

TIL LIMITED
ANNUAL
REPORT
2012 - 2013

Forward Looking Statement

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

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

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

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Corporate Information

BOARD OF DIRECTORS

Mr. A. Mazumdar

Chairman

Mr. Sumit Mazumder

Vice Chairman and Managing Director

Mr. R. L. Gaggar

Solicitor and Advocate

Mr. U. V. Rao

Former Chief Executive and Managing Director - L&T Limited

Mr. G. Swarup

Managing Director of Paharpur Cooling Towers Limited

Dr. T. Mukherjee

Former Dy. Managing Director of TATA Steel Limited

Mr. K. B. Saha

Nominee of Life Insurance Corporation of India

COMPANY SECRETARY

Mr. Sekhar Bhattacharjee

AUDITORS

Deloitte Haskin & Sells

BANKERS

Bank of India

Union Bank of India

ING Vysya Bank Ltd.

State Bank of Bikaner & Jaipur

State Bank of India

State Bank of Hyderabad

Axis Bank Ltd.

Citi Bank N.A.

HDFC Bank Ltd.

DBS Bank Ltd.

REGISTERED OFFICE

1, Taratolla Road, Garden Reach, Kolkata 700 024

Telephone: (033) 2469 3732 - 36 (5 Lines), (033) 6633 2000 / 2845

E-mail: secretarial.department@tilindia.com

REGISTRAR AND SHARE TRANSFER AGENTS

C B Management Services (P) Limited

P-22, Bondel Road, Kolkata 700 019

Telephone: (033) 4011 6700 / 6711 / 6718

E-mail: rta@cbmsl.com





About TIL

TIL as an organization stands for Technology, Innovation and Leadership.

For more than 68 years, TIL has been partnering India's infrastructure build with its extensive range of high technology equipment, offering superior product support and customized solutions with the aim of enhancing customer experience. TIL's portfolio of brands are built on quality, reliability and productivity.

Complementing its wide portfolio of industry leading products, the Company offers an array of innovative and value-added services and solutions contributing to customers' success. Over the years TIL has evolved as a multi product, customer centric organization and has alliances with world's best brands.

Values are the founding pillars that unite each member of TIL towards the shared goal of creating a positive difference to the Indian infrastructure industry. The core values of integrity, transparency, accountability, leadership, teamwork, knowledge and customer orientation shape our culture and define the character of the Company.

Footprints

Headquartered in Kolkata, TIL has four regional offices in Kolkata, Delhi, Mumbai, Chennai with a wide network of branches and area offices pan India. TIL's manufacturing locations are based in Kolkata (Cranes, Reachstackers and Lorry Loaders), Kharagpur (Port & Road Building equipment) and Sahibabad (Generator Sets). The Company also has a state-of-the-art Component Rebuild Center at Asansol, West Bengal.

Businesses

TIL has four subsidiaries viz. Tractors India Pvt. Ltd. (TIPL), Tractors Nepal Pvt. Ltd. (TNPL), TIL Overseas Pte. Ltd. (TILO) and Myanmar Tractors Ltd. (MTL).

In India, TIL operates through its Material Handling Solutions division, Equipment & Project Solutions division and the wholly owned subsidiary - Tractors India Pvt Ltd (TIPL). TIPL operates as Cat® dealer in North and East India and Bhutan. Tractors Nepal Pvt. Ltd. (TNPL) operates for the Nepal business. TIL Overseas Pte. Ltd. (TILO) was initially formed to facilitate transactions for Myanmar Tractors Ltd. but now it is responsible for carrying out operations for the Indian customers. Myanmar Tractors Ltd. which was initially formed as Cat dealer in Myanmar still exists but has ceased to operate with effect from 1st July 2011.

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

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

In MHS and EPS business, partnerships are with - Grove Worldwide, USA, Manitowoc Crane Group, USA, Paceco Corp, USA (part of Mitsui Engineering & Shipbuilding, Japan), FAMAK-SA, Poland, Hyster, a part of NACCO Materials Handling Group (NMHG), Astec, Inc., and Astec Aggregate & Mining Group (AAMG) and Mitsui Miike Machinery (a part of the Mitsui Group, Japan).

Construction & Mining Solutions (CMS) and Power Systems Solutions (PSS) divisions operate under TIPL, the wholly owned subsidiary of TIL. As the exclusive dealer for Caterpillar, TIPL sells and services an extensive range of Cat equipment for construction and mining as well as a wide range of Cat engines and generator sets for continuous and standby power applications in diesel, gas and heavy fuel configurations. TIPL has also entered into tie ups with SEM for a range of wheel loaders and with SITECH for the GPS based connected site solutions.

User Industries

Infrastructure, General & Heavy Construction, Ports & Logistics, Road Construction, Mining, Agro, Oil & Petrochemical, Steel, Quarry & Aggregate, Defense, Power, Pharma, Hospitality, Health Care & Retail.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility is an integral part of TIL's Vision. TIL is committed in its responsibility towards community, society and environment and believes that as an organization it can do well by doing good. Whether it is 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. The various CSR initiatives of TIL are aimed at touching lives and making a difference.



Material Handling Solutions

A comprehensive and advanced range of material handling, lifting solutions with products that set the standard for excellence

Mobile cranes (Industrial, Truck Mounted, Rough Terrain, All Terrain cranes), Lattice Boom Crawler cranes, Lorry Loaders, Big Forklift Trucks, Container Handlers, Reachstackers

PRODUCTS & SERVICES



Equipment & Project Solutions

A product line that delivers maximum performance and productivity.

Hot Mix Asphalt plants, Crushing & Screening solutions (High Frequency Screens, Stationary, Track and Portable Plants), RTG cranes, Road Headers, Twin Headers

Construction & Mining Solutions

A range of Cat products for construction and mining that are versatile and deliver maximum performance and productivity.

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

Other Associations

SEM Wheel Loaders
SITECH Technology Solutions

Power Systems Solutions

Cat Engines epitomize reliability, durability and fuel efficiency and low cost of ownership.

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

Services

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, Component Repair & Complete Machine Rebuilds, Ready Parts Availability, Customer Support Agreements (CSA) and Maintenance & Repair Contracts (MARC), Maintenance & Operator Training for Customers, Rental & Used Equipment Solutions

Chairman's Insight



Dear Shareholders,

Indian economy experienced one of the most challenging years in 2012-13. Sluggish performance and downward slide continued across all sectors with GDP growth at this decade's lowest. In the

investment scenario, stalled projects grew in numbers, while new investments barely trickled in. Slow down of reforms, governance issues, global recession, high domestic interest rates and bottlenecks in clearance of projects are some of the main attributes for the downturn.

While Govt. is making every effort to boost confidence by announcing positive policies and measures, in reality there is little linkage between plans and outcomes. The business confidence is low and unless policy announcements are implemented fast, the challenges will mount and immediate revival in infrastructure sector will be a major concern.

Economic growth rides largely on the back of infrastructure development. The lackluster performance of the construction, manufacturing and infrastructure segment in 2012-13 had a negative impact on the performance of many organizations operating in this space including that of your Company. The business was negatively impacted due to unstable demand combined with price pressure, rupee volatility and economic uncertainty.

Tough times notwithstanding, your Company managed some pockets of accomplishments. These are outlined in the management discussion and analysis section of the annual report.

In spite of the cautious business sentiments; the long term outlook on India remains positive. Govt. has prioritized infrastructure investments, proposing an investment of US\$ 1 trillion for the 12th Plan, and if properly implemented, will be the single most important driver for economic growth. This augurs well for your Company as it will accelerate demand for infra equipment. It remains to be seen how quickly the planned outlay gets translated into actions providing opportunities for TIL.

Managing top and bottom-line performance remains the key priority of your Company for 2013-14. The short term outlook of the Company will remain risk focused and your Company will continue through planning to tide over the downturn. Your Company has

already initiated various strategies and road maps to drive performance and profitability through an integrated approach.

Investing in capability development of people and empowering them to take bigger challenges will remain your Company's focus. Your Company today has a dedicated team of professionals, world class products and solutions, unmatched support network, global alliances and is confident that it will drive long term growth through innovation, operational efficiency and continuous improvement of its products, processes, services and people.

Your Company is committed towards Corporate Social Responsibility (CSR) which is an integral part of TIL's Vision. The various CSR initiatives towards society, community and environment that are undertaken by TIL aim at touching lives and making a difference.

For 68 years, TIL has relentlessly built on the solid foundation of commitment, innovation, endurance and trust. Your Company has ridden through crests and troughs, never wavering in its indomitable spirit and always emerging strong. The challenging times too shall pass and with the strategies and effective implementation in place; I am convinced your Company will drive greater growth for the business, creating sustainable value for all our stakeholders.

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

A. Mazumdar
Chairman

Vice Chairman & Managing Director's Message



Dear Shareholders,

2012-13 was an extremely difficult year for India. While Govt. took a number of measures to course correct the situation, the speed of reforms and results have been far from satisfactory. This is especially disappointing for an economy that recorded 9 per

cent GDP until two years back. Besides the dismal slide in GDP growth, the Index of Industrial Production (IIP) data also reaffirms the negative outlook.

The slowdown adversely affected most sectors. Manufacturing and mining have been severely impacted and major impediments were faced by the roads and highways sector. The need of the hour is robust decision making, improvement in investment climate and swifter policy implementation to revive growth in infrastructure sector, as it remains the most critical component for faster and inclusive growth.

The volatile economy hit your Company's profitability and throughout 2012-13 we continued to face uncertain economic environment. While external factors such as delays in reforms, high interest rates, poor investment climate, stalled infrastructure projects, and adverse foreign exchange attributed to this drop in our performance, internal challenges like high inventory and debtors also put our margins under pressure. Added to this, the liquidity crunch resulted in lowering of business investments by customers which in turn translated to reduced orders for your Company.

In Material Handling Solutions, TIL managed to register some revenue growth. We also grew our market share in Rough Terrain, Truck cranes and Reachstackers. For Equipment and Project Solutions vertical which has made significant investments, it was the first full year of commercial operation. It is expected that it will be another year before positive results would be visible from this vertical. The financial performance for TIPL showed a downward trend and to be back on growth track we have already initiated aggressive measures which would continue unabated throughout 2013-14 and beyond.

Going forward, the indications for the long term remain encouraging. How robust that recovery will be, will depend on the pace of policy and fiscal reforms. TIL shall make all efforts in

leveraging opportunities that exist and the ones that will emerge in the coming years. While we do not envisage significant changes in 2013-14, we are confident that in the long run the economy will recover and we will leverage future opportunities.

TIL will be 69 years this July. The organization has survived a corporate journey this long and grown manifold by remaining firm in its core strengths - resilience and values. These have always remained uncompromised under toughest of situations. We have several competitive advantages - an expanding portfolio of superior products and services that offer lifecycle value, over half a century of manufacturing prowess, a vast support network, a team of talented people with a customer centric approach. These, coupled with our strategic road maps and strong corrective measures in areas such as operational efficiency, expense optimization and developing strong market intelligence will enable us to recover and improve profitability as well as achieve sustainable growth.

Our focus on our people practices continues, and we have not backtracked from investing in the training and capability development of our people in order to be fully aligned to respond to the evolving customer requirements.

On behalf of the entire team of TIL, I thank you for your support and trust in the Company, and I am confident that we will continue to receive your encouragement as we remain committed to partnering country's infrastructure build and creating greater value for all our shareholders.

Sumit Mazumder

Vice Chairman & Managing Director

Directors' Report



Your Directors have pleasure in presenting the Annual Report and Audited Accounts for the year ended 31st March 2013 as under:
(₹ / Crs.)

	For the Year Ended	
	31.03.2013	31.03.2012
1. FINANCIAL RESULTS		
Profit for the year after meeting all expenses but before charging Depreciation and Finance Cost	32.82	67.09
Less: Finance Cost	18.01	4.74
Depreciation	9.81	4.87
PROFIT BEFORE TAX	5.00	57.48
Tax Provision		
a) Current Tax	-	1.16
b) Deferred Tax (Credit)/Charge	2.33	3.34
Profit After Tax	2.67	52.98
Balance Net Profit available for appropriation	2.67	52.98
Appropriations		
General Reserve	0.2	5.30
Proposed Dividend:		
Equity Shares	2.01	3.01
Tax on Dividend	0.34	0.49
Balance Carried Forward	0.12	44.18

DIRECTORS' REPORT

2. PERFORMANCE

The consolidated turnover of your Company's Group including income from operations and other income during the year ended 31st March 2013 stood at ₹ 1213.93 Crs. compared to ₹ 1414.44 Crs. in the previous year. Profit before tax for the Group was ₹ 8.17 Crs. compared to ₹ 23.93 Crs. in the previous year.

On standalone basis, turnover including income from operations and other income for the year under review stood at ₹ 297.03 Crs. vis-à-vis ₹ 304.43 Crs. in the previous year. Profit before tax stood at ₹ 5.00 Crs. vis-à-vis ₹ 57.48 Crs. in the previous year, which included corporate income of ₹ 47.80 Crs.

Tractors India Pvt. Ltd.

Tractors India Pvt. Ltd., the Wholly Owned Subsidiary Company in India, achieved a turnover including income from operations and other income of ₹ 882.98 Crs. compared to ₹ 1039.96 Crs. in the previous year. Profit before tax stood at ₹ 4.03 Crs. compared to ₹ 4.18 Crs. in the previous year.

Myanmar Tractors Ltd.

During the year, shares of Myanmar Tractors Ltd., Myanmar were transferred within the group companies consequent to which MTL has ceased to be a direct Subsidiary of the Company. TIL Overseas Pte. Ltd., Singapore now holds 97.5 per cent of the paid up capital of MTL and the balance 2.5 per cent is held by the Company. However, MTL remains to be a step down subsidiary of the Company. During the year under review, MTL had a non-operating income of ₹ 2.61 Crs. with profit before tax of ₹ 0.37 Cr.

TIL Overseas Pte. Ltd.

TIL Overseas Pte. Ltd., the Wholly Owned Subsidiary Company in Singapore, achieved a turnover including income from operations and other income of ₹ 34.09 Crs. compared to ₹ 83.70 Crs. in the previous year and achieved a profit before tax of ₹ 4.89 Crs. compared to ₹ 0.75 Cr. in the previous year.

Tractors Nepal Pvt. Ltd.

Tractors Nepal Pvt. Ltd., the Wholly Owned Subsidiary Company, in Nepal, achieved a turnover including income from operations and other income of ₹ 4.64 Crs. compared to previous year of ₹ 3.08 Crs. and earned a profit before tax of ₹ 0.36 Cr. compared to ₹ 0.68 Cr. in the previous year.

3. FINANCE

After providing ₹ 2.33 Crs. as Provision for Taxation, ₹ 2.35 Crs. (including Dividend Tax of ₹ 0.34 Cr.) distributed as Equity Dividend, ₹ 0.12 Cr. has been carried forward to Balance Sheet. Reserves & Surplus (excluding Revaluation Reserves) of the Company increased from ₹ 254.87 Crs. to ₹ 255.22 Crs. and the Shareholders' Fund (excluding Revaluation Reserves) increased from ₹ 264.93 Crs. to ₹ 265.25 Crs.

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

4. DIVIDEND

The Board has recommended a Dividend @ ₹ 2/- on each Equity Share (Face Value of ₹ 10/- each) for the year under review.

5. FIXED DEPOSIT

The Company has not accepted any deposits from the public during the year as defined under Section 58A of the Companies Act, 1956. Deposit outstanding as on 31st March 2013 including unclaimed deposit was nil.

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

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

7. PARTICULARS OF EMPLOYEES

The total number of employees of the Company as on 31st March 2013 was 909.

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

8. SUBSIDIARY COMPANIES

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

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

The Company shall provide copy of the Annual Report and

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

9. DIRECTORS

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

10. CORPORATE GOVERNANCE

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

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and

DIRECTORS' REPORT

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.

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

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility is an integral part of your Company's Vision. Your Company is committed towards good corporate citizenship. Your Company believes that an organization cannot be sustainable or economically viable over the long term if it does not accept its responsibilities towards society and environment.

As a socially responsible corporate citizen your Company carried out significant number of activities during 2012-13 with the main focus in areas of Health and Education for the underprivileged sections of the society. Some of these have been undertaken as ongoing activities and some as new initiatives.

- **TIL Caring Day** – Established to promote the spirit of CSR in TIL, the initiative is carried out every year through a matching contribution scheme. In 2012 the theme for TIL Caring Day was - 'Smile for a Child' dedicated to the support and care for the orphan and street children, as well as specially-abled children.
- **TIL Shishu Shiksha Vikas Yojna** – Through this ongoing activity your Company provides scholarships to children of underprivileged families in the villages of West Bokaro – South East Block. This is a sustained annual scholarship program for children with emphasis on girl students. The program ensures continuity of school studies till tenth standard. From 2012 your Company has

extended this scholarship for deserving students till 12th standard thus providing better opportunity for basic education to these children. 59 students availed the scholarship in 2012-13.

- **Eye Camps & Free Cataract Surgery** – Your Company organized eye camps in association with Helpage India for Below Poverty Line senior citizens providing free eye checkups, as well as Cataract Surgery with Intra Ocular Lens implant. 1,060 people were given free checkups by qualified ophthalmologists and 200 surgeries were performed at Susruth Eye Foundation Center, Kolkata during the year under review.
- **Laboratory Equipment For Mohishpota Girls' School Khardah, West Bengal** – Your Company provided equipment for Physics, Chemistry, Biology and Geography laboratories for the school.
- **Soda Village, Rajasthan** – Your Company sponsored 25 community toilets for the inhabitants of Soda Village, which is declared one of the most backward villages of India.
- **Puja Parikrama** – Your Company organized a 'Puja Parikrama' in 2012 in association with Concern India Foundation to take underprivileged and street children on a visit to the select Pujas of Kolkata. 70 children within the age group of 6 years and 14 years got the opportunity of visiting the Puja Pandals and were provided with two proper meals and a T-shirt each.
- **Sponsoring Slum Children in Dhanbad** – Your Company in association with Kartavya, a project run by students of Indian School of Mines, has sponsored school fees, books, stationery, uniforms and transportation to schools for 21 slum children.

14. ENVIRONMENT

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

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

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

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

15. APPOINTMENT OF COST AUDITORS

Messrs. D. Radhakrishnan & Co., Cost Accountants, 11A, Dover Lane, Kolkata – 700029, the Cost Auditors of the Company have already expressed their willingness for re-appointment as Cost Auditors for the current financial year 2013-14 and have also confirmed that their appointment was within the limits specified under Section 224(1B) of the Companies Act, 1956. Accordingly, the Board of Directors has re-appointed Messrs. D. Radhakrishnan & Co., Cost

Accountants as the Cost Auditors of the Company for the current financial year 2013-14.

16. AUDITORS

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

17. AUDITORS' REPORT

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

18. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place: Kolkata

Date: 14th May 2013.

A. Mazumdar

Chairman

Annexure to Directors' Report

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

FORM - A

CONSERVATION OF ENERGY

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

1. Measures taken

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

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

2. Improvements

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

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

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

Particulars	Standard Unit	Year Ended 31.03.2013	Year Ended 31.03.2012
A. Power and fuel consumption			
a) Electricity			
Purchased Units		14,68,570	16,10,746
Total amount (₹ Crs.)		1.24	1.16
Rate Per Unit (₹)		8.46	7.19
b) Own Generation			
Through Diesel Generator			
Units		12,467	10,173
Units per litre		5.19	4.17
Cost per unit (₹)		10.01	10.31
B. Consumption per unit of Production			
Product – Cranes Electricity (in '000)	Nos.	10.50	13.51

FORM - B

TECHNOLOGY ABSORPTION

I. Research and Development

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

II. Technology Absorption, Adoption & Innovation

- Efforts made:** The Company has continued its endeavor to absorb, adopt and implement the best technologies for its product range to meet the requirements of a globally competitive market. All of the Company's products are compliant with the prevalent regulatory norms in India.
- Benefits:** The Company believes that the improved technology and the value addition that is being made to its product range will enhance the quality of its products.

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

2. Earnings and Outgo:	(₹ / Crs.)
i) Foreign Exchange Earnings -	3.93
Export sales (FOB), Commission, Dividend, Technical Fees, etc.	
ii) Foreign Exchange outgo (includes raw material, capital goods, components & spares and other expenditure in foreign currency, including dividends):	
a) Raw Material with component	85.26
b) Machines (Trading items)	0.78
c) Spare Parts	12.6
d) Capital goods	3.03
e) Travelling	0.15
f) Technical Know-how Fees	0.76
g) Royalty	1.99
h) Dividend	0.58

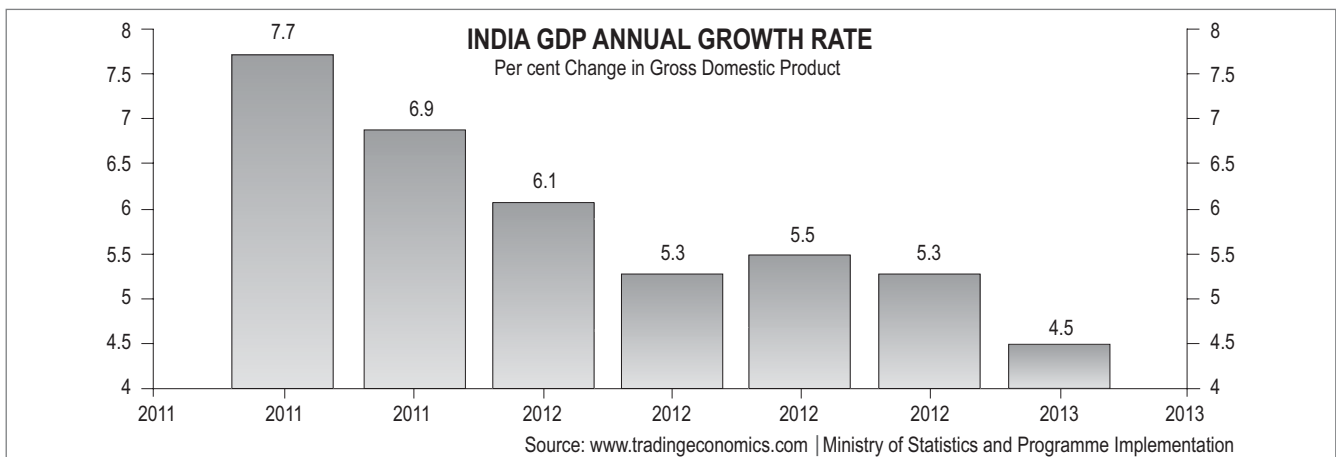
For and on behalf of the Board of Directors

Management Discussion & Analysis



During the course of the Management Discussion and Analysis in the last 2 years, your Company had mentioned that it was expecting the investments in the infrastructure space would materialize in 2011-12 and 2012-13. Both the years viz. 2011-12 and 2012-13 have been extremely challenging as the investments in the infrastructure space were minimal and as we all know, the GDP growth for 2011-12 was 6.5 per cent and for 2012-13 it is pegged at 5 per cent; lowest in a decade.

It is now being estimated that for 2013-14, the GDP growth would be around 6 per cent (Source: Finance Ministry, Govt. of India). There are concerns that unless stringent decisions are executed, the GDP growth can possibly go below 5 per cent.



Your Company had also mentioned that a revival was not expected before the 3rd quarter of the fiscal year of 2012-13 unless the Govt. puts in special focus in implementing major projects and removes the bottlenecks that would have stimulated growth in the infrastructure space. However, this situation did not improve and additional factors like the global recession combined with domestic issues led to an economic scenario similar to 2011-12. There has been a downturn in the investments resulting in high domestic interest rates and bottlenecks in clearance of the projects. In this scenario of uncertainty, India Ratings (a part of the Fitch Group) has downgraded the outlook of domestic construction sector to 'Negative'.

