. Generic Names of Product/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	8502
Product Description	DG SETS

For and on behalf of Board of Directors

Sumit Mazumder
Chairman & Managing Director

G.V.R. Murthy
Joint Managing Director

Aloke Banerjee
Director Finance

Myanmar Tractors Limited GENERAL INFORMATION

DIRECTORS

Mr. A. Mazumdar	*Chairman*
Mr. S. Mazumder	*Director*
Mr. Shyamal Bandopadhyay	*Director*
Mr. Aloke Banerjee	*Director*

REGISTERED OFFICE

16, Mya Mar Lar Lane,
Industrial Zone, Thaketa Township,
Yangon, Myanmar

BANKERS

Myanma Investment & Commercial Bank (MICB)
Myanmar Foreign Trade Bank (MFTB)
Myanmar Citizen Bank (MCB)
Myawaddy Bank (MWD)
Kan Baw Za Bank (KBZ)

AUDITORS

U Tin Win Group
Engagement Partner : Naing Naing San

Directors' Report for the Financial Year ended 31st March, 2011.

The Directors have pleasure in submitting their report and the audited financial statements for the year ended 31st March, 2011.

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$ 7,709,869(last year US$ 11,191,969) profit before tax of US$ 861,862(last year US$ 799,021).

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

DIVIDEND

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

DIRECTORS

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

Presently the Board consists of the following persons:-

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

AUDITORS

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

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

28th April, 2011

S. Mazumder
Vice Chairman

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, 2011 and the profit & loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

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

(b) selecting and applying appropriate accounting policies; and

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion,

(i) the financial statements are properly drawn up in accordance with the provisions of the Act and International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31st March, 2011 and the results of the company for the year ended on that date; and

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

Myanmar
28th April, 2011

U Tin Win Group
Certified Public Accountants

Balance Sheet as at 31st March, 2011

	Schedule	US $ As at 31.03.2011	₹ As at 31.03.2011	US $ As at 31.03.2010	₹ As at 31.03.2010
SOURCES OF FUNDS					
1. Shareholders' Funds					
(a) Capital	A	4,100,000	187,124,000	4,100,000	194,381,000
(b) Reserves and Surplus	B	6,811,646	310,883,523	6,513,292	308,795,174
		10,911,646	**498,007,523**	**10,613,292**	**503,176,174**
2. Loan Funds	C	-	-	-	-
Total		**10,911,646**	**498,007,523**	**10,613,292**	**503,176,174**
APPLICATIONS OF FUNDS					
1. Fixed Assets	E				
(a) Gross Block		4,340,474	198,099,233	4,557,377	216,065,244
(b) Less : Depreciation		3,084,304	140,767,635	2,894,575	137,231,801
(c) Net Block		1,256,170	57,331,599	1,662,802	78,833,443
(d) Capital Work-in-Progress		246,873	11,267,284	80,977	3,839,120
		1,503,043	**68,598,883**	**1,743,779**	**82,672,562**
2. Investments	F	-	-	-	-
3. Current Assets,Loans and Advances					
(a) Inventories	G	4,653,958	212,406,643	5,412,101	256,587,708
(b) Sundry Debtors	H	355,420	16,221,369	833,335	39,508,412
(c) Cash and Bank Balances	I	2,428,681	110,845,001	1,522,678	72,190,164
(d) Other Current Assets	J	3,171,622	144,752,828	2,058,755	97,605,575
(e) Loans and Advances	K	1,443,030	65,859,889	1,602,253	75,962,815
		12,052,711	**550,085,730**	**11,429,122**	**541,854,674**
Less :					
Current Liabilities and Provisions	D				
(a) Liabilities		2,385,549	108,876,456	2,319,903	109,986,601
(b) Provisions		258,559	11,800,633	239,706	11,364,461
		2,644,108	**120,677,089**	**2,559,609**	**121,351,063**
Net Current Assets		9,408,603	429,408,641	8,869,513	420,503,611
Total		**10,911,646**	**498,007,523**	**10,613,292**	**503,176,174**

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

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

Date: 28th April, 2011

For and on behalf of Board of Directors

Sumit Mazumder
Vice Chairman

Aloke Banerjee
Director

Profit & Loss Account for the year ended 31st March,2011

	Schedule	US $ Year to 31.03.2011	₹ Year to 31.03.2011	US $ Year to 31.03.2010	₹ Year to 31.03.2010
INCOME					
Sales and Services (Gross)	O	6,225,176	284,117,033	9,564,370	453,446,782
Less : Excise Duty		-	-	-	-
Sales and Services (Net)		6,225,176	284,117,033	9,564,370	453,446,782
Rental from Machinery		738,122	33,687,888	1,088,829	51,621,383
Other Income	L	746,571	34,073,500	538,770	25,543,086
		7,709,869	**351,878,421**	**11,191,969**	**530,611,250**
EXPENDITURE					
Cost of Materials and Direct Manufacturing Expenses	M	1,796,027	81,970,672	4,606,356	218,387,338
Expenses	N	4,546,167	207,487,062	5,277,944	250,227,325
		6,342,194	**289,457,734**	**9,884,300**	**468,614,663**
Interest on :					
Debentures and Other Fixed Loans		-	-	-	-
Others		-	-	1,219	57,793
		-	-	1,219	57,793
Depreciation and Amortization		505,813	23,085,305	507,429	24,057,209
Profit Before Taxation		**861,862**	**39,335,382**	**799,021**	**37,881,586**
Less : Provision for Taxation :					
Current Tax		258,559	11,800,633	239,706	11,364,461
Profit After Taxation		**603,303**	**27,534,749**	**559,315**	**26,517,124**
Add : Transfer from Revaluation Reserve on sale of Assets					
Less : Adjustment for under provision of tax & other prior period items.		(304,949)	(13,917,872)	(50,109)	(2,375,668)
Add : Balance of Profit and Loss Account brought forward from previous year		6,513,292	297,266,647	6,004,086	284,653,717
BALANCE AVAILABLE FOR APPROPRIATIONS		**6,811,646**	**310,883,523**	**6,513,292**	**308,795,174**
APPROPRIATIONS					
General Reserve		1,681,003	76,720,977	1,681,003	76,720,977
Proposed Dividend :					
Balance Carried Forward		5,130,643	234,162,547	4,832,289	232,074,197
		6,811,646	**310,883,523**	**6,513,292**	**308,795,174**

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

For and on behalf of Board of Directors

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

Date: 28th April, 2011

Sumit Mazumder
Vice Chairman

Aloke Banerjee
Director

Schedule forming part of the Balance Sheet

	US $ As at 31.03.2011	₹ As at 31.03.2011	US $ As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'A'				
Share Capital				
Authorized				
50,000, Ordinary Shares of Kyat 1,000/- each	8,333,333	380,333,318	8,333,333	395,083,318
	8,333,333	**380,333,318**	**8,333,333**	**395,083,318**
Issued,Subscribed and Paid up				
24,325 Ordinary Shares of Kyat 1,000/- each fully paid up	4,100,000	187,124,000	4,100,000	194,381,000
(Equivalent to US$ 168.55 per share)				
Total	**4,100,000**	**187,124,000**	**4,100,000**	**194,381,000**

		As per last Account	Additions	Deductions	As at 31.03.2011
SCHEDULE 'B'					
Reserves and Surplus					
General Reserve	US$	1,681,003			1,681,003
	₹	76,720,977	-	-	76,720,977
Profit and Loss Account	US$	4,832,289	603,303	(304,949)	5,130,643
	₹	220,545,670	27,534,749	(13,917,872)	234,162,547
Total	US$	**6,513,292**			**6,811,646**
	₹	**297,266,647**			**310,883,523**

As under provision of US$ 304,949 was adjusted by debiting Retain Earning.

Figures in bold type represent US$ figure.

Schedule forming part of the Balance Sheet (Contd.)

	US $ As at 31.03.2011	₹ As at 31.03.2011	US $ As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'C'				
Loan Funds				
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	-
Other Loans	-	-	-	-
Total	-	-	-	-

	US $ As at 31.03.2011	₹ As at 31.03.2011	US $ As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'D'				
Current Liabilities and Provisions				
Current Liabilities :				
Sundry Creditors	2,254,303	102,886,389	2,030,591	96,270,319
Advance from Customers and others	131,246	5,990,067	249,312	11,819,882
Other Liabilities	-	-	40,000	1,896,400
	2,385,549	**108,876,456**	**2,319,903**	**109,986,601**
Provisions for :				
Provision for Taxation	258,559	11,800,633	239,706	11,364,461
Total	**2,644,108**	**120,677,089**	**2,559,609**	**121,351,063**

Schedule forming part of the Balance Sheet (Contd.)

