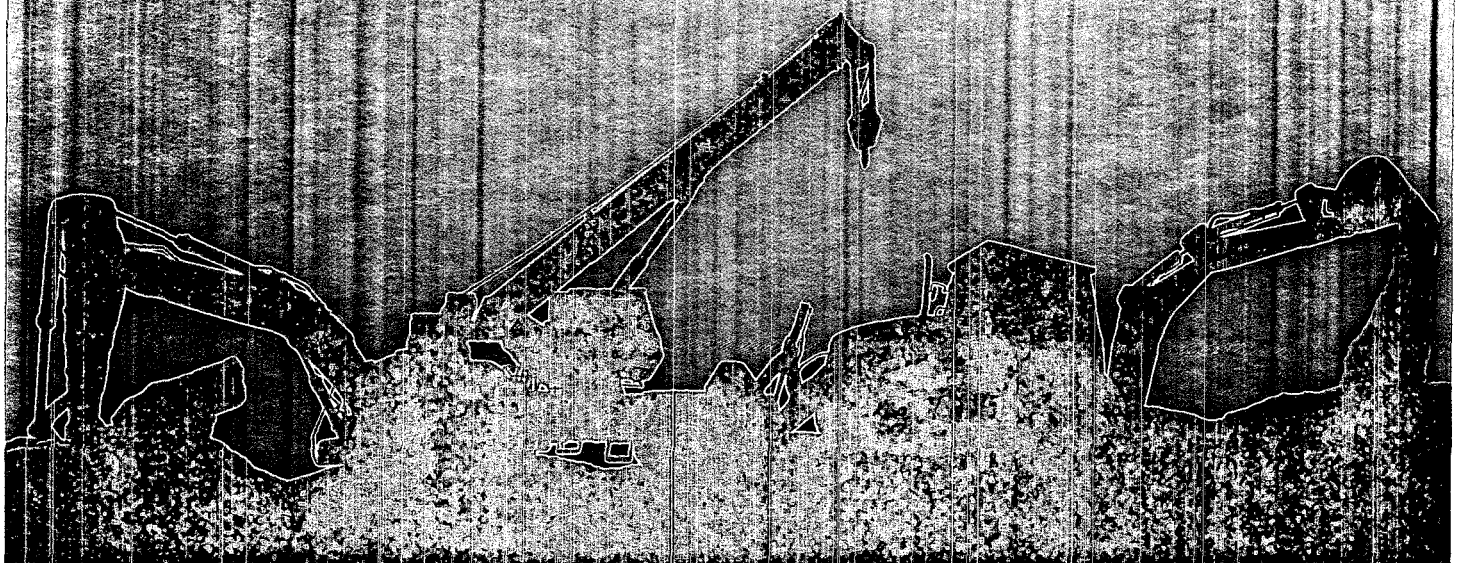


TOTAL SOLUTIONS PROVIDER

TIL Limited □ Annual Report 2007-08



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 our assumptions. The achievement of results is subject to risks, uncertainties and even inaccuracies in our assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

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

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CORPORATE INFORMATION

Board of Directors

Mr. A. Mazumdar

Chairman

Mr. Sumit Mazumder

Vice Chairman & Managing Director

Mr. R. L. Gaggar

Solicitor & Advocate

Mr. U. V. Rao

Former Chief Executive & Managing Director – L&T Ltd.

Mr. K. S. De

Nominee of Life Insurance Corporation of India

Mr. G. Swarup

Managing Director of Paharpur Cooling Towers Ltd.

(w.e.f. 26th March 2008)

Company Secretary

Mr. Debashis Nag

Registrar and Share Transfer Agent

CB Management Services (P) Ltd.

P-22, Bondel Road, Kolkata 700 019.

Tel. : (033) 2280-6692 /94, 2280-2486

E-mail : cbmsl1@cal2.vsnl.net.in

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.