In spite of this uncertainty, the 12th Five Year Plan has set a target of investing ₹ 5,463,000 Crs. over the next five years out of which 47 per cent is expected to come from the private sector. In this scenario, your Company expects that the appropriate measures would be taken to remove the bottlenecks to enable the economy to recover. With the rolling out of the National Manufacturing Policy it is expected that the share of manufacturing in our GDP will rise from 16 per cent to at least 25 – 26 per cent in one decade (Source: Planning Commission Report).

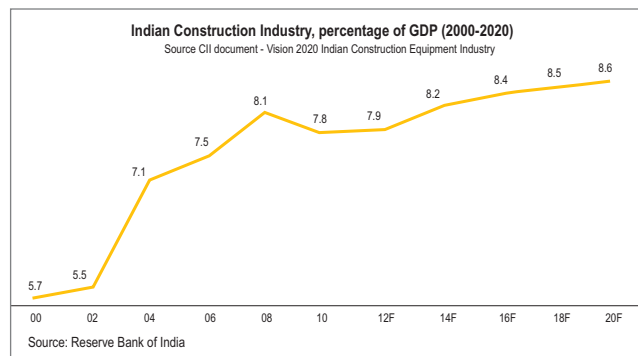
Another encouraging move has been the setting up of the Cabinet Committee on Investment (CCI) to fast track regulatory clearances for Industry and Infrastructure. CCI so far has cleared mega projects totaling to ₹ 74,000 Crs.; these were earlier stalled because of statutory clearances. More industrial corridors will be set up and new regulatory bodies for the road sector will be in place to facilitate faster implementation of road projects.

In view of the foregoing, there is an indication of revival in the investment climate in the private sector in general. It is likely that all the economic stimulants will bring in results only towards the later part of the next fiscal year.

Although the current financial year 2013-14 would continue to pose many challenges, it is expected that the investments in the infrastructure space would start during this fiscal year and would accelerate in 2014-15. The 12th Five Year Plan mantra - "faster, sustainable, and more inclusive growth", if implemented successfully and on time, would bring back the right growth momentum.

The Indian Construction Equipment industry space where your Company operates is cyclical with long term demand strongly

co-related to the health of the economy and to infrastructure investments. The industry is particularly focused on construction spending which in turn is driven by infrastructure investment and urbanization trends. The share of construction industry as a percentage of GDP has consistently increased from 5.3 per cent in 2000 to 7.8 per cent in 2010 and is expected to further increase to 8.6 per cent of GDP as shown in the chart below.



Despite the short term concerns, the long term outlook for the Indian Construction Equipment Industry continues to remain positive and is expected to reach a potential of ₹ 124,010 Crs. by 2020 with a sale of 3,30,000 units (source Accenture report).

Macro - economic stability would be necessary as a pre-condition for faster economic growth. The growth revival driven by investment led infrastructure will be dependent on the laser focused interventions required by the Govt. to ensure achievement of the core infrastructure investment target set by Planning Commission in 12th Five Year Plan. While passing through this difficult phase in 2012-13, your Company had taken various initiatives internally to improve its financial performance.

BUSINESS PERFORMANCE

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

Material Handling Solutions division of your Company posted a revenue of ₹ 268.7 Crs. during the year 2012-13 vis-à-vis ₹ 244.4 Crs. in the year 2011-12 thereby registering a growth of 9.9 per cent in the current year. There has been a rise of 22.0 per cent in the profits of MHS Division in comparison to the last year. The reason for this increase in profits has been primarily due to improved margin and certain austerity measures which have already been instituted with an aim to reduce cost. The

factory at Kamarhatty has also undertaken plans for reduction in cost of manufacturing through its Accelerated Improvement Program (AIP).

The order book as on 31st March 2013 was at ₹ 53.5 Crs. for TIL make Cranes & Reachstackers.

Material Handling Solutions (MHS)

Against the backdrop of downturn, MHS division of your Company showed some noteworthy achievements.

- Total machine sales volume grew by 12 per cent while the aftermarket business registered a growth of 15 per cent and crane sales volume grew by 19 per cent.
- Managed to register significant growth in the market share of equipment such as Cranes and Reachstackers.
- Market shares of RT Cranes, Truck Cranes registered 81 per cent and 64 per cent respectively during FY 2012-13.
- Despite overall market demand for Reachstacker declining by 35 per cent in 2012-13 your Company improved its Reachstacker market share to 41 per cent.

Equipment & Project Solutions (EPS)

Your Company posted a revenue figure of ₹ 24.7 Crs. on a full year commercial operation of FY 2012-13 in EPS business where TIL has made a significant investment of ₹ 160 Crs. in last 2 years. In the previous year FY 2011-12 EPS had posted revenue of ₹ 11.3 Crs. for 4 months of operation.

Some achievements for EPS in 2012-13 have been:

- Significant progress in completing the Kharagpur factory construction activity.
- Streamlining the business process and organization structure for EPS vertical.
- Establishing a clear product plan and securing engineering readiness of major part of our products including prototyping of several new products.
- Creating an effective aftermarket model in this new business ensuring maximum uptime of the equipment and securing higher customer satisfaction.
- Your Company's relationship and engagement with our principal Astec Group is quite strong and together we are determined to launch and market the balance new products in the current financial year to be able to cater to wider customer segments.

- Your Company also initiated a synergy project between Material Handling Solutions business and Equipment & Project Solutions business for quick transfer of knowledge, skill and optimization of cost.

Tractors India Private Limited (TIPL)

TIPL, a 100 per cent subsidiary of TIL, concluded its third year as the Dealer for Caterpillar Inc. for their Construction, Mining and Power System Solutions and associations with SEM and SITECH. For the year under review, the total revenue stood at ₹ 882.3 Crs. with Construction and Mining accounting for 70.8 per cent of TIPL's revenue and Power Systems Solutions accounting for 29.2 per cent of TIPL's revenue.

Construction sector encountered severe liquidity crunch being the effect of cost and time overruns due to delayed execution of ongoing projects. Award of new projects during the year under review was much below the planned estimates. Mining equipment demand also remained subdued throughout 2012-13 with no major project taking off. Iron ore mining activities nearly came to a standstill with minimal growth initiatives in the coal sector as well.

In order to gear up for the challenging period various initiatives were undertaken by your Company to bring about course correction in Caterpillar businesses of Construction, Mining and Power Systems Solutions which include sectoral re-organization, austerity measures, setting up of Project Management Office to initiate cost controls and bring about an effective governance model with robust review and monitoring system.

In Construction & Mining Solutions division, 1128 units were sold during the year under review.

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

- Accomplishing substantial growth in 424B Backhoe Loader sales as compared to the previous year.
- In general construction (GCI segment) your Company retained market leadership in Motor Graders and received substantial orders for mid-size Wheel Loaders.
- In mining, breakthrough orders received for 22 Nos. 773 Off-Highway Trucks from BCCL and introduction of 7 Nos. 770 Off-Highway Trucks with a Contract Mining Company.

- In rental, a major fleet contract with 32 Nos. construction equipment was executed through the year for National Highway Authority of India (NHAI), for its road tunneling project.
- Your Company received a prestigious road project contract with an emerging construction organization in Arunachal Pradesh for fleet order worth ₹ 10 Crs.

The order book as on 31st March 2013 stood at ₹ 70.5 Crs.

In Power Systems Solutions division 442 units were sold during the year under review. In spite of an overall lower top line with respect to last fiscal, there have been certain accomplishments in the year under review:

- Achievement of bringing large number of DG set population under AMC – 43 per cent of the overall DG population.
- Breakthrough order in Data Center segments – executed contracts for 12 MW DG sets for TCS and SIFY with repeat order in the offing.
- Received an order worth ₹ 15 Crs. in DMRC phase II project.
- Procured rental power contracts in Andaman & Nicobar Islands.
- Received break through order from DEGRMONT – Delhi Jal Board for Gas Generator set on sewage gas.

The order book as on 31st March 2013 stood at ₹ 32.5 Crs.

OPPORTUNITIES & THREATS

The total project outlay in the 12th Five Year Plan i.e. from financial year 2012-13 to 2017-18 has been projected at ₹ 5,463,000 Crs.

The key sectors where the investments have been planned are:

Power	₹ 1,759,086 Crs.
Roads	₹ 682,875 Crs.
Airports	₹ 87,408 Crs.
Ports	₹ 87,408 Crs.
Irrigation	₹ 529,911 Crs.
Railways	₹ 437,040 Crs.

[Source: Planning Commission (USD= INR 54.63)]

There had been deferment in certain projects during 2011-12 and 2012-13 and it is now expected that a portion of these investments would start in 2013-14. However, the major

investments in these sectors are expected to happen during 2014-15. To reiterate, various technical collaboration agreements with world leaders in the Material Handling space have already been completed. This will enhance the business opportunities for Material Handling Group. Your Company is geared to avail the emerging opportunities and thereby strengthen its position in the market. 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 and Systems development and Human Resource Development.

In this business, there is significant dependence on imports arising out of imported material for the manufacturing plant as well as the imported capital goods. Adverse foreign exchange fluctuations will have an impact in the business process. Your Company has been facing competition, both locally and internationally and this can pose a threat in the growth of the business.

RISKS & CONCERNS

As a significant player in the infrastructure space, operating through Material Handling Solutions, Equipment & Project Solutions, Construction & Mining Solutions and Power Systems Solutions of your Company, it is pertinent that investments take place in the infrastructure segment which may come either from the Govt. or through the PPP mode. Additionally, your Company has also invested significant amount in the new factory at Kharagpur from where the returns are still awaited. However, we expect that in the next couple of years, the returns should start happening as our presumption is that in 2013-14 there would be some improvement of investment in the infrastructure space followed by further increase in 2014-15.

As we have already discussed, there is a continuous risk of increased competition from international players particularly from Chinese manufacturers. Your Company has a major concentration risk as a significant part of the revenue is dependent on a cluster of customers and could have a material impact in the event of their attrition.

Finally, like all other businesses, your Company also runs the risk of people attrition which leads to loss of knowledge and experience. Your Company has the practice of analyzing various types of risks and has framed a risk management policy which

MANAGEMENT DISCUSSION & ANALYSIS

includes processes to mitigate such risks. The Board of Directors reviews these risks periodically. This review is done with the intention of mitigating the risk in a structured manner with strategic interventions at the appropriate time.

OUTLOOK

The outlook of your Company for 2013-14 would have to be considered in conjunction with investments that are being planned in the current fiscal year, and which appears to be cautiously optimistic although the Govt. of India has envisaged a total outlay of ₹ 5,463,000 Crs. in the 12th Five Year Plan in various sectors where your Company operates. Essential impetus would be rejuvenating the manufacturing sector. However, it is important to note how much of this outlay gets translated into investments from where the opportunities could be availed by your Company.

In the short term, we do not expect significant improvement in the performance of your Company although during the 2nd half of the current financial year, there could be some improvements. However, in the long term, as mentioned earlier, there would be significant growth in your Company and your Company is geared up to capitalize on all such future opportunities in the infrastructure segment.

KNOWLEDGE RESOURCE

Your Company believes that its success is due to its People - their spirit and sense of pride in the Company. In the year under review your Company placed greater emphasis on people development to enhance productivity. The focus was to build capabilities for tomorrow and ensure continuity of talent engagement in the Company. The aim was to value and recognize Human Capital and strive to leverage knowledge of its workforce.

Your Company ensures that its people strategy is in congruence with its business plans. With a focused talent acquisition and continuing from previous year's career discussions, the year under review emphasized on attracting the best talent from market as well as providing career growth and development for key people within the organization.

In 2012-13 a range of comprehensive training and developmental programs were conducted for top management, senior leadership level as well as middle management levels. These

were targeted to develop key competencies that would help in achieving the objectives of the organization.

As on 31st March 2013, the total employee strength of TIL and TIPL stood at 2596.

INTERNAL CONTROLS & THEIR ADEQUACY

The Company has an adequate system of internal controls implemented by the Management towards operations, optimum utilization of resources and effective monitoring and compliance with all applicable rules. The Internal Control System is commensurate with the size and its nature of operations.

A firm of Chartered Accountants conducts the internal audit in addition to your Company's own Internal Audit Department. The Company has an Audit Committee that reviews Audit Reports submitted by the Internal Auditors. The Committee also meets Company's Statutory Auditors and the Internal Auditors to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its major observations from time to time.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Total income of TIL and TIPL for the year under review stands at ₹ 1,180.0 Crs. vis-à-vis ₹ 1,344.4 Crs. in 2011-12. PBT for the year stands at ₹ 9.0 Crs. compared to ₹ 61.7 Crs. in the previous year. EBIDTA for the year is ₹ 93.5 Crs. vis-à-vis ₹ 121.8 Crs. in 2011-12.

INDUSTRIAL RELATIONS

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

CAUTIONARY STATEMENT

Certain statements made in the Management Analysis and Report relating to Company's objectives, projections, outlook, expectations, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, etc. whether express or implied.

Report on Corporate Governance



COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that Corporate Governance is a set of processes, customs, policies, rules, regulation and laws for ensuring transparency, professionalism and accountability in its dealings with its customers, principal, employees, shareholders and with every individual who comes in contact with the Company.

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

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

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

1. Composition of the Board of Directors

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

CORPORATE GOVERNANCE

Composition, Category, Directorships and Committee Memberships in other Companies as on 31st March 2013.

The Board of your Company consists of the following Directors:

Name of Directors	Category of Director	Directorships held in other Indian Public Limited Companies	#Committee Positions held in other Indian Public Limited Companies	
			As Chairman	As Member
Mr. A. Mazumdar – Chairman and Wholetime Director	Executive	-	-	-
Mr. Sumit Mazumder – Vice Chairman and Managing Director	Executive	1	-	-
Mr. R.L. Gaggar – Director	Non-Executive Independent	11	-	8
Mr. U. V. Rao – Director	Non-Executive Independent	2	1	1
Mr. K. B. Saha – Director (Nominee of LIC)	Non-Executive Independent	-	-	-
Mr. G. Swarup – Director	Non-Executive Independent	10	-	2
Dr. T. Mukherjee – Director	Non-Executive Independent	6	-	1

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

- b) During the year ended 31st March 2013, 5 (five) meetings of the Board of Directors were held. The Company has held at least one Board Meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the Board meetings are as under:

Sl. No	Date	Board Strength	No. of Directors Present
1.	14th May 2012	7	5
2.	31st July 2012	7	7
3.	19th October 2012	7	4
4.	31st January 2013	7	5
5.	26th March 2013	7	6

Attendance of Directors at the Board Meetings and Annual General Meeting (AGM) during the year ended 31st March 2013:

Name of Director	No. of Board Meetings		Attendance at the last AGM held on 31st July 2012
	Held	Attended	
Mr. A. Mazumdar	5	2	Yes
Mr. Sumit Mazumder	5	5	Yes
Mr. R. L. Gaggar	5	5	Yes
Mr. U. V. Rao	5	3	Yes
Mr. K. B. Saha	5	4	Yes
Mr. G. Swarup	5	3	Yes
Dr. T. Mukherjee	5	5	Yes

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

Resumé 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 2013 comprises 5 (five) Directors, all being Non-Executive Independent Directors namely, Mr. U. V. Rao, Mr. R. L. Gaggar, Mr. K. B. Saha, Mr. G. Swarup and Dr. T. Mukherjee. The Vice Chairman & Managing Director, the Chief Financial Officer, the Statutory Auditors and the Internal Auditors are invitees. The Company Secretary, Mr. Sekhar Bhattacharjee, is the Secretary to the Audit Committee.
- c) Mr. U. V. Rao, Chairman of the Audit Committee attended the AGM held on 31st July 2012.
 - i. During the year ended 31st March 2013 Audit Committee meetings were held as under:
 - a) 14th May 2012 b) 31st July 2012 c) 19th October 2012 d) 31st January 2013
 - ii. The Annual Financial Statements for the financial year 2011-12 were reviewed by the Audit Committee at its meeting held on 14th May 2012 and were recommended to the Board for adoption.
 - iii. The unaudited financial results for each quarter were reviewed and approved by the Audit Committee during the year before recommendation to the Board of Directors for adoption.
- d) Attendance of the members at the Audit Committee meetings held during the year ended 31st March 2013:

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

3. Remuneration and Compensation Committee

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

The Remuneration Committee as on 31st March 2013 comprises of three Independent Non-Executive Directors namely, Mr. R. L. Gaggar (Chairman), Mr. U. V. Rao and Dr. T. Mukherjee (Members). Remuneration of Wholetime Directors of the Company largely consists of base remuneration, perquisites and special pay/incentives/commission. The components of the total remuneration vary for different cadres and are governed by industry patterns, qualifications and experience of the incumbent, responsibilities handled by him, individual performance, etc.

During the year ended 31st March 2013, no meeting of the Remuneration & Compensation Committee was held.

Remuneration of Directors for the Year Ended 31st March 2013:

(₹ in Lakhs)

Name of the Director	Salary (including Special Pay/ Incentives)	Perquisites (computed under the Income Tax Act, 1961)	Contribution to Provident and other Funds	Commission	Sitting Fees	
					Board Meeting	Committee Meeting
Mr. A. Mazumdar	24	-	4	-	-	-
Mr. Sumit Mazumder**	-	-	-	-	-	-
Mr. R. L. Gaggar	-	-	-	-	0.75	0.60
Mr. U.V. Rao	-	-	-	-	0.45	0.30
Mr. K. B. Saha*	-	-	-	-	0.60	0.45
Mr. G. Swarup	-	-	-	-	0.45	0.30
Dr. T. Mukherjee	-	-	-	-	0.75	0.60

* Payable to LIC as per terms of nomination.

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

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

The Service Contracts with the Wholetime Directors are for a period of five years from the date of appointment. The Notice period for the termination of Contract is three months. There is no Severance Fees payable by the Company to the Wholetime 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 per cent of the profits.

4A. Shareholders' / Investors' Grievance Committee

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

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

- Mr. Sekhar Bhattacharjee, Company Secretary is the Compliance Officer of the Committee.
- During the year ended 31st March 2013 no meeting of Shareholders'/Investors' Grievance Committee was held.
- During the year ended 31st March 2013 two complaints were received from the Shareholders'/Investors' which were resolved and the Registrar & Share Transfer Agents of the Company, M/s. C. B. Management Services Pvt. Ltd., Kolkata, has confirmed the same.

4B. Share Transfer and Certificate Committee

The Board has delegated the powers of approving transfer of shares to Share Transfer and Certificate Committee. The Committee met 13 (thirteen) times during the year ended 31st March 2013 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
2009-2010	29.07.2010	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024
2010-2011	26.07.2011	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024
2011-2012	31.07.2012	10.00 a.m.	1, Taratolla Road, Garden Reach, Kolkata 700 024

b) Special Resolutions passed at the last three AGMs:

Financial Year	Item
2009-10	Nil
2010-11	Nil
2011-12	Nil

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

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

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

No Extraordinary General Meeting was held during the year ended 31st March 2013.

6. Disclosures

- A statement in summary form of transactions with related parties in the ordinary course of business are placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were at an arm's length basis.
- The Company did not have any materially significant related party transactions, which may have potential conflict with the interest of the Company.
- While preparing the financial statements during the year under review, no accounting treatment which was different from the prescribed Accounting Standard was followed.
- The Company has complied with the requirements of the regulatory authorities on capital markets and no penalties/strictures have been imposed against it, by Stock Exchanges or SEBI or any Statutory Authority, in the last three years.
- The policy of Risk Assessment is in place and the Management follows the procedures to inform the Board about the Risk Assessment. These procedures are periodically reviewed to ensure that the Executive Management controls risk through properly defined framework.
- There were no material financial and commercial transactions where Senior Management of the Company had personal interest that may have a potential conflict with the interest of the Company at large.

7. Subsidiary Companies

During the year Myanmar Tractors Limited ceased to be a direct subsidiary of the Company though it continues to be a step

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

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. The Financial Express/Business Standard and a regional newspaper published in Bengali – Aajkal. Pursuant to amended Clause 52 of the Listing Agreement with the Stock Exchanges, the Company is also posting financial results and other shareholders' related information in the Corporate Filing and Dissemination System (CFDS), viz., www.corpfiling.co.in.
- 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, 30th July 2013 at 10.00 AM at the Company's Registered Office at 1, Taratolla Road, Garden Reach, Kolkata 700 024.

Financial Calendar (Tentative)

Financial Reporting for the year ended 31st March 2013	May 2013
Mailing of Annual Reports for 2012-2013	June 2013
Financial Reporting for the quarter ending 30th June 2013	July 2013
Limited Review Report for the quarter ending 30th June 2013	July 2013
Financial Reporting for the quarter/half year ending 30th September 2013	October 2013
Limited Review Report for the half year ending 30th September 2013	October 2013
Financial Reporting for the quarter ending 31st December 2013	January 2014
Limited Review Report for quarter ending 31st December 2013	January 2014
Financial Reporting for the year ending 31st March 2014	May 2014

b) Date of Book closure

The Share Transfer Books and Register of Members will remain closed from 23rd July 2013 to 31st July 2013, both days inclusive.

c) Dividend Payment date - On or before 6th August 2013.

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 2013-14 have been paid to the Stock Exchanges.

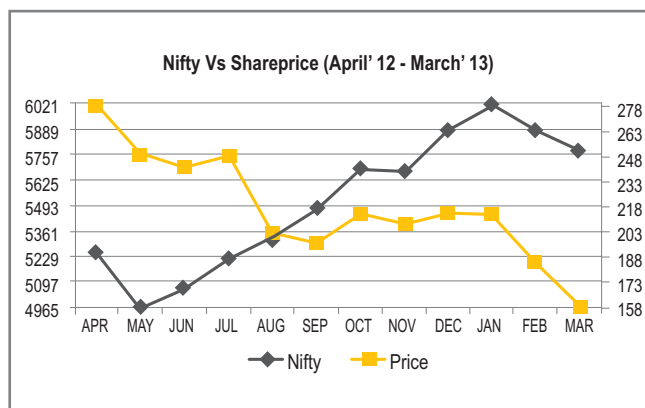
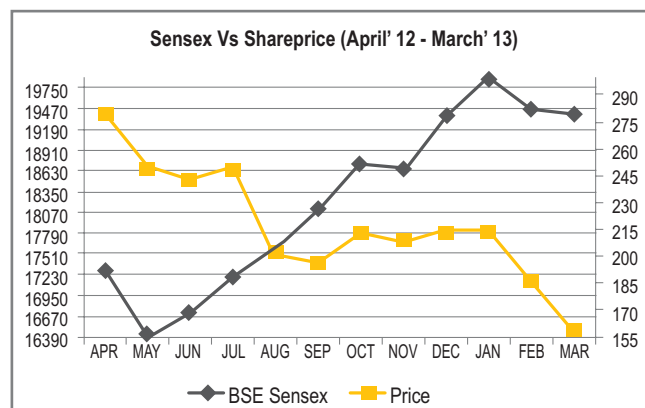
The International Security Identification Number (ISIN) is INE806C01018.

e) Market Price Data

Months	National Stock Exchange*		Bombay Stock Exchange*	
	High	Low	High	Low
April 2012	295.15	265.60	297.45	265.05
May 2012	318.00	217.80	318.00	222.25
June 2012	267.80	210.25	268.00	228.00
July 2012	279.00	223.20	275.00	223.15
August 2012	224.05	191.00	224.00	186.10
September 2012	242.80	180.00	215.00	185.00
October 2012	237.50	191.00	236.90	192.00
November 2012	222.00	190.50	240.00	195.20
December 2012	237.00	197.00	237.00	198.00
January 2013	230.00	205.55	226.50	202.60
February 2013	211.95	163.00	210.05	165.00
March 2013	178.50	135.00	175.00	138.05

* 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 Agents of the Company whose name and address are given below:

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

P-22, Bondel Road, Kolkata 700 019

Telephone Numbers : 033 4011 6700 / 2280 / 6692 / 3643

Fax Number : 033 4011 6739

E-Mail : rta@cbmsl.com

g) Share Transfer System

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

CORPORATE GOVERNANCE

h) Shareholding Pattern as on 31st March 2013

Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B)
Shareholding of Promoter and Promoter Group	22	5646798	56.30
Mutual Funds/UTI	3	20093	0.20
Financial Institutions/Banks	9	2503	0.02
Insurance Companies	4	1635947	16.31
Foreign Institutional Investors	1	268741	2.68
Bodies Corporate	279	318431	3.17
Non Resident Individuals	247	91354	0.91
General Public	8007	2030482	20.24
Trust	5	3130	0.03
Clearing Member	44	12786	0.14
Total	8621	10030265	100.00

i) Distribution of shareholding as on 31st March 2013

Range / Category (Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares to total shares
1-500	7871	91.30	742356	7.40
501-1000	390	4.52	300504	3.00
1001-2000	177	2.05	261864	2.61
2001-3000	64	0.74	158597	1.58
3001-4000	34	0.39	122387	1.22
4001-5000	10	0.12	47231	0.47
5001-10000	29	0.34	218697	2.18
10001 -50000	23	0.27	424682	4.23
50001-100000	6	0.07	419295	4.18
100001 & above	17	0.20	7334652	73.13
Total	8621	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 2013:

Particulars	No. of shares	No. of shareholders	% of Capital
NSDL	9098032	5022	90.71
CDSL	605903	2176	6.04
Physical	326330	1423	3.25
Total	10030265	8621	100.00

k) Plant Locations

Kamarhatty	–	517, B.T. Road, Kolkata 700 058, West Bengal.
Sahibabad	–	Plot No.11, Site-4, Sahibabad Industrial Area, Ghaziabad 201 010, Uttar Pradesh.
Kharagpur	–	Changual & Vidyasagar Industrial Park, District: Paschim Medinipore, West Bengal.

l) Address for correspondence

Registered Office:

1, Taratolla Road, Garden Reach, Kolkata 700 024

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

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

Email – secretarial.department@tilindia.com

Website: www.tilindia.in

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 stating that all Board Members and Senior Management Personnel have complied with the Code of Conduct for the financial year ended 31st March 2013 forms part of the Annual Report.