		Cost / Valuation as at 31.03.2010	Additions/ Adjustment during the year	Sales/ Adjustment etc. during the year	Total Cost / Valuation as at 31.03.2011	Depreciation Provided up to 31.03.2010	Depreciation Provided during the year	Depreciation on Sales/Adjustment etc. during the year	Depreciation Provided up to 31.03.2010	Net Value of Assets as at 31.03.2011	Net Value of Assets as at 31.03.2010
SCHEDULE 'E'											
Fixed Assets											
Tangible Assets											
Buildings :											
Leasehold	US$	567,281	-	-	567,281	310,593	25,248	-	335,841	231,440	256,688
	₹	25,890,705	-	-	25,890,705	14,175,465	1,152,319	-	15,327,783.24	10,562,922	12,169,578
Plant and Machinery	US$	317,097	78,358	25,690	369,765	235,423	30,817	25,673	240,567	129,198	81,674
	₹	14,472,307	3,576,259	1,172,492	16,876,075	10,744,706	1,406,488	1,171,716	10,979,477.88	5,896,597	3,872,164
Rental Equipment	US$	2,141,074	-	353,179	1,787,895	980,570	373,840	275,801	1,078,609	709,286	1,160,504
	₹	97,718,617	-	16,119,090	81,599,528	44,753,215	17,062,058	12,587,558	49,227,714.76	32,371,813	55,019,495
Furniture and Equipment	US$	684,646	20,121	6,491	698,276	632,487	17,882	5,752	644,617	53,659	52,159
	₹	31,247,243	918,322	296,249	31,869,317	28,866,707	816,134	262,521	29,420,319.88	2,448,997	2,472,858
Cycle and Motor Vehicles	US$	761,153	78,854	5,996	834,011	649,384	58,026	5,980	701,430	132,581	111,769
	₹	34,739,023	3,598,897	273,657	38,064,262	29,637,886	2,648,307	272,927	32,013,265.20	6,050,997	5,298,968
Sub total	US$	**4,471,251**	**177,333**	**391,356**	**4,257,228**	**2,808,457**	**505,813**	**313,206**	**3,001,064**	**1,256,164**	**1,662,794**
	₹	204,067,896	8,093,478	17,861,488	194,299,886	128,177,977	23,085,305	14,294,722	136,968,561	57,331,325	78,833,064
Intangible Assets											
(aquired items)											
Software	US$	86,126	-	2,880.00	83,246	86,118		2,878.00	83,240	6	8
	₹	3,930,791	-	131,443	3,799,347	3,930,426	-	131,352	3,799,074	274	379
Sub total	**US$**	**86,126**	**-**	**2,880**	**83,246**	**86,118**	**-**	**2,878**	**83,240**	**6**	**8**
	₹	3,930,791	-	131,443	3,799,347	3,930,426	-	131,352	3,799,074	274	379
Total	**US$**	**4,557,377**	**177,333**	**394,236**	**4,340,474**	**2,894,575**	**505,813**	**316,084**	**3,084,304**	**1,256,170**	**1,662,802**
	₹	207,998,686	8,093,478	17,992,931	198,099,233	132,108,403	23,085,305	14,426,074	140,767,635	57,331,599	78,833,443
Previous year	**US$**	**4,803,688**	**213,033**	**459,344**	**4,557,377**	**2,834,015**	**507,429**	**446,869**	**2,894,575**		
	₹	227,742,848	10,099,895	21,777,499	216,065,244	134,360,651	24,057,209	21,186,059	137,231,801		
Capital Work-in-Progress	**US$**									**246,873**	**80,977**
	₹									11,267,284	3,839,120
Grand total	**US$**									**1,503,043**	**1,743,779**
	₹									**68,598,883**	**82,672,562**

Schedule forming part of the Balance Sheet (Contd.)

Particulars	As at 31.03.2011 Numbers	As at 31.03.2011 Value	As at 31.03.2010 Numbers	As at 31.03.2010 Value
SCHEDULE 'F'				
Investments - Long Term - at Cost				
Trade - Unquoted :	-	-	-	-
Other than Trade :	-	-	-	-
Total		-		-

	US $ As at 31.03.2011	₹ As at 31.03.2011	US $ As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'G'				
Inventories				
Loose tools - at or under cost	269,266	12,289,300	219,551	10,408,913
Stock-in-Trade-at lower of cost and net realisable value	4,378,962	199,855,826	4,869,842	230,879,209
Work-in-Progress-at lower of cost / realisable value	5,730	261,517	322,708	15,299,586
Total	**4,653,958**	**212,406,643**	**5,412,101**	**256,587,708**

** Cost of inventories were valued on FIFO method.

	US $ As at 31.03.2011	₹ As at 31.03.2011	US $ As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'H'				
Sundry Debtors				
(Unsecured -Considered Good)				
Debts outstanding for more than six months	-	-	18,508	877,464
**Other Debts	355,420	16,221,369	814,827	38,630,948
Total	**355,420**	**16,221,369**	**833,335**	**39,508,412**

Schedule forming part of the Balance Sheet (Contd.)

	US $ As at 31.03.2011	₹ As at 31.03.2011	US $ As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'I'				
Cash and Bank Balances				
Cash in hand	492,341	22,470,443	415,726	19,709,570
Balance with Banks				
** On Current Accounts	1,936,340	88,374,558	1,106,952	52,480,594
Total	**2,428,681**	**110,845,001**	**1,522,678**	**72,190,164**

	US $ As at 31.03.2011	₹ As at 31.03.2011	US $ As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'J'				
Other Current Assets (Unsecured-Considered Good)				
Claims Receivable	2,640,147	120,496,309	386,998	18,347,575
Amount due from related company	482,628	22,027,142	1,494,023	70,831,630
Deposits	48,847	2,229,377	177,734	8,426,369
Total	**3,171,622**	**144,752,828**	**2,058,755**	**97,605,575**

	US $ As at 31.03.2011	₹ As at 31.03.2011	US $ As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'K'				
Loans and Advances (Unsecured-Considered Good)				
Advances recoverable in cash or in kind or for value to be received	918,876	41,937,501	1,464,147	69,415,209
Advance Income Tax (Including Tax deducted at source)	524,154	23,922,389	138,106	6,547,605
Total	**1,443,030**	**65,859,889**	**1,602,253**	**75,962,815**

Schedule forming part of the Profit and Loss Account

	US $ Year to 31.03.2011	₹ Year to 31.03.2011	US $ Year to 31.03.2010	₹ Year to 31.03.2010
SCHEDULE 'L'				
Other Income				
Sale of Scraps	83,963	3,832,071	-	-
Profit on Sale of Assets (Net)	77,377	3,531,486	187,412	8,885,203
[Gross - Tax deducted at source Nil (Previous Year Nil)]				
- On deposit with Banks and Others	504,285	23,015,567	18,475	875,900
Miscellaneous Income	80,946	3,694,375	332,883	15,781,983
Total	**746,571**	**34,073,500**	**538,770**	**25,543,086**

	US $ Year to 31.03.2011	₹ Year to 31.03.2011	US $ Year to 31.03.2010	₹ Year to 31.03.2010
SCHEDULE 'M'				
Cost of Materials and Direct Manufacturing Expenses				
Opening Stock				
Stock in Trade	4,869,842	222,259,589	4,300,108	203,868,120
Add : Purchases	475,633	21,707,890	5,046,923	239,274,619
	5,345,475	**243,967,479**	**9,347,031**	**443,142,740**
Less : Closing Stock				
Stock in Trade	4,378,962	199,855,826	4,869,842	230,879,209
	966,513	**44,111,653**	**4,477,189**	**212,263,530**
Add : Work-in-Progress on 01.04.2010	322,708	14,728,393	41,190	1,952,818
	1,289,221	**58,840,046**	**4,518,379**	**214,216,348**
Less : Work-in-Progress on 31.03.2011	5,730	261,517	322,708	15,299,586
	1,283,491	**58,578,529**	**4,195,671**	**198,916,762**
Carriage Inward	512,536	23,392,143	410,685	19,470,576
Total	**1,796,027**	**81,970,672**	**4,606,356**	**218,387,338**

Schedule forming part of the Profit and Loss Account (Contd.)

	US $ Year to 31.03.2011	₹ Year to 31.03.2011	US $ Year to 31.03.2010	₹ Year to 31.03.2010
SCHEDULE 'N'				
Expenses				
Salaries , Wages , Bonus etc	1,773,839	80,958,012	2,028,821	96,186,404
Contribution to Provident and other Funds	15,044	686,608	13,096	620,881
Staff Welfare Expenses	148,565	6,780,507	128,329	6,084,078
Rent (Net)	151,415	6,910,581	156,373	7,413,644
Rates and Taxes	4,084	186,394	316,709	15,015,174
Bank Charges	21,269	970,717	17,977	852,290
Insurance	66,752	3,046,561	58,356	2,766,658
Repairs and Maintenance :				
Buildings	83,404	3,806,559	75,862	3,596,617
Plant and Machinery	189,801	8,662,518	192,167	9,110,637
Other Assets	72,506	3,309,174	24,279	1,151,067
	345,711	15,778,250	292,308	13,858,322
Travelling Expenses	442,537	20,197,389	338,169	16,032,592
Stationery and Printing	24,355	1,111,562	18,577	880,736
Postage,Telephones and other Communication Expenses	118,975	5,430,019	88,284	4,185,544
Advertising	95,412	4,354,604	85,334	4,045,685
Gas and Electricity	67,754	3,092,293	102,792	4,873,369
Commission	123,329	5,628,736	565,745	26,821,970
Miscellaneous Expenses	444,750	20,298,390	279,974	13,273,567
Medical Expenses	96,719	4,414,255	43,646	2,069,257
Professional Fees	113,673	5,188,036	326,621	15,485,102
Motor Car and Van Expenses	220,563	10,066,495	152,820	7,245,196
Service Support Expenses	180,059	8,217,893	218,803	10,373,450
Debts/Advances/Claims written off	91,362	4,169,762	45,210	2,143,406
Total	**4,546,167**	**207,487,062**	**5,277,944**	**250,227,325**

	US $ Year to 31.03.2011	₹ Year to 31.03.2011	US $ Year to 31.03.2010	₹ Year to 31.03.2011
SCHEDULE 'O'				
Sales and Service Gross				
Prime Product	1,622,803	74,064,729	485,550	23,019,926
Spareparts and Accessories	2,560,628	116,867,062	7,794,449	369,534,827
Services	2,041,745	93,185,242	1,284,371	60,892,029
Total	**6,225,176**	**284,117,033**	**9,564,370**	**453,446,782**

Notes to the Financial Statements

1. CORPORATE INFORMATION

The financial statements of Myanmar Tractors Limited for the year ended 31st March, 2011 were authorized for issue in accordance with resolution of the Directors on 28th April, 2011. Myanmar Tractors Limited is a limited liability company which is in incorporated in Union of Myanmar, is a 81 % owned subsidiary of TIL Limited, which is the ultimate holding company.

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

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

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

The company operates in Myanmar and employed 305 employees as of 31st March, 2011. The employee cost of the company for the year ended 31st March, 2011 amounted to USD 2,034,167.(YE 2010: USD 2,213,891)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

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

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

(b) Foreign currency translation

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

(c) Property & equipment

Cost and valuation

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

Depreciation

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

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

Notes to the Financial Statements (Contd.)