Punjab & Sind Bank

Registered Office

1, Taratolla Road

Garden Reach

Kolkata 700 024

Tel. : (033) 2469-3732 - 36 (5 Lines)

(033) 6633-2000 / 2845

E-mail : secretarial.department@tilindia.com

TIL Limited (formerly Tractors India Limited, established in 1944) facilitates responsible nation and community building.

The Company provides a wide range of sophisticated state-of-the-art technology equipment across a number of sectors, terrains and applications.

TIL's complement of service and after-sales support makes it possible for its customers to excavate & mine coal, minerals and metal ore, create infrastructure, handle cargo and generate power with speed, safety and sensitivity.

VISION

A responsible corporate citizen, valued by customers, respected by principals, and worthy of high esteem of all stakeholders.

We will achieve this by building a world-class service organization and focussing on the growth opportunities for rentals and used equipment.

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

PILLARS

Technology, Innovation and Leadership

PRESENCE

➤ The Company is headquartered in Kolkata with four regional offices (Kolkata, Delhi, Mumbai and Chennai) and 45 branches; overseas offices are in Phuntsholing (Bhutan) and Kathmandu (Nepal) and subsidiaries in Myanmar and Singapore

➤ The Company's manufacturing locations are based in Kolkata (cranes, reach stackers and lorry loaders) and Sahibabad (gensets)

➤ The Company is listed on the Mumbai and National stock exchanges

PROFILE

The Company's business is spread across three business divisions:

➤ **Material Handling Solutions (MHS):** Covers the manufacture and marketing of mobile cranes, reach stackers, lorry loaders, heavy-duty crawler cranes, electric level luffing cranes, rubber tyred gantry cranes and rail mounted gantry cranes

➤ **Construction and Mining Solutions (CMS):** Covers the marketing of a comprehensive range of CAT earthmoving and mining equipment to priority sectors in India (Eastern and Northern), Myanmar, Nepal and Bhutan

➤ **Power Systems Solutions (PSS):** Markets, erects and commissions gensets (diesel, gas and heavy fuel)

➤ **Rentals and Used Equipment:** Provides equipment on rent for construction, mining and power applications

MILESTONES

1988

TIL manufactures India's first 100-tonne truck mounted mobile crane



1988

Distributorship for Caterpillar Engines in Northern and Eastern India



2003

TIL enters into maintenance and repair contract (MARC) with Tata Steel (SAIL).
Heralding first MARC in India



2005

TIL receives Best Supplier Award from Tata Steel



PARTNERS

➤ **Product Support:** Provides pre-purchase consultancy, equipment investment analysis, engineers 'on call' for site visits, component repair, complete machine rebuild, ready parts availability and capability development. Also comprises maintenance and repair contract (MARC) to provide guaranteed equipment availability at a fixed cost with the objective to deliver the highest asset utilization over the product life cycle

User industries comprise the following: mines, oil and petrochemicals, power, irrigation, steel and chemical plants, engineering and construction, agro industries, ports, railways, defence, hospitality and retail, among others.

The Company has technical collaborations with the following world leaders:

Grove Worldwide (USA), Manitowoc (USA), Famak (Poland) and Paceco (USA).

Caterpillar Inc: Largest manufacturer of mining, earth moving and construction equipment. Worldwide, Caterpillar is also a front-runner in manufacturing engines and turbines used in machinery, electric generators, highway and non-highway trucks, and seaborne vessels.

Manitowoc Inc: One of the world's largest providers of lifting equipment for the global construction industry, including lattice-boom crawler cranes, tower cranes, mobile telescopic cranes, and boom trucks.

Paceco Corp. (US): A world leader in design of cargo container handling cranes.

Famak: Specialises in bulk cargo handling equipment.