11. Risk Mitigation Plan

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

12. CEO and CFO Certification

As per Clause 49(V) of the Listing Agreement, a certificate duly signed by the Vice Chairman & Managing Director and the CFO, in respect of the financial year ended 31st March 2013 has been placed before the Board in the Meeting held on 14th May 2013.

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

b) Remuneration and Compensation Committee

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

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

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

d) **Audit Qualifications**

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

e) **Training of Board Members**

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

f) **Mechanism for evaluating Non-Executive Board Members**

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

g) **Whistle Blower Policy**

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

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

For and on behalf of the Board of Directors

Place: Kolkata

Date: 14th May 2013.

A. Mazumdar

Chairman

Certificate of Compliance with the Code of Conduct

This is to confirm that a Code of Conduct for the Board Members and Senior Management Personnel of the Company has been adopted by the Company. The Code of Conduct as adopted by the Board was also circulated and posted on the Website of the Company. The Company received declarations affirming compliance of the Code from the Directors and the Senior Managers of the Company for the financial year ended 31st March 2013. The same has also been noted by the Board at its Meeting held on 14th May 2013.

For and on behalf of the Board of Directors

Place: Kolkata

Date: 14th May 2013.

Sumit Mazumder

Vice Chairman & Managing Director

Auditors' Certificate

To the Members of TIL Limited

We have examined the compliance of conditions of Corporate Governance by TIL Limited, for the year ended on 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 302009E)

A. Bhattacharya

Partner
(Membership No. 054110)

Place: Kolkata

Date: 14th May 2013.

Ten Years

Financial Highlights

(₹ In Lakhs)

Particular	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
1 Share Capital	1,003	1,003	1,003	1,003	1,003	1,003	973	1,222	1,373	1,373
2 Share Warrant	-	-	-	-	878	878	-	-	-	-
3 Reserves & Surplus	26,181	26,164	21,231	18,827	13,979	11,237	7,549	6,295	5,478	5,003
4 Net Worth	27,184*	27,167*	22,234*	19,830*	15,860*	13,118*	8,522*	7,517*	6,851*	6,376*
5 Borrowings	20,716	11,371	4,275	10,938	11,343	7,876	8,460	12,413	11,651	10,389
6 Funds Employed	47,900	38,538	26,509	30,768	27,203	20,994	16,982	19,930	18,502	16,765
7 Gross Block	24,581	21,958	14,389	19,129	16,096	14,117	12,335	12,440	11,502	8,188
8 Depreciation	6,740	5,744	5,193	8,228	6,889	5,787	5,030	4,596	3,830	3,032
9 Net Block	17,842	16,214	9,196	10,901	9,207	8,330	7,305	7,844	7,672	5,156
10 Investments	9,982	10,385	10,386	750	749	749	749	449	541	540
11 Sales	28,514	25,090	21,614	82,459	83,275	71,753	56,869	45,440	32,143	27,397
12 Other Income	1,189	5,353	2,119	6,335	4,304	3,796	2,839	2,706	2,913	2,483
13 Expenses	8,138	7,306	6,217	15,240	15,135	10,839	9,191	7,982	7,572	7,338
14 Depreciation	981	487	416	1,689	1,432	1,140	1,122	1,196	812	498
15 Profit Before Tax	500	5,748	4,201	7,549	5,057	5,025	2,863	1,885	1,004	839
16 Taxation										
- Current Tax	100	412	1,420	2,575	1,765	1,559	1,040	675	295	158
- Deferred Tax	236	334	(339)	287	(25)	170	(74)	(72)	31	123
- Fringe Benefit Tax	-	-	-	-	90	73	60	97	-	-
- MAT Credit Entitlement	(100)	(296)	-	-	-	-	-	-	-	-
- Excess Income Tax	(3)	-	-	-	-	-	-	-	-	-
Provision Relating to Earlier Year, Written back										
17 Profit After Tax	267	5,298	3,120	4,687	3,227	3,223	1,837	1,185	678	558
18 Dividend	201	301	602	602	401	401	293	219	152	90

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

Auditors' Report

To the Members of TIL Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of TIL Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

OPINION

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;

- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March 2013, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of Section 274(1) (g) of the Act.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 302009E)

A. Bhattacharya

Partner
(Membership No. 054110)

Place: Kolkata

Date: 14th May 2013.

Annexure

To the Auditors' Report

(Referred to in paragraph 1 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of CARO are not applicable
- (ii) **In respect of its fixed assets:**
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) There was no disposal of fixed assets during the year by the Company.
- (iii) **In respect of its inventory:**
 - (a) As explained to us, the inventories (excepting material lying with third parties and in transit) were physically verified during the year by the Management. In respect of inventories lying with third parties, these have substantially been confirmed by them and those in transit have been verified by the management with reference to subsequent receipt and/or relevant documents. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
 - (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
 - (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

- (vi) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 during the year to be entered in the register maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956.
- (viii) In our opinion, the internal audit functions carried out during the year by the internal audit department of the Company as well as by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) **According to the information and explanations given to us in respect of statutory dues:**
- (a) The Company has been generally regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March 2013 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March 2013 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which it relates	Amount involved (₹ in lakhs)
The Uttar Pradesh VAT Act, 2008	Sales Tax	The Additional Commissioner (Appeals), Commercial Taxes, Ghaziabad	2008-09	19.22
The Central Sales Tax Act, 1956	Sales Tax	The Additional Commissioner (Appeals), Commercial Taxes, Kolkata	2007-08 2008-09 2009-10	1,043.26

AUDITORS' REPORT

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which it relates	Amount involved (₹ in lakhs)
The West Bengal Value Added Tax Act 2003	Sales Tax	The Additional Commissioner (Appeals), Commercial Taxes, Kolkata	2008-09 2009-10	1,374.26
The Income tax Act, 1961	Income tax	Commissioner of Income-tax (Appeals)	2007-08 2008-09 2009-10	220.64
The Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise (Appeals)	2002-03 2007-08	25.06
Finance Act, 1994	Dispute regarding Service Tax on Commission received.	Commissioner of Central Excise (Appeals)	2007-08	23.56

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

For **DELOITTE HASKINS & SELLS**Chartered Accountants
(Registration No. 302009E)**A. Bhattacharya**

Partner

(Membership No. 054110)

Place: Kolkata

Date: 14th May 2013.

Balance Sheet

as at 31st March 2013

(₹ In Lakhs)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	1,003	1,003
(b) Reserves and Surplus	4	26,181	26,164
2 Non- Current Liabilities			
(a) Long-Term Borrowings	5	11,002	7,814
(b) Deferred Tax Liabilities (Net)	6	828	592
(c) Long- Term Provisions	7	306	228
3 Current Liabilities			
(a) Short-Term Borrowings	8	9,714	3,557
(b) Trade Payables	9	5,172	5,162
(c) Other Current Liabilities	10	2,436	1,769
(d) Short-Term Provisions	11	10,359	10,702
TOTAL		67,001	56,991
B ASSETS			
1 Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	17,584	15,963
(ii) Intangible Assets	13	257	251
(iii) Capital Work-In-Progress		5,583	4,689
(b) Non-Current Investment	14	9,982	10,385
(c) Long-Term Loans and Advances	15	86	294
2 Current Assets			
(a) Inventories	16	13,199	8,699
(b) Trade Receivables	17	6,153	4,594
(c) Cash and Cash Equivalents	18	144	27
(d) Short-Term Loans and Advances	19	13,610	12,089
(e) Other Current Assets	20	403	-
TOTAL		67,001	56,991

See accompanying notes forming part of the financial statements.

In terms of our Report attached

For Deloitte Haskins & Sells

Chartered Accountants

A. Bhattacharya

Partner

Kolkata

14th May 2013.

For and on behalf of Board of Directors

A. Mazumdar

Chairman

Sumit Mazumder

Vice Chairman & Managing Director

Sekhar Bhattacharjee

Company Secretary

Statement of Profit & Loss for the year ended 31st March 2013

(₹ In Lakhs)

Particulars	Note No.	Year Ended 31.03.2013	Year Ended 31.03.2012
I. Revenue from Operations (Gross)	21	29,206	25,528
Less: Excise Duty		2,417	1,749
Revenue from Operations (Net)		26,789	23,779
II. Other Income	22	497	4,915
III. Total Revenue (I + II)		27,286	28,694
IV. Expenses:			
Cost of Materials Consumed	23	15,594	13,132
Purchases of Stock-In-Trade (Traded Goods)	24	3,506	3,034
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	25	(3,234)	(1,487)
Employee benefits expense	26	4,063	3,486
Finance Costs	27	1,801	474
Depreciation and Amortisation Expense	13.2	981	487
Other Expenses	28	4,075	3,820
Total expenses		26,786	22,946
V Profit Before Tax (III - IV)		500	5,748
VI Tax expenses			
(1) Current tax [Minimum Alternative Tax (MAT)]		100	412
Less: MAT Credit Entitlement		(100)	(296)
Net Current Tax		-	116
(2) Deferred tax		236	334
(3) Excess income tax provision relating to earlier year, written back		(3)	-
		233	450
VII. Profit for the year (V-VI)		267	5,298
VIII. Earnings per equity share: [Nominal Value per Share ₹ 10/-			
(Previous year ₹ 10/-)] (Refer Note 35)			
Basic and Diluted		2.66	52.82

See accompanying notes forming part of the financial statements.

In terms of our Report attached

For Deloitte Haskins & Sells

Chartered Accountants

A. Bhattacharya

Partner

Kolkata

14th May 2013.

For and on behalf of Board of Directors

A. Mazumdar

Chairman

Sumit Mazumder

Vice Chairman & Managing Director

Sekhar Bhattacharjee

Company Secretary

Notes to Financial Statements for the year ended 31st March 2013

(All amounts in ₹ Lakhs, unless otherwise stated)

1 CORPORATE INFORMATION

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

2.2 Use of estimates

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

2.3 Revenue Recognition

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

2.4 Other Income

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

2.5 Fixed Assets

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

Notes to Financial Statements for the year ended 31st March 2013

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

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

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

2.6 Depreciation

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

- (a) Leasehold land is amortised over the period of lease.
- (b) Depreciation on revalued assets other than land is calculated on their respective revalued amounts at rates considered applicable by the valuers (being higher than the rates prescribed in Schedule XIV to the Companies Act, 1956) on straight line method.
- (c) In respect of other assets, at rates prescribed in Schedule XIV to the Companies Act, 1956 on 'Straight Line Method' except Plant and Machinery given under operating leases which are depreciated over a period of 6 years, being the useful life as estimated by the management.
- (d) Technical Know-how fee is amortised under straight line method over total useful lives (currently 5 to 10 years), as estimated by the Management.
- (e) Software is amortised over a period of three years from the date of capitalisation.

2.7 Investments

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

2.8 Inventories

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

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

Notes to Financial Statements for the year ended 31st March 2013

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

2.9 Taxation

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

is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred Tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisation.

2.10 Employee Benefits

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

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

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

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

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

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

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

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

Notes to Financial Statements for the year ended 31st March 2013

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

on 31st March 2009, using Projected unit credit method.

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

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

2.11 Foreign Currency Transactions and Translation

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

2.12 Borrowing Costs

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

2.13 Leases

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

2.14 Provisions and contingencies

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

2.15 Provision for warranty

Provision for warranty related costs are recognised when the product is sold. Provision is based on historical experience. The

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
3 SHARE CAPITAL		
Authorised		
20,000,000 (31st March, 2012 : 20,000,000) Equity Shares of ₹ 10/- each	2,000	2,000
Issued		
10,030,265 (31st March, 2012 : 10,030,265) Equity Shares of ₹ 10/- each	1,003	1,003
Subscribed and Paid up		
10,030,265 (31st March, 2012 : 10,030,265) Equity Shares of ₹ 10/- each (fully paid up)	1,003	1,003
Total	1,003	1,003

3.1 Reconciliation of the number of Equity shares

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
Balance as at the beginning of the year	10,030,265	1,003	10,030,265	1,003
Balance as at the end of the year	10,030,265	1,003	10,030,265	1,003

3.2 Rights, Preferences and Restrictions attached to Equity Shares

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

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

Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Shares held	% of Holding	Number Shares held	% of Holding
The Coles Crane Group Ltd	1,930,828	19.25	1,930,828	19.25
Life Insurance Corporation of India	1,040,814	10.38	1,040,814	10.38
Mr. Avijit Mazumder	545,301	5.44	545,301	5.44

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
4 RESERVES AND SURPLUS		
Capital Reserve	878	878
Capital Redemption Reserve	400	400
Securities Premium Account	1,934	1,934
Development Rebate Reserve	1	1
Revaluation Reserve		
Opening Balance	674	689
Less: Amount transferred to the Statement of Profit and Loss (Note 12.1)	(15)	(15)
Closing Balance	659	674
Amalgamation Reserve	20	20
General Reserves		
Opening Balance	2,980	2,450
Add : Amount transferred from Surplus in the Statement of Profit and Loss	20	530
Closing Balance	3,000	2,980
Surplus in Statement of Profit and Loss		
Opening Balance	19,277	14,859
Profit for the year	267	5,298
Less: Appropriations		
Transfer to General Reserve	(20)	(530)
Proposed Dividend on Equity Shares	(201)	(301)
Tax on Proposed Dividend on Equity Shares	(34)	(49)
Closing Balance	19,289	19,277
Total	26,181	26,164

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
5 LONG TERM BORROWINGS		
Secured Loans		
Term Loans		
From Banks		
HDFC Bank Limited (HDFC)	1,800	2,400
DBS Bank Limited (DBS)	5,552	5,148
AXIS Bank Limited (AXIS)	150	250
State Bank of India (SBI)	3,500	-
From Others	-	16
Total	11,002	7,814

Notes to Financial Statements for the year ended 31st March 2013

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

5.1 Nature of Security and Terms of repayment for Secured borrowings

Nature of Security	Terms of Repayments
1. Term Loans from Banks comprising HDFC, DBS, AXIS and SBI are secured by a first pari passu charge on all the movable fixed assets (both present and future) of the company and mortgage on certain immovable properties of the company and second pari passu charge on the entire current assets of the company (both present and future).	1. Term Loan from HDFC is repayable in 20 quarterly instalments starting from 30th June, 2012 along with interest at prevailing base rate plus 225 bps as per the following schedule: At the end of 12 months - 20.00% At the end of 24 months - 20.00% At the end of 36 months - 20.00% At the end of 48 months - 20.00% At the end of 60 months - 20.00%
2. Vehicle Loan is secured by hypothecation of the vehicle	2. Term Loan from DBS is repayable as per the following schedule along with interest at Libor plus 260 bps per annum: At the end of 12 months - 7.50% At the end of 24 months - 20.00% At the end of 36 months - 32.50% At the end of 48 months - 40.00%
	3. Term Loan from AXIS is repayable by way of 20 quarterly instalments of ₹ 25 lakhs after 24 months from the date of first disbursement (i.e. 16th October 2008) along with interest of Bank Rate plus 375 bps per annum.
	4. Term Loan from SBI is repayable by way of 20 quarterly equal instalments of ₹ 175 Lakhs starting from June 2015 along with interest of Bank Rate plus 265 bps per annum.
	5. ₹ 2.73 Lakhs per month inclusive of interest @ 10.6% per annum.

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
6 DEFERRED TAX LIABILITIES (NET)		
Timing Difference resulting in liabilities / (assets) mainly on account of:		
Difference between net book value of depreciable Capital Asset as per books vis-à-vis written down value as per Income Tax.	1,076	802
Disallowances allowable for Tax purpose on payment	(248)	(210)
Total	828	592

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
7 LONG TERM PROVISIONS		
Provision for employee benefits		
Provident Fund (PF) [Also refer Note 26.1 below]	80	50
Compensated Absences	226	178
Total	306	228

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
8 SHORT TERM BORROWINGS		
(a) Secured		
Loan Repayable on Demand From Banks	7,644	3,557
(b) Unsecured		
From Banks	2,070	-
Total	9,714	3,557

- 8.1** The above borrowings are secured by a first pari passu charge on all the current assets of the Company (namely Stocks, Bills Receivable and Book Debts) and a second pari passu charge on all 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.

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
9 TRADE PAYABLES		
Other than Acceptances (Refer Note 9.1)	5,172	5,162
Total	5,172	5,162

Notes to Financial Statements for the year ended 31st March 2013

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

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	87	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	9	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	2	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
10 OTHER CURRENT LIABILITIES		
Current maturities of long - term debt	1,950	1,148
Interest accrued but not due on borrowings	138	64
Interest accrued and due on borrowings	13	32
Advance from customers and others	36	332
Investors Education and Protection Fund (the fund) shall be credited by the following amount.		
Unclaimed/Unpaid Dividend [Note 10.1 below]	23	21
Unclaimed/Unpaid Matured Deposit [Note 10.1 below]	-	*
Security Deposit From Customers	4	2
Contribution to Fund	97	47
Statutory remittances	145	102
Others	30	21
Total	2,436	1,769

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

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

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
11 SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
Contribution to PF	2	7
Compensated Absences (Unfunded)	75	82
	77	89
(b) Others		
Provision for Warranty [Note 11.1 below]	70	70
Provision for Income Tax	9,977	10,193
Provision for Proposed Equity Dividend	201	301
Provision for Tax on Proposed Dividend	34	49
	10,282	10,613
Total	10,359	10,702

11.1 Provision for Warranty:

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

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Opening Balance	70	-
Provision during the year	204	149
Provision utilised during the year	(204)	(79)
Closing Balance	70	70

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

12 TANGIBLE ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost/ Valuation as at 01.04.2012	Additions during the year	Sales during the year	Other Adjustment during the year	Cost/ Valuation as at 31.03.2013	As at 01.04.2012	For the Year	On Sales/ Adjustment during the year	Other Adjustment during the year	As at 31.03.2013	As at 31.03.2012	
Own Assets												
Freehold Land	2,037	19	-	-	2,056	-	-	-	-	2,056	2,037	
Leasehold Land	426	-	-	-	426	75	9	-	-	342	351	
Buildings	8,354	807	-	39 #	9,200	779	250	-	-	8,171	7,575	
Plant and Equipment	7,372	1,440	-	54 #	8,866	3,010	500	-	-	5,356	4,362	
Furniture and Fixtures	1,048	187	-	-	1,235	658	60	-	-	517	390	
Vehicles	300	7	-	-	307	118	24	-	-	165	182	
Office Equipment	8	-	-	-	8	4	*	-	-	4	4	
Sub total (A)	19,545	2,460	-	93	22,098	4,644	843	-	-	16,611	14,901	
Previous Year	13,315	8,773	3	(2,540)	19,545	4,230	424	3	7	14,901		
Assets Given On Operating Lease												
Plant and Machinery	1,107	-	-	-	1,107	45	89	-	-	973	1,062	
Sub total (B)	1,107	-	-	-	1,107	45	89	-	-	973	1,062	
Total (A+B)	20,652	2,460	-	93	23,205	4,689	932	-	-	17,584	15,963	
Previous Year	13,315	9,880	3	(2,540)	20,652	4,230	469	3	7	15,963		

Refer note 12.3 below. * Amount is below the rounding off norm adopted by the Company.

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

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

The resultant revaluation surplus of ₹ 2,472 Lakhs, arising from the aforesaid revaluation, were transferred to Revaluation Reserve as reflected in the Company's annual accounts for 1992-93.