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

Amortization of Development of Leased Assets

Depreciation of leased Assets were amortized over five year.

(d) Revenue recognition

Sale

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

(e) Employees' Retiral Benefit Scheme

The company announced a comprehensive retirement benefit scheme for all employees in the past year (2009-10), with retrospective effect, from the date joining by individual employees. To maintain prudent accounting practice, Board approved an expenditure and a provision in the account for the 2009-10 and 2010-11, which covers the accumulated liabilities of the company up to 31st March, 2011 as per the announced Policy.

(f) Taxation

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

3. REGISTERED ADDRESS

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

TIL LTD,
1, Taratolla Road
Garden Reach
Kolkata – 700024, India.

4. COMPARISON OF LAST YEAR FIGURES

Last year figures were regrouped wherever necessary.

Til Overseas Pte Ltd (Incorporated in Singapore)

10th ANNUAL REPORT 2010-11

GENERAL INFORMATION

DIRECTORS

Mr. Avijit Mazumdar

Mr. Sumit Mazumder

Mr. Shyamal Bandopadhyay

Mr. Arangannal s/o Kathamuthu

Mr. Aloke Banerjee (appointed on 20th August, 2010)

COMPANY SECRETARY

Mr. Cheng Lian Siang

REGISTERED OFFICE

3 Phillip Street

#18-00 Commerce Point

Singapore 048693

INDEPENDENT AUDITOR

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, 2011.

DIRECTORS

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

Mr. Avijit Mazumdar

Mr. Sumit Mazumder

Mr. Shyamal Bandopadhyay

Mr. Arangannal s/o Kathamuthu

Mr. Aloke Banerjee (appointed on 20th August, 2010)

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 was 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, none of the directors holding office at the end of the financial year had any interest in the shares of the company or its related corporations except as detailed below:

	Holdings registered in the name of directors	
	As at 01.04.2010	As at 31.03.2011
Immediate and Ultimate Holding company		
Ordinary shares of 10 Rupees each fully paid		
Avijit Mazumdar	724,087	545,301
Sumit Mazumder	33,560	24,360
Shyamal Bandopadhyay	500	7,593
Aloke Banerjee	-	-

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 at beginning and end of the financial year.

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS

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

The independent auditor, Messrs Shanker Iyer & Co., Certified Public Accountants, Singapore, has expressed its willingness to accept re-appointment.

On behalf of the directors

Sumit Mazumder
Vice Chairman

Aloke Banerjee
Director

Date : 26th April, 2011

Statement By Directors

In the opinion of the directors,

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the company as at 31st March, 2011 and of its results, changes in equity and cash flows for the financial year then ended; and

(b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts when they fall due. The board of directors authorized these financial statements for issue on 26th April, 2011.

On behalf of the directors

Sumit Mazumder
Vice Chairman

Aloke Banerjee
Director

Date : 26th April, 2011

Independent Auditor's Report To The Member of Til Overseas Pte Ltd (Incorporated In Singapore)

We have audited the accompanying financial statements of TIL OVERSEAS PTE LTD (the "company") as set out on pages 7 to 38, which comprise the statement of financial position as at 31st March, 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial 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 of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for 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 statement of comprehensive income and statement of financial position and to maintain accountability of assets.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31st March, 2011 and of its results, changes in equity and cash flows of the company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, 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.

On behalf of the directors

SHANKER IYER & CO.

Public Accountants And Certified Public Accountants

Place : Singapore

Date : 26th April, 2011

Balance Sheet as at 31st March, 2011

	Note	USD 2010-11	₹ 2010-11	USD 2009-10	₹ 2009-10
CURRENT ASSETS					
Cash and cash equivalents	4	9,859,828	449,706,755	7,734,099	366,673,634
Trade Receivables	5	3,607,448	164,535,703	2,837,360	134,519,238
Other Receivables	6	149,522	6,819,698	166,049	7,872,383
Inventories	7	5,224,321	238,281,281	4,772,931	226,284,659
		18,841,119	**859,343,438**	**15,510,439**	**735,349,913**
NON CURRENT ASSETS					
Plant & Equipment	8	57,958	2,643,464	26,495	1,256,128
Available for resale financial assets	9	2,068,848	94,360,157	2,062,069	97,762,691
		2,126,806	97,003,622	2,088,564	99,018,819
Total Assets		**20,967,925**	**956,347,059**	**17,599,003**	**834,368,732**
CURRENT LIABILITIES					
Trade Payables	10	2,296,554	104,745,828	3,767,212	178,603,521
Other Payables	11	6,392,691	291,570,637	3,415,910	161,948,293
Provision For Taxation		360,000	16,419,600	372,000	17,636,520
		9,049,245	412,736,064	7,555,122	358,188,334
Non Current Liability	12	3,250	148,233	3,000	142,230
Total Liabilities		**9,052,495**	**412,884,297**	**7,558,122**	**358,330,564**
Net Assets		**11,915,430**	**543,462,762**	**10,040,881**	**476,038,168**
SHAREHOLDER'S EQUITY					
Share Capital	13	708,012	32,292,427	708,012	33,566,849
Reserves	14	11,207,418	511,170,335	9,332,869	442,471,319
		11,915,430	**543,462,762**	**10,040,881**	**476,038,168**

*** The annexed Notes form an integral part of and should be read in conjunction with these financial statements.**

Income Statement for the year ended 31st March, 2011

	Note	USD 2010-11	₹ 2010-11	USD 2009-10	₹ 2009-10
REVENUE					
Sale of Goods		51,872,885	2,365,922,285	33,222,844	1,575,095,034
Other Income	15	189,579	8,646,698	926,743	43,936,886
Total Revenue		**52,062,464**	**2,374,568,983**	**34,149,587**	**1,619,031,920**
COSTS AND EXPENSES					
Purchases Consumed	16	46,570,118	2,124,063,082	29,930,156	1,418,988,696
Warranty Expenses		1,135,970	51,811,592	1,120,062	53,102,139
Depreciation of plant & equipment	8	13,991	638,130	14,963	709,396
Other Operating Expenses	17	2,018,260	92,052,839	722,232	34,241,019
Employee benefits expenses		90,486	4,127,066	55,831	2,646,948
Finance cost		2,619	119,453	3,728	176,744
Total Costs and Expenses		**49,831,444**	**2,272,812,161**	**31,846,972**	**1,509,864,943**
Profit Before Taxation		2,231,020	101,756,822	2,302,615	109,166,977
Taxation	18	(363,250)	(16,567,833)	(371,374)	(17,606,841)
Net Profit	19	**1,867,770**	**85,188,990**	**1,931,241**	**91,560,136**
Other Comprehensive Income					
Fair value gain available- for sale financial assets		6,779	309,190	142,292	6,746,064
Other Comprehensive Income for the year, net of tax		**6,779**	**309,190**	**142,292**	**6,746,064**
Total Comprehensive Income for the year		**1,874,549**	**85,498,180**	**2,073,533**	**98,306,200**

*** The annexed Notes form an integral part of and should be read in conjunction with these financial statements.**

Statement of Changes In Shareholder's Equity for the year ended 31st March, 2011

		Share Capital	Fair value reserve	Currency translation reserve	Retained profits	Total
2011						
Balance as at 1st April, 2010	US$	708,012	590,957	(3,457)	8,745,369	10,040,881
	₹	32,292,427	26,953,549	(157,674)	398,876,280	457,964,582
Total Comprehensive income for the year	US$	-	6,779	-	1,867,770	1,874,549
	₹	-	309,190	-	85,188,990	85,498,180
Balance as at 31st March, 2011	US$	**708,012**	**597,736**	**(3,457)**	**10,613,139**	**11,915,430**
	₹	**32,292,427**	**27,262,739**	**(157,674)**	**484,065,270**	**543,462,762**
2010						
		Share Capital	Fair value reserve	Currency translation reserve	Retained profits	Total
Balance as at 1st April, 2009	US$	708,012	448,665	(3,457)	6,814,128	7,967,348
	₹	33,566,849	21,271,208	(163,896)	323,057,808	377,731,969
Total Comprehensive income for the year	US$	-	142,292	-	1,931,241	2,073,533
	₹	-	6,746,064	-	91,560,136	98,306,200
Balance as at 31st March, 2010	US$	**708,012**	**590,957**	**(3,457)**	**8,745,369**	**10,040,881**
	₹	**33,566,849**	**28,017,271**	**(163,896)**	**414,617,944**	**476,038,168**