2005

TIL wins Caterpillar APD President's highest 6Sigma Award ➡

2006

TIL wins the Runners Up Award at the Construction World NICMAR Awards 2006 in the fastest growing construction equipment category ➡

2007

TIL wins Construction World NICMAR award for the second time ➡

2007

TIL's MHS division rolls out the 5,000th crane from Kamarhaty ➡

HIGHLIGHTS

⇒ Total income Rs. 59707 lacs in 2006-07 to Rs. 75698 lacs in 2007-08

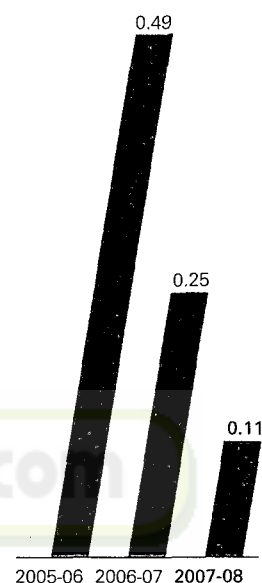
⇒ EBIDTA Rs. 5502 lacs in 2006-07 to Rs. 7827 lacs in 2007-08

⇒ PBT Rs. 2863 lacs in 2006-07 to Rs. 5025 lacs in 2007-08

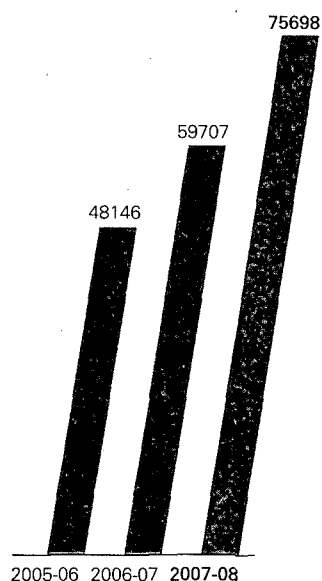
⇒ PAT Rs. 1837 lacs in 2006-07 to Rs. 3224 lacs in 2007-08

⇒ EPS (basic) Rs. 18.87 in 2006-07 to Rs. 33.12 in 2007-08

Debt-equity ratio

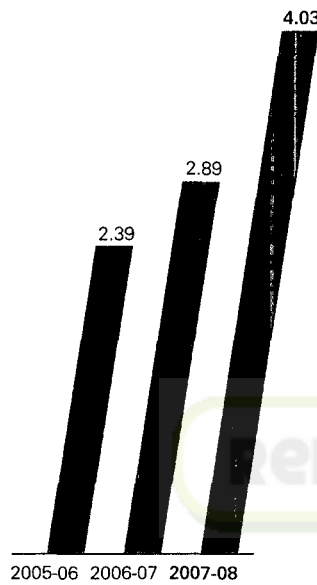
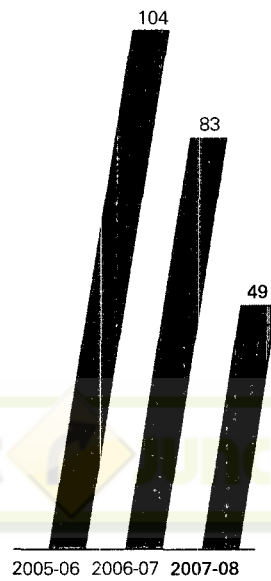
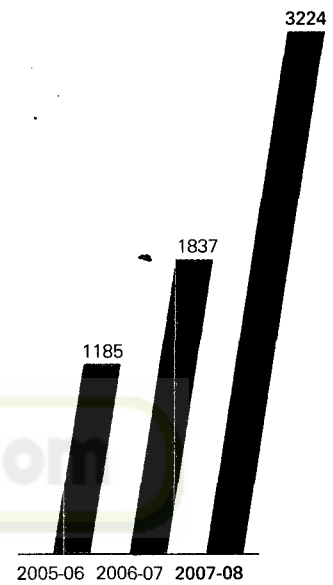
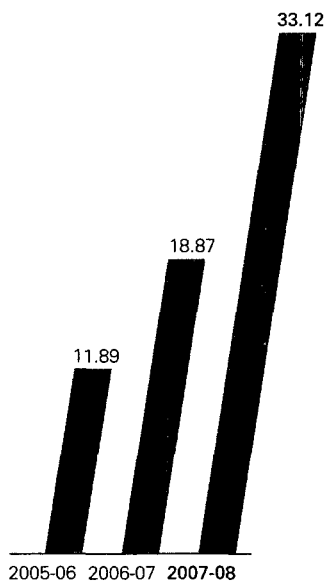
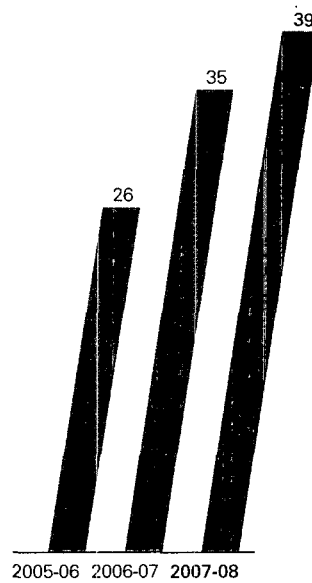
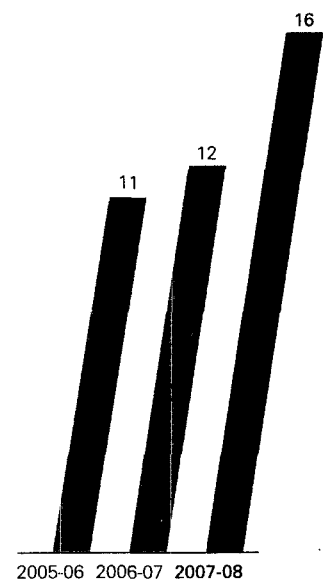