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

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

12.3 Other adjustments represents borrowing cost capitalised during the year ₹ 93 Lakhs (Previous Year ₹ 342 Lakhs).

12.4 Capital Work in Progress includes borrowing costs ₹ 861 Lakhs (Previous Year ₹ 397 Lakhs).

Notes to Financial Statements for the year ended 31st March 2013

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

13 INTANGIBLE ASSETS	GROSS BLOCK						AMORTISATION			NET BLOCK	
	Cost/ Valuation as at 01.04.2012	Additions during the year	Sales during the year	Adjustment during the year	Cost/ Valuation as at 31.03.2013	As at 01.04.2012	For the Year	On Sales/ Adjustment during the year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
(acquired items)											
Technical Know-how (Refer Note 13.1)	1,206	70	-	-	1,276	955	64	-	1,019	257	251
Software	100	-	-	-	100	100	-	-	100	-	-
Total	1,306	70	-	-	1,376	1,055	64	-	1,119	257	251
Previous Year	1,074	232	-	-	1,306	964	91	-	1,055	251	

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

13.2 Details of Depreciation and Amortisation Expenses

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Depreciation of Tangible Assets	932	469
Amortisation of Intangible Assets	64	91
Less : Recoupment from revaluation reserve	(15)	(15)
Less : Depreciation Capitalised	-	(15)
Less : Amortisation Capitalised	-	(43)
Depreciation and amortisation charged to Statement of Profit and Loss	981	487

Notes to Financial Statements for the year ended 31st March 2013

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

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number	Value (₹ in lakhs)	Number	Value (₹ in lakhs)
14 NON CURRENT INVESTMENTS (At Cost)				
Trade - Unquoted:				
Investment in Subsidiaries:				
Myanmar Tractors Limited	602	13	19,714	416
Shares of Kyats 1000/- each fully paid (equivalent to US\$ 168.55 each)				
Tractors Nepal Private Limited	120,000	75	120,000	75
Shares of Nepalese ₹ 100/- each fully paid				
TIL Overseas Pte Limited	107,577	302	107,577	302
Shares of Singapore \$10 each fully paid				
Tractors India Private Ltd.	4,500,000	9,585	4,500,000	9,585
Shares of ₹ 10/- each fully paid				
Other Investments:				
Quoted:				
Equity Instrument				
Eveready Industries India Limited	1,266	2	1,266	2
Shares of ₹ 5/- each fully paid				
McLeod Russell India Limited	1,266	2	1,266	2
Shares of ₹ 5/- each fully paid				
Bank of India	7,900	3	7,900	3
Shares of ₹ 10/- each fully paid				
Unquoted:				
Debentures				
Woodlands Multispecialty Hospital Limited	20	*	20	*
1/2 % Debentures of ₹ 100/- each fully paid				
Others				
Gulshan Villa Premises Co-operative Society Limited	-	-	10	*
Shares of ₹ 50/- each fully paid				
Total		9,982		10,385
Aggregate book value of investments				
Quoted		7		7
Unquoted		9,975		10,378
Total		9,982		10,385
Aggregate market value of quoted investments		29		32

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

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
15 LONG TERM LOANS AND ADVANCE		
Unsecured, Considered Good		
Capital Advance	-	64
Security Deposits	73	224
Balance with Government Authorities	6	4
Employee Advance	7	2
	86	294

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
16 INVENTORIES		
a. Raw Material and components	5,213	4,201
Goods-in-transit	512	294
	5,725	4,495
b. Work-in-progress	3,223	1,404
	3,223	1,404
c. Finished goods	2,199	1,370
	2,199	1,370
d. Stock-in-trade	1,545	954
Goods-in-transit	446	396
	1,991	1,350
e. Stores and spares	61	80
	61	80
Total	13,199	8,699

16.1 Refer Note 2.8 for mode of valuation

16.2 Details of Work-in-progress:

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Cranes	1,212	1,033
Self-Propelled Rubber Tyred Container Handling Mobile Crane	525	147
Road Construction Equipment	1,486	224
Total	3,223	1,404

Notes to Financial Statements for the year ended 31st March 2013

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

16.3 Details of Finished Goods:

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Cranes	414	1,096
Self-Propelled Rubber Tyred Container Handling Mobile Crane	785	-
Road Construction Equipment	1,000	274
Total	2,199	1,370

16.4 Details of Stock in Trade:

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Spare Parts	1,472	680
Road Construction Equipment	519	670
Total	1,991	1,350

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
17 TRADE RECEIVABLES		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment.	556	510
Others [Includes amount not due for payment of ₹ 4,519 lakhs (Previous year ₹ 1,814 lakhs)]	5,597	4,084
Total	6,153	4,594

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
18 CASH AND CASH EQUIVALENTS		
Cash in hand	4	3
Cheques in hand	112	-
Balance with Banks:		
On Current Accounts	4	3
On Dividend Accounts	23	21
On Fixed Deposit	1 #	*
Total	144	27

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

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

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
19 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Claims Receivable	1,642	590
Accrued Duty Benefits pertaining to exports/Deemed exports	169	96
Employee Advance	40	31
Advance to Suppliers	462	298
Advance Income Tax	10,388	10,615
Mat Credit Entitlement	396	296
Advance to Government Authorities	247	113
Security Deposits	184	-
Prepayments	82	50
Total	13,610	12,089

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
20 OTHER CURRENT ASSETS		
Unsecured, Considered Good		
Receivable on Sale of Long Term Investment	403	-
Total	403	-

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
21 REVENUE FROM OPERATIONS		
Operating Income		
Sale of products		
Finished Goods	22,242	19,720
Traded goods	5,987	5,068
Sale of services	285	302
	28,514	25,090
Other Operating Revenues		
Rental from Machinery	204	64
Selling Commission earned	306	252
Scrap Sales	182	122
	692	438
REVENUE FROM OPERATIONS (GROSS)	29,206	25,528
Less: Excise Duty	2,417	1,749
REVENUE FROM OPERATIONS (NET)	26,789	23,779

21.1 Details of sale of Finished Goods

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Cranes	14,867	13,319
Self-Propelled Rubber Tyred Container Handling Mobile Crane	5,862	5,694
Road Construction Equipment	1,513	707
Total	22,242	19,720

21.2 Details of sale of Traded Goods

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Cranes / Forklifts	253	349
Road Construction Equipment	410	260
Components and Spares	5,324	4,459
Total	5,987	5,068

21.3 Excise Duty is net of ₹ 59.08 lakhs (Previous year ₹ 62.25 lakhs) on account of accrued duty benefit for the year pertaining to Export/Deemed Exports.

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
22 OTHER INCOME		
Interest :		
- On Income Tax Refunds	7	-
- On deposit with Banks and Others	3	3
Dividend Income (Long Term):		
- From subsidiary companies (Trade Investments)	35	4,556
- From Others	1	1
Technical and Other Fees from Subsidiary Companies	-	223
Profit on Sale of Investment	317	-
Liabilities no longer required written back	19	21
Bad-debt Recovered	52	8
Discounts	-	11
Miscellaneous Income	63	92
Total	497	4,915

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
23 COST OF MATERIALS (INCLUDING COMPONENTS) CONSUMED		
Material Consumed	15,594	13,132
[Net off Capitalisation (Refer Note 28.4)]		
Total	15,594	13,132

Notes to Financial Statements for the year ended 31st March 2013

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

23.1 Details of Raw Materials (Including Components) consumed:

Particulars	Unit	Quantity	Value (₹ in Lakhs)	Percentage
Indigenous:				
Iron and Steel	Tones	1,744	970	
		1,165	631	
Ballast/Tail Weight (for Cranes)	Nos	294	388	
		244	216	
Chassis(for Cranes)	Nos	40	557	
		19	300	
Hydraulic Ram and Cylinder	Nos	1,887	1,188	
		1,714	1,147	
Others		-	3,802	
		-	3,505	
	A		6,905	44
			5,799	44
Imported:				
Iron and Steel	Tones	2,144	1,563	
		1,569	1,221	
Transmission	Nos	101	689	
		110	805	
Axle	Nos	165	1,169	
		156	1,364	
Others		-	5,268	
		-	3,943	
	B		8,689	56
			7,333	56
Total	A+B		15,594	100
			13,132	100

Figures in bold type relate to the Current year.

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
24 PURCHASES OF STOCK IN TRADE (TRADED GOODS)		
Purchase of Traded Goods	3,506	3,034
Total	3,506	3,034

24.1 Details of purchases of Traded Goods

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Cranes / Forklifts	241	343
Road Construction Equipment	147	795
Components and Spares	3,118	1,897
Total	3,506	3,034

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
25 CHANGES IN INVENTORIES		
Inventories at the end of the year		
Finished goods	2,199	1,370
Work-in-progress	3,223	1,404
Traded goods	1,991	1,350
	7,413	4,124
Inventories at the beginning of the year		
Finished goods	1,370	732
Work-in-progress	1,404	1,161
Traded goods	1,350	762
Less : Capitalised		(135)
	4,124	2,520
Excise Duty on Increase of Finished Goods	55	117
Total Net Increase	(3,234)	(1,487)

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
26 EMPLOYEE BENEFITS EXPENSE *		
Salaries, Wages and Bonus	3,444	2,927
Contribution to Provident and other Funds	332	384
Staff Welfare Expenses	193	123
Medical Expenses	94	52
Total	4,063	3,486

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

26.1 Employee Benefits

The Company has recognised, in Statement of Profit and Loss for the year ended 31st March, 2013 an amount of ₹ 66 lakhs (Previous year ₹ 54 lakhs) as expenses under defined contribution plans.

(A) Provident Fund :-

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors. Based on the final guidance for measurement of Provident Fund liabilities issued by the Actuarial Society of India, the Company's liability at the year end of ₹ 81 lakhs (Previous year ₹ 57 lakhs) has been actuarially determined by an independent authority. The Company has contributed for the year ended 31st March, 2013 an amount of ₹ 192 lakhs (Previous year ₹ 172 lakhs) as Provident Fund.

The details of fund and plan asset position as at 31st March, 2013 is given below

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Present value of benefit obligation at period end (₹ in Lakhs)	1,959	1,818
Cost of shortfall in interest rate guarantee (₹ in Lakhs)	24	57
Assumptions used in determining the present value obligation on the interest guarantee under the deterministic approach		
- Guaranteed Rate	8.50%	8.25%
- Average yield rate based on data of investment portfolio	7.79%	8.31%
- Decrement adjusted average future period of service	21 years	22 years
- Average maturity period of investment portfolio	3.1 years	4.5 years
- Discount rate	8.31%	8.69%

Notes to Financial Statements for the year ended 31st March 2013

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

26.1 Employee Benefits (contd.)

(B) Superannuation Fund :-

- (i) Certain eligible employees of the Company who had attained at least 45 years of age as on 1st April, 2009 are entitled to Superannuation benefit under the Superannuation scheme (a funded Defined Benefit Plan under a common Trust- 'Tractors India Limited Superannuation Fund Scheme', being administered by the trustees of the said fund for the benefit of employees of the Company and its subsidiary company i.e. Tractors India Private Limited). Under the aforesaid benefit scheme the Company makes periodic contribution to the Superannuation Fund Scheme and a predetermined percentage of salary is paid as pension on retirement. The quantum of pension depends on the average basic salary of eligible employee during the last 36 months before retirement. The benefit vests to employees with 12 years of continuous service and attainment of 48 years of age on retirement/death/termination. The most recent actuarial valuation of Plan Assets and Present Value of the Defined Benefit Obligation of Superannuation Fund was carried out as on 31st March, 2013.
- (ii) Employees who did not attain 45 years of age as on 1st April, 2009 are under the purview of 'Defined Contribution Scheme' in respect of service rendered from 1st April, 2009. The benefit of services rendered by these employees up to 31st March, 2009 come under the purview of 'Defined Benefit Scheme' as indicated which is frozen as on 31st March, 2009. Hence for this category of employees, the benefit of cessation of service will be:
 - a) amount accumulated by annual contribution of 15% of Basic Salary and
 - b) amount frozen as on 31st March, 2009.

(C) Gratuity Fund :-

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

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at 31st March, 2013.

Notes to Financial Statements for the year ended 31st March 2013

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

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

(₹ In Lakhs)

Description	Superannuation Fund (Funded)		Gratuity Fund (Funded)	
	2012-13	2011-12	2012-13	2011-12
1. Reconciliation of the Opening and Closing balances of the Present Value of Obligation				
a. Present Value of Obligation at the Beginning of the Year	1,165	1,159	566	559
b. Current Service Cost	48	50	47	38
c. Interest Cost	87	91	44	43
d. Curtailment Cost/(Credit)	-	-	-	-
e. Actuarial (gain)/loss	52	45	26	30
f. Benefits paid	(271)	(180)	(96)	(104)
g. Present Value of Obligation at the end of the Year	1,081	1,165	587	566
2. Reconciliation of the Opening and Closing balances of the Fair Value of Plan Assets:				
a. Fair value of Plan Assets at the Beginning of the Year	1,168	1,146	471	512
b. Expected return on Plan Assets	91	96	40	40
c. Actuarial gain/(loss)	10	(33)	1	(2)
d. Contributions by the Employer	75	139	95	25
e. Benefits paid	(271)	(180)	(96)	(104)
f. Fair value of Plan Assets at the end of the Year	1,073	1,168	511	471
3. Reconciliation of the Present Value of Obligation and Fair Value of the Plan Assets:				
a. Fair value of Plan Assets at the end of the Year	1,073	1,168	511	471
b. Present Value of Obligation at the end of the Year	1,081	1,165	587	566
c. (Asset)/Liabilities recognised in the Balance Sheet	8	(3)	76	95
4. Expenses recognised during the year:				
a. Current Service cost	48	50	47	38
b. Interest cost	87	91	44	43
c. Expected return on Plan Assets	(91)	(96)	(40)	(40)
d. Curtailment Cost/(Credit)	-	-	-	-
e. Actuarial (Gain) / Loss	42	78	25	32
f. Expense recognised during the year	86	123	76	73

Notes to Financial Statements for the year ended 31st March 2013

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

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

(₹ In Lakhs)

Description	Superannuation Fund (Funded)					Gratuity Fund (Funded)				
	2012-13	2011-12	2010-11	2009-10	2008-09	2012-13	2011-12	2010-11	2009-10	2008-09
5. Experience Adjustments on Plan Obligation										
a. Fair value of Plan Assets at the end of the Year	1,073	1,168	1,146	1,906	1,542	511	471	512	564	578
b. Present Value of Obligation at the end of the Year	1,081	1,165	1,159	1,905	1,890	587	566	559	642	539
c. (Asset)/Liabilities recognised in the Balance Sheet	8	(3)	13	(1)	348	76	95	47	78	(38)
d. Experience Adjustments on Plan Obligation [(Gain) /Loss]	29	45	107	256	515	19	30	151	70	42
e. Experience Adjustments on Plan Assets[Gain/(Loss)]	11	(33)	3	21	-	2	(1)	(474)	(4,920)	(407)

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

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

Description	Superannuation Fund % Invested		Gratuity Fund % Invested	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
6. Investment Details of Plan Assets as at				
a. Govt of India Securities	23.78	21.83	23.56	22.17
b. Public Sector (PSU) Bonds	49.32	51.30	36.82	36.64
c. State / Central Govt Securities	13.68	13.69	18.80	17.77
d. Special Deposit Scheme	13.13	12.82	20.19	22.26
e. Other including Bank Balance	0.09	0.36	0.63	1.16
Total	100.00	100.00	100.00	100.00
7. Assumptions				
a. Discount rate per annum	8.30%	8.50%	8.30%	8.50%
b. Salary escalation rate per annum	4.00%	4.00%	4.00%	4.00%
c. Expected rate of return on Plan Assets per annum	8.30%	8.50%	8.30%	8.50%
d. Method used	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method
8. Actual Return on Plan Assets	8.51%	7.37%	8.21%	7.11%

Notes to Financial Statements for the year ended 31st March 2013

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

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

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

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
27 FINANCE COST		
Interest Expenses*	1,753	425
Other Borrowing Charges	48	49
Total	1,801	474

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

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
28 OTHER EXPENSES		
Consumption of Stores and Spare Parts (Refer Note 37)	467	400
Power and Fuel	445	246
Rent	133	101
Repairs:		
Buildings	130	169
Plant and Machinery	99	136
Other	70	48
	299	353
Insurance	136	123
Rates and Taxes	16	24
Bank Charges	188	129
Travelling Expenses	564	485
Stationery and Printing	72	90
Postage, Telephone and other Communication Expenses	113	108
Advertising	18	46
Commission	127	1
Forwarding Charges	23	20
Royalties	199	190
Professional Fees	191	253
Motor Car and Van Expenses	34	40
Service Support Expenses	-	-
Debts/Advances/Claims written off	146	148
Warranty Expenses	204	149
Carriage Inward	165	165
Miscellaneous Expenses	535	749
Total	4,075	3,820

Notes to Financial Statements for the year ended 31st March 2013

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

28.1 Professional fees include:

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Amount paid /payable to Auditors		
As Auditors (Net of Service Tax)		
- Audit Fees	9	6
- Tax Audit Fees	2	2
- Limited Reviews	9	8 @
- Others (Certificates, etc.)	6	6
- Expenses reimbursed	*	1 #

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

@ Includes payment to erstwhile auditor ₹ 3 lakhs # Payment to erstwhile auditor

28.2 Miscellaneous expenses include charge/(credit) on account of Loss on Foreign Exchange (Net) of ₹ 106 lakhs (Previous year of ₹ 196 Lakhs)

28.3 The Company has various residential / commercial premises taken under cancellable operating lease. Leases range for periods between 3 to 5 years. Terms of the lease include operating term for renewal, increase in rent for future periods, terms of cancellation etc. The operating lease payments for the year amount to ₹ 108 lakhs (Previous Year ₹ 100 lakhs).

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Raw Materials Consumed	164	-
Consumption of Stores and Spares Parts	34	-
Salaries, Wages and Bonus (Net)	96	-
Other Expenses	25	-
Total	319	-

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
29 CONTINGENT LIABILITIES IN RESPECT OF		
a. Sales Tax Matters under dispute	2,418	1,509
[Related payments ₹ 1 lakhs (Previous year ₹ 5 lakhs)]		
b. Income Tax Matters under dispute	208	308
[Excludes disputed Income Tax matters, in view of favorable Tribunal decision in similar case].		
[Related payments ₹ 116 lakhs (Previous year ₹ 116 lakhs)]		
c. Service Tax matters under dispute	24	24
[Related payments ₹ Nil (Previous year Nil)]		
d. Excise Duty matters under dispute	48	48
[Related payments ₹ 23 lakhs (Previous year ₹ 23 lakhs)]		

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
30 CORPORATE GUARANTEE GIVEN ON BEHALF OF SUBSIDIARIES:		
- Limit		
Tractors India Private Limited	52,715	50,800
Myanmar Tractors Limited	Nil	1,028
TIL Overseas Pte. Limited	Nil	771
- Amount outstanding at year-end		
Tractors India Private Limited	37,529	28,060
Myanmar Tractors Limited	Nil	Nil
TIL Overseas Pte. Limited	Nil	Nil

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
31 CAPITAL COMMITMENT	188	1,274
[Net of advance ₹ 30 lakhs (Previous year ₹ 60 lakhs)]		

Notes to Financial Statements for the year ended 31st March 2013

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

- 32.1** Based on legal proceedings initiated by the Employees' Union / Association and the interim order of the Hon'ble Calcutta High Court dated 22nd December, 2006 and 18th April, 2007 restraining the Company from making any contribution / deduction towards Employees' State Insurance in respect of its Kamarhatty (with effect from October, 2006) and Taratolla (with effect from March, 2007) units, in respect of employees whose monthly salaries (i.e. basic, dearness allowance and overtime) are between ₹ 7,501 and ₹ 10,000, no contributions/ deductions have been made and deposited with the appropriate authorities. The related amounts involved as on 31st March, 2013 being Employer's ₹ 4 lakhs (Previous Year ₹ 4 lakhs) and Employees' ₹ 1 lakhs (Previous Year ₹ 1 lakhs).
- 32.2** Consequent to enhancement of Employees' State Insurance benefit ceiling for 'Employee Wages' from ₹ 10,000 to ₹ 15,000 per month with effect from 1st May 2010, legal proceedings have been initiated by the Employees' Union / Association of the Company and an interim order dated 13th August, 2010 has been issued by the Hon'ble Calcutta High Court in this regard, restraining the Company from making contribution / deduction towards Employees' State Insurance in respect of employees whose monthly salaries (i.e. basic, dearness, allowance and overtime) are between ₹ 10,001 and ₹ 15,000. In view of the said Order, the Company has neither deducted from the certain concerned employees nor contributed its own share to the Employees State Insurance Scheme with effect from 1st August 2010, the related amounts involved as on 31 March, 2013 being Employer's ₹ 3 lakhs (Previous Year ₹ 3 lakh) and Employees' ₹ 1 lakh (Previous Year ₹ 1 lakhs).
- 33** Pursuant to a stay order obtained by the Company from the Hon'ble High Court, the Company has stopped paying further Tax on Imported goods into West Bengal, with effect from 1st January, 2013. The related unpaid amount till 31st March, 2013 is ₹ 21 lakhs.
- 34** In terms of Accounting Standard (AS) 17 on 'Segment Reporting' notified in the Companies Act, 1956, Segment information has been presented in the Consolidated Financial Statements [prepared pursuant to Accounting Standard (AS) 21 on 'Consolidated Financial Statements' notified in the Companies Act, 1956] included in the annual report for the year.

Particulars		Year Ended 31.03.2013	Year Ended 31.03.2012
35 EARNINGS PER SHARE (EPS) - THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC AND DILUTED EPS:			
Profit after Tax attributable to the Equity Shareholders (₹ in Lakhs)	A	267	5,298
Basic and Diluted			
i. Number of Equity Shares at the beginning of the year		10,030,265	10,030,265
ii. Number of Equity Shares issued during the year		-	-
iii. Number of Equity Shares at the end of the year		10,030,265	10,030,265
iv. Weighted average number of Equity Shares outstanding during the year	B	10,030,265	10,030,265
v. Nominal Value of each Equity Share (₹)		10/-	10/-
Basic and Diluted Earnings per Share (₹)	A/B	2.66	52.82

Notes to Financial Statements for the year ended 31st March 2013

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

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

A) List of Related Parties

Subsidiaries	Myanmar Tractors Limited Tractors Nepal Private Limited TIL Overseas Pte. Limited Tractors India Private Limited
Key Management Personnel	Mr. A. Mazumdar(Chairman and Whole time Director) Mr. S. Mazumder(Vice Chairman & Managing Director) Mr. S K Bhatnagar(Whole time Director - upto 3rd October, 2011)

B) Particulars of transactions during the year ended 31st March, 2013:

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
I) Subsidiary Companies		
a) Income from Technical and Other Fees		
TIL Overseas Pte. Limited	-	223
b) Income from Asset Usage		
Tractors India Private Limited	40	89
c) Dividend Income		
Tractors Nepal Private Limited	35	-
TIL Overseas Pte. Limited	-	4,556
d) Purchase of Spare Parts		
Tractors India Private Limited	35	8
e) Purchase of Fixed Assets		
Tractors India Private Limited	31	43
f) Sale of Spare Parts		
Tractors India Private Limited	6	1
g) Rent Paid		
Tractors India Private Limited	19	14
h) Sale of Long term Investment		
TIL Overseas Pte. Limited	413	-

Notes to Financial Statements for the year ended 31st March 2013

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

B) Particulars of transactions during the year ended 31st March, 2013 (contd.):

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
I) Subsidiary Companies (contd.)		
i) Reimbursement of Expenses (Net) from/to		
Tractors India Private Limited	464	573
j) Rental Income		
Tractors India Private Limited	3	-
k) Year-end Balances		
i) Receivables		
Tractors India Private Limited	5	1
ii) Corporate Guarantee	Refer Note 30	Refer Note 30
iii) Investments		
Myanmar Tractors Limited	13	416
Tractors Nepal Private Limited	75	75
TIL Overseas Pte. Limited	302	302
Tractors India Private Limited	9,585	9,585
iv) Payables		
Tractors India Private Limited	9	5
II) Key Management Personnel		
a) Remuneration		
Mr. A. Mazumdar	28	255
Mr. S K Bhatnagar	-	120
b) Year end Balance		
Commission Payable		
Mr. A. Mazumdar	-	109
Mr. S K Bhatnagar	-	40

Notes to Financial Statements for the year ended 31st March 2013

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

Particulars	Year Ended 31.03.2013	%	Year Ended 31.03.2012	%
37 VALUE OF IMPORTED AND INDIGENOUS	(Value ₹ in Lakhs)		(Value ₹ in Lakhs)	
Consumption of Stores				
Imported	68	15	95	24
Indigenous	399	85	305	76
	467	100	400	100

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
38 C.I.F. VALUE OF IMPORTS		
(a) Raw Materials with Components	8,526	7,460
(b) Spare Parts (excluding items in transit at year-end)	1,260	941
(c) Machines (Trading Items)	78	532
(d) Capital Goods	303	889

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
39 EXPENDITURE IN FOREIGN CURRENCY		
(on accrual basis)		
Travelling	15	9
Technical Know-How Fees	76	169
Royalty	199	190

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
40 EARNINGS IN FOREIGN EXCHANGE		
Remittance received on account of		
(a) Export of goods calculated on FOB basis	114	481
(b) Selling Commission (including Dealer's profit)	279	243
(c) Technical Fees	-	223
(d) Dividend	-	4,556

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
41 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES		
a. Derivatives outstanding as on the Balance Sheet Date		
Forwards Contract to buy EUR (Hedge of firm commitments)	1,408	178
Forwards Contract to buy USD (Hedge of firm commitments)	1,991	-
Swap Contract to buy USD (Hedge of firm commitments)	6,873	4,052
b. Particulars of unhedged foreign currency exposures as at the reporting date		
Trade Payables		
EUR	145	239
GBP	5	-
SGD	1	1
USD	1,070	1,166
Trade Receivables/Advances		
EUR	2	57
JPY	29	32
USD	*	312
Borrowings		
USD	77	2,406

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

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
42 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND TO NON-RESIDENT SHAREHOLDERS		
On Equity Shares :-		
(a) Amount Remitted	58	116
(b) Number of Non - Resident Shareholders	2	2
(c) Number of Shares held by them	1,939,931	1,939,931
(d) Dividend for the year	2011-12	2010-11

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

Signatures to Note '1' to '43'

For and on behalf of Board of Directors

A. Mazumdar

Chairman

Sumit Mazumder

Vice Chairman & Managing Director

Kolkata

14th May 2013.