*** The annexed Notes form an integral part of and should be read in conjunction with these financial statements.**

Cash Flow Statement for the year ended 31st March, 2011

	Note	2010-11 US$	2010-11 ₹	2009-10 US$	2009-10 ₹
OPERATING ACTIVITIES					
Profit before Income Taxation		2,231,020	101,756,822	2,302,615	109,166,977
Adjustments for					
Depreciation on Plant & Equipment	8	13,991	638,130	14,963	709,396
Loss on disposal of Plant & Equipment	17	-	-	2,685	127,296
Gain on disposal of Plant & Equipment	15	-	-	(3,507)	(166,267)
(Reversal)/Provision for slow moving inventories	7	114,306	5,213,497	(279,375)	(13,245,169)
Interest Income	15	(170,049)	(7,755,935)	(343,727)	(16,296,097)
Interest Expenses		2,619	119,453	3,728	176,744
Cash flows generated from operations before changes in working capital		**2,191,887**	**99,971,966**	**1,697,382**	**80,472,881**
Changes in Working Capital					
Trade receivables		(770,088)	(35,123,714)	(1,941,900)	(92,065,479)
Other receivables		3,354	152,976	(77,459)	(3,672,331)
Inventories, at cost		(565,696)	(25,801,395)	(1,781,150)	(84,444,322)
Trade payables		(1,470,658)	(67,076,711)	2,615,409	123,996,541
Other Payables		4,645,872	211,898,222	269,154	12,760,591
Cash generated from operating activities		4,034,671	184,021,344	781,436	37,047,881
Interest received		183,222	8,356,755	382,053	18,113,133
Interest paid		(2,619)	(119,453)	(3,728)	(176,744)
Income Tax paid		(375,000)	(17,103,750)	(294,845)	(13,978,601)
Net Cash generated from operating activities		**3,840,274**	**175,154,897**	**864,916**	**41,005,668**
CASH FLOWS FROM INVESTING ACITIVITIES					
Purchase of Plant & Equipments	8	(45,635)	(2,081,412)	(316)	(14,982)
Proceeds from sale of Plant & Equipments		181	8,255	21,457	1,017,276
Withdrawal/(Placement) of Fixed Deposits		6,727,873	306,858,288	472,127	22,383,541
Net Cash generated Investing activities		**6,682,419**	**304,785,131**	**493,268**	**23,385,836**
CASH FLOWS FROM FINANCING ACTIVITY					
Advance from (Repayment to) holding company		449,640	20,508,080	(3,281,498)	(155,575,820)
Advances from related company		(2,118,731)	(96,635,321)	2,601,359	123,330,430
Addition of pledged deposits	4	(756,930)	(34,523,577)	(193,762)	(9,186,256)
Net Cash used in Financing activities		**(2,426,021)**	**(110,650,818)**	**(873,901)**	**(41,431,646)**
Net(decrease)/increase in cash & cash Equivalents		8,096,672	369,289,210	484,283	22,959,857
Cash and Cash Equivalents at the beginning of the year		812,464	37,056,483	328,181	15,559,061
Cash and Cash Equivalents at the end of the year	4	**8,909,136**	**406,345,693**	**812,464**	**38,518,919**

*** The annexed Notes form an integral part of and should be read in conjunction with these financial statements.**

Notes to the Financial Statements for the Financial year ended 31st March, 2011

1. GENERAL INFORMATION

TIL Overseas Pte Ltd (company Registration No. 200104404H) is domiciled in Singapore. The company's principal place of business is at 11 Tractor Road, Singapore 627972. The company's registered office is at 3 Phillip Street, #18-00 Commerce Point, Singapore 048693.

The principal activities of the company are to carry on the business of importers and exporters of equipment and machinery parts in relation to the construction industry. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the company as at 31st March, 2011 were authorized and approved by the directors for issuance on 26th April, 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, which are expressed in United States dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

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

At the date of authorization of these financial statements, the company has not applied those FRSs and INT FRSs that have been issued but are effective only in next financial year. The company expects the adoption of the standards will have no financial effect on the financial statements in the period of initial application.

During the financial year, the company has changed the accounting policy of inventory valuation method from first in first out basis to weighted average basis to align its policy with that of its holding company. However, there is no retrospective application to the comparatives as the management has determined that it is impracticable to do so in accordance with FRS 8 : Accounting Policies, Changes in Accounting Estimates and Errors.

b) Currency translation

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

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

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

c) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank and fixed deposit which are subject to an insignificant risk of change in value.

d) Financial assets

(i) Classification

The company classifies its financial assets in the following categories: "loans and receivables" and "financial assets, available-for-sale". The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as "cash and cash equivalents", "trade receivables" and "other receivables" on the statement of financial position.

Notes to the Financial Statements for the Financial year ended 31st March, 2011

Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the end of the reporting period.

(ii) Effective interest method

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

(iii) Recognition and derecognition

Regular way of purchases and sales of financial assets are recognized on trade-date – the date on which the company commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognized in the statement of comprehensive income. Any amount in the fair value reserve relating to that asset is transferred to the statement of comprehensive income.

(iv) Initial measurement

Financial assets are initially recognized at fair value plus transaction costs.

(v) Subsequent measurement

Loans and receivables are subsequently carried at amortized cost using the effective interest method less allowance for impairment. For available–for-sale financial assets are subsequently carried at fair value, changes in the fair value are recognized in the fair value reserve.

Interest and dividend income on financial assets, available-for-sale are recognized separately in the statement of comprehensive income. Change in the fair values of available–for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortized cost of the securities and other changes.; the currency translation differences are recognized in the statement of comprehensive income and other changes are recognized in the fair value reserve. Changs in fair valus of available-for-sale equity securities (i.e non-menetary)are recognized in the fair value reserve, together with the related currency translation differences.

(vi) Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes an allowance for impairment when such evidence arises.

Loans and receivables

Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy, and default or significant delays in payments are objective evidence that these financial assets are impaired.

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

The allowance for impairment loss account is reduced through the statement of comprehensive income in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortized cost had no impairment been recognized in prior periods.

Financial assets, available-for-sale

Significant or prolonged decline in the fair value of an equity security below its cost and the disappearance of an active trading market for the security are considered as indicators that the available-for-sale financial asset has been impaired.

If any evidence of impairment exists, the cumulative loss that was recognized in the fair value reserve is reclassified to the statement of comprehensive income. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognized as an expense in the statement of comprehensive income. The impairment losses recognized as an expense on equity securities are not reversed through the statement of comprehensive income.

Notes to the Financial Statements for the Financial year ended 31st March, 2011

e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realized in the normal course of business after allowing for the costs of realization.

f) Plant and equipment

(i) Measurement

Plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

The cost of an item of plant and equipment initially recognized includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

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

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognized in the statement of comprehensive income when the changes arise.

(iii) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognized in the statement of comprehensive income when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognized in the statement of comprehensive income. Any revaluation reserves relating to the asset are transferred to retained profits directly.

g) Impairment of non-financial assets

Plant and equipment

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognized as an impairment loss in the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognized for the asset in prior years.

A reversal of impairment loss for an asset is recognized in the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognized as an expense in the statement of comprehensive income, a reversal of that impairment is also credited to the statement of comprehensive income.

Notes to the Financial Statements for the Financial year ended 31st March, 2011

h) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortized cost, using the effective interest rate method The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled and expired.

i) Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognized in the statement of comprehensive income when the changes arise.

j) Operating leases

The company leases office space under operating leases from non-related parties. Leases of office where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognized in the statement of comprehensive income on a straight-line basis over the period of the lease.

k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

l) Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the company's activities. Sales are presented, net of goods and services tax, rebates and discounts.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the company's activities are met as follows:

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

(ii) Commission income is recognized upon provision of the services.

(iii) Interest income is recognized on a time apportioned basis.

m) Income tax

Income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred income tax liability is recognized for all taxable temporary differences.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognized as income or expense in the statement of comprehensive income.

n) Employee benefits

Employee benefits are recognized as an expense, unless the cost qualifies to be capitalized as an asset.

Notes to the Financial Statements for the Financial year ended 31st March, 2011

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid.

o) Government grants

Job Credit Scheme

Cash grants received from the government in relation to the Job Credit Scheme are recognized as income when there is reasonable assurance that the grant will be received.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming with FRS requires the use of certain critical accounting estimates, assumptions and judgements in applying the accounting policies. These estimates, assumptions 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, assumptions and judgements that have the most significant effect for preparation of financial statements:

(a) Depreciation of plant and equipment

The company depreciates the plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the periods that the company intends to derive future economic benefits from the use of the company's plant and equipment. The residual values reflect management's estimated amount that the company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the company's plant and equipment as at the end of each reporting period were disclosed in Note 8 to the financial statements.

(b) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at each reporting period. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(c) Impairment of financial assets, available-for-sale

The company follows the guidance of FRS 39 in determining when an available-for-sale financial asset is considered impaired at least annually. This determination requires significant judgement.

Significant or prolonged declines in the fair value of the security below its cost and the disappearance of an active trading market for the security are considered objective evidence that a financial asset is impaired. In determining this, management evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, the financial health of and the near-term business outlook of the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. Fair value gains of US$6,779 (2010 : US$142,292) was transferred for the year ended 31st March, 2011 (Note 9).

(d) Income taxes

Judgement is involved in determining the company's provision for income taxes. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. At 31st March, 2011, the carrying amounts of the company's current income tax payable and deferred tax liability are disclosed in the statement financial position.

Notes to the Financial Statements for the Financial year ended 31st March, 2011

4 CASH AND CASH EQUIVALENTS

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Cash at banks	5,859,828	267,266,755	1,006,226	47,705,175
Fixed deposits	4,000,000	182,440,000	6,727,873	318,968,459
	9,859,828	449,706,755	7,734,099	366,673,634

The carrying amounts of cash and cash equivalents approximate their fair values. Fixed deposits had a maturity of 3 months (2010 : 1 year) at weighted average effective interest rate of 1.5% (2010 : 2.1%) per annum.
Cash and cash equivalents include an amount of US$950,692 (2009 : US$193,762) which is pledged against the bank guarantees as disclosed in Note 23.

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

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Cash at Banks	9,859,828	449,706,755	7,734,099	366,673,634
Less: fixed deposits with maturity period more than 3 months	-	-	(6,727,873)	(318,968,459)
Less: Pledged Deposits(Note 23)	(950,692)	(43,361,062)	(193,762)	(9,186,256)
Cash & cash equivalents per statement of cash flows	**8,909,136**	**406,345,693**	**812,464**	**38,518,918**

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

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
United States dollar	9,745,759	444,504,068	7,525,979	356,806,664
Singapore dollar	114,069	5,202,687	208,120	9,866,969
	9,859,828	**449,706,755**	**7,734,099**	**366,673,634**

5 TRADE RECEIVABLES

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Trade debtors	3,202,859	146,082,399	2,547,483	120,776,169
GST receivable	404,589	18,453,304	289,877	13,743,069
	3,607,448	**164,535,703**	**2,837,360**	**134,519,238**

Trade receivables are non-interest bearing except for US$658,800 (2010 : US$1,820,000) which bear interest between 10% to 17% (2010 : 10% to 15%) per annum. Credit terms are in accordance with the contracts or agreements with the customers.