Total Revenue (Rs. lacs)



EBIDTA & EBIDTA Margin



Interest Cover (times)Days Sales in ReceivablesProfit After Tax (Rs. lacs)Earnings Per Share (Basic) (Rs.)ROCE (%)RONW (%)

Chairman's overview

Dear Shareholders,

For the first time, TIL featured in India's Top 500 Companies, a publication by Dun & Bradstreet. It also won the Construction World-NICMAR Award for being the second largest Indian construction equipment Company. It rolled out its 5,000th crane from the Kamarhatty unit. These achievements were the result of Team TIL's commitment, performance-based work culture, prestigious business alliances and global partnerships.

It gives me pleasure to present the annual report of your Company for the financial year 2007-08, a year of record growth and profitability.

Economic and business

perspective: The Indian economy continued to grow during the year under review, emerging as a trillion-dollar-economy, one of 12 economic powerhouses to enjoy this distinction. In terms of purchasing power parity (PPP), the Indian economy was worth US\$4 trillion, accounting for 6.3% of the global economy.

This unprecedented economic prosperity has translated into a spate of unprecedented expansions, takeovers, mergers and acquisitions. Despite a marginal deceleration in the GDP growth rate, the Indian economy looks reasonably buoyant and will continue to inspire the confidence of investors. In this scenario, India's earthmoving and construction equipment industry is set to increase five-fold by 2015, growing investments in construction, mining, power, material and port handling equipment and other infrastructure sectors reinforce the industry's optimism. As a result of the government emphasis and

private sector enthusiasm, around US\$1,000 billion is likely to be invested in building a world-class infrastructure in India over the next eight to 10 years.

Performance of the Company: Your Company performed commendably during the year under review through its competitive positioning. Total income grew by 38% to reach Rs. 109193 lacs as on March 31, 2008; consolidated group pre-tax profit was up 85% while consolidated group earnings per share grew to Rs. 44.28. TIL's standalone turnover, including the income from operations and other income for the year ended March 31, 2008 increased 27% to Rs. 75698 lacs. Your Company's three operating business segments – Material Handling Solutions, Construction Mining and Power Systems Solutions – registered creditable performances. In view of this, your Board has recommended a dividend of Rs 4 on each share of a face value of Rs 10 (40%).

Beyond financials: Technology, innovation and leadership continue to be the pillars of your Company's growth strategy in line with changing needs and market dynamics. Even as