Sekhar Bhattacharjee

Company Secretary

Cash Flow Statement for the year ended 31st March 2013

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		500		5,748
Adjustments for:				
Depreciation and Amortisation Expense	981		487	
Trade Receivables Written off	146		148	
(Profit)/Loss on Sale of Fixed Assets (Net)	-		*	
(Profit)/Loss on Sale of Investment	(317)		-	
Finance Costs (Net)	1,801		471	
Dividend Income	(36)		(4,557)	
Interest Income	(10)		-	
Liability no longer required written back	(19)		(29)	
Unrealised Foreign Exchange (Gain)/Loss (Net)	(34)		17	
		2,512		(3,463)
Operating Profit before Working Capital Changes		3,012		2,285
Adjustments for:				
Trade and Other Receivables	(1,705)		(97)	
Inventories	(4,500)		(2,708)	
Loans and Advances (Short-Term and Long-Term)	(1,440)		104	
Trade Payables and Other Liabilities	(63)		1,077	
		(7,708)		(1,624)
Cash Generated from Operations		(4,696)		661
Direct Taxes Paid		(79)		(901)
Net Cash (used in)/from Operating Activities		(4,775)		(240)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(2,960)		(11,003)	
Proceeds from Sale of Fixed Assets	-		*	
Proceeds from Sale of Investment	317		-	
Interest Received	3		3	
Dividend Received	36		4,557	
Net Cash (Used in)/from Investing Activities		(2,604)		(6,443)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(2,303)		(728)	
Proceeds from Long Term borrowings	5,138		8,558	
Repayment of Long Term borrowings	(1,148)		(128)	
Proceeds/(Repayments) of Short-Term Borrowings	6,157		(321)	
Dividend Paid	(299)		(597)	
Income Tax on Dividends Paid	(49)		(98)	
Net Cash from Financing Activities		7,496		6,686
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		117		3
Cash and Cash Equivalents as at the beginning of the year (Refer Note 18)		27		24
Cash and Cash Equivalents as at the end of the year (Refer Note 18)		144		27

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

- Notes:** 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements'.
2) Previous year figure have been regrouped and rearranged wherever required to conform with current year classification.
3) Cash and Cash Equivalents include ₹ 23 lakhs (previous year ₹ 21 lakhs) in respect of unpaid dividend accounts and ₹ 1 lakh (previous year ₹ Nil) in respect of deposits with remaining maturity of more than 12 months from the Balance Sheet date.

In terms of our Report of even date.

For Deloitte Haskins & Sells
Chartered Accountants

A. Bhattacharya
Partner
Kolkata
14th May 2013.

For and on behalf of Board of Directors

A. Mazumdar
Chairman

Sumit Mazumdar
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Auditors' Report to the Board of Directors of TIL Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TIL LIMITED (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of Tractors India Private Limited, Tractors Nepal Private Limited, Til Overseas Pte Limited and Myanmar Tractors Limited, (the subsidiaries), whose financial statements reflect total assets (net) of ₹ 59,697 Lakhs as at March 31, 2013, total revenues of ₹ 91,271 Lakhs and net cash flows amounting to ₹ 1,847 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 302009E)

A. Bhattacharya

Partner

KOLKATA

May 14, 2013

(Membership No. 054110)

Consolidated Balance Sheet as at 31st March 2013

(₹ In Lakhs)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	1,003	1,003
(b) Reserves and Surplus	4	34,741	34,127
2 Non- Current Liabilities			
(a) Long-Term Borrowings	5	12,583	9,864
(b) Deferred Tax Liabilities (Net)	6	1,304	1,024
(c) Long-Term Provisions	7	682	536
3 Current Liabilities			
(a) Short-Term Borrowings	8	36,806	29,060
(b) Trade Payables	9	13,253	14,192
(c) Other Current Liabilities	10	5,640	4,813
(d) Short-Term Provisions	11	10,670	12,056
TOTAL		116,682	106,675
B ASSETS			
1 Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	27,415	26,146
(ii) Intangible Assets	13	257	251
(iii) Capital Work-In-Progress		5,583	4,645
(iv) Intangible Assets under Development		1,617	700
(v) Goodwill on Consolidation		1	1
(b) Non-Current Investment	14	7	7
(c) Long-Term Loans and Advances	15	187	366
2 Current Assets			
(a) Inventories	16	33,907	29,604
(b) Trade Receivables	17	23,202	20,996
(c) Cash and Cash Equivalents	18	4,752	6,483
(d) Short-Term Loans and Advances	19	19,351	17,476
(e) Other Current Assets	20	403	-
TOTAL		116,682	106,675

See accompanying notes forming part of the financial statements.

In terms of our Report attached

For Deloitte Haskins & Sells

Chartered Accountants

A. Bhattacharya

Partner

Kolkata

14th May 2013.

For and on behalf of Board of Directors

A. Mazumdar

Chairman

Sumit Mazumder

Vice Chairman & Managing Director

Sekhar Bhattacharjee

Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March 2013

(₹ In Lakhs)

Particulars	Note No.	Year Ended 31.03.2013	Year Ended 31.03.2012
I. Revenue from Operations (Gross)	21	120,285	140,424
Less: Excise Duty		2,920	2,264
Revenue from Operations (Net)		117,365	138,160
II. Other Income	22	1,108	1,020
III. Total Revenue (I + II)		118,473	139,180
IV. Expenses:			
Cost of Materials Consumed	23	19,428	18,321
Purchases of Stock-In-Trade (Traded Goods)	24	71,301	85,986
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	25	(3,086)	4,394
Employee Benefits Expenses	26	11,364	11,560
Finance Costs	27	5,688	3,947
Depreciation and Amortisation Expense	13.2	2,773	2,150
Other Expenses	28	10,188	10,429
Total Expenses		117,656	136,787
V Profit Before Tax (III - IV)		817	2,393
VI Tax expenses			
(1) Current tax		259	844
Less: Minimum Alternate Tax (MAT) Credit Entitlement		(150)	(323)
Net Current Tax		109	521
(2) Deferred tax		280	338
(3) Excess income tax provision relating to earlier year, written back		(3)	-
		386	859
VII. Profit for the year (V-VI)		431	1,534
VIII. Earnings per equity share: [Nominal Value per Share ₹ 10/-			
(Previous year ₹ 10/-)] [Refer Note 34]			
Basic and Diluted		4.30	15.30

See accompanying notes forming part of the financial statements.

In terms of our Report attached

For Deloitte Haskins & Sells

Chartered Accountants

A. Bhattacharya

Partner

Kolkata

14th May 2013.

For and on behalf of Board of Directors

A. Mazumdar

Chairman

Sumit Mazumder

Vice Chairman & Managing Director

Sekhar Bhattacharjee

Company Secretary

Notes to Consolidated Financial Statements for the year ended 31st March 2013

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Accounting Year
Myanmar Tractors Limited. (MTL)	Myanmar	2.5% *	1st April to 31st March
TIL Overseas Pte. Limited. (TILO)	Singapore	100%	1st April to 31st March
Tractors Nepal Private Limited. (TNPL)	Nepal	100%	1st April to 31st March
Tractors India Private Limited. (TIPL)	India	100%	1st April to 31st March

* TILO holds the balance 97.5% of MTL shares.

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

- The Financial Statements of the Parent Company and its subsidiaries (indicated above) have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully adjusting / eliminating intra-Group balances and intra- Group transactions and resulting unrealised profits. Unrealised losses resulting from intra-Group transactions are eliminated unless cost cannot be realised.
- The Consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible (with appropriate regrouping/realignment), except as indicated in Notes 2.3 and 2.4 below, in the same manner as the Parent Company's separate Financial Statements.
- The translation of the functional currencies into Indian Rupees (reporting currency) is performed for equity in the foreign subsidiary, assets and liabilities using the closing exchange rate at the Balance Sheet date, and for income and expenses using average exchange rate prevailing during the year. The resultant exchange difference arising out of such transactions is recognised as part of equity (Foreign Currency Translation Reserve) by the Parent Company until the disposal of investment.
- The excess of cost to the Parent Company of its investment in the subsidiaries over parent's portion of equity of subsidiaries at the dates they become subsidiaries is recognised in the consolidated Financial Statements as Goodwill. Goodwill arising on consolidation is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment loss.

2.3 Accounting policies for the Group are same as followed by the Parent Company (TIL Limited) as indicated in Note 2 on Notes to Financial Statement of TIL Limited's Accounts for the year ended 31st March, 2013, except as follows:

- Certain loose Tools of TIPL are written off over a period of 5 years.
- Fixed Assets of the subsidiaries have not been revalued.
- Tangible and Intangible Fixed Assets of TILO are depreciated under the Straight Line Method over their estimated useful lives (being lower than the useful lives prescribed under Schedule XIV to the Companies Act, 1956 of India) as follows:

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

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

Depreciation charge for the year and year-end Accumulated Depreciation includes ₹ 6 lakhs (previous year ₹ 59 lakhs) and ₹ 18 lakhs (previous year ₹ 12 lakhs) respectively computed by certain subsidiaries applying different depreciation method/rates.

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
3 SHARE CAPITAL		
Authorised		
20,000,000 (31st March, 2012 : 20,000,000) Equity Shares of ₹ 10/- each	2,000	2,000
Issued		
10,030,265 (31st March, 2012 : 10,030,265) Equity Shares of ₹ 10/- each	1,003	1,003
Subscribed and Paid up		
10,030,265 (31st March, 2012 : 10,030,265) Equity Shares of ₹ 10/- each (fully paid up)	1,003	1,003
Total	1,003	1,003

3.1 Reconciliation of the number of Equity shares

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number	Amount (₹ in Lakh)	Number	Amount (₹ in Lakh)
Balance as at the beginning of the year	10,030,265	1,003	10,030,265	1,003
Balance as at the end of the year	10,030,265	1,003	10,030,265	1,003

3.2 Rights, Preferences and Restrictions attached to Equity Shares

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

Notes

to Consolidated Financial Statements for the year ended 31st March 2013
(All amounts in ₹ Lakhs, unless otherwise stated) (Contd.)

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

Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Shares held	% of Holding	Number Shares held	% of Holding
The Coles Crane Group Ltd	1,930,828	19.25	1,930,828	19.25
Life Insurance Corporation of India	1,040,814	10.38	1,040,814	10.38
Mr. Avijit Mazumder	545,301	5.44	545,301	5.44

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
4 RESERVES AND SURPLUS		
Capital Reserve	878	878
Capital Redemption Reserve	400	400
Securities Premium Account	1,934	1,934
Development Rebate Reserve	1	1
Revaluation Reserve		
Opening Balance	674	689
Less: Amount transferred to the Statement of Profit and Loss (Refer Note 12.1)	(15)	(15)
Closing Balance	659	674
Amalgamation Reserve	20	20
Foreign Currency Translation Reserve		
Opening Balance	1,667	508
Add: Adjustment for translation	433	1,159
Closing Balance	2,100	1,667
General Reserves		
Opening Balance	4,980	4,450
Add: Amount transferred from Surplus in the Statement of Profit and Loss	20	530
Closing Balance	5,000	4,980
Surplus in Statement of Profit and Loss		
Opening Balance	23,573	22,919
Profit for the year	431	1,534
Less : Appropriations		
Transfer to General Reserve	(20)	(530)
Proposed Dividend on Equity Shares	(201)	(301)
Tax on Proposed Dividend on Equity Shares	(34)	(49)
Closing Balance	23,749	23,573
Total	34,741	34,127

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
5 LONG TERM BORROWINGS		
(a) Secured Loans		
Term Loans		
From Banks	12,210	9,684
Vehicle Loans		
From Banks	26	30
From Others	1	30
(b) Unsecured Loans		
From Others	346	120
Total	12,583	9,864

5.1 Nature of Security for Secured borrowings

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

Vehicle loans are secured by hypothecation of the vehicles financed.

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
6 DEFERRED TAX LIABILITIES (NET)		
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	1,552	1,298
written down value as per Income Tax.		
Disallowances allowable for Tax purpose on payment	(248)	(274)
Total	1,304	1,024

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
7 LONG TERM PROVISIONS		
Provisions for employee benefits		
Provident Fund (PF) [Also refer Note 26.1 below]	126	83
Compensated Absences	556	453
Total	682	536

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
8 SHORT TERM BORROWINGS		
Secured		
Loan Repayable on Demand		
Banks	33,434	17,048
Unsecured		
Banks	3,372	12,012
Total	36,806	29,060

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
9 TRADE PAYABLES		
Other than Acceptances	12,122	12,706
Acceptance	1,131	1,486
Total	13,253	14,192

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
10 OTHER CURRENT LIABILITIES		
Current maturities of long - term debt	2,974	1,973
Interest accrued but not due on borrowings	383	236
Interest accrued and due on borrowings	13	55
Advance from customers and others	1,295	1,683
Investors Education and Protection Fund (the fund) has been credited by the following amount:		
Unclaimed/Unpaid Dividend [Note 10.1 below]	23	21
Unclaimed/Unpaid Matured Deposit [Note 10.1 below]	-	*
Security Deposit From Customers	260	289
Contribution to Funds	81	2
Statutory remittances	486	424
Others	125	130
Total	5,640	4,813

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

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
11 SHORT TERM PROVISIONS		
(a) Provision for employee benefits		
Contribution to PF	3	8
Compensated Absences	89	141
	92	149
(b) Others		
Provision for Warranty [Note 11.1 below]	70	70
Provision for Income Tax	10,273	11,487
Provision for Proposed Equity Dividend	201	301
Provision for Tax on Proposed Dividend	34	49
	10,578	11,907
Total	10,670	12,056

11.1 Provision for Warranty:

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

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Opening Balance	70	-
Provision during the year	204	149
Provision utilised during the year	(204)	(79)
Closing Balance	70	70

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

12 TANGIBLE ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost/ Valuation as at 01.04.2012	Additions during the year	Sales during the year	Other Adjustment during the year	Cost/ Valuation as at 31.03.2013	As at 01.04.2012	For the Year	On Sales/ Adjustment during the year	Other Adjustment during the year	As at 31.03.2013	As at 31.03.2012	
Own Assets												
Freehold Land	2,037	19	-	-	2,056	-	-	-	-	2,056	2,037	
Leasehold Land	451	-	-	-	451	79	9	-	-	363	372	
Buildings	9,428	809	-	39 #	10,276	813	277	13	-	1,077	8,615	
Plant and Equipment	12,081	2,300	176	54 #	14,259	5,410	1,135	49	-	6,496	6,671	
Furniture and Fixtures	1,424	225	-	-	1,649	784	86	-	-	870	640	
Vehicles	819	61	17	-	863	270	80	3	-	347	549	
Office Equipment	271	11	-	-	282	57	19	-	-	76	214	
Sub total (A)	26,511	3,425	193	93	29,836	7,413	1,606	65	-	8,954	19,098	
Assets Given On Operating Lease												
Plant and Equipment	9,245	1,717	2,379	-	8,583	2,197	1,118	1,265	-	2,050	7,048	
Sub total (B)	9,245	1,717	2,379	-	8,583	2,197	1,118	1,265	-	2,050	7,048	
Total (A+B)	35,756	5,142	2,572	93	38,419	9,610	2,724	1,330	-	11,004	26,146	
Previous Year	27,572	14,634	3,910	(2,540)	35,756	9,694	2,133	2,210	7	9,610	26,146	

Refer note 12.3 below.

- 12.1** Based on the valuation report submitted by the valuers appointed for the purpose, certain items of the Parent Company's fixed assets (viz. Freehold and Leasehold Land, Freehold and Leasehold Buildings and Plant and Equipment) were revalued on 31st March, 1993 after considering the following factors :-
- The then estimated current market value pertaining to Leasehold Land and Freehold Land and Buildings thereon.
 - Value of Plant and Equipment based on their then current cost of replacement.
 - Adjustments for the then condition, the standard of maintenance, depreciation up to valuation date etc.

The resultant revaluation surplus of ₹ 2,472 lakhs, arising from the aforesaid revaluation, were transferred to Revaluation Reserve as reflected in the Parent Company's annual accounts for 1992-93. Depreciation on these revalued assets as calculated in the manner includes an additional charge of ₹15 lakhs (Previous Year ₹15 lakhs) and an amount equivalent to the additional charge has been transferred to the Statement of Profit and Loss from Revaluation Reserve; The effective depreciation rates (other than for leasehold land) are as per Schedule XIV to the Companies Act, 1956.

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

- 12.3** Other adjustments represents borrowing cost capitalised during the year ₹ 93 lakhs (Previous Year ₹ 342 lakhs)

- 12.4** Capital Work in Progress includes borrowing costs ₹ 861 lakhs (Previous Year ₹ 397 lakhs)

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

13 INTANGIBLE ASSETS	GROSS BLOCK			AMORTISATION				NET BLOCK	
	Cost/ Valuation as at 01.04.2012	Additions during the year	Sales during the year	Cost/ Valuation as at 31.03.2013	As at 01.04.2012	For the Year	On Sales/ Adjustment during the year	As at 31.03.2013	As at 31.03.2012
(acquired items)									
Technical Know-how (Refer Note 13.1)	1,206	70	-	1,276	955	64	-	1,019	251
Software	100	-	-	100	100	-	-	100	-
Total	1,306	70	-	1,376	1,055	64	-	1,119	251
Previous Year	1,111	232	37	1,306	1,000	90	35	1,055	251

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

13.2 Details of Depreciation and Amortisation Expenses

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Depreciation of Tangible Assets	2,724	2,133
Amortisation of Intangible Assets	64	90
Less : Recoupment from revaluation reserve	(15)	(15)
Less : Depreciation Capitalised	-	(15)
Less : Amortisation Capitalised	-	(43)
Depreciation and amortisation charged to Statement of Profit and Loss	2,773	2,150

Notes

to Consolidated Financial Statements for the year ended 31st March 2013
(All amounts in ₹ Lakhs, unless otherwise stated) (Contd.)

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number	Value (₹ in Lakhs)	Number	Value (₹ in Lakhs)
14 NON CURRENT INVESTMENTS (At Cost)				
Other Investments:				
Long - Term				
Quoted :				
Equity Instrument				
Eveready Industries India Limited	1,266	2	1,266	2
Shares of ₹ 5/- each fully paid				
McLeod Russell India Limited	1,266	2	1,266	2
Shares of ₹ 5/- each fully paid				
Bank of India	7,900	3	7,900	3
Shares of ₹ 10/- each fully paid				
Unquoted:				
Debentures				
Woodlands Multispecialty Hospital Limited	20	*	20	*
1/2 % Debentures of ₹ 100/- each fully paid				
Others				
Gulshan Villa Premises Co-operative Society Limited	-	-	10	*
Shares of ₹ 50/- each fully paid				
		7		7
Aggregate book value of investments				
Quoted		7		7
Unquoted		*		*
Total		7		7
Aggregate market value of quoted investments		29		32

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
15 LONG TERM LOANS AND ADVANCE		
Unsecured, Considered Good		
Capital Advance	-	64
Security Deposits	174	296
Balance with Government Authorities	6	4
Employee Advance	7	2
Total	187	366

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
16 INVENTORIES		
a. Raw Material and components	5,915	4,911
Goods-in-transit	512	294
	6,427	5,205
b. Work-in-progress	3,997	2,013
	3,997	2,013
c. Finished goods	2,213	1,433
	2,213	1,433
d. Stock-in-trade	20,719	20,392
Goods-in-transit	446	396
	21,165	20,788
e. Stores and spares-Others	61	81
	61	81
f. Loose Tools	44	84
	44	84
Total	33,907	29,604

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
17 TRADE RECEIVABLES		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment.	1,931	1,794
Others	21,271	19,202
Total	23,202	20,996

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
18 CASH AND CASH EQUIVALENTS		
Cash in hand	26	12
Cheques in Hand	219	83
Balance with Banks:		
On Current Accounts	4,447	3,210
On Dividend Accounts	23	21
On Fixed Deposits	37 #	3,157
Total	4,752	6,483

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

Notes

to Consolidated Financial Statements for the year ended 31st March 2013
(All amounts in ₹ Lakhs, unless otherwise stated) (Contd.)

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
19 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Claims Receivable	3,436	1,101
Accrued Duty Benefits pertaining to exports/Deemed exports	183	108
Employee Advance	40	30
Advance to Suppliers	462	2,781
Advance Income Tax	11,168	12,223
Mat Credit Entitlement	473	323
Advance to Government Authorities	410	270
Deposits	335	136
Prepayments	2,844	504
Total	19,351	17,476

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
20 OTHER CURRENT ASSETS		
Unsecured, Considered Good		
Receivable on Sale of Long Term Investment	403	-
Total	403	-

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
21 REVENUE FROM OPERATIONS		
Operating Income		
Sale of product		
Finished Goods	27,128	25,655
Traded goods	85,832	105,662
Sale of services	2,390	3,318
	115,350	134,635
Other Operating Income		
Rental from Machinery	3,011	2,386
Selling Commission earned	1,226	2,968
Scrap Sales	231	161
Profit on Sale of Used Assets	467	274
	4,935	5,789
REVENUE FROM OPERATIONS (GROSS)	120,285	140,424
Less : Excise Duty	2,920	2,264
REVENUE FROM OPERATIONS (NET)	117,365	138,160

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
22 OTHER INCOME		
Interest:		
- On Income Tax Refunds	7	-
- On deposit with Banks and Others	23	113
Dividend Income (Long Term Investments)	1	1
Profit on Sale of Investment	317	-
Profit/(Loss) on Sale of Fixed Assets (Net)	-	224
Liabilities no longer required written back	121	56
Bad-debt Recovered	313	-
Discounts	2	29
Miscellaneous Income	324	597
Total	1,108	1,020

Notes

to Consolidated Financial Statements for the year ended 31st March 2013
(All amounts in ₹ Lakhs, unless otherwise stated) (Contd.)

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
23 COST OF MATERIALS (INCLUDING COMPONENTS) CONSUMED		
Material Consumed	19,428	18,321
Total	19,428	18,321

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
24 PURCHASE OF STOCK-IN-TRADE (TRADED GOODS)		
Purchase of Traded Goods	71,301	85,986
Total	71,301	85,986

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
25 CHANGES IN INVENTORIES		
Inventories at the end of the year		
Traded goods	21,165	20,788
Work-in-progress	3,997	2,013
Finished goods	2,213	1,433
	27,375	24,234
Inventories at the beginning of the year		
Traded goods	20,788	26,157
Work-in-progress	2,013	1,757
Finished goods	1,433	733
Less : Capitalised	-	(135)
	24,234	28,512
Excise Duty on Increase of Finished Goods	55	116
Total Net Decrease/ (Increase)	(3,086)	4,394

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
26 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus etc.	9,920	9,710
Contribution to Provident and other Funds	799	1,298
Staff Welfare Expenses	394	331
Medical Expenses	251	221
Total	11,364	11,560

26.1 Employee Benefits

The Group has recognised, in the Statement of Profit and Loss for the year ended 31st March, 2013 an amount of ₹ 148 Lakhs (Previous year ₹ 133 Lakhs) as expenses under defined contribution plans.