Trade receivables are recognized 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:

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
United States dollar	3,194,571	145,704,383	2,837,360	134,519,238
Singapore dollar	412,877	18,831,320	-	-
	3,607,448	**164,535,703**	**2,837,360**	**134,519,238**

Notes to the Financial Statements for the Financial year ended 31st March, 2011

6 OTHER RECEIVABLES

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Interest Receivable	9,667	440,912	22,840	1,082,844
Prepayment	8,086	368,802	-	-
Commission Receivable	-	-	30,860	1,463,073
Other Debtors	7,984	364,150	97,775	4,635,513
Advance to Suppliers	123,785	5,645,834	14,574	690,953
	149,522	**6,819,698**	**166,049**	**7,872,383**

The carrying amount of other receivables approximate their fair value.

The company's other receivables are denominated in the following currencies:

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Euro	-	-	13,988	663,171
United States dollar	140,725	6,418,467	134,088	6,357,112
British pound	-	-	17,973	852,100
Singapore dollar	8,797	401,231	-	-
	149,522	6,819,698	166,049	7,872,383

7 INVENTORIES

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Machines	3,527,382	160,883,893	1,232,295	58,423,106
Engine	345,855	15,774,447	85,904	4,072,709
Spare parts	1,034,660	47,190,843	1,150,007	54,521,832
Total inventories at cost	4,907,897	223,849,182	2,468,206	117,017,646
Stocks in transit	430,730	19,645,595	2,304,725	109,267,012
Less: Allowance for slow moving inventories	(114,306)	(5,213,497)	-	-
	5,224,321	238,281,281	4,772,931	226,284,659
Allowance for slow moving inventories				
Balance at beginning of the year	-	-	279,375	13,245,169
Provision/(Reversal) for slow moving inventories	114,306	5,213,497	(279,375)	(13,245,169)
	114,306	**5,213,497**	**-**	**-**

The cost of inventories recognized as an expense and included in the "purchases consumed" amounts to US$46,570,118 (2010 : US$29,930,156).

Notes to the Financial Statements for the Financial year ended 31st March, 2011

8 PLANT & EQUIPMENT

		Computers	Furniture & Fittings	Office Equipment	Motor vehicle	Total
2010-11						
Cost						
At 1st April, 2010	US$	6,793	37,952	2,847	-	47,592
	₹	309,829	1,730,991	129,852	-	2,170,671
Additions/(Disposal)	US$	1,706	-	(297)	43,929	45,338
	₹	77,811	-	(13,546)	2,003,602	2,067,866
At 31st March, 2011	US$	**8,499**	**37,952**	**2,550**	**43,929**	**92,930**
	₹	**387,639**	**1,730,991**	**116,306**	**2,003,602**	**4,238,537**
Accumulated Depreciation						
At 1st April, 2010	US$	5,737	14,142	1,218	-	21,097
	₹	261,665	645,017	55,553	-	962,234
Charge for the year (Net)	US$	820	7,571	511	5,089	13,991
	₹	37,400	345,313	23,307	232,109	638,130
Disposals	US$	-	-	(116)	-	(116)
	₹	-	-	(5,291)	-	(5,291)
At 31st March, 2011	US$	**6,557**	**21,713**	**1,613**	**5,089**	**34,972**
	₹	**299,065**	**990,330**	**73,569**	**232,109**	**1,595,073**
Net Book value						
At 31st March, 2011	US$	1,942	16,239	937	38,840	57,958
	₹	88,575	740,661	42,737	1,771,492	2,643,464
2009-10						
Cost						
At 1st April, 2009	US$	**11,970**	**37,636**	**25,802**	-	**75,408**
	₹	**567,498**	**1,784,323**	**1,223,273**	-	**3,575,093**
Additions/(Disposals)	US$	(5,177)	316	(22,955)	-	(27,816)
	₹	(245,442)	14,982	(1,088,297)	-	(1,318,757)
At 31st March, 2010	US$	**6,793**	**37,952**	**2,847**	-	**47,592**
	₹	**322,056**	**1,799,304**	**134,976**	-	**2,256,337**
Accumulated Depreciation						
At 1st April, 2009	US$	5,984	6,596	1,051	-	13,631
	₹	283,701	312,716	49,828	-	646,246
Charge for the year	US$	2,244	7,546	5,173	-	14,963
	₹	106,388	357,756	245,252	-	709,396
Disposals	US$	(2,491)	-	(5,006)	-	(7,497)
	₹	(118,098)	-	(237,334)	-	(355,433)
At 31st March, 2010	US$	**5,737**	**14,142**	**1,218**	-	**21,097**
	₹	**271,991**	**670,472**	**57,745**	-	**1,000,209**
Net Book value						
At 31st March, 2010	US$	**1,056**	**23,810**	**1,629**	-	**26,495**
	₹	**50,065**	**1,128,832**	**77,231**	-	**1,256,128**

Notes to the Financial Statements for the Financial year ended 31st March, 2011

9 AVAILABLE FOR RE SALE FINANCIAL ASSETS

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Unquoted equity investments				
At the beginning of the year	2,062,069	94,050,967	1,919,777	91,016,628
Fair Value gain transferred	6,779	309,190	142,292	6,746,064
At end of the year	2,068,848	94,360,157	2,062,069	97,762,691

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 values and are denominated in United States dollars.

10 TRADE PAYABLES

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Third parties	2,296,554	104,745,828	3,767,212	178,603,521
	2,296,554	104,745,828	3,767,212	178,603,521

Trade payables are recognized at their original invoiced amounts which represent their fair values on initial recognition. Trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

The carrying amounts of trade payables approximate their fair values and are denominated in United States dollars.

11 OTHER PAYABLES

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Accruals for Operating Expenses	143,428	6,541,751	13,500	640,035
Accruals for employee benefit expense	13,900	633,979	-	-
Advance from customers	883,147	40,280,335	261,352	12,390,698
Advance from third party	3,500,000	159,635,000	-	-
Other creditors	858,608	39,161,111	478,359	22,679,000
Amount owing to holding company	510,980	23,305,798	61,340	2,908,129
Amount owing to related company	482,628	22,012,663	2,601,359	123,330,430
	6,392,691	291,570,637	3,415,910	161,948,293

Advances from third party is non-trade in nature, interest-free, unsecured and repayable within the next twelve months

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

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
United States Dollar	6,373,553	290,697,752	3,415,910	161,948,293
Singapore Dollar	19,138	872,884	-	-
	6,392,691	291,570,637	3,415,910	161,948,293

Notes to the Financial Statements for the Financial year ended 31st March, 2011

12 DEFERRED INCOME TAX LIABILITY

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
At the beginning of the year	3,000	136,830	-	-
Reversal of deferred income tax liability	(3,000)	(136,830)	-	-
Charged to statement of comprehensive income(Note 18)	3,250	148,233	3,000	142,230
At the end of the year	3,250	148,233	3,000	142,230

The deferred income tax liability comprises of the excess net book value of plant and equipment over tax written down value.

13 SHARE CAPITAL

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Issued and fully paid				
107,577 ordinary shares	708,012	3 32, 32,292,427	708,012	33,566,849

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holder of ordinary shares is entitled to receive dividend as declared from time to time and entitled to one vote per share at meeting of the company. All shares rank equally with regard to the company's residual assets.

14 RESERVES

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Fair value reserve				
Balance at beginning of the year	590,957	26,953,549	448,665	21,271,208
Fair value gains on available for resale financial assets(Note 9)	6,779	309,190	142,292	6,746,064
Balance at end of the year	597,736	27,262,739	590,957	28,017,271
Currency translation reserve				
Balance at beginning of the year	(3,457)	(157,674)	(3,457)	(163,896)
Retained Profits				
Balance at beginning of the year	8,745,369	398,876,280	6,814,128	323,057,808
Profit for the year	1,867,770	85,188,990	1,931,241	91,560,136
Balance at end of the year	10,613,139	484,065,270	8,745,369	414,617,944
Total reserves	**11,207,418**	**511,170,335**	**9,332,869**	**442,471,319**

15 OTHER INCOME

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Commission Income	7,785	355,074	268,981	12,752,389
Foreign Exchange Gain	-	-	25,194	1,194,448
Government grant	291	13,273	3,960	187,744
Gain on sale of plant & equipment	-	-	3,507	166,267
Interest Income	170,049	7,755,935	343,727	16,296,097
Reversal of Inventory Allowance	-	-	279,374	13,245,121
Others	11,454	522,417	2,000	94,820
	189,579	8,646,698	926,743	43,936,886

Notes to the Financial Statements for the Financial year ended 31st March, 2011

16 PURCHASE CONSUMED

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Opening Inventories	4,772,931	217,693,383	2,712,406	128,595,168
Purchase	46,907,202	2,139,437,483	32,270,056	1,529,923,355
Inventories written off	114,306	5,213,497	(279,375)	(13,245,169)
Closing Inventories	(5,224,321)	(238,281,281)	(4,772,931)	(226,284,659)
	46,570,118	2,124,063,082	29,930,156	1,418,988,696

17 OPERATING EXPENSES

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Bank Charges	84,192	3,839,997	58,719	2,783,868
Commission fees	1,468,161	66,962,823	450,439	21,355,313
Management Fees	126,700	5,778,787	107,800	5,110,798
Office Rental - operating lease	44,094	2,011,127	40,536	1,921,812
Provision for slow moving inventories	114,306	5,213,497	-	-
Professional Fees	25,932	1,182,759	14,261	676,114
Others	154,875	7,063,849	50,477	2,393,115
	2,018,260	92,052,839	722,232	34,241,019

18 INCOME TAX EXPENSES

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Current year's provision	360,000	16,419,600	372,000	17,636,520
Over provision for prior period	-	-	(3,626)	(171,909)
Deferred Tax liability	3,250	148,233	3,000	142,230

The current year's income tax expense varied from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2010 : 17%) to the profit before income tax as a result of the following differences:

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
	363,250	16,567,833	371,374	17,606,841
Profit before Income Tax	2,231,020	101,756,822	2,302,615	109,166,977
Tax calculated at the applicable tax rate	379,273	17,298,642	391,445	18,558,407
Temporary differences not recognized	1,223	55,781	1,067	50,586
Non Taxable items	(380)	(17,332)	(1,013)	(48,026)
Deferred taxation	3,250	148,233	3,000	142,230
Exempt Income	(19,453)	(887,251)	(18,537)	(878,839)
Over provision of prior year	-	-	(3,626)	(171,909)
Others	(663)	(30,239)	(962)	(45,608)
	363,250	16,567,833	371,374	17,606,841

19 NET PROFIT

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
CPF Contributions	8,324	379,658	4,590	217,612

Notes to the Financial Statements for the Financial year ended 31st March, 2011

20. BANKING FACILITIES

The company's banking facilities at the existing limit of US$1,500,000 and foreign exchange limit of US$1,000,000, and letter of credit from financial institution as at 31st March, 2011 were secured by the following:

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

b) Corporate guarantee provided by the holding company ; and

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

21. IMMEDIATE AND ULTIMATE HOLDING COMPANY

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

22. SIGNIFICANT 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 :

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Warranty expenses paid to holding company	1,135,970	51,811,592	1,120,062	53,102,139
Sales to related company	606,662	27,669,854	1,492,439	70,756,533
Purchase from related company	-	-	127,177	6,029,462
Management Fees paid/payable to holding company	126,700	5,778,787	207,500	9,837,575
Parts commission paid/payable to holding company	950,000	43,329,500	450,439	21,355,313

23 COMMITMENTS AND CONTINGENT LIABILITIES

a) As at 31st March, 2011, the company had obtained bank guarantees amounting to US$919,925 and EUR21,824 (2010 : US$193,762).

b) As at 31st March, 2011 of this report, the company had entered into letter of credit amounting to US$363,323 (2010 : US401,068).

24 OPERATING LEASE COMMITMENTS

At the end of the reporting period, the company's commitments in respect of operating leases are as follows;

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Due within one year	19,013	867,183	16,825	797,673
	19,013	**867,183**	**16,825**	**797,673**

25. FINANCIAL RISK MANAGEMENT

Financial risk factors

The company's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the company's financial performance.

(a) Market risk

(i) Foreign currency risk

The company incurs foreign currency risk on transactions that are denominated in currency other than United States dollars such as Singapore dollars, British pounds and Euro. However, the company does not use any hedging instruments to protect against the volatility associated with foreign currency purchases and other assets and liabilities created in the normal course of business.

Notes to the Financial Statements for the Financial year ended 31st March, 2011

25. FINANCIAL RISK MANAGEMENT (Contd.)

The company's currency exposure to Singapore dollars based on the information provided to key management is as follows:

Financial Assets	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Cash & Cash equivalents	114,069	5,202,687	208,120	9,866,969
Trade Receivables	412,877	18,831,320	-	-
Other Receivables	8,797	401,231	-	-
	535,743	**24,435,238**	**208,120**	**9,866,969**
Financial Liabilities				
Other Payables	19,138	872,884	-	-
	19,138	**872,884**	**-**	**-**
Currency Exposure	**516,605**	**23,562,354**	**208,120**	**9,866,969**

If against United States dollar the Singapore dollar had strengthened/weakened by 10% (2010 : 9%) respectively with all other variables including tax rate being held constant, the company's net profit for the financial year would have been higher/lower by approximately US$51,700 (2010 : US$18,800) respectively as a result of currency translation gains/losses on the remaining Singapore dollars denominated financial assets and liabilities.

(ii) Interest rate risk

The company has no significant exposure to market risk for changes in interest rates except for the fixed deposit as disclosed in Note 4.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major classes of financial assets of the company are trade receivables and amounts owing by immediate holding company. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The significant trade receivables of the company comprise 2 debtors (2010 : 2 debtors) that collectively represent 61% (2010 : 60%) of trade receivables.

The credit risk for trade receivables and amounts owing by immediate holding company based on the information provided to key management is as follows:

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
By geographical area				
Other	4,880	222,577	-	-
Singapore	427,826	19,513,144	435,276	20,636,435
Myanmar	**3,174,742**	**144,799,983**	**2,402,084**	**113,882,802**
	3,607,448	**164,535,703**	**2,837,360**	**134,519,238**
By Types of customer				
Non related Parties	**3,607,448**	**164,535,703**	**2,837,360**	**134,519,238**
The ageing analysis of the trade receivables of the company that are past due but not impaired is as follows:				
Due less than 30 days	**3,119,770**	**142,292,710**	**936,938**	**44,420,231**
Due from 30 days to 90 days	**487,678**	**22,242,994**	**459,918**	**21,804,712**
Due more than 90 days	**-**	**-**	**1,440,504**	**68,294,295**
	3,607,448	**164,535,703**	**2,837,360**	**134,519,238**

Notes to the Financial Statements for the Financial year ended 31st March, 2011

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. At the end of each reporting period, assets held by the company for managing liquidity risk included cash and cash equivalents as disclosed in Note 4.

The management monitors rolling forecasts of the company's liquidity reserve (comprising amounts owing to immediate holding company and cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at local level of the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cashflows in major currencies and considering the level of liquid assets necessary to meet these; monitoring liquidity ratios; and maintaining debt financing plans.

The table below analyzes the company's non-derivative financial liabilities into relevant maturity grouping based on the remaining period from the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Less than 1 year				
Trade Payables	2,296,554	104,745,828	3,767,212	178,603,521
Other Payables	6,392,691	291,570,637	3,415,910	161,948,293
	8,689,245	**396,316,464**	**7,183,122**	**340,551,814**

(d) Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their fair values due to their short-term nature.

26. CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated trade and other payable less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
Net Debt	N/A*	N/A*	N/A*	N/A*
Total Equity	11,915,430	543,462,762	10,040,881	476,038,168
Total Capital	**11,915,430**	**543,462,762**	**10,040,881**	**476,038,168**

Gearing ratio	N/A	N/A

* excess of cash and cash equivalents over trade and other payable

The company is not subject to externally imposed capital requirements.

SCHEDULE of Employee Benefits Expenses and Other Operating Expenses

for the year ended 31st March, 2011

	US$ 2010-11	₹ 2010-11	US$ 2009-10	₹ 2009-10
STAFF AND RELATED COSTS				
Salaries	54,172	2,470,785	41,413	1,963,390
Bonus	17,476	797,080	5,606	265,780
CPF Contribution	8,324	379,658	4,590	217,612
Incentive	10,514	479,544	4,222	200,165
	90,486	**4,127,066**	**55,831**	**2,646,948**
OPERATING EXPENSES				
Auditors' Remuneration	13,500	615,735	13,500	640,035
Advertisement	18882	861,208	76	3,603
Bank Charges	84192	3,839,997	58719	2,783,868
Commission fees	1468161	66,962,823	450439	21,355,313
Exchange Loss	8050	367,161	-	-
Insurance	3227	147,183	4019	190,541
General Expenses	89933	4,101,844	4836	229,275
Management Fees	126700	5,778,787	107800	5,110,798
Office Rent - operating lease	44094	2,011,127	40536	1,921,812
Printing & Stationery	1767	80,593	1614	76,520
Professional Fees	25932	1,182,759	14261	676,114
Prov for Slow moving Inventory	114306	5,213,497	-	-
Inventory written Off	4497	205,108	-	-
Plant & Equipment w/off	-	-	2685	127,296
Repairs and maintainance	1128	51,448	7720	366,005
Telephone/Fax/email	10499	478,859	9262	439,111
Travel	3392	154,709	6765	320,729
	2,018,260	**92,052,839**	**722,232**	**34,241,019**

Tractors Nepal Pvt. Ltd., Soaltee Mode, Kalimati

(INCORPORATED IN NEPAL)

A Subsidiary Company of TIL Limited

10th Annual Report 2010-2011

BOARD OF DIRECTORS

Mr. Sumit Mazumder

Mr. Aloke Banerjee

Mr. Subir Bhattacharyya

Mr. G.V.R. Murthy

BANKERS

Nepal Grindlays Bank

New Baneswor Branch

Kathmandu

Nepal

AUDITORS

M/s. JBRH and Company

Chartered Accountants,

GPO Box : 10228

Putali Sadak,

Kathmandu,

Nepal.

Tel : 426 9234, 423 2006

Fax : 977-1-4223651

E-mail : jbrh@info.com.np

REGISTERED OFFICE

Kathmandu district,

Kathmandu Metro, Ward No. 13

Kalimati

Nepal

Telefax : 009715550380)

Directors' Report

Your Directors have pleasure in presenting to you the Tenth Annual Report and Accounts for the period ended 31st March, 2011.

BUSINESS SCENARIO

Your Company has been able to maintain the services and support to the customers to make them more profitable despite slow recovery of world economy. The profit before taxation for Financial Year 2010-11 is Nepalese Rupees 5,184,222 (Indian Rupees 3,240,139) on 31st March, 2011; whereas the Profit before Taxation for Financial Year 2009-10 was Nepalese Rupees 21,935,131 (Indian Rupees 1,37,09,457) on 31st March, 2010. It is expected that performance of the Company will 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 2,81,88,865 (Indian Rupees 17,618,041) and earned profit after tax of Nepalese Rupees 3,888,166 (Indian Rupees 2,430,104).

DIVIDEND

Board has recommended a Dividend of NRS. 25/- per Equity Share for the year under review.

DIRECTORS

Presently, the Board of Directors of the Company consists of Mr. Sumit Mazumder, Mr. Aloke Banerjee, Mr. Subir Bhattacharyya and Mr. G.V.R. Murthy.

AUDITORS

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

S. K. Bhattacharya
Director

Aloke Banerjee
Director

Place : Kalimati, Nepal
Date : 21st April, 2011.

Auditor’s Report

Board of Directors

Tractors Nepal Private Limited

Nepal

Dear Sirs,

1. We have audited the accompanying Financial Statements of Tractors Nepal Pvt. Ltd. expressed in Nepalese Nrs. as of 31st March, 2011 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, 2011’. 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 Financial Statements. 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 Financial Statements. 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 Financial Statements 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, 2011, and its profit/loss and cash flows for the year then ended in conformity with the accounting principles generally accepted in India.

