

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

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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.