Provident Fund:-

The Group has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors. Based on the final guidance for measurement of Provident Fund liabilities issued by the Actuarial Society of India, the Company's liability at the year end of ₹ 127 lakhs (Previous Year ₹ 91 lakhs) has been actuarially determined by an independent authority. The Company has contributed for the year ended 31st March, 2013 an amount of ₹ 419 lakhs (Previous year ₹ 389 lakhs) as Provident Fund.

The details of fund and plan asset position as at 31st March, 2013 is given below:

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Present value of benefit obligation at year end (₹ In lakhs)	4,092	3,717
Cost of shortfall in interest rate guarantee (₹ In lakhs)	36	91
Assumptions used in determining the present value obligation on the interest guarantee under the Deterministic approach		
- Guaranteed Rate	8.50%	8.25%
- Average yield rate based on data of investment portfolio	7.79%	8.31%
- Decrement adjusted average future period of service	21 years	22 years
- Average maturity period of investment portfolio	3.1 years	4.5 years
- Discount rate	8.31%	8.69%

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

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

(₹ In Lakhs)

Description	Superannuation Fund (Funded)		Gratuity Fund (Funded)	
	2012-13	2011-12	2012-13	2011-12
1. Reconciliation of the Opening and Closing balances of the Present Value of Obligation				
a. Present Value of Obligation at the Beginning of the Year	2,271	1,995	1,018	859
b. Current Service Cost	99	86	120	88
c. Interest Cost	176	154	80	67
d. Curtailment Cost/(Credit)	-	-	-	-
e. Actuarial (gain)/loss	5	392	(6)	143
f. Benefits paid	(400)	(356)	(151)	(139)
g. Present Value of Obligation at the end of the Year	2,151	2,271	1,061	1,018
2. Reconciliation of the Opening and Closing balances of the Fair Value of Plan Assets:				
a. Fair value of Plan Assets at the Beginning of the Year	2,276	1,995	1,041	779
b. Expected return on Plan Assets	180	174	89	74
c. Actuarial gain/(loss)	21	3	4	(3)
d. Contributions by the Employer	75	460	165	330
e. Benefits paid	(400)	(356)	(151)	(139)
f. Fair value of Plan Assets at the end of the Year	2,152	2,276	1,148	1,041
3. Reconciliation of the Present Value of Obligation and Fair Value of the Plan Assets:				
a. Fair value of Plan Assets at the end of the Year	2,152	2,276	1,148	1,041
b. Present Value of Obligation at the end of the Year	2,151	2,271	1,061	1,018
c. (Assets)/Liabilities recognised in the Balance Sheet	(1)	(5)	(87)	(23)
4. Expenses recognised during the year:				
a. Current Service cost	99	86	120	88
b. Interest cost	176	154	80	67
c. Expected return on Plan Assets	(180)	(174)	(89)	(74)
d. Curtailment Cost/(Credit)	-	-	-	-
e. Actuarial (Gain) / Loss	(16)	389	(10)	145
f. Expenses recognised during the year	79	455	101	226

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

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

(₹ In Lakhs)

Description	Superannuation Fund (Funded)					Gratuity Fund (Funded)				
	2012-13	2011-12	2010-11	2009-10	2008-09	2012-13	2011-12	2010-11	2009-10	2008-09
a. Present Value of Obligation at the end of the Year	2,151	2,271	1,995	1,905	1,890	1,061	1,018	859	642	539
b. Fair value of Plan Assets at the end of the Year	2,152	2,276	1,995	1,906	1,542	1,148	1,041	779	564	578
c. (Assets)/Liabilities recognised in the Balance Sheet	(1)	(5)	-	(1)	35	(87)	(23)	81	78	(38)
d. Experience Adjustments on Plan Obligation [(Gain) /Loss]	(40)	391	168	256	515	(20)	142	235	70	42
e. Experience Adjustments on Plan Assets[Gain/(Loss)]	21	3	5	21	-	4	(3)	(7)	(49)	(4)

Description	Superannuation Fund % Invested		Gratuity Fund % Invested	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Investment Details of Plan Assets as at				
a. Govt of India Securities	23.78	21.83	23.56	22.17
b. Public Sector (PSU) Bonds	49.32	51.30	36.82	36.64
c. State / Central Govt Securities	13.68	13.69	18.80	17.77
d. Special Deposit Scheme	13.13	12.82	20.19	22.26
e. Other including Bank Balance	0.09	0.36	0.63	1.16
Total	100.00	100.00	100.00	100.00
Assumptions				
a. Discount rate per annum	8.30%	8.50%	8.30%	8.50%
b. Salary escalation rate per annum	4.00%	4.00%	4.00%	4.00%
c. Expected rate of return on Plan Assets per annum	8.30%	8.50%	8.30%	8.50%
d. Method used	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method
Actual Return on Plan Assets	8.51%	7.37%	8.21%	7.11%

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

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

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

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
27 FINANCE COST		
Interest Expenses	5,512	3,694
Other Borrowing Cost	176	253
Total	5,688	3,947

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
28 OTHER EXPENSES		
Consumption of Stores	467	454
Power and Fuel	571	357
Rent	509	455
Repairs:		
Buildings	208	228
Plant and Machinery	537	436
Others	185	148
	930	812
Insurance	381	321
Rates and Taxes	34	212
Bank Charges	402	453
Travelling Expenses	1,900	1,906
Stationery and Printing	125	161
Postage, Telephone and other Communication Expenses	303	345
Advertising	42	91
Commission	147	55
Forwarding Charges	529	479
Royalties	199	190
Professional Fees	806	499
Motor Car and Van Expenses	176	216
Service Support Expenses	590	489
Trade Receivables written off	286	259
Carriage Inward	285	549
Miscellaneous Expenses	1,506	2,126
Total	10,188	10,429

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

- 29 The Group has various residential / commercial premises taken under cancellable operating lease. Leases range for periods between 3 to 5 years. Terms of the lease include operating term for renewal, increase in rent for future periods, terms of cancellation etc. The operating lease payments for the year amount to ₹ 455 lakhs (Previous Year ₹ 404 lakhs)

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
30 CONTINGENT LIABILITIES IN RESPECT OF		
a. Sales Tax Matters under dispute	2,856	1,599
[Related payments ₹ 69 lakhs (Previous year ₹10 lakhs)]		
b. Income Tax Matters under dispute	208	303
[Excludes disputed Income Tax matters, in view of favourable Tribunal decision in similar case].		
[Related payments ₹ 116 lakhs (Previous year ₹116 lakhs)]		
c. Service Tax matters under dispute	1,163	1,213
[Related payments ₹ 239 lakhs (Previous year ₹ 202 lakhs)]		
d. Excise Duty matters under dispute	48	48
[Related payments ₹ 23 lakhs (Previous year ₹ 23 lakhs)]		
e. Others	6	6

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
31 CORPORATE GUARANTEE GIVEN ON BEHALF OF SUBSIDIARIES:		
- Limit		
Tractors India Private Limited	52,715	50,800
Myanmar Tractors Limited	Nil	1,028
TIL Overseas Pte. Limited	Nil	771
- Amount outstanding at year-end		
Tractors India Private Limited	37,529	28,060
Myanmar Tractors Limited	Nil	Nil
TIL Overseas Pte. Limited	Nil	Nil

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
32 CAPITAL COMMITMENT		
Capital Commitment [Net of advance ₹ 1647 lakhs (Previous year ₹ 760 lakhs)]	882	2,682
Other Commitments	6,351	8,281

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

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

- Material Handling Solutions (MHS)- engaged in manufacturing and marketing of various Material Handling Equipment namely Mobile Cranes, Port Equipment (Reach stacker, Level Luffing Cranes), Road Construction Equipment, Self Loading Truck Cranes etc. and dealing in spares and providing services to related equipments.
- Construction and Mining Solutions (CMS) - engaged as a dealer for Caterpillar Inc. USA for their earthmoving, construction mining equipment, spares etc. and providing related services in Eastern and Northern India, Bhutan, Nepal, Singapore and Myanmar (up to 30.06.2011)
- Power Systems Solutions (PSS) - engaged in assembly, supply, erection and commissioning of Generating Sets powered by Caterpillar engines and dealing in spares and providing related services in Eastern and Northern India, Bhutan, Nepal, Singapore and Myanmar (up to 30.06.2011)

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

33.1 Information about primary segments - Business Segments

(₹ In Lakhs)

Description	Year Ended 31.03.2013				
	MHS	CMS	PSS	ELIMINATION	TOTAL
Gross External Revenue	29,197	64,115	26,973	-	120,285
	(25,528)	(83,692)	(31,204)	-	(140,424)
Less : Excise Duty	2,417	-	503	-	2,920
	(1,749)	-	(515)	-	(2,264)
Net External Revenue	26,780	64,115	26,470	-	117,365
	(23,779)	(83,692)	(30,689)	-	(138,160)
Inter Segment Revenue	9	35	50	(94)	-
	-	-	(64)	(64)	-
Total Revenue from Operations	26,789	64,150	26,520	(94)	117,365
	(23,779)	(83,692)	(30,753)	(64)	(138,160)
Segment Results	1,995	2,273	1,618	-	5,886
	(1,694)	(1,701)	(2,272)	-	(5,667)
Add(+)/(Less)(-): Unallocated income					619
net off unallocated expense(+)/					(673)
[Unallocated expense net off unallocated income(-)]					
Finance Costs					5,688
					(3,947)
Profit before tax					817
					(2,393)
	MHS	CMS	PSS	UNALLOCABLE	TOTAL
Other Segment Information:					
Depreciation and Amortisation	845	1,269	522	137	2,773
	(350)	(1,041)	(622)	(137)	(2,150)
Non Cash Expenses other than Depreciation and Amortisation	146	74	66	-	286
	(148)	(42)	(69)	-	(259)
Segment Assets	46,195	34,070	17,823	18,594	116,682
	(35,652)	(40,752)	(17,020)	(13,251)	(106,675)
Segment Liabilities	5,927	5,655	4,720	64,634	80,936
(excluding Shareholders' Funds)	(6,048)	(7,222)	(4,201)	(54,074)	(71,545)
Capital Expenditure	3,528	2,117	568	917	7,130
	(11,396)	(4,213)	(464)	(700)	(16,773)

Previous year's figures in bracket.

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

33.2 Information about secondary segments - Geographical Segments

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Revenue		
India	108,709	121,298
Outside India	8,656	16,862
Total	117,365	138,160
Assets		
India	96,512	86,106
Outside India	1,576	7,318
Total	98,088	93,424
Capital Expenditure		
India	6,210	15,273
Outside India	3	800
Total	6,213	16,073

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
34 EARNINGS PER SHARE (EPS) - THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC AND DILUTED EPS:		
Profit after Tax attributable to the Equity Shareholders (₹ Lakhs) A	431	1,534
i. Number of Equity Shares at the beginning of the year	10,030,265	10,030,265
ii. Number of Equity Shares issued during the year	-	-
iii. Number of Equity Shares at the end of the year	10,030,265	10,030,265
iv. Weighted average number of Equity Shares outstanding during the year B	10,030,265	10,030,265
v. Nominal Value of each Equity Share (₹)	10/-	10/-
Basic and Diluted Earnings per Share (₹) A/B	4.30	15.30

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

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

A) List of Related Parties

Key Management Personnel	Mr. A. Mazumdar (Chairman and Whole time Director-TIL Limited)
	Mr. S. Mazumder (Vice Chairman and Managing Director-TIL Limited)
	Mr. S K Bhatnagar (Whole time Director - TIL Limited till 3rd October, 2011)

B) Particulars of transactions during the year ended 31st March, 2013

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Key Management Personnel		
a) Remuneration		
Mr. A. Mazumdar	28	255
Mr. S. Mazumder	216 *	55
Mr. S K Bhatnagar	-	120
b) Year end Balance		
Commission Payable		
Mr. A. Mazumdar	-	109
Mr. S K Bhatnagar	-	40

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

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

Signatures to Note '1' to '36'

For and on behalf of Board of Directors

A. Mazumdar

Chairman

Sumit Mazumder

Vice Chairman & Managing Director

Sekhar Bhattacharjee

Company Secretary

Kolkata

14th May 2013.

Consolidated Cash Flow Statement for the year ended 31st March 2013

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		817		2,393
Adjustments for:				
Depreciation and Amortisation Expenses	2,773		2,150	
Trade Receivables Written off	286		259	
(Profit)/Loss on Sale of Fixed Assets (Net)	(467)		(498)	
(Profit)/Loss on Sale of Investment (Net)	(317)		-	
Finance Costs (Net)	5,688		3,726	
Dividend Income	(1)		(1)	
Interest Income	(30)		-	
Liability no longer required written back	(121)		(56)	
Unrealised Foreign Exchange (Gain)/Loss (Net)	400		964	
		8,211		6,544
Operating Profit before Working Capital Changes		9,028		8,937
Adjustments for :				
Trade and Other Receivables	(2,492)		(2,018)	
Inventories	(4,304)		4,238	
Loans and Advances (Short-Term and Long-Term)	(3,004)		1,972	
Trade Payables and Other Liabilities	(976)		(9,684)	
		(10,776)		(5,492)
Cash Generated from Operations		(1,748)		3,445
Direct Taxes Paid		(408)		(1,654)
Net Cash from/(used in) Operating Activities		(2,156)		1,791
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(6,603)		(16,133)	
Proceeds from Sale of Fixed Assets	1,709		2,198	
Proceeds from Sale of Investments	317		-	
Interest Received	23		113	
Dividend Received	1		1	
Net Cash Used in Investing Activities		(4,553)		(13,821)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(6,140)		(4,035)	
Proceeds from Long Term borrowings	5,927		10,356	
Repayment of Long Term borrowings	(2,207)		(731)	
Proceeds/(Repayments) of Short-Term Borrowings (Net)	7,746		8,077	
Dividend Paid	(299)		(598)	
Income Tax on Dividends Paid	(49)		(98)	
Net Cash from/(used in) Financing Activities		4,978		12,971
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(1,731)		941
Cash and Cash Equivalents as at the beginning of the year (Refer Note 18)		6,483		5,542
Cash and Cash Equivalents as at the end of the year (Refer Note 18)		4,752		6,483

- Notes:** 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements'.
2) Previous year figure have been regrouped and rearranged wherever required to conform with current year classification.
3) Cash and Cash Equivalents include ₹ 23 lakhs (previous year ₹ 21 lakhs) in respect of unpaid dividend accounts and ₹ 1 lakh (previous year ₹ Nil) in respect of deposits with remaining maturity of more than 12 months from the Balance Sheet date.

In terms of our Report of even date.

For Deloitte Haskins & Sells
Chartered Accountants

A. Bhattacharya
Partner

Kolkata
14th May 2013.

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 2013:				
a) No. of Equity Shares	4,500,000	602	120,000	107,577
b) Face Value	₹ 10	Kyats 1000	NPR 100	\$ 10
c) Extent of Holding	100%	2.5%*	100%	100%
Net Aggregate Profit/(Loss) of the Subsidiary Company so far as it concerns the Members of the Company:-				
A) For the financial year ended on 31st March, 2013:				
i) Not dealt with in the Books of Accounts of the Company	₹ (Lakhs) 260	US\$ 69,322	NPR 3,569,311	US\$ 903,358
	(100% of the PAT)	(100% of the PAT)	(100% of the PAT)	(100% of the PAT)
ii) Dealt with in the Books of Accounts of the Company	Nil	Nil	Nil	Nil
B) For the Subsidiary Company's previous financial years since it became a subsidiary:				
i) Not dealt with in the Books of Accounts of the Company	₹ (Lakhs) 2,262	US\$ 5,964,353	NPR 41,707,822	US\$ 1,721,354
	(100% of the PAT)	(100% of the PAT)	(100% of the PAT)	(100% of the PAT)
ii) Dealt with in the Books of Accounts of the Company	Nil	Nil	Nil	Nil

*The Balance 97.5% of the Share Capital is held by TILO

NOTES:

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 the holding company, other than those reflected in the Accounts of TIL Limited

A. Mazumdar
Chairman

Sumit Mazumder
Vice Chairman & Managing Director

Sekhar Bhattacharjee
Company Secretary

Kolkata
14th May 2013

Corporate Information

Tractors India Private Limited

BOARD OF DIRECTORS

Mr. Sumit Mazumder

Chairman and Managing Director

Mr. Alope Banerjee

Director - Finance

Dr. T. Mukherjee

Non-Executive Independent Director

AUDITORS

Price Waterhouse

BANKERS

Bank of India

Union Bank of India

ING Vysya Bank Ltd.

State Bank of Bikaner & Jaipur

State Bank of India

State Bank of Hyderabad

Axis Bank Ltd.

Citi Bank N.A.

HDFC Bank Ltd.

DBS Bank Ltd.

REGISTERED OFFICE

1, Taratolla Road, Garden Reach, Kolkata 700 024

Telephone: (033) 2469 3732 - 36 (5 Lines), (033) 6633 2000 / 2845

Directors' Report



Your Directors have pleasure in presenting the Annual Report and Audited Accounts for the year ended 31st March 2013:

(₹ / Crs.)

	For the Year Ended	
	31.03.2013	31.03.2012
1 FINANCIAL RESULTS		
Profit for the year after meeting all expenses but before charging Depreciation and Finance Cost.	60.65	54.71
Less: Finance Cost	38.87	34.73
Depreciation	17.75	15.80
Profit / (Loss) Before Tax	4.03	4.18
Tax Provision		
a) Current Tax	0.87	0.57
b) Deferred Tax	0.56	0.04
Profit/(Loss) After Tax	2.60	3.57
Balance Carried Forward	2.60	3.57

2. PERFORMANCE

The Company achieved a turnover including income from operations and other income of ₹ 882.98 Crs. compared to ₹ 1039.96 Crs. in the previous year. Profit before tax stood at ₹ 4.03 Crs. compared to ₹ 4.18 Crs. in the previous year.

3. FINANCE

Reserves & Surplus of the Company increased from ₹ 113.97 Crs. to ₹ 116.57 Crs. and the Shareholders' Funds increased from ₹ 118.47 Crs. to ₹ 121.07 Crs.

4. DEPOSIT

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

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

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

6. PARTICULARS OF EMPLOYEES

The total number of employees of the Company as on 31st March, 2013 was 1,687.

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

7. DIRECTORS

Mr. Alope Banerjee retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on a going concern basis.

9. APPOINTMENT OF COST AUDITORS

Messrs. D. Radhakrishnan & Co., Cost Accountants, 11A, Dover Lane, Kolkata – 700029, the Cost Auditors of the Company have already expressed their willingness for re-appointment as Cost Auditors for the current financial year 2013-14 and have also confirmed that their appointment is within the limits specified under Section 224(1B) of the Companies Act, 1956. Accordingly, the Board of Directors has re-appointed Messrs. D. Radhakrishnan & Co., Cost Accountants as the Cost Auditors of the Company for the current financial year 2013-14.

DIRECTORS' REPORT

10. AUDITORS

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

11. AUDITORS' REPORT

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

12. SECRETARIAL AUDIT REPORT

Pursuant to Section 383A of the Companies Act, 1956, Messrs. T. Chatterjee & Associates, Practicing Company Secretaries, have conducted Secretarial Audit of the

Company for the financial year ended 31st March 2013. The Secretarial Audit Report addressed to the Board of Directors of the Company is attached hereto as part of this report. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, and all other Laws as applicable to the Company.

13. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place: Kolkata

Date: 13th May 2013.

Sumit Mazumder
Chairman & Managing Director

Annexure to Directors' Report

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

FORM - A

CONSERVATION OF ENERGY

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

1. Measures taken

The Company's manufacturing process is not energy intensive in nature and hence it is committed to conserve energy by optimal usage of this scarce resource. Asansol,

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

2. Improvements

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

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

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

Particulars	Standard Unit	Year Ended 31.03.2013	Year Ended 31.03.2012
A. Power and fuel consumption			
a) Electricity			
Purchased Units		239,278	347,962
Total amount (₹ Crs.)		0.21	0.22
Rate Per Unit (₹)		8.65	6.46
b) Own Generation			
Through Diesel Generator			
Units		70,779	53,220
Units per litre		3.27	3.00
Cost per unit (₹)		14.95	12.03
B. Consumption per unit of Production			
Product – DG Sets Electricity (in '000)	Nos.	1.18	1.35

FORM - B**TECHNOLOGY ABSORPTION****Not Applicable****FOREIGN EXCHANGE EARNINGS AND OUTGO**

Earnings and Outgo:	(₹ / Crs.)
A) Foreign Exchange Earnings - export sales (FOB), Commission, Dividend, etc.	50.15
B) Foreign Exchange outgo (includes raw material, capital goods, components & spares, and other expenditure in foreign currency, including dividends):	
i) Machines (Trading items)	67.41
ii) Components & Spares	124.34
iii) Capital goods	1.37
iv) Travelling	0.28
v) Subscription	0.02
vi) Software maintenance charges	2.00

For and on behalf of the Board of Directors

Place: Kolkata

Date: 13th May 2013.

Sumit Mazumder
Chairman & Managing Director

Compliance Certificate

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

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

I have examined the registers, records, books and papers of Tractors India Private Limited, as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and Directors, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all Registers, as per the provisions of the Act and the Rules made there under and all entries herein have been duly recorded.
2. The Company has duly filed the forms and returns with the Registrar of Companies, West Bengal under the Act and Rules made there under.
3. The Company being a Private Limited Company has the minimum prescribed Paid-up Capital and its maximum number of members during the said financial year was 3 excluding its present and past employees. During the year under scrutiny, the Company:
 - i) has not invited public to subscribe for its shares or debentures; and
 - ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met five (5) times on 14/05/2012, 30/07/2012, 18/10/2012, 30/01/2013 and 26/03/2013 in respect of each Meeting proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Register of Members was not closed during the financial year.
6. The Annual General Meeting for the financial year ended on 31/03/2012 was held on 30/07/2012 after giving due notice to the members of the Company and the resolutions passed were duly recorded in Minutes Book maintained for the purpose.
7. During the financial year under review no Extraordinary General Meeting was held.

COMPLIANCE CERTIFICATE

8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295 of the Act.
9. The Company has not entered into contracts falling within the purview of Section 297 of the Act.
10. According to information and explanations given to me, there are no transactions made in pursuance of contract or arrangement to be entered in the Register maintained under Section 301 of the Act.
11. There were no instances falling within the purview of Section 314 of the Act.
12. The Company has not issued any duplicate Share Certificate during the financial year.
13. The Company has :
 - (i) Not made any allotment of securities during the financial year.
 - (ii) Not deposited any amount in separate bank account, as no dividend was declared during the financial year.
 - (iii) Not required to post warrants to any Members of the Company as no dividend was declared during the financial year.
 - (iv) There was no amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon.
 - (v) Duly complied with the requirement of Section 217 of the Companies Act, 1956.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors has been duly made.
15. The appointment of Wholtime Directors and Managing Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has made an application on 24th November 2012 to the Central Government for approval of the payment of managerial remuneration.
18. The Directors have disclosed their interest in other Firms/ Companies to the Board of Directors pursuant to the provisions of the Act and the Rules made there under.
19. The Company has not issued any Shares during the financial year.
20. The Company has not bought back any Shares during the financial year.
21. There was no redemption of Preference Shares or Debentures during the financial year.
22. There was no transaction necessitating the Company to keep in abeyance the rights to Dividend, Right Shares and Bonus Shares pending registration of transfer of Shares.
23. The Company has not invited/accepted any Deposits including any Unsecured Loans falling within the purview of Section 58A and 58 AA during the financial year.
24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2013 is within the borrowing limits of the Company.
25. The Company has not made any loans and investments; or given guarantees or provided securities to other bodies' corporate which attract the provisions of Section 372A of the Act.
26. The Company has not altered the provisions of its Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of its Memorandum with respect to the objects of the Company during the year under scrutiny.