Raju Kumar Sibakoti, FCA
Partner,
JBRH and Company,
Chartered Accountants

Date : 21st April, 2011.

Balance Sheet as at 31st March, 2011

	Schedule	(NR) As at 31.03.2011	₹ As at 31.03.2011	(NR) As at 31.03.2010	₹ As at 31.03.2010
SOURCES OF FUNDS					
1. Shareholders' Funds					
(a) Capital	A	12,000,000	7,500,000	3,680,000	2,300,000
(b) Reserves and Surplus	B	40,313,424	25,195,890	39,425,257	24,640,786
2. Loan Funds	C				
Total		**52,313,424**	**32,695,890**	**43,105,257**	**26,940,786**
APPLICATIONS OF FUNDS					
1. Fixed Assets	E				
(a) Gross Block		9,777,885	6,111,178	1,680,125	1,050,078
(b) Less : Depreciation		1,621,179	1,013,237	878,955	549,347
(c) Net Block		8,156,706	5,097,941	801,170	500,731
(d) Capital Work-in-Progress		14,662,268	9,163,918	-	-
2. Investments	F	-	-	-	-
3. Current Assets,Loans and Advances					
(a) Inventories	G	7,152,197	4,470,123	10,201,942	6,376,214
(b) Sundry Debtors	H	13,416,410	8,385,256	14,182,977	8,864,361
(c) Cash and Bank Balances	I	6,154,614	3,846,634	20,252,391	12,657,745
(d) Other Current Assets	J	9,170,850	5,731,781	4,023,099	2,514,437
(e) Loans and Advances	K	1,584,866	990,541	1,787,264	1,117,040
		37,478,937	23,424,336	50,447,674	31,529,796
Less : Current Liabilities and Provisions	D				
(a) Liabilities		2,010,475	1,256,547	960,190	600,118
(b) Provisions		6,019,209	3,762,006	7,228,957	4,518,098
		8,029,684	5,018,553	8,189,147	5,118,217
Net Current Assets		**29,449,253**	**18,405,783**	**42,258,527**	**26,411,580**
Deferred Tax Assets		45,197	28,248	45,560	28,475
4. Miscellaneous Expenditure	L	-	-	-	-
(To the extent not written off or adjusted)					
Total		**52,313,424**	**32,695,890**	**43,105,257**	**26,940,786**
Notes	P				

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

This is the Balance Sheet referred to in our report of even date.	For and on behalf of Board of Directors
As Per Our Report of Even Date	**Aloke Banerjee**
Raju Sibakoti, FCA	*Director*
Partner,	
For and on behalf of	**S. K. Bhattacharya**
JBRH and Company,	*Director*
Chartered Accountants	
Date : 21st April, 2011	

Profit & Loss Account for the year ended 31st March, 2011

	Schedule	NR Year to 31.03.2011	₹ Year to 31.03.2011	NR Year to 31.03.2010	₹ Year to 31.03.2010
INCOME					
Sales		14,662,074	9,163,796	21,785,303	13,615,814
Selling Commission		13,167,291	8,229,557	18,362,889	11,476,805
Other Income	M	359,500	224,687.50	-	-
		28,188,865	**17,618,041**	**40,148,191**	**25,092,620**
EXPENDITURE					
Cost of Materials and Direct Manufacturing Expenses	N	8,612,847	5,383,029	12,703,638	7,939,774
Expenses	O	13,617,071	8,510,669	5349794	3,343,621
		22,229,918	13,893,699	18,053,432	11,283,395
Profit Before Interest, Depreciation and Taxation		**5,958,947**	**3,724,342**	**22,094,759**	**13,809,225**
Interest on		-	-	-	-
Depreciation		774,725	484,203	159,629	99,768
Profit Before Taxation		**5,184,222**	**3,240,139**	**21,935,130**	**13,709,456**
Less : Provision for Taxation		1,296,055	810,034	4,991,032	3,119,395
Profit After Taxation		**3,888,167**	**2,430,104**	**16,944,098**	**10,590,061**
Add : Balance of Profit and Loss Account					
brought forward from previous year		39,425,257	24,640,786	24,321,159	15,200,724
Balance Available For Appropriation		43,313,424	27,070,890	41,265,257	25,790,786
APPROPRIATIONS					
Interim Dividend		3,000,000	1,875,000	1,840,000.00	1,150,000
Balance Carried Forward		40,313,424	25,195,890	39,425,257	24,640,786
		43,313,424	**27,070,890**	**41,265,257**	**25,790,786**
Notes	P				

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

This is the Profit and Loss Account referred to in our report of even date.	For and on behalf of Board of Directors
As Per Our Report of Even Date	**Aloke Banerjee**
Raju Sibakoti, FCA	*Director*
Partner,	
For and on behalf of	**S. K. Bhattacharya**
JBRH and Company,	*Director*
Chartered Accountants	
Date : 21st April, 2011	

Schedule forming part of the Balance Sheet as on 31st March, 2011

.		As at 31.03.2011	As at 31.03.2010
SCHEDULE 'A'			
Share Capital			
Authorized			
400,000 Shares of NR 100/- each	NR	40,000,000	40,000,000
	₹	25,000,000	25,000,000
Issued,Subscribed and Paid up			
36800 Equity Shares of NR 100/- each			
fully called and paid up.	NR	12,000,000	3,680,000
	₹	7,500,000	2,300,000
Total	**NR**	**12,000,000**	**3,680,000**
	₹	7,500,000	2,300,000

		As per last Account	Additions	Deductions	As at 31.03.2011
SCHEDULE 'B'					
Reserves and Surplus					
Profit and Loss Account	NR	39,425,257	3,888,167	3,000,000	40,313,424
	₹	24,640,786	2,430,104	1,875,000	25,195,890
Total	**NR**	**39,425,257**	**3,888,167**	**3,000,000**	**40,313,424**
	₹	24,640,786	2,430,104	1,875,000	25,195,890

Schedule forming part of the Balance Sheet as on 31st March, 2011

	NR As at 31.03.2011	₹ As at 31.03.2011	NR As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'C'				
Loan Funds				
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	-
Total	-	-	-	-

		NR As at 31.03.2011	₹ As at 31.03.2011	NR As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'D'					
Current Liabilities and Provisions					
Current Liabilities :					
Sundry Creditors	1,020,641		637,901	789,852	493,657
Advance by Customers and others	50,614		31,634	59,745	37,341
Other Liabilities	939,220		587,013	110,593	69,121
		2,010,475	1,256,547	960,190	600,118
Provisions for :					
Taxation	-	2,919,584	1,824,740	5,388,957	3,368,098
Proposed Dividend	3,000,000		1,875,000	1,840,000	1,150,000
Employees' benefit	99,625		62,266		
		3,099,625	1,937,266	-	-
		6,019,209	3,762,006	7,228,957	4,518,098
Total		8,029,684	5,018,553	8,189,147	5,118,217

Schedule forming part of the Balance Sheet as on 31st March, 2011

		Cost / Valuation as at 01.04.2010	Additions / Adjustment during the year	Cost / Valuation of sales / Adjustment etc. during the year	Total Cost/ Valuation as at 31.03.2011	Depreciation Provided upto 31.03.2010	Depreciation Provided during the year	Depreciation on sales Adjustment, etc. during the year	Depreciation Provided upto 31.12.2010	Net Value of Assets as at 31.03.2011	Net Value of Assets as at 01.04.2010
SCHEDULE 'E'											
Fixed Assets											
Buildings :											
Leasehold	NR	265,615	-	-	265,615	265,614	-	-	265,614	1	1
	₹	166,009	-	-	166,009	166,009	-	-	166,009	1	1
Plant and Machinery	NR	216,827	1,819,344	-	2,036,171	71,281	24,823	-	96,104	1,940,067	145,546
	₹	135,517	1,137,090	-	1,272,607	44,551	15,514		60,065	1,212,542	90,966
Software	NR	-	87,000	-	87,000	-	-	-	-	87,000	-
	₹		54,375		54,375					54,375	
Furnitures	NR	488,077	1842189	-	2,330,266	195,374	76,464	-	271,838	2,058,428	292,703
	₹	305,048	1,151,368		1,456,416	122,109	47,790	-	169,899	1,286,518	182,939
Office Equipments	NR	517,606	1,661,988	-	2,179,594	279,486	133,711	-	413,197	1,766,397	238,120
	₹	323,504	1,038,743		1,362,246	174,679	83,569	-	258,248	1,103,998	148,825
Cycle and Motor Vehicles	NR	192,000	2,752,239	65,000	2,879,239	67,200	539,727	32,500	574,427	2,304,812	124,800
	₹	120,000	1,720,149	40,625	1,799,524	42,000	337,329	20,313	359,017	1,440,508	78,000
Total	NR	**1,680,125**	**8,162,760**	**65,000**	**9,777,885**	**878,955**	**774,725**	**32,500**	**1,621,180**	**8,156,705**	**801,170**
	₹	**1,050,078**	**5,101,725**	**40,625**	**6,111,178**	**549,347**	**484,203**	**20,313**	**1,013,238**	**5,097,941**	**500,731**
Previous year	NR	**1,586,925**	**93,200**	-	**1,680,125**	**719,326**	**159,629**	-	**878,955**	**801,170**	-
	₹	**991,228**	**58,250**	-	**1,050,078**	**449,579**	**99,768**	-	**549,347**	**500,731**	-

Schedule forming part of the Balance Sheet as on 31st March, 2011

Name	Particulars	As at 31.03.2011		As at 31.03.2010	
		Numbers	Value	Numbers	Value
SCHEDULE 'F'					
Investments - Long Term - At Cost		-	-	-	-
Total		-	-	-	-