28. The Company has not altered the provisions of its Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the 'Authorized Capital' clause of the Memorandum of Association of the Company during the year under scrutiny and complied with the provisions of the Act.
30. The Company has not altered the Articles of Association of the Company during the year under scrutiny.
31. I have been given to understand by the Management that there was/were no prosecution(s) initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for the offences under the Act.
32. The Company has not received any money as security from its employees during the year under certification, hence the provisions of Section 417(1) of the Act was not applicable.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Place: Kolkata

Date: 10th May 2013.

Tarun Chatterjee

Company Secretary in Practice

CP No. 6935

Auditors' Report

To the Members of Tractors India Private Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Tractors India Private Limited (the "Company"), which comprise the Balance Sheet as at 31st March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;

- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order 2004' issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, (hereinafter referred to as the "order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations

which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- (e) On the basis of the written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-Section (1) of section 274 of the Act.

For **Price Waterhouse**
Chartered Accountants
(Firm Registration No. 012754N)

Sunit Kumar Basu
Partner
(Membership No. 55000)

Place: Kolkata
Date: 13th May 2013.

Annexure

To the Auditors' Report

Referred to in paragraph 1 of the Auditors' Report of even date to the members of Tractors India Private Limited on the financial statements as of and for the year ended 31st March 2013

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of these years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- ii) (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) The Company has not granted secured/unsecured loans. There are no companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- iv) In the opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v) According to the information and explanation given to us, there have been no contracts of arrangements that need to be entered in the register maintained under Section 301 of the Act.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the

maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

ix) (a) According to the information and explanations given to us and the records of the Company explained by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of service tax and tax deducted at source, though there

has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, customs duty, excise duty and other material statutory dues, as applicable with the appropriate properties.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, service tax and excise duty as at 31st March 2013 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is Pending
The Central Sales Tax Act, 1956	Sales Tax	4.85	2001-02	The High Court of Jharkhand at Ranchi
The Delhi Sales Tax Act, 1956	Sales Tax	4.91	2002-03	The High Court of Delhi
The Bihar VAT Act	Sales Tax	80.91	2008-09 & 2009-10	The Joint Commissioner of Commercial Taxes (appeal) Patna
	Sales Tax	342.71	2010-11	The Joint Commissioner of Commercial Taxes (appeal) Patna
The Punjab VAT Act, 2005	Sales Tax	4.71	2012-13	The Deputy Commissioner & Taxation Commissioner Appeal Patiala Division Patiala
Finance Act, 1994	Service Tax	140.57	2003-04 to 2007-08 & 2009-10	Custom-Excise and service Tax Appellate Tribunal, New Delhi
Finance Act, 1994	Service Tax	861.03	Jan-2004 to Aug 2007	Custom-Excise and service Tax Appellate Tribunal, Kolkata
Finance Act, 1994	Service Tax	38.47	2004-05, 2007-08 and 2008-09	The Commissioner of Central Excise, Kolkata
Central Excise Rules, 1944	Excise Duty	10.04	2008-09 to 2010-11	Commission Appeal-Ghaziabad
Finance Act, 1994	Service Tax	88.68	2010-11	The Commissioner of Central Excise, Jaipur

AUDITORS' REPORT

- x) As the Company is registered for a period less than five years, the provisions of Clause 4(x) of the order are not applicable to the Company.
- xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii) As the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company, the provisions of Clause 4(xiii) of the order are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi) In our opinion , and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix) The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, notice or reported during the year, nor have we been informed of any such case by the Management.

For **Price Waterhouse**
Chartered Accountants
(Firm Registration No. 012754N)

Sunit Kumar Basu
Partner
(Membership No. 55000)

Balance Sheet

as at 31st March 2013

(₹ In Lakhs)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	450	450
Reserves and Surplus	4	11,657	11,397
Non- Current Liabilities			
Long -Term Borrowings	5	1,581	2,051
Deferred Tax Liabilities (Net)	6	488	431
Long- Term Provisions	7	376	308
Current Liabilities			
Short -Term Borrowings	8	27,091	25,502
Trade Payables	9	7,729	8,071
Other Current Liabilities	10	3,350	3,487
Short- Term Provisions	11	14	60
TOTAL		52,736	51,757
ASSETS			
Non - Current Assets			
Fixed Assets			
(i) Tangible Assets	15	9,710	10,027
(ii) Capital work-in-progress		383	-
(iii) Intangible Assets under development (Computer Software)		1,234	700
Long Term Loans and Advances	16	101	72
Current Assets			
Inventories	17	20,354	20,835
Trade Receivables	18	16,072	16,116
Cash and Cash Equivalents	19	122	98
Short Term Loans and Advances	20	4,598	3,791
Other current assets	21	162	118
TOTAL		52,736	51,757

Summary of significant Accounting policies

2

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

For PRICE WATERHOUSE
Firm Registration No. 012754N
Chartered Accountants

Sunit Kumar Basu
Partner
Membership No. 55000
Kolkata
13th May 2013.

For and on behalf of Board of Directors

Sumit Mazumder
Chairman & Managing Director

Aloke Banerjee
Director Finance

Statement of Profit & Loss for the year ended 31st March 2013

(₹ In Lakhs)

Particulars	Note No.	Year Ended 31.03.2013	Year Ended 31.03.2012
I. Revenue from Operations (Gross)	22	87,858	103,767
Less: Excise Duty		503	516
Revenue from Operations (Net)		87,355	103,251
II. Other Income	23	440	229
III. Total Revenue (I + II)		87,795	103,480
IV. Expenses:			
Cost of Material Consumed	24	3,954	5,385
Purchase of Stock-In-Trade	25	64,512	77,733
Changes in Inventories of Finished Goods: Work-In-Progress and Stock-In-Trade	26	435	1,569
Employee Benefit Expense	27	7,195	7,406
Finance Costs	28	3,887	3,473
Depreciation and Amortization Expense	15	1,775	1,580
Other Expenses	29	5,634	5,916
Total expenses		87,392	103,062
V Profit Before Tax (III - IV)		403	418
VI Tax expenses			
(1) Current tax		137	84
Less: MAT Credit Entitlement		(50)	(27)
Net Current Tax		87	57
(2) Deferred tax		56	4
		143	61
VII. Profit for the year (V-VI)		260	357
VII. Earnings per equity share: [Nominal Value per Share ₹ 10/- (Previous year ₹ 10/-)]	32		
(1) Basic (₹)		5.78	7.93
(2) Diluted (₹)		5.78	7.93

The Notes form an integral part of these Financial Statements.

For and on behalf of Board of Directors

For PRICE WATERHOUSE
Firm Registration No. 012754N
Chartered Accountants

Sumit Mazumder
Chairman & Managing Director

Sunit Kumar Basu
Partner
Membership No. 55000

Aloke Banerjee
Director Finance

Kolkata
13th May 2013

Notes to Financial Statements for the year ended 31st March 2013

(All amounts in ₹ Lakhs, unless otherwise stated)

1 GENERAL INFORMATION

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

- Construction & Mining Solutions (CMS) - engaged as a dealer for Caterpillar Inc. USA for their earthmoving, construction mining equipments, spares etc. and providing related services in Eastern and Northern India and Bhutan.
- Power Systems Solutions (PSS) - engaged in assembly, supply, erection and commissioning of Generating Sets powered by Caterpillar engines and dealing in spares etc and providing related services in Eastern and Northern India and Bhutan.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

2.2 Revenue Recognition

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

2.3 Fixed Assets

Tangible Assets are stated at their original cost/cost of acquisition, net of accumulated depreciation and accumulated impairment loss, if any, is recognised wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount i.e. net selling price or value in use, whichever is higher.

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

2.4 Depreciation

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

Leasehold land is amortised over the period of lease.

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

Software (Intangible Asset) are amortised within a period of three years from the date of capitalisation.

Notes to Financial Statements for the year ended 31st March 2013

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

2.5 Inventories

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

2.6 Taxation

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

2.7 Employee Benefits

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

Contributions towards provident funds are recognised as expense. Provident fund contributions in respect of employees are made to common trust - 'Tractors India Employees Provident Fund' (being administered by the trustees of the said fund for the benefit of employees of the Company and its Holding Company i.e. TIL Limited) and such Trust invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trust is not lower than the rate of interest declared annually by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act,1952 and shortfall, if any, on account of interest is made good by the Company. (Refer Note 27.3)

Contributions under Employees' Pension Scheme is made as per statutory requirements and charged as expenses for the year. The Company also contributes to the Central Government administered Employees' State Insurance Scheme for its eligible employees, which is a defined contribution plan.

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

In respect of certain eligible employees who have attained 45 years of age as on 1st April 2009, provision for Superannuation under defined benefit plan is made on the basis of year end actuarial valuation, using Projected Unit Credit Method (Also refer Note 27.5).

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

- under defined contribution scheme in respect of services rendered with effect from 1st April 2009.
- under defined benefit scheme in respect of services rendered up to 31st March 2009, based on frozen pensionable salary as on 31st March 2009 using Projected Unit Credit Method (Refer Notes 27.5,27.6 and 27.7).

Notes to Financial Statements for the year ended 31st March 2013

(All amounts in ₹ Lakhs, unless otherwise stated)

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

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

2.8 Foreign Currency Transactions

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

2.9 Borrowing Cost

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

2.10 Leases

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

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

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
3 SHARE CAPITAL		
Authorised		
70,00,000 (31st March 2012: 70,00,000) Equity Shares of ₹ 10/- each	700	700
Issued		
45,00,000 (31st March 2012: 45,00,000) Equity Shares of ₹ 10/- each	450	450
Subscribed and Paid up		
45,00,000 (31st March 2012: 45,00,000) Equity Shares of ₹ 10/- each (fully paid up)	450	450
Total	450	450

3.1 Reconciliation of the number of Equity shares

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
Balance as at the beginning of the year	4,500,000	450	4,500,000	450
Add/ Less: Movement during the year	-	-	-	-
Balance as at the end of the year	4,500,000	450	4,500,000	450

3.2 Rights, Preferences and Restrictions attached to Equity Shares

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

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
4,500,000 equity shares of ₹ 10/- each held by TIL Limited, the Company's Holding Company	450	450

Notes to Financial Statements for the year ended 31st March 2013

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

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

Shareholder	As at 31.03.2013	As at 31.03.2012
TIL Limited (Number)	4,500,000	4,500,000
TIL Limited (%)	(100)	(100)

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
4 RESERVES AND SURPLUS		
Securities Premium Account	9,135	9,135
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	2,262	1,905
Profit for the year	260	357
Balance as at the end of the year	2,522	2,262
Total	11,657	11,397

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
5 LONG TERM BORROWINGS (Refer Note 5.1)		
(a) Secured Loans		
Term Loans		
From Banks	1,208	1,886
Other loans and advances:		
Vehicle Loans:		
From Bank	26	30
From Others	1	15
(B) Unsecured Loans		
Other loans and advances:		
From IBM Global Finance (Refer Note 5.2)	346	120
Total	1,581	2,051

Notes to Financial Statements for the year ended 31st March 2013

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

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

Nature of Security	Terms of Repayments
<p>1. Term Loans :</p> <p>Term Loans from Banks comprising HDFC Bank ₹ 1136 lakhs (31st March 2012 - ₹ 1515 lakhs), Axis Bank ₹ 750 lakhs (31st March 2012 - ₹ 1050 lakhs) are secured by first pari-passu charge on movable fixed assets of the Company and its holding Company-TIL Limited, both present and future and by way of mortgage of certain immovable properties of TIL Limited and second pari-passu charge on the current assets of the Company, both present and future. Further for these facilities a Corporate Guarantee has been provided to the Consortium Bankers by TIL Limited.</p>	<p>1. Term Loans :</p> <p>Term loan from HDFC Bank repayable in 16 equal quarterly instalments starting from 30th June, 2012 with interest at Base Rate + 225 bps.</p> <p>Term loan from Axis Bank is repayable in 20 equal quarterly instalments starting from 16th October, 2010 with interest at Base Rate + 275 bps.</p>
<p>2 Vehicle Loans:</p> <p>Vehicle loans are secured by hypothecation of the Vehicle financed.</p>	<p>2 Vehicle Loans:</p> <p>Repayable in 36 monthly instalments together along with interest (10%-12%) thereon.</p>

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
6 DEFERRED TAX LIABILITIES (NET)		
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.	488	496
Disallowances allowable for Tax purpose on payment	-	(65)
Total	488	431

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
7 LONG TERM PROVISIONS		
Provision for employee benefits		
Provident Fund (PF) [Also refer Note 27.3 below]	46	33
Compensated Absences	330	275
Total	376	308

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
8 SHORT TERM BORROWINGS		
(a) Secured		
Loan Repayable on Demand From Banks	25,789	13,490
(b) Unsecured		
Loan Repayable on Demand From Banks	1,302	12,012
Total	27,091	25,502

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

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
9 TRADE PAYABLES		
Sundry Creditors (Refer Note 12)	6,598	6,585
Acceptance	1,131	1,486
Total	7,729	8,071

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
10 OTHER CURRENT LIABILITIES		
Advance from customers and others	982	1,348
Security Deposit From Customers	256	286
Interest accrued but not due on borrowings	245	173
Interest accrued and due on borrowings	-	23
Current maturities of long - term debt [Refer Note 5.1]	1,024	826
Employees Benefits Payable:		
Salary & Reimbursement	295	367
Contribution to Fund (Net)	146	72
Other Payables:		
Sales Tax	336	318
Service Tax	5	4
Others	61	70
Total	3,350	3,487

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
11 SHORT TERM PROVISIONS		
Provision for employee benefits		
Provident Fund (Refer Note 27.3)	1	1
Compensated Absence	13	59
Total	14	60

Notes to Financial Statements for the year ended 31st March 2013

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

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
13 CONTINGENT LIABILITIES IN RESPECT OF -		
a. Sales Tax Matters under dispute	438	90
[Net of payments ₹ 68 lakhs (Previous year - ₹ 32 lakhs)]		
b. Service Tax matters under dispute	1,129	1,189
[Net of payments ₹ 229 lakhs (Previous year - ₹ 202 lakhs)]		
c. Excise matters under dispute	10	-
[Net of payments ₹ 10 lakhs (Previous year - NIL)]		
Total	1,577	1,279

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
14 DETAILS OF CAPITAL AND OTHER COMMITMENTS		
Capital Commitment	694	1,408
[Net of advance ₹ 1617 lakhs (Previous year ₹ 700 lakhs)]		
Other Commitments *	6,351	8,281
Total	7,045	9,689

* Includes orders placed for procuring Caterpillar products viz Machines, Engines, Parts etc. ₹ 6104 lakhs (Previous year - ₹ 7951 lakhs)

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)										
	GROSS BLOCK			AMORTISATION				NET BLOCK		
	Cost as at 01.04.2012	Additions/ Adjustment during the year	Disposal/ Adjustment during the year	Cost as at 31.03.2013	As at 01.04.2012	For the Year	Disposal/ Adjustment during the year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
15 TANGIBLE ASSETS										
Own Assets :										
Leasehold Land	25	-	-	25	4	-	-	4	21	21
Buildings Leasehold	973	2	-	975	78	25	-	103	872	895
Plant and Machinery	4,688	858	220 *	5,326	2,342	431	70 *	2,703	2,623	2,346
Furniture and Fixtures	353	41	-	394	119	23	-	142	252	234
Vehicles	481	54	17	518	135	47	3	179	339	346
Office Equipment	246	10	-	256	47	17	-	64	192	199
Sub Total (A)	6,766	965	237	7,494	2,725	543	73	3,195	4,299	4,041
Assets Given On Operating										
Lease:										
Plant and Machinery	8,138	1,792 *	2,379	7,551	2,152	1,232	1,244 *	2,140	5,411	5,986
(Refer Note 16.1)										
Sub Total (B)	8,138	1,792	2,379	7,551	2,152	1,232	1,244	2,140	5,411	5,986
Total (A+B)	14,904	2,757	2,616	15,045	4,877	1,775	1,317	5,335	9,710	10,027
Previous year	12,360	3,955	1,411	14,904	4,117	1,580	820	4,877	10,027	

* Includes adjustments in plant & machinery having Gross Block amounting to ₹ 75 lakhs and accumulated depreciation of ₹ 21 lakhs which have been transferred from Own Assets to Assets given on Lease.

15.1 The assets given on operating lease represents certain Plant and Machinery (namely Diesel Generating Sets, Machines etc.) which are rented to customers under cancellable operating leases. Leases range for periods between 6 months to 3 years. Terms of lease include terms for renewal, cancellation etc. Initial Direct costs (commissioning, installation etc.) for such assets are borne by the lessee, other than transportation cost, which is borne by the Company and charged off to revenue. Lease rentals recognised as income during the year ₹ 2829 lakhs (Previous Year - ₹ 2274 lakhs).

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
16 LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Deposit	101	72
Total	101	72

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
17 INVENTORIES		
(Refer Note 2.5 above for Accounting Policy on valuation of inventory)		
a. Raw Material and components	702	711
	702	711
b. Work-in-progress	774	609
	774	609
c. Finished goods	14	63
	14	63
d. Stock-in-trade	18,821	19,372
	18,821	19,372
e. Loose Tools	43	80
	43	80
Total	20,354	20,835

17.1 Details of Inventory

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
(i) Finished goods		
Diesel Generating Set	14	63
Total	14	63
(ii) Details of traded goods		
a) Construction & Mining Equipment, etc.	7,625	7,968
b) Packaged Diesel Generating Set	4,221	4,297
c) Goods, Components and Parts for Mining Equipments & Diesel Generating Set	6,975	7,107
Total	18,821	19,372

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
18 TRADE RECEIVABLES		
Unsecured, Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment.	1,364	1,279
Others	14,708	14,837
Total	16,072	16,116

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
19 CASH AND CASH EQUIVALENTS		
Cash in hand	6	2
Cheques in hand	107	83
Balance with Schedule Banks:		
On Current Accounts	9	13
Total	122	98

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
20 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Deposit	137	123
Advance Recoverable in Cash or Kind or for value to be received	2,683	2,699
Claims Receivable	971	331
Accrued Duty Benefits pertaining to exports/Deemed exports	14	12
	3,805	3,165
Other Loans & Advances:		
Advance Income Tax [Net of Provision of ₹ 221 lakhs (31 March 2012 - ₹ 1132 lakhs)]	553	453
Mat Credit Entitlement	77	27
Balance with Statutory / Government Authorities	163	146
	793	626
Total	4,598	3,791

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
21 OTHER CURRENT ASSETS		
Gratuity Fund Plan Assets (Net)	162	118
Total	162	118

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
22 REVENUE FROM OPERATIONS		
Sale of products		
Finished Goods	4,886	5,935
Traded goods	76,391	89,688
Sale of service	2,387	3,015
	83,664	98,638
Other Operating Revenues		
Rental from Machinery	2,829	2,274
Selling Commission earned	920	2,598
Profit on Sale of Used Rental Machinery	445	257
REVENUE FROM OPERATIONS (gross)	87,858	103,767
Less : Excise Duty	503	516
REVENUE FROM OPERATIONS (net)	87,355	103,251

22.1 Details of sale of Finished Goods

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Diesel Generating Set	4,886	5,935
Total	4,886	5,935

Notes to Financial Statements for the year ended 31st March 2013

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

22.2 Details of sale of Traded Goods

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
a) Construction & Mining Equipment, etc.	34,992	49,823
b) Packaged Diesel Generating Set	10,549	12,242
c) Goods, Components and Parts for Mining Equipments & Diesel Generating Set	30,850	27,623
Total	76,391	89,688

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
23 OTHER INCOME		
Profit/(Loss) on Sale of Fixed Assets (Net)	22	17
Liabilities no longer required written back	88	27
Discounts	2	17
Scrap Sales	49	39
Miscellaneous Income	279	129
Total	440	229

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
24 COST OF RAW MATERIALS CONSUMED		
Opening Inventory	711	1,647
Add: Purchases (Net)	3,825	4,253
	4,536	5,900
Less: Closing Inventory	702	711
Material Consumed	3,834	5,189
Add: Carriage Inward	120	196
Total	3,954	5,385

Notes to Financial Statements for the year ended 31st March 2013

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

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Engines	2329	2679
Acoustic Enclosures (for D G Sets)	546	737
Alternators (for DG Sets)	554	738
Miscellaneous	405	1,035
Total	3,834	5,189

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
25 PURCHASES OF STOCK IN TRADE		
Total Purchase	68,534	82,082
Less : Capitalised	197	96
	68,337	81,986
Less : Raw Materials purchased	3,825	4,253
	64,512	77,733
Total	64,512	77,733

25.1 Details of purchases of Traded Goods

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
a) Construction & Mining Equipment, etc.	33,169	48,112
b) Packaged Diesel Generating Set	10,174	9,428
c) Goods, Components and Parts for Mining Equipments & Diesel Generating Set	21,169	20,193
Total	64,512	77,733

Notes to Financial Statements for the year ended 31st March 2013

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

25.2 Purchases excludes:

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Items being recoverable by way of reimbursement i.e.. Other than through Sales	1,419	1,193

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
26 CHANGES IN INVENTORIES		
Inventories at the end of the year		
Traded goods	18,821	19,372
Work-in-progress	774	609
Finished goods	14	63
	19,609	20,044
Inventories at the beginning of the year		
Traded goods	19,372	20,853
Work-in-progress	609	593
Finished goods	63	167
	20,044	21,613
(Increase) /Decrease in Inventories	435	1,569

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
27 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus etc *	6,378	6,158
Contribution to Provident and other Funds * [Refer Note 27.6]	462	907
Staff Welfare Expenses *	200	187
Medical Expenses *	155	154
Total	7,195	7,406

* Includes reimbursements [Refer Note 34 (1) (b)]

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

27.2 The Company has recognised, in the Statement of Profit and Loss Account for the year ended 31st March, 2013 an amount of ₹ 82 lakhs (Previous year - ₹ 79 lakhs) as expenses under defined contribution plans as detailed below:

(₹ In Lakhs)

Benefit (Contribution to)	For the year 2012-13	For the year 2011-12
Employees State Insurance	7	6
Superannuation Fund	75	73
Total	82	79

27.3 Provident Fund :-

In terms of the guidance on implementing Accounting Standard (AS)15 on Employee Benefits issued by the Institute of Chartered Accountants of India, a Provident fund set up by the Company is treated as a Defined Benefit Plan.

With effect from 1st April, 2011 the Institute of Actuaries Society of India has issued a Guidance Note on valuation of Interest Rate Guarantees on exempt provident Funds under AS-15. The Company has an obligation to fund any shortfall of the yield of the trust's investments over the administered interest rates on annual basis. These administered rates are determined annually, predominantly considering the social rather than economic factors. The actuary of the Company has accordingly carried out during the year an actuarial valuation to estimate the present value of interest rate guarantee as at 31st March, 2013 for the Company's exempted Provident Fund in accordance with AS-15. The shortfall recognised in this respect in the Statement of Profit and Loss is ₹ 13 Lakhs (Previous year ₹ 33 Lakhs).