	NR	₹	NR	₹
	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010	As at 31.03.2010
SCHEDULE 'G'				
Inventories				
Stock-of spare parts-at Weighted average cost	7,152,196	4,470,123	10,201,942	6,376,214
Total	**7,152,196**	**4,470,123**	**10,201,942**	**6,376,214**

	NR	₹	NR	₹
	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010	As at 31.03.2010
SCHEDULE 'H'				
Sundry Debtors (Unsecured-Considered Good)				
Debts outstanding for more than six months	662,775	414,234	900,428	562,768
Other Debts	12,753,635	7,971,022	13,282,549	8,301,593
Total	13,416,410	8,385,256	14,182,977	8,864,361

	NR	₹	NR	₹
	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010	As at 31.03.2010
SCHEDULE 'I'				
Cash and Bank Balances				
Cash in hand	77,037	48,148	79,044	49,402
Balance with Scheduled Banks				
On Current Accounts	6,077,577	3,798,486	20,173,348	12,608,342
Total	**6,154,614**	**3,846,634**	**20,252,391**	**12,657,745**

	NR	₹	NR	₹
	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010	As at 31.03.2010
SCHEDULE 'J'				
Claims Receivable (Warranty Claim)	5,408,646	3,380,404	3,862,141	2,413,838
Vat Receivable	1,906,762	1,191,726	131,594	82,246
Deposits	1,855,442	1,159,651	29,364	18,353
Total	**9,170,850**	**5,731,781**	**4,023,099**	**2,514,437**

Schedule forming part of the Balance Sheet as on 31st March, 2011

	NR As at 31.03.2011	₹ As at 31.03.2011	NR As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'K'				
Loans and Advances (Unsecured-Considered Good)				
Advances recoverable in cash or in kind or for value to be received	217,915	136,197	143,640	89,775
Prepaid Expenses	72,236	45,148	93,591	58,494
Import Margin Cheque(NRB)	-	-	54,057	33,786
Advance Income Tax (Including Tax deducted at source)	702,830	439,269	1,495,977	934,985
Advance to Supplier	591,885	369,928	-	-
Total	1,584,866	990,541	1,787,264	1,117,040

	NR As at 31.03.2011	₹ As at 31.03.2011	NR As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'L'				
Miscellaneous Expenditure (To the extent not written off or adjusted)	-	-	-	-
Total	-	-	-	-

	NR As at 31.03.2011	₹ As at 31.03.2011	NR As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'M'				
Other Income				
Miscellaneous Income	359,500	224,688	-	-
Total	**359,500**	**224,688**	**-**	**-**

	NR As at 31.03.2011	₹ As at 31.03.2011	NR As at 31.03.2010	₹ As at 31.03.2010
SCHEDULE 'N'				
Cost of Materials and Direct Manufacturing Expenses				
Opening Stock				
Stock in trade	10,201,942	6,376,214	4,467,094	2,791,934
Add : Purchases-net of Warranty Parts Issued	5,512,656.00	3,445,410	18,438,486	11,524,054
	15,714,598	**9,821,624**	**22,905,580**	**14,315,988**
Less : Closing Stock - Spare Parts				
Stock in trade	7,152,196	4,470,123	10,201,942	6,376,214
	8,562,402	**5,351,501**	**12,703,638**	**7,939,774**
Direct Expenses	50,445	31,528	-	-
Total	**8,612,847**	**5,383,029**	**12,703,638**	**7,939,774**

Schedule forming part of the Profit and Loss Account 31st March, 2011

		NR	₹	NR	₹
		As at 31.03.2011	As at 31.03.2011	As at 31.03.2010	As at 31.03.2010
SCHEDULE 'O'					
Expenses					
Salaries, Wages and Bonus		4,381,386	2,738,366	2,379,383	1,487,114
Contribution to Provident and other Funds		79,504	49,690	64,805	40,503
Staff Welfare Expenses		65,732	41,083	17,397	10,873
Rent (Net)		1,134,983	709,364	659,588	412,243
Rates and Taxes		19,730	12,331	53,130	33,206
Bank Charges		13,837	8,648	29,056	18,160
Insurance		147,585	92,241	62,287	38,929
Repairs and Maintenance : Other Assets		76,132	47,583	28,245	17,653
Travelling Expenses		1,110,235	693,897	776,315	485,197
Stationery and Printing		55,227	34,517	37,574	23,484
Postage, Telegrams, Telephones		314,135	196,334	302,709	189,193
Advertising		113,435	70,897	-	-
Gas and Electricity		146,851	91,782	44,681	27,926
Discount on Sale		12,046	7,529	-	-
Miscellaneous Expenses		543,543	339,714	481,368	300,855
Staff Medical		83,000	51,875	67,300	42,063
Leave Travel Allowance		134,650	84,156	-	-
Security Guard Expenses		45,600	28,500	-	-
Motor vehicle expenses		227,285	142,053	159,319	99,574
Professional Fee		592,175	370,109	186,637	116,648
Debts/Advances/Claims written off	-	4,320,000	2,700,000	-	-
Total		**13,617,071**	**8,510,669**	**5,349,794**	**3,343,621**

Schedule forming part of the Accounts for the year ended 31st March, 2011

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.

Assets under construction are shown as Capital work-in-progress.

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%

Fixed Assets under construction is shown under Capital work-in-progress.

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 after confirmation.

E. Deferred Revenue Expenses:

Deferred revenue expenses are written off over the period of five years from the year of operation/expensed.

F. 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.

G. Tax Provision

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

H. Employee Benefits

1. Short term employee benefits (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.
2. Contributions towards provident funds are recognized as expenses.
3. Provisions for Gratuity for eligible employees are made on the basis of local labour laws.

Notes to the Accounts

A. Contingent liabilities

1. 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.
2. Inland Revenue Office has carried out full audit for the three fiscal year upto July 16, 2008 demanding Nrs. 5.01 million for VAT and income taxes against which we have appealed to Director General for administrative review by depositing Nrs. 1.655 million. DG of IRD has decided the case on VAT in our favour but the letter of refund of our deposit is yet to receive by us.

B. Commission income

Commission income amounting to Nrs. 10, 988,467.73 as accrued but not yet received calculated on the difference between customer invoice and dealer invoice is subject to confirmation with CAT Singapore.

Cash Flow Statement for the year ended 31st March, 2011

	NR Year Ended 31st March, 2011		₹ Year Ended 31st March, 2011		NR Year Ended 31st March, 2010		₹ Year Ended 31st March, 2010	
A. CASH FLOW FROM OPERATING ACTIVITIES								
Net Profit Before Tax and Extra-ordinary Items		5,184,222		3,240,139		21,935,130		13,709,456
Adjustments for :								
Depreciation	774,725		484,203		159,629		99,768	
Profit/Loss on Sale of Fixed Assets	(167,500)		(104,688)		-		-	
Provision for Employee Benefits	99,625		62,266		-		-	
		706,850		**441,781**		**159,629**		**99,768**
Operating Profit before Working Capital Changes		5,891,072		3,681,920		22,094,759		13,809,224
Adjustments for :								
Trade and Other Receivables	766,566		479,104		(6,575,034)		(4,109,396)	
Inventories	3,049,746		1,906,091		(5,734,848)		(3,584,280)	
Loans and Advances	(5,738,500)		(3,586,563)		(788,491)		(492,807)	
Trade Payable	1,050,286		656,429		170,188		106,368	
		(871,902)		**(544,939)**		**(12,928,185)**		**(8,080,116)**
Cash Generated from Operations		5,019,170		3,136,981		9,166,574		5,729,109
Direct Taxes Paid		(2,971,919)		(1,857,449)		(3,847,434)		(2,404,645)
Cash Flow before Extra-ordinary Items		2,047,251		1,279,532		5,319,140		3,324,464
Net Cash from Operating Activities		**2,047,251**		**1,279,532**		**5,319,140**		**3,324,464**
B. CASH FLOW FROM INVESTING ACTIVITIES								
Purchase of Fixed Assets	(8,162,759)		(5,101,725)		(93,200)		(58,250)	
Capital Work-In-Progress	(14,662,268)		(9,163,917)					
Proceeds from Sale of Fixed Assets	200,000		125,000		-			
Net Cash Used in Investing Activities		**(22,625,027)**		**(14,140,642)**		**(93,200)**		**(58,250)**

Cash Flow Statement for the year ended 31st March, 2011

	NRS Year Ended 31st March, 2011		₹ Year Ended 31st March, 2011		NRS Year Ended 31st March, 2010	₹ Year Ended 31st March, 2010
C. CASH FLOW FROM FINANCING ACTIVITIES *						
Issue of Share Capital	8,320,000		5,200,000			
Dividend Paid	(1,748,000)		(1,092,500)			
Tax on Dividend	(92,000)		(57,500)			
Net Cash Used In Financing Activities		6,480,000		4,050,000	-	-
Net Increase In Cash And Cash Equivalents (A+B+C)		(14,097,776)		(8,811,110)	5,225,940	3,266,214
Cash and Cash Equivalents as at the beginning of the year		20,252,391		12,657,744	15,026,451	9,391,532
Cash and Cash Equivalents as at the close of the year		6,154,615		3,846,634	20,252,391	12,657,745

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

	NRS 31.03.2011	₹ 31.03.2011	NRS 31.03.2010	₹ 31.03.2010
2) Cash and Cash Equivalents				
Cash and Cheques in hand	77,037	48,148	79,044	49,402
Balance with Scheduled Banks				
On Current Accounts	6,077,578	3,798,485	20,173,348	12,608,342
	6,154,615	**3,846,634**	**20,252,391**	**12,657,745**

The above Cash Flow Statement has been compiled from and is based on the audited accounts of TNPL for the Year ended 31st March, 2011

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

As Per Our Report of Even Date
Raju Sibakoti, FCA
Partner,
For and on behalf of
JBRH and Company,
Chartered Accountants
Place : Kathmandu
Date : 21st April, 2011

For and on behalf of Board of Directors

Aloke Banerjee
Director

S. K. Bhattacharya
Director

"We make our customers more profitable."

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