Notes to Financial Statements for the year ended 31st March 2013

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

27.3 Provident Fund (Contd.):

The relevant parameters/assumptions used by the Actuary to determine the present value of interest rate guaranteed for the year ended 31st March 2013 is provided below :

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Estimated Provident Fund Accumulation as at 31st March 2013 (₹ in lakhs)	2,133	1,899
Guaranteed Rate	8.50%	8.25%
Average yield rate based on data of investment portfolio	8.38%	8.31%
Decrement adjusted average future period of service	23 years	22 years
Average maturity period of investment portfolio	3.4 years	4.5 years
Discount rate	8.07%	8.69%

During the year the Company has charged ₹ 227 lakhs (including ₹ 13 lakhs on account of interest rate guarantee) [Previous Year ₹ 250 lakhs] towards Provident Fund Scheme in the statement of Profit and Loss (disclosure in this regard is limited to the extent of information made available by Actuary).

27.4 Gratuity Fund :-

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

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

The most recent actuarial valuation of Plan Assets and the Present Value of the defined benefit obligation was carried out as at 31st March, 2013.

27.5 Superannuation Fund :-

- Certain eligible employees of the Company who had attained at least 45 years of age as on 1st April 2009 are entitled to superannuation benefit under the Superannuation Scheme (a funded Defined Benefit Plan under a common Trust- 'Tractors India Limited Superannuation Fund Scheme', being administered by the trustees of the said fund for the benefit of employees of the Company and its Holding Company i.e. TIL Limited). Under the aforesaid benefit scheme the Company makes periodic contribution to the Superannuation Fund Scheme and a predetermined percentage of salary is paid as pension on retirement. The quantum of pension depends on the average basic salary of eligible employee during the last 36 months before retirement. The benefit vests to employees with 12 years of continuous service and attainment of 48 years of age on retirement / death/termination. The most recent actuarial valuation of Plan Assets and Present Value of the Defined Benefit Obligation of Superannuation Fund was carried out as on 31st March 2013.

Notes to Financial Statements for the year ended 31st March 2013

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

27.5 Superannuation Fund (Contd.):

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

- amount accumulated by annual contribution of 15% of Basic Salary with effect from 1st April 2009 and
- amount frozen as on 31st March 2009.

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

(₹ In Lakhs)

Description	Superannuation Fund (Funded)*		Gratuity Fund (Funded)*	
	2012-13	2011-12	2012-13	2011-12
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	1106	836	452	301
b. Present Value of Obligation transferred from Holding Company	-	-	-	-
c. Current Service Cost	51	36	73	50
d. Interest Cost	89	64	36	24
e. Actuarial (gain)/loss	(47)	346	(33)	112
f. Benefits paid	(129)	(176)	(54)	(35)
g. Present Value of Obligation at the end of the Year	1070	1106	474	452
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	1108	849	570	268
b. Fair value of Plan Assets transferred from Holding Company	-	-	-	-
c. Expected return on Plan Assets	89	78	49	34
d. Actuarial gain/(loss)	11	36	2	(1)
e. Contributions by the Employer	-	321	70	304
f. Benefits paid	(129)	(176)	(55)	(35)
g. Fair value of Plan Assets at the end of the Year	1079	1108	636	570
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	1079	1108	636	570
b. Present Value of Obligation at the end of the Year	1070	1106	474	452
c. (Asset)/Liabilities recognised in the Balance Sheet	(9)	(2)	(162)	(118)

Notes to Financial Statements for the year ended 31st March 2013

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

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

(₹ In Lakhs)

Description	Superannuation Fund (Funded)*		Gratuity Fund (Funded)*	
	2012-13	2011-12	2012-13	2011-12
4. Expenses recognised during the year:				
a. Current Service cost	51	36	73	50
b. Interest cost	89	64	36	24
c. Expected return on Plan Assets	(89)	(78)	(49)	(34)
d. Actuarial (Gain) / Loss	(58)	310	(35)	113
e. Expense recognised during the year	(6)	332	26	152
5. Experience Adjustments on Plan Obligation and Assets				
a. Experience Adjustments on Plan Obligation [(Gain) /Loss]	(69)	346	(39)	112
b. Experience Adjustments on Plan Assets[Gain/(Loss)]	11	36	2	(1)

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

Description	Superannuation Fund (Funded)*		Gratuity Fund (Funded)*	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
6. Investment Details of Plan Assets as at				
a. Govt of India Securities	23.78	21.83	23.56	22.17
b. Public Sector (PSU) Bonds	49.32	51.30	36.82	36.64
c. State Govt Securities	13.68	13.69	18.80	17.77
d. Special Deposit Scheme	13.13	12.82	20.19	22.26
e. Other including Bank Balance	0.09	0.36	0.63	1.16
Total	100.00	100.00	100.00	100.00

Notes to Financial Statements for the year ended 31st March 2013

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

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

Description	Superannuation Fund (Funded)*		Gratuity Fund (Funded)*	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
7. Assumptions				
a. Discount rate per annum	8.30	8.50	8.30	8.50
b. Salary escalation rate per annum	4.00	4.00	4.00	4.00
c. Expected rate of return on Plan Asset per annum	8.30	8.50	8.30	8.50
d. Method used	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method
8. Actual Return on Plan Assets	8.51%	7.37%	8.21%	7.11%

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

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

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

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

27.7 The fair value of plan assets pertaining to the Company as on 31.03.2013 in respect of Gratuity and Superannuation benefit scheme funds, being maintained by Tractors India Limited Staff Gratuity Fund and Tractors India Limited Superannuation Fund respectively have been bifurcated by the Trustees of the related funds in proportion to the year end present value of the obligation determined by the independent actuary.

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
28 FINANCE COST		
Interest Expenses	3,759	3,269
Other Borrowing Cost	128	204
Total	3,887	3,473

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
29 OTHER EXPENSES		
Rent	347	304
Rates and Taxes	17	189
Bank Charges	207	308
Insurance	241	184
Repairs and Maintenance:		
Buildings	78	46
Plant and Machinery	437	295
Other	114	93
	629	434
Travelling Expenses	1,173	1,314
Stationery and Printing	52	69
Postage, Telephone and other Communication Expenses	183	207
Advertising	24	43
Power and Fuel	124	98
Commission	20	17
Miscellaneous Expenses	936	1,472
Forwarding Charges	506	459
Professional Fees	547	147
Motor Car and Van Expenses	139	142
Service Support Expenses	376	445
Debts/Advances/Claims written off	113	84
Total	5,634	5,916

29.1 Professional fees include:

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
As Auditors*		
- Audit Fees	16	14
- Tax Audit Fees	2	2
- Others (Certificates, etc.)	8	5
- Reimbursement of expenses	1	1

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

Notes to Financial Statements for the year ended 31st March 2013

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

29.2 Miscellaneous Expenses include:

(₹ In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Loss / (Gain) on Foreign Exchange (Net)	111	258

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
30.1 C.I.F. VALUE OF IMPORTS:		
Parts and Components	12,434	11,716
Machines (Trading Items)	6,741	12,504
Capital Goods	137	14

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
30.2 EXPENDITURE IN FOREIGN CURRENCY:		
Subscription	2	-
Software Maintenance Charges	200	64
Travelling	28	27

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
30.3 EARNINGS IN FOREIGN EXCHANGE:		
Remittance received on account of Export of goods calculated on FOB basis	2,003	492
Selling Commission (including other Dealer's income)	3,012	3,816

Notes to Financial Statements for the year ended 31st March 2013

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

- 31 The Company has taken certain residential / commercial premises under cancellable operating lease. Leases range for periods between 3 to 5 years. Terms of the lease include operating term for renewal, increase in rent for future periods, terms of cancellation etc. The operating lease payments for the year amount to ₹ 347 lakhs (Previous Year - ₹ 304 lakhs)

Particulars		Year Ended 31.03.2013	Year Ended 31.03.2012
32 EARNINGS PER SHARE (EPS) - THE NUMERATORS AND DENOMINATORS USED TO CALCULATE BASIC AND DILUTED EPS:			
Profit for the period attributable to Equity Shareholders (₹ in Lakhs)	A	260	357
Basic and Diluted			
i. Number of Equity Shares at the beginning of the year		4,500,000	4,500,000
ii. Number of Equity Shares issued during the year		-	-
iii. Number of Equity Shares at the end of the year		4,500,000	4,500,000
iv. Weighted average number of Equity Shares outstanding during the year	B	4,500,000	4,500,000
v. Nominal Value of each Equity Share (₹)		10/-	10/-
Basic and Diluted Earnings Per Share (₹)	A/B	5.78	7.93

Notes to Financial Statements for the year ended 31st March 2013

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

33 Segment Reporting in accordance with Accounting Standard 17 :

The Company's business segments are as follows:-

- Construction & Mining Solutions (CMS) - engaged as a dealer for Caterpillar Inc. USA for their earthmoving, construction mining equipments, spares etc. and providing related services in Eastern and Northern India and Bhutan.
- Power Systems Solutions (PSS) - engaged in assembly, supply, erection and commissioning of Generating Sets powered by Caterpillar engines and dealing in spares etc and providing related services in Eastern and Northern India and Bhutan.

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

There has been no inter segment transactions during the year.

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

(₹ In Lakhs)

	Year Ended 31.03.2013				Year Ended 31.03.2012			
	CMS	PSS	OTHERS (Unallocated)	TOTAL	CMS	PSS	OTHERS (Unallocated)	TOTAL
Segment Revenue*	62,536	25,259	-	87,795	74,897	28,583	-	103,480
Segment Results	2,571	1,719	-	4,290	1,649	2,419	-	4,068
Less : Unallocated expenses net of Unallocated (income)				-			177	177
Finance Costs			3,887	3,887			3,473	3,473
Profit Before Tax				403				418
Depreciation and Amortisation	1,256	519	-	1,775	977	603	-	1,580
Non Cash Expenses other than Depreciation and Amortisation	47	66	-	113	15	69	-	84
Segment Assets	33,494	16,833	2,409	52,736	34,415	16,044	1,298	51,757
Segment Liabilities (excluding Shareholders' funds)	5,326	4,720	30,583	40,629	4,979	5,807	29,124	39,910
Capital Expenditure	2,114	568	917	3,599	3,617	259	700	4,576

* There is no inter segment revenue.

Notes to Financial Statements for the year ended 31st March 2013

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

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

A) List of Related Parties

Holding Company	TIL Limited
Fellow Subsidiary Company	TILOverseas PTE Limited Tractors Nepal Private Limited Myanmar Tractors Ltd.
Key Management Personnel	Mr. S. Mazumder(Chairman & Managing Director) Mr. G V R. Murthy(Joint Managing Director) up to 6th November 2012 Mr. A. Banerjee (Director Finance)

B) Particulars of transactions during the year ended 31st March, 2013:

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
I) Holding Company		
a) Asset Usage Charges Paid	40	89
b) Reimbursement of Expenses	464	573
c) Rent Expenses	3	-
d) Rental Income	19	14
e) Sale of Goods	66	51
f) Purchase of Goods	6	1
g) Year-end Balances		
i) Receivable	9	5
ii) Payable	5	1
II) Fellow Subsidiary Company		
a) Sale of Goods	4	-
b) Year end Balance		
Receivable	1	-
III) Key Management Personnel		
Remuneration		
Mr. S. Mazumder	216 *	55
Mr. G V R. Murthy up to 6th November 2012	61	100
Mr. A. Banerjee	90	87

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

Notes to Financial Statements for the year ended 31st March 2013

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

(₹ In Lakhs)

Particulars	Purpose	As at 31.03.2013	As at 31.03.2012
35 A) DERIVATIVE OUTSTANDING AS AT REPORTING DATE :			
Forward contracts to buy US Dollar	Hedge of firm commitments	9,644	7,828
(31 March 2013: US Dollar 17.29 Million)	and borrowings		
31 March 2012: US Dollar 15.6 Million)			
B) PARTICULARS OF UNHEDGED FOREIGN CURRENCY			
EXPOSURES AS AT THE REPORTING DATE			
Trade Payables			
(31 March 2013: US Dollar 1.83 Million)		997	992
(31 March 2012: US Dollar 1.9 Million)			
Trade Receivables			
(31 March 2013: US Dollar Million)		-	198
(31 March 2012: US Dollar 0.4 Million)			
Borrowings			
(31 March 2013: US Dollar 2.48 Million)		1,345	4,184
(31 March 2012: US Dollar 8.2 Million)			

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

Signatures to Note '1' to '36'

For and on behalf of Board of Directors

For PRICE WATERHOUSE

Firm Registration No. 012754N

Chartered Accountants

Sunit Kumar Basu

Partner

Membership No. 55000

Kolkata

13th May 2013.

Sumit Mazumder

Chairman & Managing Director

Aloke Banerjee

Director Finance

Cash Flow Statement for the year ended 31st March 2013

(₹ In Lakhs)

Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) Before Tax		403		418
Adjustments for :				
Depreciation and Amortisation	1,775		1,580	
Bad Debts, Advances etc Written off	113		84	
(Profit)/Loss on Sale of Fixed Assets (Net)	(22)		(17)	
Interest Expenses (Net)	3,887		3,473	
Liability no longer required Written Back	(88)		(27)	
Discount Income	(2)		(17)	
Unrealised Foreign Exchange (Gain)/Loss (Net)	-		210	
		5,663		5,286
Operating Profit/(Loss) before Working Capital Changes		6,066		5,704
Adjustments for:				
Trade and Other Receivables	(67)		(2,879)	
Inventories	481		2,516	
Increase / (Decrease) in Current Liability	(383)		(374)	
Loans and Advances and Other Current Assets	(968)		222	
Increase / (Decrease) in Provision	22		167	
Trade Payables	(254)		(6,635)	
		(1,169)		(6,983)
Cash (Used in)/ from Operations		4,897		(1,279)
Direct Taxes Paid		-		(485)
Net Cash (Used in)/ from Operating Activities		4,897		(1,764)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(3,674)		(4,576)	
Proceeds from Sale of Fixed Assets	1,321		608	
Net Cash (Used in)/ from Investing Activities		(2,353)		(3,968)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest Paid	(3,838)		(3,415)	
Proceeds from Long Term borrowings	787		1,798	
Repayment of Long Term borrowings	(1,059)		(603)	
Increase in Cash Credit and other short term borrowings (Net)	1,590		8,044	
Net Cash (Used in)/ from Financing Activities		(2,520)		5,824
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		24		92
Cash and Cash Equivalents as at the beginning of the year (Refer Note no 19)		98		6
Cash and Cash Equivalents as at the close of the year (Refer Note no 19)		122		98

Notes: 1) The above Cash Flow Statement has been prepared under the ' Indirect Method ' as set out in the Accounting Standard - 3 on 'Cash Flow Statements'.
2) Figures for the previous year has been rearranged and regrouped wherever necessary.

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

For PRICE WATERHOUSE
Firm Registration No. 012754N
Chartered Accountants

Sunit Kumar Basu
Partner
Membership No. 55000
Kolkata
13th May 2013.

For and on behalf of Board of Directors

Sumit Mazumder
Chairman & Managing Director

Aloke Banerjee
Director Finance

[illegible]

“We make our customers more profitable”



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www.tilindia.in



NOTICE

OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty-Eighth Annual General Meeting of the Members of TIL LIMITED ('the Company') will be held on Tuesday, the 30th July, 2013 at 10.00 a.m. at its Registered Office at 1, Taratolla Road, Garden Reach, Kolkata -700024 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To consider declaration of dividend.
3. To appoint a Director in place of Mr. G. Swarup, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. T. Mukherjee, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any of the Companies Act, 1956 and of the Articles of Association of the Company, the Director(s) of the Company (other than the Managing Director and Whole-time Directors) together to be paid a commission of such an aggregate amount as may, from time to time, be determined by the Board of Directors but not exceeding one (1) per cent (%) of the net profits of the relevant financial year of the Company for a period of five years commencing from 1st April, 2013 as computed in the manner prescribed under the Sections 349 and 350 of the Companies Act, 1956 and the said sum shall be divided amongst such Director(s) in such proportion and in such manner as may be decided by the Board of Directors, failing which in equal shares."

Registered Office:
1 Taratolla Road
Garden Reach
Kolkata - 700 024
Date: 14th May 2013

By Order of the Board
For **TIL LIMITED**

SEKHAR BHATTACHARJEE
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 23rd July, 2013 to Wednesday, the 31st July, 2013 (both days inclusive) for the purpose of payment of dividend.
3. Explanatory Statement relating to the item of Special Business as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
4. Members are requested to produce the enclosed Attendance Slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission to the meeting hall.
5. The Ministry of Corporate Affairs vide its Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, has undertaken a 'Green Initiative' and allowed Companies to share documents with its shareholders through electronic mode. Members are requested to support this Green Initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with Depository Participants and in respect of shares held in physical form with M/s. C. B. Management Services (P) Ltd., the Registrar and Share Transfer Agents of the Company.
6. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
7. Members are requested to quote their Folio Number/Client ID and DP ID in all correspondence and Members holding shares in physical form are requested to advise change of address, if any, to the Company or its Share Transfer Agents. All intimation of change of Address must state the PIN code for proper delivery.
8. Members are requested to immediately intimate their bank particulars giving the name of the bank, branch and type of account to the Company's Registrar and Share Transfer Agents, C. B. Management Services (P) Ltd., P-22, Bondel Road, Kolkata 700 019. It is extremely important for the interest of the members to furnish bank particulars to avoid fraudulent encashment of dividend warrants.
9. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 30th July, 2013 to those members whose names stand registered on the Company's Register of Members:-
 - a) as Beneficial Owners as at the close of business hours on 22nd July, 2013 as per the list to be furnished by National Securities Depository Services Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in electronic form; and
 - b) as Members in the Register of Members of the Company after giving effect to all the valid share transfers in physical form which are lodged with the Company before 23rd July, 2013.
10. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in Form No. 2B, in duplicate, to the Registrar & Share Transfer Agents. Blank forms can be obtained from the Registrar & Share Transfer Agents M/s. C. B. Management Services (P) Ltd., P-22, Bondel Road, Kolkata 700 019.
11. Members who have not yet encashed their Dividend Warrant(s) for the financial year ended 31st March, 2006 and onwards are requested to claim the amount from the Company forthwith and / or, before the transfer of said unclaimed amount to the Central Government and / or the Investor Education and Protection Fund in terms of Section 205A and other applicable provisions of the Companies Act, 1956.
12. Duly executed and stamped transfer deeds, along with the relative Share Certificates, should be submitted to the Company's Register & Share Transfer Agents before the closure of the Register of Members for the transfer of shares.
13. Shareholders desiring any information relating to the accounts are requested to write to the Company seven days in advance of the meeting so as to enable the management to keep the information ready.

14. The information as required to be provided in terms of the Listing Agreement with the Stock Exchanges regarding the Directors who are proposed to be appointed / re-appointed is also annexed.
15. Members are requested to bring their copies of the Annual Report and Accounts at the meeting.

16. INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

The particulars of Directors proposed to be appointed/re-appointed are given below:

Name	: Mr. G. Swarup
Date of Birth	: 21st November, 1956
Qualifications	: BE (Mech), MBA (Harvard)
Date of last appointment	: 29th July, 2010
Experience	<p>Mr. G. Swarup is the Managing Director of Paharpur Cooling Towers Ltd., he has done Bachelor of Engineering, from Jadavpur University, Kolkata (1978) and Master of Business Administration, Harvard University, USA (1980).</p> <p>Mr. G. Swarup is the member of the Board of Governors, Indian Institute of Management, Kolkata; Past member, Planning Commission, Govt. of Tripura; Convener Eastern Indian Chapter, Harvard Business School Association; Member Executive Committee, Federation of Indian Chambers of Commerce & Industry; Past President, Indian Chamber of Commerce, Kolkata; Past Chairman, The Plastic Export Promotion Council and Past Member, Society of National Council of Science Museums, etc.</p> <p>Mr. Swarup has had nearly three decades of experience in the Industry and Paharpur Cooling Towers Ltd.</p>
Chairman / Director of other Companies	<p>Director : Chemical & Metallurgical Design Company Limited</p> <p>Director : Floeter India Retort Pouches Private Limited</p> <p>Director : Industrial & Prudential Investment Company Limited</p> <p>Director : KSB Pumps Limited</p> <p>Director : Paharpur Cooling Towers Limited</p> <p>Director : Paharpur Industries Limited</p> <p>Director : Paharpur Pragnya Realty Private Limited</p> <p>Director : Paharpur Pragnya Tech Park Private Limited</p> <p>Director : Swadeshi Polytex Limited</p> <p>Director : Upper Ganges Sugar & Industries Limited</p> <p>Director : C. D Aviation (India) Private Limited</p> <p>Director : Garima Private Limited</p> <p>Director : The Plastics Export Promotion Council</p> <p>Director : Medica Synergic Private Limited</p>
Committee positions held in other Companies	<p>KSB Pumps Limited</p> <p>Paharpur Pragnya Tech Park Private Limited</p> <p>Paharpur Pragnya Realty Private Limited</p>

Name	: Dr. T. Mukherjee
Date of Birth	: 13th October, 1942
Qualifications	: D Met (Sheffield), FR Engg., FNAE
Date of last appointment	: 26th July, 2011

Experience	: Dr. Tridibesh Mukherjee joined Tata Steel as a Research and Development Engineer and later rose to occupy key positions as Executive Director on the Board of Tata Steel in 2000 and became Dy. Managing Director (Steel) in 2001. He was also a director of Tata Chemicals for 8 years, till 31.03.09. Dr. Tridibesh Mukherjee was a Visiting Lecturer at the University of Sheffield in 1980 and in '81, when he was a member of the faculty in the post-graduate course on Iron Making and Steel Making. He received the Bessemer Gold Medal, was elected a Fellow of the Royal Academy of Engineering and was conferred an honorary degree of Doctor of Metallurgy by the University of Sheffield. He served a three year term, between 2005 and 2007, as the Chairman of the Technological Committee of the International Iron and Steel Institute. Dr. Mukherjee has been closely associated with the acquisitions of Natsteel Asia, Singapore; Millennium Steel, Thailand and finally Corus. He held the position of Group Director (Technology and Integration), responsible for all research, technology and performance improvement functions, internationally, across the Tata Steel Group, till his retirement on 31.03. 09. Dr. Mukherjee was the Chairman of Tata Metaliks, Jamipol, Metaljunction, Hooghly MetCoke and Power Ltd., Sila Eastern, Thailand; Board Member of Tata Yodogawa, Tata Refractories, Tata Timken and many other companies. He has also been appointed as a member of Board of Governors, IIT Patna.
Chairman/ Director of other Companies	: Director: West Bengal Industrial Development Corporation Limited Director: Bharat Forge Limited Director: Nicco Corporation Ltd. Director: Rane (Madras) Limited Director: Tata Advanced Materials Ltd. Director: IFB Industries Ltd.
Committee positions held in other Companies	: Rane (Madras) Limited

EXPLANATORY STATEMENT PERTAINING TO ITEM NO. 6:

[Pursuant to Section 173(2) of the Companies Act, 1956.] Item No. 6
The Members at the Annual General Meeting held on 24th July, 2007 had passed a Special Resolution authorizing the Directors, other than Executive Directors to receive commission not exceeding one (1) per cent (%) of the net profits of the Company computed in the manner as prescribed under Section 198 and other applicable provisions of the Companies Act, 1956 for a period of five years. The Company recognizes the involvement of the Non-executive Directors in the affairs of the Company and considering the wide knowledge and experience shared by them, the Company

wishes to continue to remunerate such Directors by way of commission in accordance with the provisions laid down under Section 309 of the Companies Act, 1956.

However, the aforesaid proposal requires your approval at the ensuing Annual General Meeting of the Company accorded by a Special Resolution. The draft Special Resolution has been included in the Notice of this Meeting to seek your approval. The Board recommends its adoption.

All the Directors other than Mr. A. Mazumdar and Mr. S. Mazumdar, shall be deemed to be concerned or interested in the Resolution.

Registered Office:
1 Taratolla Road
Garden Reach
Kolkata - 700 024
Date: 14th May 2013

By Order of the Board
For **TIL LIMITED**

SEKHAR BHATTACHARJEE
Company Secretary